

Submit 1 Copy To Appropriate District Office  
 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

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised August 1, 2011

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

WELL API NO. 30-015-25672
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMNM106832X
7. Lease Name or Unit Agreement Name WEST HIGH LONESOME UNIT
8. Well Number 14
9. OGRID Number 001903
10. Pool name or Wildcat High Lonesome Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

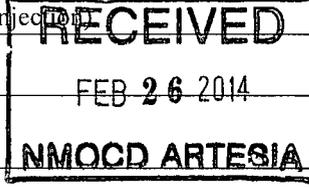
**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other (Injection)

2. Name of Operator  
Beach Exploration, Inc.

3. Address of Operator  
800 N. Marienfeld, Suite 200, Midland, TX 79701

4. Well Location  
 Unit Letter N : 560 feet from the South line and 2035 feet from the West line  
 Section 18 Township 16S Range 29E NMPM Eddy County



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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input checked="" 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"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 #14 injector failed a mechanical integrity test on 2/20/14 conducted by Richard Inge (NM OCD). The tubing pressure and casing pressure looked to be equalizing. Most probable cause is a packer or tbq leak. The well is currently shut in pending repair.

- 1 Connect flowback to vacuum truck to catch injection well flowback.
- 2 RU pulling unit. NU BOP. Release and reset packer to test packer seal. Drop standing valve to SN and pressure up on tbq to test.
- 3 Replace tubing and or packer and retest. If packer and tubing test ok then proceed to step 4.
- 4 Pick up 4 1/2" bridge plug, packer and 2 3/8" workstring. RIH and set BP at 1650'. Pull up, set packer and test BP to 2000 psi.
- 5 Work packer up hole testing tubing and backside to locate casing leak. RIH w/16 jts tailpipe and packer to casing leak..
- 6 Spot a 25sx balanced cement plug as follows: pump 7.5sx C-neat cmt, 10sx C-neat cmt w/6#/sx blast sand, and 7.5sx C-neat.
- 7 Pull up 16 jts, pump 6 BFW, set packer and hesitation squeeze casing leak. WOC
- 8 POOH w/tubing. RU reverse unit. Pickup 3 7/8" bit, drill collars and workstring. Drill out squeeze plug and pressure test casing.
- 9 Drill out 4 1/2" BP at 1650' and clean out hole below perms 1708 - 1727 (PBD 1772) POOH and laydown drill collars and workstring.
- 10 RIH w/2 3/8" x 4 1/2" PC AD-1 tension packer, PC SN and 53 jts Duo-10 lined tbq. Load backside w/packer fluid and set packer at 1651'.
- 11 Conduct OCD witnessed MIT. Return well to injection.

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

SIGNATURE [Signature] TITLE Engineer DATE February 24, 2014

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

**For State Use Only**

APPROVED BY: [Signature] TITLE COMPLIANCE OFFICER DATE 3/13/14  
 Conditions of Approval (if any):