United State Department of the Interior Bureau of Land Management Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201-1287

Statement Accepting Responsibility for Operations

Beach Exploration, Inc. 800 N. Marienfeld Ste. 200 Midland, Texas 79701

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No. : NMNM55927

Legal Description of Land: SE/4 NW/4 of Sec. 19, T16S, R29E, Eddy County, New Mexico

- Formation: Limited in depth from the surface to 100' below the base of the Queen Formation
- Bond Coverage: 080 S 103114568 BCV (Replaces 799G1745) Reclamation of Oil and Gas \$25,000.00 Beach Exploration, Inc. Bond File No. NMNM0920

Authorized Signature:

Title: Vice President, Beach Exploration, Inc.

Date: August 2, 2001

Form 3160-5 (August 1999)	UNITED STA DEPARTMENT OF TI BUREAU OF LAND M	HE INTERIOR	130	Oil Cons. N.M. DIV-Dist. 2 W. Grand Marchuleus tesia, NM Evider 2017 41 30, 2000
uo not usi	DRY NOTICES AND RE this form for proposals well. Use Form 3160-3 (n in dull as is		5. Lease Senal No. NMNM55927 6. If Indian, Allottee or Tribe Name
SUBMIT IN	TRIPLICATE - Other in	structions on re	verse side	7. If Unit or CA/Agreement, Name and/or No
1. Type of Well	5 76		-256739 DA	
2. Name of Operator	X Other		A	8. Well Name and No.
Beach Exploration, Inc			·浮剧 细胞	D M&W Federal ↓ 1 S 9. API Well No.
3a. Address	••••	3b. Phone No.	(inclute area gode)	30-015-25462
Location of Well (Footnee	200, Midland, TX 79701 iec., T., R., M., or Survey Descrip	915/683-63	RED_ARTERIA	10. Field and Pool, or Exploratory Area
2210' FNL & 1833' FW SE/4 NW/4 Unit F	L 		UNITESIA S	High Lonesome (Oueen) 11. County or Parish, State
· · · · · · · · · · · · · · · · · · ·	()			Eddy Co., NM
12. CHECK A	PPROPRIATE BOX(ES)	TO INDICATE N	ATURE OF NOTICI	E, REPORT, OR OTHER DATA
TYPE OF SUBMISSION			TYPE OF ACTION	, set office of the DATA
Notice of Intent	Acidize	Deepen	Production (Start/Resume) 🔲 Water Shut-Off
	Alter Casing	Fracture Treat	Reclamation	
Subsequent Report	Casing Repair	New Construct		Other
¬	Change Plans	Plug and Aban	don 🔲 Temporarily	Abandon
following completion of the in	the work will be performed or p	rovide the Bond No. of	Water Disponent water	
Describe Proposed or Comple If the proposal is to deepen dii Attach the Bond under which following completion of the in testing has been completed. If determined that the site is read Beach Exploration, Inc.	ted Operation (clearly state all pe rectionally or recomplete horizon the work will be performed or p volved operations. If the operati inal Abandonment Notices shall for final inspection.)	rtinent details, includin tally, give subsurface It tally, give subsurface It ovide the Bond No. o on results in a multiple be filed only after all the of operator from	Water Dispo- operations and measured and n file with BLM/BIA. Re- completion or recompleti requirements, including r	sal of any proposed work and approximate duration thereof true vertical depths of all pertinent markers and zones
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Formation:	Limited in depth from the surface to 100' below the base of the Queen Formation
Bond Coverag	Reclamation of Oil and Gas \$25,000.00
	Beach Exploration, Inc. Bond File No. NMNM0920
Authorized Sig	inature: Charles Proch
Title: Vice Pre	esident, Beach Exploration, Inc.

Date: August 2, 2001