

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-01438
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

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.)		7. Lease Name or Unit Agreement Name: West High Lonesome Penrose Sand Unit
1. Type of Well: Oil Well Gas Well X Other	RECEIVED MAR 26 2004	8. Well No. 13
2. Name of Operator Beach Exploration, Inc.	OCD-ARTESIA	9. Pool name or Wildcat High Lonesome Queen
3. Address of Operator 800 North Marienfeld, Ste. 200, Midland, TX 79701		
4. Well Location Unit Letter <u>J</u> : <u>1650</u> feet from the South <u> </u> line and <u>2310</u> feet from the East <u> </u> line Section <u>17</u> Township <u>16S</u> Range <u>29E</u> NMPM County <u>Eddy</u>		
10. Elevation (Show whether DR, RKB, RT, GR, etc.)		

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON X CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

The WHL #13 was a cable tool hole with 7" casing and an open hole section that had been shot with nitro. To convert this well to injection the open hole section was filled with sand and 5 1/2" casing was run to 1757' inside the 7" and cemented. The well was then cleaned out to the original TD of 1815', configured for injection and integrity tested on 8/27/02. The well failed to take fluid at the authorized injection pressure of 350 psi.

The WHL #23 was converted in the same manner as the #13 and considerably more time and money were spent cleaning this well up and it still did not take fluid. After being shut-in for several months the #23 started taking water and has continued to do so.

The reason #23 started taking fluid is still not understood. The #13 has been shut-in pending the evaluation of the effectiveness of injection into the #23. If #23 shows to be effective injection, our plans are to work on the #13. Until that time Beach requests that the #13 be put in a TA'd status. With higher authorized injection pressure (1100 psi) we plan to periodically attempt to inject into #13. If the well starts taking fluid continuously we will file an activation C103.

The WHL #13 was integrity tested on 3/11/04 and passed. The test chart is attached to this C103

Temporary Abandoned Status approved
with 3-11-05

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

SIGNATURE Lizbeth Lodle TITLE Engineering Analyst DATE March 25, 2004

Type or print name Lizbeth Lodle

Telephone No. 432-683-6226

(This space for State use)

APPROVED BY _____ TITLE _____ DATE APR 5 2004

