



- SWD (bwpd) ● Disposal Well (water available)
- INJ (bwpd) ▲ Injection Well (water not available)
- WSW (bwpd) ■ Fresh Water Supply Well (water available - diverted for Oil Expl)
- Units (water not available)  
□ Fresh Water Used for Make-up
- ▨ Proposed Unit



Beach Exploration, Inc.

**Beach Exploration, Inc.**  
**EASTLAND QUEEN UNIT**  
 EDDY COUNTY, NEW MEXICO

**Area Makeup Water Source Map**  
 (estimated requirement 2700 bwpd)

**GEOLOGY :**  
**ENGINEERING :** SCALE : 1in. = 8000 ft

DOCKET: SPECIAL EXAMINER HEARING - FRIDAY - OCTOBER 12, 2007

8:15 A.M. - 1220 South St. Francis  
Santa Fe, New Mexico

Docket Nos. 32-07 and 33-07 are tentatively set for October 18 and November 1, 2007. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following Cases will be heard by an Examiner.

<p><i>Locator Key for Cases</i> <i>Case 13972 - No. 1</i> <i>Case 13973 - No. 2</i></p>
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1. **CASE 13972:** (Continued from the September 20, 2007 Examiner Hearing.)  
***Application of Beach Exploration, Inc. for statutory unitization, Eddy County, New Mexico.*** Applicant seeks an order unitizing all mineral interests in the Queen Sand member of the Turkey Track-Seven Rivers-Queen-Grayburg-San Andres Pool underlying parts of Sections 1, 2, and 11, Township 19 South, Range 29 East, NMPM, comprising 1040.00 acres of state lands for its proposed Eastland Queen Unit. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 et seq., will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate. The unit area is centered approximately 10 miles south-southwest of Loco Hills, New Mexico.
2. **CASE 13973:** (Continued from the September 20, 2007 Examiner Hearing.)  
***Application of Beach Exploration, Inc. for approval of a waterflood project and to qualify the project for the Recovered Oil Tax Rate, Eddy County, New Mexico.*** Applicant seeks approval to institute a waterflood project in the Queen Sand member of the Turkey Track-Seven Rivers-Queen-Grayburg-San Andres Pool by the injection of water into eighteen wells located on state lands covering parts of Sections 1, 2, and 11, Township 19 South, Range 29 East, NMPM. Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1-5). The project is centered approximately 10 miles south-southwest of Loco Hills, New Mexico.