

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

NM OIL CONSERVATION

Minerals and Natural Resources

MAR 20 2017 CONSERVATION DIVISION

1220 South St. Francis Dr.

RECEIVED Santa Fe, NM 87505

Revised August 1, 2011

<p>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.)</p>		<p>WELL API NO. 30-015-25392</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other (Injector)</p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Beach Exploration, Inc.</p>		<p>6. State Oil & Gas Lease No. NMNM106832X</p>
<p>3. Address of Operator 800 N. Marienfeld, Suite 200, Midland, TX 79701</p>		<p>7. Lease Name or Unit Agreement Name WEST HIGH LONESOME UNIT</p>
<p>4. Well Location Unit Letter <u>A</u> : <u>660</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>East</u> line Section <u>19</u> Township <u>16S</u> Range <u>29E</u> NMPM Eddy County</p>		<p>8. Well Number <u>21</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.)</p>		<p>9. OGRID Number 001903</p>
<p>10. Pool name or Wildcat High Lonesome Queen</p>		

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☒ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The WHL #21 injector failed a mechanical integrity test on 2/27/17, conducted by Richard Inge (NM OCD).

Plan to pull well to repair.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jack M. Rose TITLE Engineer DATE March 24th, 2017

Type or print name Jack M. Rose E-mail address: bmartin@beachexp.com PHONE: 432/683-6226

For State Use Only

APPROVED BY: Richard Inge TITLE COMPLIANCE OFFICER DATE 3/23/17

Conditions of Approval (if any):