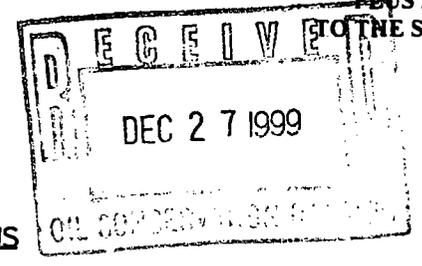


District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
611 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE



APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address Beach Exploration, Inc. 800 N. Marienfeld Ste. 200, Midland, Texas 79701						OGRID Number 1903		
Contact Party Barbara Watson						Phone 915/683-6226		
Property Name Laughlin				Well Number 1		API Number 30-025-34689		
UL	Section	Township	Range	Feet From The	North/South Line	Feet From The	East/West Line	County
L	19	19S	38E	2122'	South	380'	West	Lea

II. Date/Time Information

Spud Date 9-18-99	Spud Time 6:30 PM	Date Completed 12-1-99	Pool Wildcat - San Andres
----------------------	----------------------	---------------------------	------------------------------

- III. Attach copies of Form C-103 or Federal Form 3160-5 showing date of drilling completion and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.
- IV. Attach a list of all working interest owners with their percentage interest.
- V. AFFIDAVIT:

State of Texas)
County of Midland) ss.
Wm. N. Beach, being first duly sworn, upon oath states:

WALDORF 6-01 51938196
SAN ANTONIO
Need Pool
Code. 96998
~~WALDORF 6-01 51938196~~
~~SAN ANTONIO~~

- 1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- 2. To the best of my knowledge, this application is complete and correct.

Signature [Signature] Title President Date 12-20-99

SUBSCRIBED AND SWORN TO before me this 20 day of December, 1999

[Signature]
Notary Public
BARBARA WATSON
Notary Public, State of Texas
My Commission Expires
FEB 16 2000

My Commission expires: 2-16-2000

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:
This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>[Signature]</u>	Title <u>P.E. Spoe.</u>	Date <u>JAN 30 2000</u>
---------------------------------	----------------------------	----------------------------

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 1/31/00

NOTICE: The operator must notify all working interest owners of this New Well certification.

PVZV2010728614

Submit To Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 3 copies
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 811 South First, Artesia, NM 87210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-105
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO.
 30-025-34689
 5. Indicate Type of Lease
 STATE FEE
 State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____
 b. Type of Completion:
 NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESVR. OTHER _____
 2. Name of Operator
 Beach Exploration, Inc.
 3. Address of Operator
 800 N. Marienfeld Ste. 200 Midland, Texas 79701
 7. Lease Name or Unit Agreement Name
 Laughlin
 8. Well No.
 1
 9. Pool name or Wildcat
 Wildcat - San Andres

4. Well Location
 Unit Letter L 2122' Feet From The South Line and 380' Feet From The West Line
 Section 19 Township 19S Range 38E NMPM Lea County
 10. Date Spudded 9-18-99 11. Date T.D. Reached 9-27-99 12. Date Compl. (Ready to Prod.) 11-30-99
 13. Elevations (DF& RKB, RT, GR, etc.) DF-3607' KB - 3608' 14. Elev. Casinghead 3595'
 15. Total Depth 4550' 16. Plug Back T.D. 4504' 17. If Multiple Compl. How Many Zones? _____
 18. Intervals Drilled By _____ Rotary Tools x Cable Tools _____
 19. Producing Interval(s), of this completion - Top, Bottom, Name 4284'-4286', 4298'-4300', 4357'-4359' 20. Was Directional Survey Made No

21. Type Electric and Other Logs Run Gamma Ray / CCL / Cement Bond / VDL 22. Was Well Cored No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	355'	12 1/4"	275 Sxs. C1 C	
4 1/2"	11.6#	4555'	7 7/8"	775 Sxs. C1 C	

24. LINER RECORD 25. TUBING RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8"	4455'	

26. Perforation record (interval, size, and number)
 4284'-4286', 4298'-4286', 4357'-4359'
 9' - 3 1/8" 21 Holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
 DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED
 4357'-4286' 1,500 Gals. NeFe Acid

28. PRODUCTION

Date First Production 12-1-99 Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping - 1 1/2" X 12' RWBC Well Status (Prod. or Shut-in) Producing

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
12-10-99	24	14/64"		11	58	63	5272

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
50						31.0

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented - Waiting on pipeline Test Witnessed By Mike Tracy, Beach Expl.

30. List Attachments Inclination Report, log

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature *Barbara Watson* Printed Name Barbara Watson Title Production Date 12-20-99

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

- T. Anhy _____
- T. Salt _____
- B. Salt _____
- T. Yates 2880'
- T. 7 Rivers 2992'
- T. Queen _____
- T. Grayburg _____
- T. San Andres 4275'
- T. Glorieta _____
- T. Paddock _____
- T. Blinebry _____
- T. Tubb _____
- T. Drinkard _____
- T. Abo _____
- T. Wolfcamp _____
- T. Penn _____
- T. Cisco (Bough C) _____
- T. Canyon _____
- T. Strawn _____
- T. Atoka _____
- T. Miss _____
- T. Devonian _____
- T. Silurian _____
- T. Montoya _____
- T. Simpson _____
- T. McKee _____
- T. Ellenburger _____
- T. Gr. Wash _____
- T. Delaware Sand _____
- T. Bone Springs _____
- T. _____
- T. _____
- T. _____
- T. _____

Northwestern New Mexico

- T. Ojo Alamo _____
- T. Kirtland-Fruitland _____
- T. Pictured Cliffs _____
- T. Cliff House _____
- T. Menefee _____
- T. Point Lookout _____
- T. Mancos _____
- T. Gallup _____
- Base Greenhorn _____
- T. Dakota _____
- T. Morrison _____
- T. Todilto _____
- T. Entrada _____
- T. Wingate _____
- T. Chinle _____
- T. Permian _____
- T. Penn "A" _____
- T. Penn. "B" _____
- T. Penn. "C" _____
- T. Penn. "D" _____
- T. Leadville _____
- T. Madison _____
- T. Elbert _____
- T. McCracken _____
- T. Ignacio Otzte _____
- T. Granite _____
- T. _____

OIL OR GAS SANDS OR ZONES

- No. 1, from.....to.....
 No. 2, from.....to.....
 No. 3, from.....to.....
 No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

- No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
2880'			Yates-sand, salt shale, anhy				
2992'			7 Rivers-sand, shale,Dolo				
4275'			SA-Dolo,Shale,Sand,Dolomitic				

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-104
Revised March 25, 1999

Submit to Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Beach Exploration, Inc. 800 N. Marienfeld Ste. 200, Midland, Texas		² OGRID Number 1903
		³ Reason for Filing Code NW
⁴ API Number 30-025-34689	⁵ Pool Name Wildcat- San Andres	⁶ Pool Code
⁷ Property Code 24852	⁸ Property Name Laughlin	⁹ Well Number 1

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
L	19	19S	38E		2122'	South	380'	West	Lea

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	19	19S	38E		2122'	South	380'	West	Lea
¹² Lee Code S	¹³ Producing Method Code P	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
013063	Lantern Petroleum P.O. Box 2281, Midland Texas		0	

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description
-------------------	--

V. Well Completion Data

²⁵ Spud Date 9-18-99	²⁶ Ready Date 11-30-99	²⁷ TD 4550'	²⁸ FBTD 4504'	²⁹ Perforations 4284'-4359'	³⁰ DHC, MC
³¹ Hole Size 12 1/4"	³² Casing & Tubing Size 8 5/8"	³³ Depth Set 355'	³⁴ Sacks Cement 275 Sxs. CIC		
³⁵ Hole Size 7 7/8"	³⁶ Casing & Tubing Size 4 1/2"	³⁷ Depth Set 4555'	³⁸ Sacks Cement 775 Sxs. CIC		

VI. Well Test Data

³⁹ Date New Oil 12-01-99	⁴⁰ Gas Delivery Date	⁴¹ Test Date 12-10-99	⁴² Test Length 24	⁴³ Tbg. Pressure 50	⁴⁴ Csg. Pressure
⁴⁵ Choke Size 14/64"	⁴⁶ Oil 11	⁴⁷ Water 63	⁴⁸ Gas 58	⁴⁹ AOF	⁵⁰ Test Method Pump

⁵¹ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Barbara Watson*
Printed Name: Barbara Watson
Title: Production
Date: _____ Phone: _____

OIL CONSERVATION DIVISION

Approved by: _____
Title: _____
Approval Date: _____

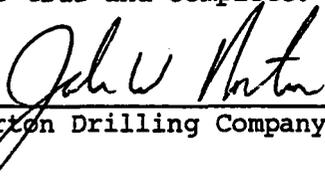
⁵² If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date
-----------------------------	--------------	-------	------

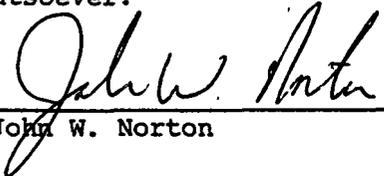
Deviation surveys taken on Beach Exploration's Laughlin #1 well in Lea County, New Mexico:

<u>Depth</u>	<u>Degree</u>
355	1.00
853	.25
1350	2.00
1445	1.00
1728	1.00
2201	.75
2705	2.00
2830	2.00
3021	2.00
3145	1.00
3660	.25
4162	.50
4550	.75

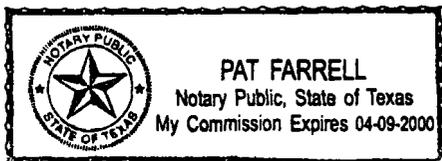
I hereby certify that I have personal knowledge of the facts placed on this sheet and that such information given above is true and complete.

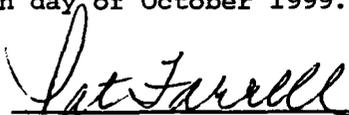

Norton Drilling Company

Before me, the undersigned authority, on this day personally appeared John W. Norton, known to me to be the person whose name is subscribed hereto, who, after being duly sworn, on oath states that he is the drilling contractor of the well identified in this instrument and that such well was not intentionally deviated from the vertical whatsoever.


John W. Norton

SWORN AND SUBSCRIBED TO before me this 11th day of October 1999.




Notary Public in and for
Lubbock County, Texas.

BEACH EXPLORATION INC

LEASE DDI LISTING BY LEASE

FOR LEASES 2250-ACP THRU 2250-BCP

LEASE	OWNER	OWN	TAX	SUS	HND	INT	COSTS	OIL REV	GAS REV
2250-ACP LAUGHLIN #1	LEA 01								
	BA76C WILLIAM B. BARNHILL	0		P		1	.02000000	.00000000	.00000000
	BE112 BEACH EXPLORATION INC	0		P		1	.06250000	.00000000	.00000000
	BR114 BRAKA OPERATING CO.	0		P		1	.03125000	.00000000	.00000000
	BR63C BROUGHTON FARM CO.	0		P		1	.03500000	.00000000	.00000000
	CH435 JEREMY CHILDS	0		P		1	.01000000	.00000000	.00000000
	DA955 JAMES A DAVIDSON	0		P		1	.06250000	.00000000	.00000000
	GA980 ARNOLD M GAYNOR	0		P		1	.04000000	.00000000	.00000000
	HA615 HANLEY PETROLEUM INC	0		P		1	.25000000	.00000000	.00000000
	HU210 JERE CLAYTON HUBBARD	0		P		1	.03812500	.00000000	.00000000
	HU211 W. C. HUBBARD	0		P		1	.03812500	.00000000	.00000000
	HU370 HUFFMAN INVESTMENTS	0		P		1	.03000000	.00000000	.00000000
	MI980 MIZEL RESOURCES, A TRUST	0		P		1	.08000000	.00000000	.00000000
	NA760 D D NARRELL FAMILY TRUST	0		P		1	.01500000	.00000000	.00000000
	TI271 TIERRA OIL COMPANY	0		P		1	.18750000	.00000000	.00000000
	YO793 YOSEMITE CREEK OIL & GAS, LLC	0		P		1	.10000000	.00000000	.00000000
TOTALS:	15 OWNERS						1.00000000	.00000000	.00000000
2250-BCP LAUGHLIN #1	LEA 31								
	BA76C WILLIAM B. BARNHILL	0		P		1	.02666670	.00000000	.00000000
	BR114 BRAKA OPERATING CO.	0		P		1	.04166660	.00000000	.00000000
	BR63C BROUGHTON FARM CO.	0		P		1	.04666670	.00000000	.00000000
	CH435 JEREMY CHILDS	0		P		1	.01333330	.00000000	.00000000
	DA955 JAMES A DAVIDSON	0		P		1	.08333330	.00000000	.00000000
	GA980 ARNOLD M GAYNOR	0		P		1	.05333330	.00000000	.00000000
	HA615 HANLEY PETROLEUM INC	0		P		1	.33333330	.00000000	.00000000
	HU210 JERE CLAYTON HUBBARD	0		P		1	.05083340	.00000000	.00000000
	HU211 W. C. HUBBARD	0		P		1	.05083340	.00000000	.00000000
	HU370 HUFFMAN INVESTMENTS	0		P		1	.04000000	.00000000	.00000000
	MI980 MIZEL RESOURCES, A TRUST	0		P		1	.10666670	.00000000	.00000000
	NA760 D D NARRELL FAMILY TRUST	0		P		1	.02000000	.00000000	.00000000
	YO793 YOSEMITE CREEK OIL & GAS, LLC	0		P		1	.13333330	.00000000	.00000000
TOTALS:	13 OWNERS						1.00000000	.00000000	.00000000

Submit 3 Copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION 2040 Pacheco St. Santa Fe, NM 87505

DISTRICT II P.O. Drawer DD, Aztec, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.	30-025-34689
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Laughlin
Property Code No.	24852
8. Well No.	1
9. Pool name or Wildcat	Wildcat - San Andres
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3595' GL

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE 'APPLICATION FOR PERMIT' (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL GAS WELL OTHER

2. Name of Operator: Beach Exploration, Inc. OGRID No. 1903

3. Address of Operator: 800 N. Marienfeld Ste. 200 Midland, Texas 79701

4. Well Location: Unit Letter L, Section 19, Township 19S, Range 38E, NMPM, Lea County. 2122 Feet From The South Line and 380 Feet From The West Line.

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Beach Exploration, Inc. spud well on 9-18-99, drilled to 355', set 8 jts. 8 5/8" casing 24#, at 355', cemented with 275 sxs. Cl C, circulated 70 sxs. Plug down @3:30 AM, 9-19-99 WOC for 12 hrs. Test BOP for 1 Hr.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE: [Signature] TITLE: Production DATE: 9-21-99

APPROVED BY: ORIGINAL SIGNED BY CHRIS WILLIAMS, DISTRICT I SUPERVISOR TITLE: DATE: SEP 28 1999

CONDITIONS OF APPROVAL, IF ANY: