

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOil Cons.
N.M. Div-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NML046119A |
| 2. Name of Operator BEACH EXPLORATION INC. | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 800 N. MARIENFELD, MIDLAND, TX 79701 | 3b. Phone No. (include area code) 915-688-6228 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330 FSL & 1650 FEL SEC - UNIT 17-0 TWP 16-5 RNG 29E | | 8. Well Name and No. GEORGE ATKINS LLES FED. #5 |
| | | 9. API Well No. 30-015-02755 |
| | | 10. Field and Pool, or Exploratory Area HIGH LONESOME QUEEN |
| | | 11. County or Parish, State EDDY |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|--|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input checked="" type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input checked="" type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletes horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1st 42'
6/3/02 - MOVED IN & RIG UP; DIG & LINE PIT; CALLED BLM
6/5/02 - RIH WITH 2 OUTS. OF 8 5/8 SURFACE CASING; CEMENT WITH 12 SACKS; SWI & WOC OVERNIGHT
6/6/02 - CEMENT 8 5/8 X 11" ANNULUS USING 1" TUBING AND 34 SACKS OF CEMENT; NO CIRCULATION
PUMP 34 SACKS CEMENT TO SURFACE (clean out hole to 1554';
6/12/02 - SPOT A 36 SACK CEMENT PLUG @ 1,554' - 1,483'; WOC
6/13/02 - TAG PLUG @ 1,460'
6/13/02 - SPOT A 28 SACK PLUG @ 834'
6/13/02 - SPOT A 50 SACK PLUG @ 686'; PUH & WOC
6/13/02 - TAG TOP OF PLUG @ 610'; NOTIFY BLM; RE-SPOT 13 SACKS @ 610'; WOC
6/14/02 - TAG TOP OF PLUG @ 600'; RE-SPOT 25 SACKS @ 600'; WOC
6/14/02 - TAG TOP OF PLUG @ 570'
6/14/02 - SPOT A 100 SACK PLUG @ 320'; WOC
6/14/02 - TAG TOP OF PLUG @ 270'
6/14/02 - RE-SPOT 150 SACKS @ 270'; SDFN
6/17/02 - TAG TOP OF PLUG @ 25'
6/17/02 - SPOT A 10 SACK SURFACE PLUG; CUT OFF WELLHEAD; INSTALL P & A MARKER

Approved as to plugging of the well and
Liability under bond is retained until
surface restoration is completed.

APPROVED

JUL - 7 2003

LES BABYAK
PETROLEUM ENGINEER14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Signature

LIZBETH LODGE

Title

Engineering Analyst

Date

8/6/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this office does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.