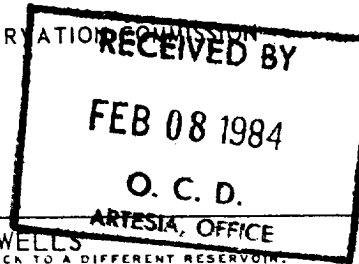


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OPERATOR	<input checked="" type="checkbox"/>

NEW MEXICO OIL CONSERVATION COMMISSION



Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

SUNDY 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 - "A" (FORM C-101) FOR SUCH PROPOSALS.)

OIL WELL <input checked="" type="checkbox"/>	GAS WELL <input type="checkbox"/>	OTHER <input type="checkbox"/>	5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
Name of Operator BEACH EXPLORATION INC.			5. State Oil & Gas Lease No.
Address of Operator 800 N. MARIENFELD, SUITE 200, MIDLAND, TX. 79701			7. Unit Agreement Name
Location of Well UNIT LETTER N 2310 FEET FROM THE FWL LINE AND 330 FEET FROM THE FSL LINE, SECTION 9 TOWNSHIP 17S RANGE 29E N.M.P.M.			8. Farm or Lease Name ARCO-STATE
15. Elevation (Show whether DF, RT, GR, etc.) 3577.0			9. Well No. 1
			10. Field and Pool, or Wildcat CAVE GRBYG (SAN AND.)
			11. County El Paso

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input 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"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER <input type="checkbox"/>	Completion Attached <input checked="" type="checkbox"/>	OTHER <input type="checkbox"/>	

12. Describe proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work, SEE RULE 1103.

Please find completion papers attached to 103.
These are current up to todays dat.

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

SIGNED Leslie A. Clements TITLE Agent DATE 2-7-84

APPROVED BY Leslie A. Clements TITLE Supervisor District II DATE FEB 16 1984

CONDITIONS OF APPROVAL, IF ANY:

BEACH EXPLORATION, INC.

OIL AND GAS OPERATORS
P. O. BOX 3669
MIDLAND, TEXAS 79702

ARCO STATE #1
2310' and 330' FSL of Section 9,
T17S, R29E - Eddy County, N.M.

Page 2 - COMPLETION REPORT

December 31, 1983

TP-150#, bled down, ran swab, fluid level 600' from surface. Ran weight bar to tab for sand fillup, found no sand fill up. Lowered tbg to 2457', res. swab, made 12 swab runs, holding 50' fluid in hole. 10% oil cut. Shut down for Holiday's at 11:30 a.m.

January 1, 1984

Shut down for Holiday.

January 2, 1984

Shut down for Holiday.

January 3, 1984

TP-50#, 1st run fluid 300' down from surface. Oil cut 10-20%, on 4th run fluid level 1000' from surface, 10% oil. Released rig. MI swab unit today.

January 4, 1984

Swab rig made 26 runs, recovered 45 BF, 5% oil, last fluid level 2100' down, had 400' of fluid in hole. TP-0#, CP-20#, Shut down at 5 p.m. 1-3-84. Will resume swab today.

January 5, 1984

CP-90#, TP-0#, slight blow on tbg. Recovered 28 bbls of fluid, 5% oil. Last fluid level - dry...

January 6, 1984

SI TP 20 lbs., CP 130 lbs, FL 1700' from surface, made 25 runs, recovered 22 bbls of fluid, a trace of oil, at 3:00 p.m. no fluid in hole, CP 180 lbs, shut in and rigged down.

January 9, 1984

SICP-300#, TP-100#, opened well on a 12/64th at 11:30 a.m., started making fluid.

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Page 3 - Completion Report

January 10, 1984

CP-300#, TP-0#. Opened up on a 12/64th ck, well did not flow. S.I. WOO

January 11, 1984

Rigged up pulling unit. Pulled tbg. WIH w/ bridge plug and packer. Set bridge plug at 2119', tested plug and casing to 2000# - held okay. POH and perforated from 1982-1991' with 8 holes and 2026-2028' with 2 holes. Ran packer and spotted 1 bbl of acid, pulled up and set packer at 1901', formation broke at 1800#, used 750 gallons with ball sealers 15% NEFE acid, balled out. AR-3BPM at 1800#, ISIP-1100#, 5"-1100#. Bled off pressure flowed back 5 bbl, ran swab, swab 3 times, swab dry. S.I. at 5:30 p.m..

January 12, 1984

Prep to frac with 20,000 gal and 20,000# of sand.

January 13, 1984

TP-380#, tbg went to 0# when open. Swab dry with 2 pulls. FL-800' down. Pulled tbg. Frac with 20,000 gelled KCL water, and 15,300# of 20/40 sand, and 4500# of 10/20 sand.

1/2#/gal of 20/40 - 25 BPM at 3500#

23 BPM at 3260#

3/4#/gal of 20/40 - 21 BPM at 2900#

1#/gal of 20/40 - 21 BPM at 2850#

1 1/2#/gal of 20/40 - 21 BPM at 2840#

2#/gal of 20/40 - 23 BPM at 2820#

1 1/2#/gal of 10/20 - 22.8 BPM at 2670#

ISIP-1350, in 5 min. 1290#, 10 min 1280#, 15 min 1220#.

AR-22 BPM, Avg press - 2700 psi, total load rec. 484 bbls. SITP-1200#, opened on 1/4" ck presently flwg back frac water. TP-dropped to 1150#.

January 14, 1984

SITP-800#, SICP-725#. 1st fluid level surface. Opened on 1/2" ck - flowed 55 minutes and died. Started swabbing. Fluid at surface with trace of oil. S.D. at 10:30 a.m. due to weather, will resume swabbing Monday 1-16-84.

January 15, 1984

Shut down for Sunday.

BEACH EXPLORATION, INC.

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MIDLAND, TEXAS 79702

ARCO STATE #1
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Page 4 Completion Report

January 16, 1984

Swabbing today. Opened up TP-950#, CP-975# on 1/2" ck. Flwg water, 400# TP after start swab. Well died at 9:00 a.m., swabbing at 11:00 a.m. CP-20, TP-0#, fluid level 900' from surface, water with trace of oil. Washed sand, pulled BP ran tbg open ended for production. Tbg set at 2457'. Hooked well up to frac tank left open on 1/2" ck. Rigged down and moved out.

Final Report

January 18, 1984

Opened well up this a.m. on 3/4" ck. made 50 BW and no oil.

January 19, 1984

Flowed 70 BW on 3/4" ck.

January 20, 1984

Flowed 110 BW on 3/4" ck.

January 24, 1984

Moving in Mack Chase Rig on Arco-State to squeeze off water flow. CP-650#, TP-650#, opened and flowed down in 1½ hrs, all salt water no shows. Pulled tbg, ran RBP and RTTS packer, set RBP at 2105' and set packer at 2002'. Isolated zone from 2026-2028'. Back side continued to flow. Swab back and quit flowing, communications between perfs from 200-500' from surface. Swab 100% salt water. WIH w/ cement retainer, pulled packer.

January 25, 1984

Preparing to squeeze perforations from 1982-1991' and 2026-28'.

January 26, 1984

Flowed 60 bbls overnight - all water. WIH w/ dump bailer on wireline, hung on bridge plug and pulled out rope socket. Fished bailer w/ tbg. WIH w/ dump bailer, dumped sand, ran tbg w/ retainer set retainer at 1937'. Squeeze w/100 sx Cl-H w/ 6% salt, followed w/50 sx Cl-H 2% gel mixed at 16#, pmp'd 5 BPM at 650#, SD and left 7 bbls of cement in tbg. Waited 2 min, pumped 5 bbls at 650#, SD for 10 min, pumped 1/2 bbl at 850#, shut down for 2 min pumped 1/2 bbl at 800#, did not get squeeze, circ out, will attempt to squeeze with 200 sx today.

January 27, 1984

Squeezed w/ 150 sx Cl-C 50/50 Cal Seal Foamed with nitrogen, tailed in with 50 sx Class "C" 2% CaCl.

Staged to 1750 PSI, fell back
Staged to 1800 PSI, fell back
Staged to 2000 PSI, fell back
Staged to 2100 PSI, fell back

Reversed out no squeeze. Pumped 1000 gal Flo Check "21". Squeezed w/150 sx Class "C" 50/50 poz Cal Seal. Foamed with Nitrogen, tailed in with 50 sx Class "C" 2% CaCl.

Staged to 1750 PSI fell back
Staged to 2150 PSI fell back
Staged to 2350 PSI fell back

Locked up at 3100 reversed out 4 sx cement.

January 28, 1984

Shut down for weekend

January 29, 1984

Shut down for weekend

January 30, 1984

Drilled out retainer, pressured up to 500# fell back to 200# in 30 minutes.
Swab down to S.N. left open to pit overnight.

January 31, 1984

No fill up this a.m., will pull RBP and swab down.

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Page 4 - Completion Report

February 1, 1984

WIH w/ swab found fluid level 300-400' in hole. WTB and washed sand off BP, pulled tbg, retrievable BP. WIH w/ tbg opened ended, found cement bridge at 2112', plugged tbg with cement. POH, picked up bit and DC's, WIH to top of cement to drill out.

February 2, 1984

Drilling down from 2112' in cement to 2413', shut down at 5:00 p.m. Still in cement. Will continue to drill.

February 3, 1984

Drld out cemt at 2520'. WTB and circ. clean. Swab well dry. SION. This A.M. had 400-500' of cement water in hole. Will pull tbg and LDDC's & bit for further orders.

February 4, 1984

Shut down for weekend.

February 5, 1984

Shut down for weekend.

February 6, 1984

WIH w/ BP and packer. Set BP at 2565'. Pulled up and spotted 1 bbls of 10% MCA acid. Pulled up to 2518', set packer, brk. down perms at 2537-51'. Broke at 3000#, pumped 500 gallons acid w/18 ball sealers. AR-1.7 BPM at 3000#. Got 2 ball kicks, did not seal off. Flushed acid, ISIP-2400#, 4" S.I. 1600#. Flowed back acid, ran swab, swab down in 4 runs, trace of oil on 3rd and 4th runs. Went down and pulled up bridge plug, pulled up to 2484'. Set and test bridge plug to 3000#. Pulled up and spotted 2 bbls acid, pulled packer up to 2298'. Set packer, acidized perforations from 2333-2435' w/ 500 gal 10% MCA & 10 ball sealers, broke at 2600#, pumped acid at 3 BPM at 2000#, got 2 ball kicks, then sealed off and released balls, put away rest of acid. ISIP-1600# 5 minutes 900#, flowed back and started swabbing. Well swabbed down on 4th pull. Got trace of oil on pull, released packer. GIH, circ ball sealers off bridge plug, pulled bridge plug 2257', set and tested at 1500#. Pulled up & spotted 1 bbls acid, pulled up and set packer at 2205', acidized perms from 2224-32 w/500 gallons 10% MCA & 6 ball sealers, broke at 2400#, pumped acid 2 BPM at 2500#, 1 ball kick, then sealed off. Released balls and put away acid, ISIP-2400# in 5" S.I.-1800#, flowed back acid started swabbing. Swab down in 3 runs, trace of oil on all 3 runs. Relased packer, going in to circ

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Page 7 - Completion Report

Cont from February 6, 1984

balls off bridge plug. Pulled tbg, packer and bridge plug. SDFD.

J