

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

*Field Inspection Program
"Preserving the Integrity of Our Environment"*

28-Jan-03

BEACH EXPLORATION INC

800 N MARIENFELD STE 200
MIDLAND, TX 79701-

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section below indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division.

Please notify the proper district office of the Division of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

RED LAKE UNIT 004

B-25-16S-28E

30-015-23539-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/27/2003	Routine/Periodic	Gerry Guye	Yes	No	2/7/2003	iGEG0302750165
Violations						
1i R Surface Leaks/Spills						
Comments on Inspection: Violation of Rule 13(Stuffing box leak/Oil puddle on ground)						

RED LAKE UNIT 028

N-25-16S-28E

30-015-29637-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/27/2003	Routine/Periodic	Gerry Guye	Yes	No	2/7/2003	iGEG0302750619
Violations						
1i R Surface Leaks/Spills						
Comments on Inspection: Violation of Rule 13(Stuffing box leak)						