



State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
FAX (505) 827-5766

December 17, 1997

Beach Exploration, Inc.  
800 N. Marienfeld  
Suite 200  
Midland, Texas 79701-3382

Attn: Mr. Robert N. Hinson

Re: 1997 Plan of Development  
Red Lake Unit  
Eddy County, New Mexico

Dear Mr. Hinson:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

A handwritten signature in black ink, appearing to read "Jami Bailey".

BY:  
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm  
xc: Reader File

OCD

BLM

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

RECEIVED

APR 9 1991

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

OIL CONSERVATION DIVISION

Case No: 10,192

Order No. R-9453

APPLICATION OF BEACH EXPLORATION,  
INC. FOR A WATERFLOOD PROJECT,  
EDDY COUNTY, NEW MEXICO.

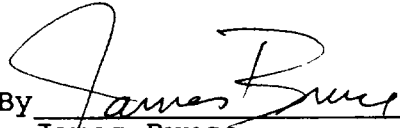
APPLICATION FOR DE NOVO HEARING

Applicant Beach Exploration, Inc. hereby appeals the  
above matter to the full Commission as provided by N.M.  
Stat. Ann. §70-2-13 (1987 Repl.).

Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD &  
HENSLEY

By

  
James Bruce

500 Marquette, N.W.

Suite 800

Albuquerque, N.M. 87102

(505) 768-1500

Attorneys for Applicant  
Beach Exploration, Inc.

# HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 800  
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(505) 768-1500

FAX (505) 768-1529

OF COUNSEL  
O. M. CALHOUN\*  
MACK EASLEY  
JOE W. WOOD  
RICHARD S. MORRIS

CLARENCE E. HINKLE (1901-1985)  
W. E. BONDURANT, JR. (1913-1973)  
ROY C. SNOODGRASS, JR. (1914-1987)

April 18, 1991

LEWIS C. COX  
PAUL W. EATON  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY JR.  
STUART D. SHAWOR  
ERIC D. JANPHERE  
C. D. MARTIN  
PAUL J. KELLY JR.  
MARSHALL G. MARTIN  
OWEN M. LOPEZ  
DOUGLAS L. LUNSFORD  
JOHN L. KELLY  
T. CALDER EZZELL, JR.  
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THOMAS J. MCBRIDE  
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JEFFREY D. HEWETT  
JAMES BRUCE  
JERRY F. SHACKELFORD\*  
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JEFFREY S. BARO\*  
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S. BARRY FAISNER  
MARGARET CARTER LUCEWIG  
MARTIN MEYERS  
GREGORY S. WHEELER  
ANDREW J. CLOUTIER  
JAMES A. G. LESPIE  
GARY W. LARSON  
STEPHANIE LANDRY  
JOHN R. K. SETH JR.  
LISA K. SMITH\*

\*NOT LICENSED IN NEW MEXICO

OIL CONSERVATION DIVISION  
700 UNITED BANK PLAZA  
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(505) 982-4554

FAX (505) 982-8623

Mr. William Lemay  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Re: De Novo Application of Beach Exploration, Inc.

Dear Mr. Lemay:

The above matter is set for the May 9, 1991 Commission docket. Please dismiss the above proceeding. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &  
HENSLEY

By: James Bruce

JB:le



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

May 28, 1991

HINKLE, COX, EATON,  
COFFIELD & HENSLEY  
Attorneys at Law  
500 Marquette, NW  
Suite 740  
Albuquerque, New Mexico 87102

RE: CASE NO. 10193  
ORDER NO. R-9454-A

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

A handwritten signature in cursive script that reads "Florene Davidson".

Florene Davidson  
OC Staff Specialist

FD/sl

cc: BLM - Carlsbad

# HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 800  
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CLARENCE E. HINKLE (190-1985)  
W. E. BONDURANT, JR. (1913-1973)  
ROY C. SNODGRASS, JR. (1914-1987)

April 8, 1991

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GARY W. LARSON  
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JOHN R. KULSETH, JR.  
LISA K. SMITH\*

\*NOT LICENSED IN NEW MEXICO

## VIA FEDERAL EXPRESS

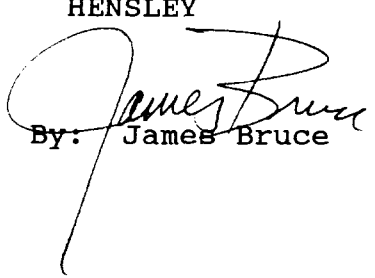
Ms. Florene Davidson  
New Mexico Oil Conservation  
Division  
State Land Office Building  
310 Old Santa Fe Trail  
Room 206  
Santa Fe, New Mexico 87501

Dear Florene:

Enclosed for filing is an Application for Hearing De Novo in case 10,192. Please endorse one of the enclosed copies and return it to me in the envelope provided.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &  
HENSLEY

By:  James Bruce

JB:le  
Enclosures

RECEIVED

OIL CONSERVATION DIVISION



JIM BACA  
COMMISSIONER

10193

State of New Mexico  
OFFICE OF THE  
Commissioner of Public Lands  
Santa Fe

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

SLO REF NO. OG-1301

May 5, 1993

Beach Exploration, Inc.  
800 N. Marienfeld  
Suite 200  
Midland, Texas 79701

Attn: Mr. Hal Gill

Re: 1993 Plan of Development  
Red Lake Unit  
Eddy County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You will be contacted at a later date regarding these possibilities.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

JB/FOP/pm  
cc: OCD  
BLM



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

March 14, 1991

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Mr. James Bruce  
Hinkle, Cox, Eaton,  
Coffield & Hensley  
Attorneys at Law  
500 Marquette, N.W.  
Suite 800  
Albuquerque, New Mexico 87102-2121

Re: CASE NO. 10193  
ORDER NO. R-9454

Applicant:

Beach Exploration Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Division order recently entered in the subject case.

Sincerely,

*Florene Davidson*

FLORENE DAVIDSON  
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x  
Artesia OCD x  
Aztec OCD

Other

## FAX TELECOPY COVER LETTER

BEACH EXPLORATION, INC.  
800 N North Marianfeld, Suite 200  
Midland, Texas 79701  
Office Phone: (915) 683-6226  
FAX No.: (915) 683-1038

FAX TRANSMISSION

## COVER SHEET

DATE: 2-12-91TO: David Catanach  
Oil Conservation DivisionFROM: Hal Gill  
Beach Exploration, Inc.  
Midland, Texas

FAX NO. \_\_\_\_\_

DATE SENT: 2-12-91 TIME SENT: 10:02 A.M.

Total number of pages including cover sheet \_\_\_\_\_

If you do not receive all the pages or have any questions please  
call (915) 683-6226.

MESSAGE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WKL:FAX/COVER

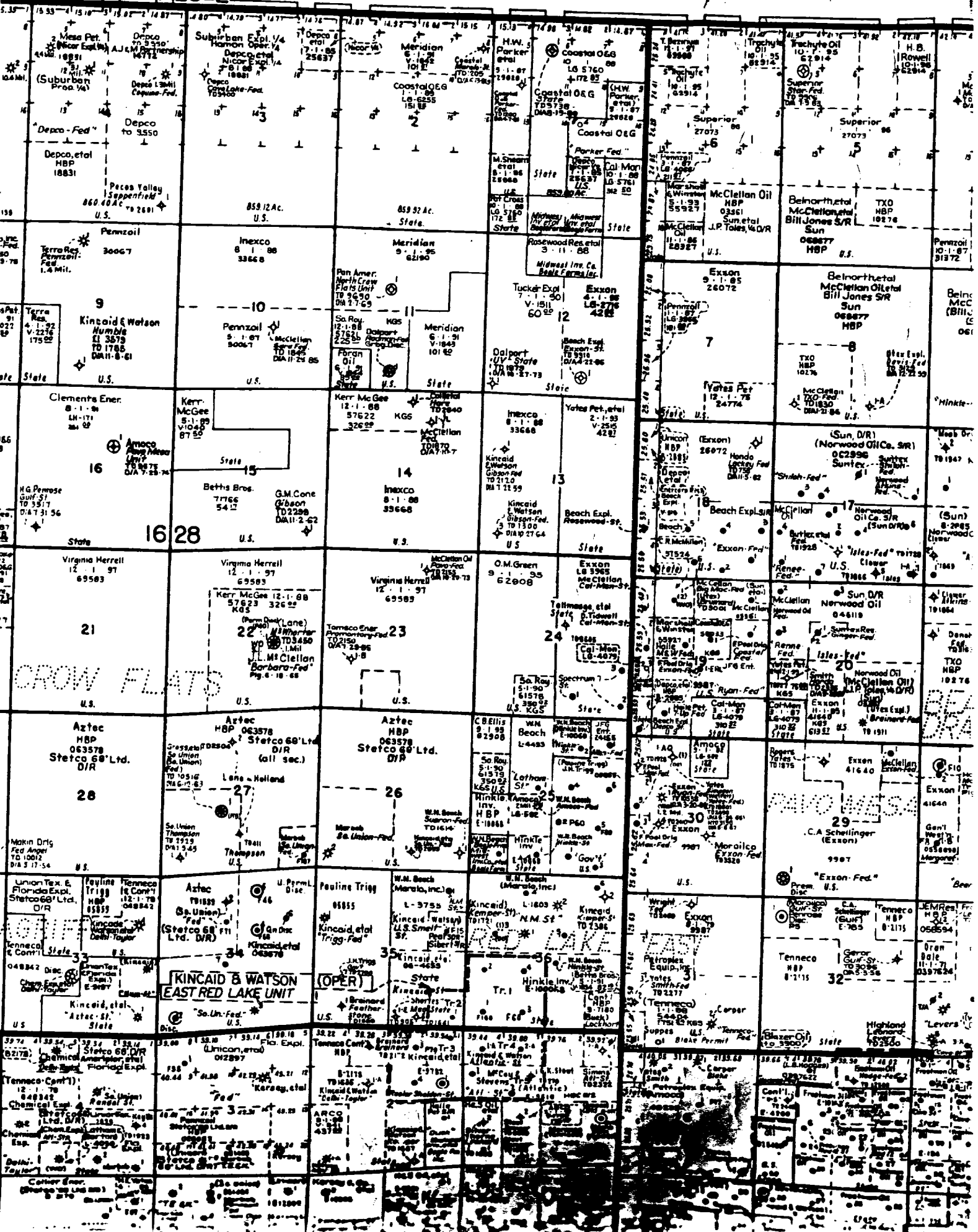


EXHIBIT "D"  
TO UNIT AGREEMENT  
RED LAKE UNIT  
EDDY CO., N.M.

SERIAL NO. 1  
EXPIRATION DATE  
OF LEASE  
BASIC ROYALTY OWNER  
LESSOR OF RECORD  
GARI  
W.J. OWNERS

|    |                                                       |       |         |     |       |        |             |                                                                                                                                               |                                                                                  |                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                |
|----|-------------------------------------------------------|-------|---------|-----|-------|--------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5A | NW/4 NE/4, SE/4 SW/4 SECT. 25;<br>T-16-S, R-28-E NMPN | 80.00 | E-10068 | HDP | STATE | 0.1250 | HINKLE INV. | 180 Z: FRANKLIN, ROBERT D, JR<br>HANNA, ELIZABETH S<br>HILBURN, SAM E<br>HINKLE INVESTMENT COMPANY<br>MORRIS, ALEXANDRA C<br>MORRIS, ROBERT B | 1.00437500<br>1.00437500<br>1.00437500<br>1.07500000<br>1.00218750<br>1.00218750 | BALWIN, J.H.<br>BEACH, CARL C<br>BEACH, WILLIAM H<br>BROWN ROYALTIES IP<br>HOLLAND, DAVID L<br>JOHNSON, DELORE J, IP<br>McDONALD COMPANY<br>McDONALD, S K<br>MARRELL, DON<br>MORTON, SHERMAN H, JR<br>ROSE, J P<br>SITTON ENTERPRISES<br>SITTON, P & E CORP.<br>SITTON, RONALD<br>WEST, CHARLES L | 0.06350000<br>0.03250000<br>0.17300000<br>0.01000000<br>0.03250000<br>0.01000000<br>0.03125000<br>0.03125000<br>0.06350000<br>0.21250000<br>0.03250000<br>0.08333333<br>0.08333333<br>0.04166667<br>0.09375000 |
| 5B | NW/2 SE/4 SECT. 36<br>T-16-S, R-28-E NMPN             | 80.00 | E-10068 | HDP | STATE | 0.1250 | HINKLE INV. | 180 Z: FRANKLIN, ROBERT D, JR<br>HANNA, ELIZABETH S<br>HILBURN, SAM E<br>HINKLE INVESTMENT COMPANY<br>MORRIS, ALEXANDRA C<br>MORRIS, ROBERT B | 1.00437500<br>1.00437500<br>0.00437500<br>0.07500000<br>0.00218750<br>0.00218750 | BALWIN, J.H.<br>BEACH, CARL C<br>BEACH, WILLIAM H<br>BROWN ROYALTIES IP<br>HOLLAND, DAVID L<br>JOHNSON, DELORE J, IP<br>McDONALD COMPANY<br>McDONALD, S K<br>MARRELL, DON<br>MORTON, SHERMAN H, JR<br>ROSE, J P<br>SITTON ENTERPRISES<br>SITTON, P & E CORP.<br>SITTON, RONALD<br>WEST, CHARLES L | 0.06350000<br>0.03250000<br>0.17300000<br>0.01000000<br>0.03250000<br>0.01000000<br>0.03125000<br>0.03125000<br>0.06350000<br>0.21250000<br>0.03250000<br>0.08333333<br>0.08333333<br>0.04166667<br>0.09375000 |

PAGE 2 OF 5

DIVISION  
'91 JAN 7 AM 9 10  
BEACH EXPLORATION, INC.  
OIL AND GAS OPERATORS  
P. O. BOX 3669  
MIDLAND, TEXAS 79702

January 3, 1991

*Due*

David R. Catanach  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

RE: Case 10192, 10193  
Beach Exploration, Inc.  
Proposed Red Lake Unit  
Eddy Co., New Mexico

Dear Mr. Catanach:

I received the notice of the Docket for January 10, 1991, on which day the subject cases are scheduled to be heard.

I am scheduled to attend a "Walk to Emmaus", which is a three day religious experience, beginning 7:00P.M. on the same day of the hearing. The only flight that will get me back to Midland in time to make this event leaves Albuquerque at 2:00 P.M.

Due to the length of the Docket on that day, I am concerned that we may not be through in time for me to catch my flight if all of the cases are heard as scheduled. Would it be possible to move our hearing time ahead of some of the others to allow me to make this flight?

The hearing has to come first, but the "Walk to Emmaus" is an important event for me, and I ask for your consideration and help in this regard.

Sincerely,

BEACH EXPLORATION, INC.

*Hal Gill*

Hal Gill  
Petroleum Engineer

HG/bw

# HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

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CLARENCE E. HINKLE (1904-1985)  
W. E. BONDURANT, JR. (1913-1973)  
ROY C. SNODGRASS, JR. (1914-1987)

December 6, 1990

DIVISION

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STEPHANIE LANDORY\*  
JOHN R. KULSETH, JR.\*  
LISA K. SMITH

\*NOT LICENSED IN TEXAS

Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

Attention: David Catanach

Re: Beach Exploration, Inc. -  
Continuance of Case Nos. 10192  
and 10193

Dear David:

Pursuant to our telephone conversation of today, this letter is to confirm our request for a continuance of the above referenced cases from the December 19, 1990 docket to the January 10, 1991 docket.

If you need any further information in this regard, please do not hesitate to call.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

Conrad E. Coffield

CEC:cl  
cec\6\6.5lt

## Copies:

Beach Exploration, Inc.  
800 N. Marienfeld, Suite 200  
Midland, Texas 79701

Mr. Jim Bruce  
500 Marquette N.W., Suite 740  
Albuquerque, NM 87102-2121

# HINKLE, COX, EATON, COFFIELD & HENSLEY

## ATTORNEYS AT LAW

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December 5, 1990

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Oil Conservation Division  
Post Office Box 2088  
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Attention: Florene Davidson

Re: Beach Exploration, Inc. -  
December 19, 1991 Docket --  
Case Nos. 10192 and 10193

Dear Florene:

After submission of the original Applications in the above referenced cases, Beach informed us that the "Cal-Mon State Lease" was not to be included in the unit. Beach also informed us that there were owners within 1/2 mile of the proposed injection wells that had not previously been listed. In this connection we submit the following:

(a) Amended Application for Water Injection for Secondary Recovery with the Red Lake Queen Unit, Eddy County, New Mexico (this application contains a new exhibit which no longer indicates inclusion of the Cal-Mon lease); and

(b) Amended Application for Statutory Unitization with the Red Lake Queen Unit, Eddy County, New Mexico (this application contains new exhibits which no longer indicate inclusion of the the Cal-Mon lease).

If anything more is needed, please call.

Page - 2 -

Thank you.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

  
Conrad E. Coffield

CEC:cl  
cec\6\6.3ltr

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DIVISION  
**BEACH EXPLORATION, INC.**

OIL AND GAS OPERATORS

'91 JAN 24 10 19 39  
P.O. Box 3669  
MIDLAND, TEXAS 79702

January 15, 1991

David R. Catanach  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

RE: Case 10192 & 10193  
Beach Exploration, Inc.  
Proposed Red Lake Unit  
Eddy County, New Mexico

Dear Mr. Catanach:

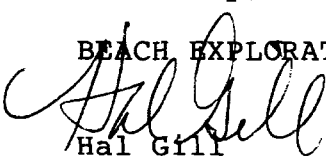
This letter is to say "thanks!" for your consideration in allowing our hearing on the subject cases to be heard earlier than scheduled on January 10th. We made our scheduled flight (barely!) and I did get to attend my "Walk to Emmaus", which was a very special experience for me!

Also, concerning the maximum pressure for the subject unit, I have contacted someone with Halliburton who is working on some computer fracture design projections based on our requested maximum rate and pressure. I wanted to try to further justify my opinion that there could never be a potential fracture propagated to the aquifers. As soon as they are finished with the projection I will send it to you for your consideration.

Again, THANK YOU VERY MUCH!

Sincerely,

BEACH EXPLORATION, INC.

  
Hal Gill  
Engineer

HG/bw