

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | | |
|--|--|---|--|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. NM 26072 | |
| b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME --- | |
| 2. NAME OF OPERATOR Beach Exploration, Inc. | | 7. UNIT AGREEMENT NAME --- | |
| 3. ADDRESS OF OPERATOR 800 N. Marienfeld Suite 200 Midland, Texas 79701 | | 8. FARM OR LEASE NAME Exxon A Federal | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1932' FWL & 2410' FNL (Unit F) At proposed prod. zone 1932' FWL & 2410' FNL (SE/4 NW/4) | | 9. WELL NO. 3 | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 18 Miles East-Northeast of Artesia, New Mexico | | 10. FIELD AND POOL, OR WILDCAT High Lonesome (Queen) | |
| 10. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 230' | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec.18,T16S, R29E | |
| 18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1220' | | 12. COUNTY OR PARISH Eddy | |
| 16. NO. OF ACRES IN LEASE 240 | | 13. STATE NM | |
| 19. PROPOSED DEPTH 1800' | | 17. NO. OF ACRES ASSIGNED TO THIS WELL 40 | |
| 20. ROTARY OR CABLE TOOLS Rotary | | 22. APPROX. DATE WORK WILL START 4-15-89 | |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3620.6' GL | | | |

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|-------------------------|
| 12 1/4" | 8 5/8" | 23 & 24# | 300' | Sufficient to circulate |
| 7 7/8" | 4 1/2" | 10.5# | 1800' | 500 Sxs |

Attachments: Well location and dedication plats
Drilling Data
Surface Use Plan
Archaeological Survey

ORIGINAL SUBMIT TO
BUREAU OF LAND MANAGEMENT AND
STATE REGULATIONS
ATTACHED

POST ID-1
NL & API
5-26-89

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Barbara Watson TITLE Barbara Watson DATE 4-19-89
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
AREA MANAGER
APPROVED BY Carlssad Resource Area TITLE _____ DATE 5-18-89
CONDITIONS OF APPROVAL, IF ANY: _____

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

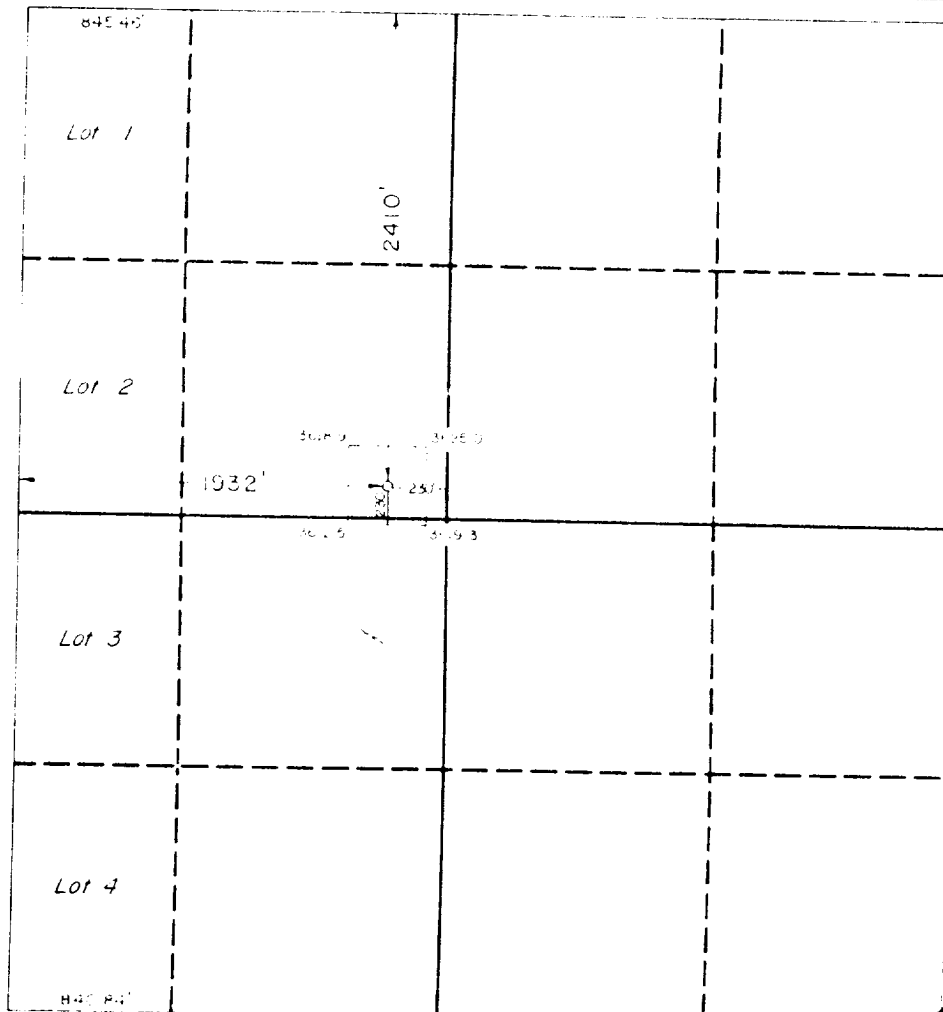
All Distances must be from the outer boundaries of the section

| | | | | |
|-------------------------------------|---------------|----------------------|--------------------------|----------------|
| Operator Beach Exploration, Inc. | | | Lease A 1st Fed. 2 | Well No. 3 |
| Unit Letter F | Section 15 | Township 15 South | Range 1 East | County NMPM |

Actual Footage Location of Well:

| | | | |
|----------------------------------|---------------|---------------|----------|
| 210 feet from the north line and | Pool Queen | High Lonesome | 40 Acres |
|----------------------------------|---------------|---------------|----------|

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

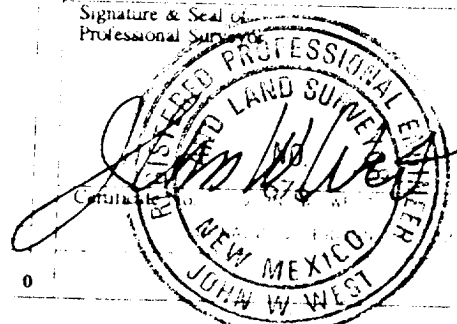
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Barbara Watson
Printed Name
Exploration & Production
Position
Beach Exploration, Inc.
Company
April 19, 1989
Date

SURVEYOR CERTIFICATION

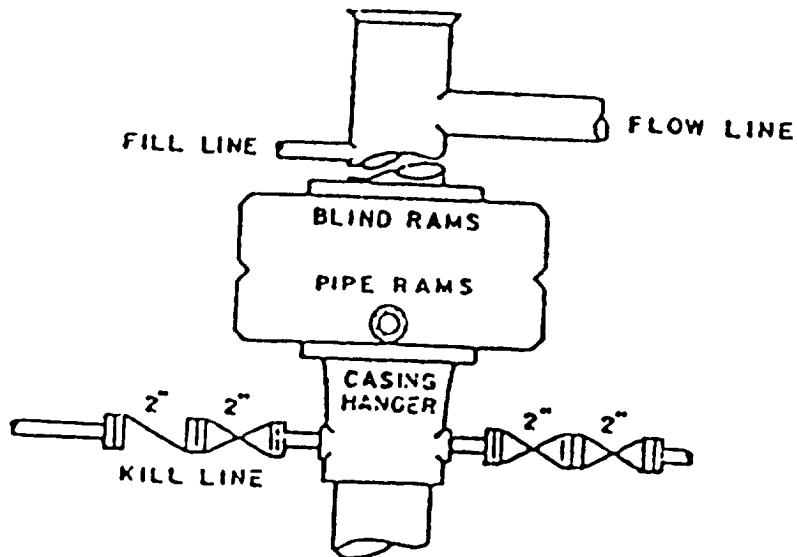
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
Signature & Seal of Professional Surveyor



BLOWOUT PREVENTER ARRANGEMENT

Beach Exploration, Inc.
Well #3 Exxon Federal A
SE/4 NW/4 Sec.18, T16S, R29E



BEACH EXPLORATION, INC.
WELL NO. 3A EXXON FEDERAL
SE1/4 NW1/4 of SEC.18, T16S, R29E
EDDY COUNTY, NEW MEXICO

1. Surface Formation: Sandy soils of Quaternary Age.
2. Estimated Tops of Geologic Markers:

| | | | |
|-----------|------|--------------|-------|
| Andysrite | 250' | Seven Rivers | 870' |
| Salt | 280' | Queen | 1450' |
| Base Salt | 610' | Penrose | 1700' |
| Yates | 710' | Grayburg | 1800' |
3. Anticipated Porosity Zones:

Water: Above 150'

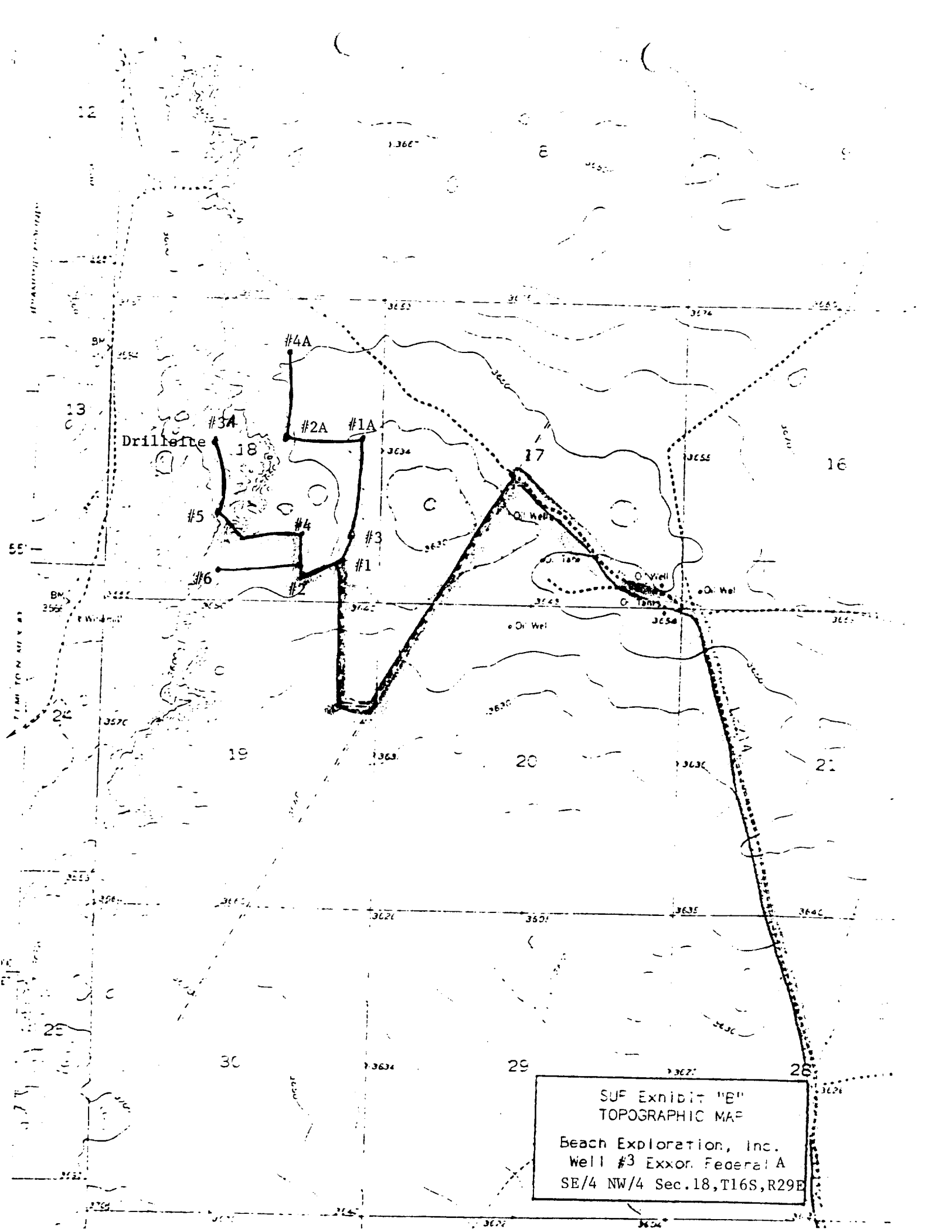
Oil: Seven Rivers, Queen, Penrose
4. Casing Design:

| Size | Interval | Weight | Grade | Joints |
|--------|----------|--------|-------|--------|
| 8 5/8" | 0-300' | 23.0# | K-55 | STC |
| 4 1/2" | 0-1800' | 10.5# | K-55 | STC |
5. Pressure Control Equipment: Double Ram-Type Preventer
6. Circulating Medium:

0 - 300' Fresh water mud with gel or lime as needed for viscosity control.

300'- 1500' Brine Water

1500'- 1800' Salt water mud, conditioned as necessary for control of viscosity and water loss.
7. Auxiliary Equipment: Drill string safety valve.
8. Testing, logging and coring program: No coring or DST's are planned. Electric logs will include a CNL-FDC w/GR.
9. Abnormal pressure, Temperatures or gases: None Anticipated
10. Anticipated Starting Date: Approximately May 15th, 1989



SUP Exhibit "D"
SKETCH OF WELL PAD.
Beach Exploration, Inc.
Well #3 Exxon Federal A
SE/4 NW/4 Sec.18,T16S,R29E

