

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Beach Exploration, Inc.

3. ADDRESS OF OPERATOR

800 N. Marienfeld Suite 200 Midland, Texas

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1980' FSL & 1535' FWL, Sec. 7, R17S, R29E

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15 Miles East of Artesia, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1535' 445'

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1980'

16. NO. OF ACRES IN LEASE

800

19. PROPOSED DEPTH

2750'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3669.2 CL

22. APPROX. DATE WORK WILL START*

5-15-87

23.

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' 200'	Sufficient to Circulate
7 7/8"	4 1/2"	10.5#	2750'	500+ Sxs Class C

Pay zone will be perforated and stimulated for production.

Attachments:

Area Road Map
Topo
Surface Map

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

Linda S. C. Sander

TITLE

Production

DATE

4-30-87

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Orig. Sgd. Linda S. C. Sander

APPROVED BY

Acting Area Manager

TITLE

DATE

5-8-87

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

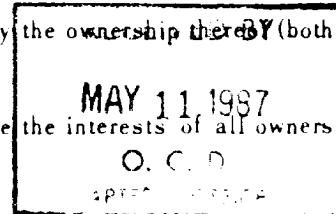
**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator Beach Exploration Co.		Lease Phillips Federal		Well No. 2
Tract Letter K	Section 7	Township 17 South	Range 29 East	County Eddy
Actual Footage Location of Well: 1980 feet from the South line and 1535 feet from the West line				
Ground Level Elev. 3669.3	Producing Formation Lovington - Premier		Pool Cave	Dedicated Acreage: 40 Acres

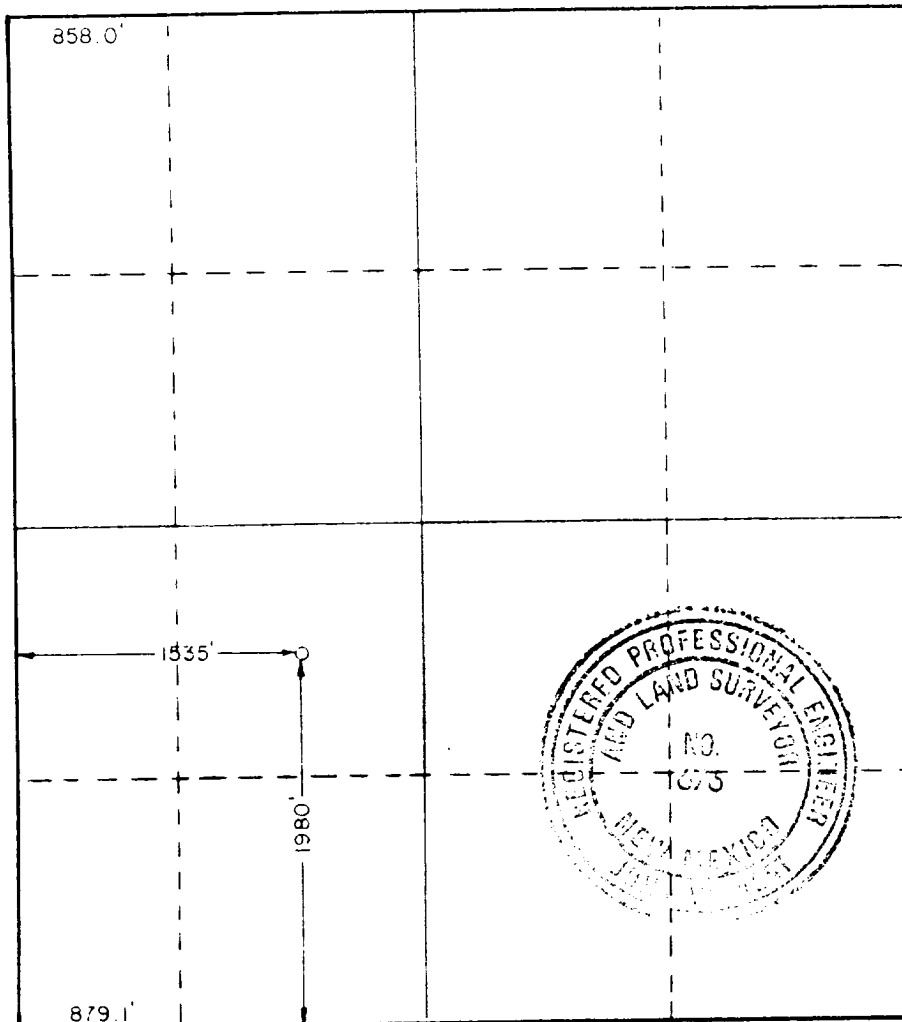
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereby (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Barbara Watson
Name

Barbara Watson

Position

Production

Company

Beach Exploration, Inc.

Date

4-30-87

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

March 19, 1987

Registered Professional Engineer and/or Land Surveyor

Ronald J. Eidson

Certificate No **JOHN W. WEST,**

676

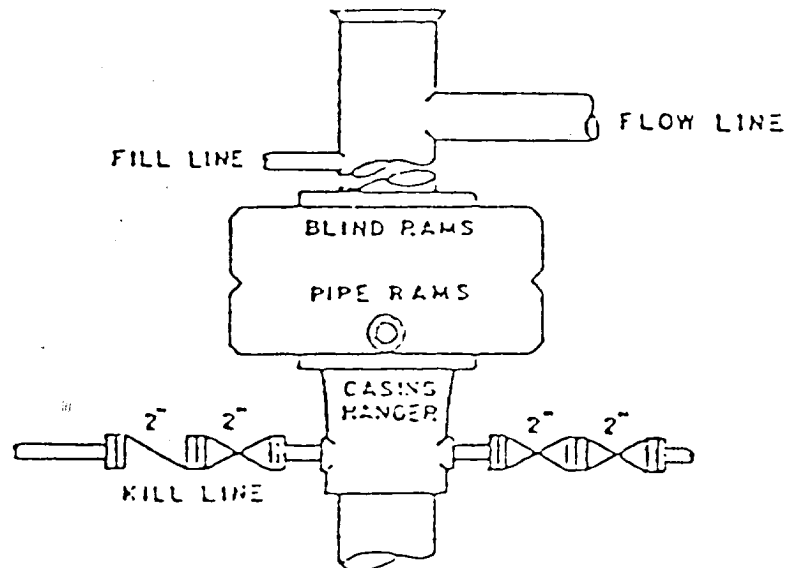
RONALD J. EIDSON,

3239

BLOWOUT PREVENTER ARRANGEMENT

Beach Exploration, Inc.
Phillips Federal #2

~~SW 7/4 SW 7/4~~



BEACH EXPLORATION, INC.
WELL NO. 2 PHILLIPS FEDERAL
~~SW1/4SW1/4~~ of SEC. 7, T17S, R29E
EDDY COUNTY, NEW MEXICO

1. Surface Formation: Sandy soils of Quaternary Age.

2. Estimated Tops of Geologic Markers:

Andydrite	680'	Penrose	1900'
Yates	840'	Grayburg	2070'
Seven Rivers	945'	Premier	2400'
Queen	1670'	San Andres	2430'
		Lovington	2500'

3. Anticipated Porosity Zones:

Water: Above 150'

Oil: Seven Rivers, Queen, Grayburg, Premier, San Andres
Lovington

4. Casing Design:

Size	Interval	Weight	Grade	Joints
8 5/8"	0- 300 ^{200'}	23.0# ^{24#}	K-55	STC
4 1/2"	0-2750'	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'- 1850' Brine Water

1850'- 2750' Mud up to TD

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 15, 1987

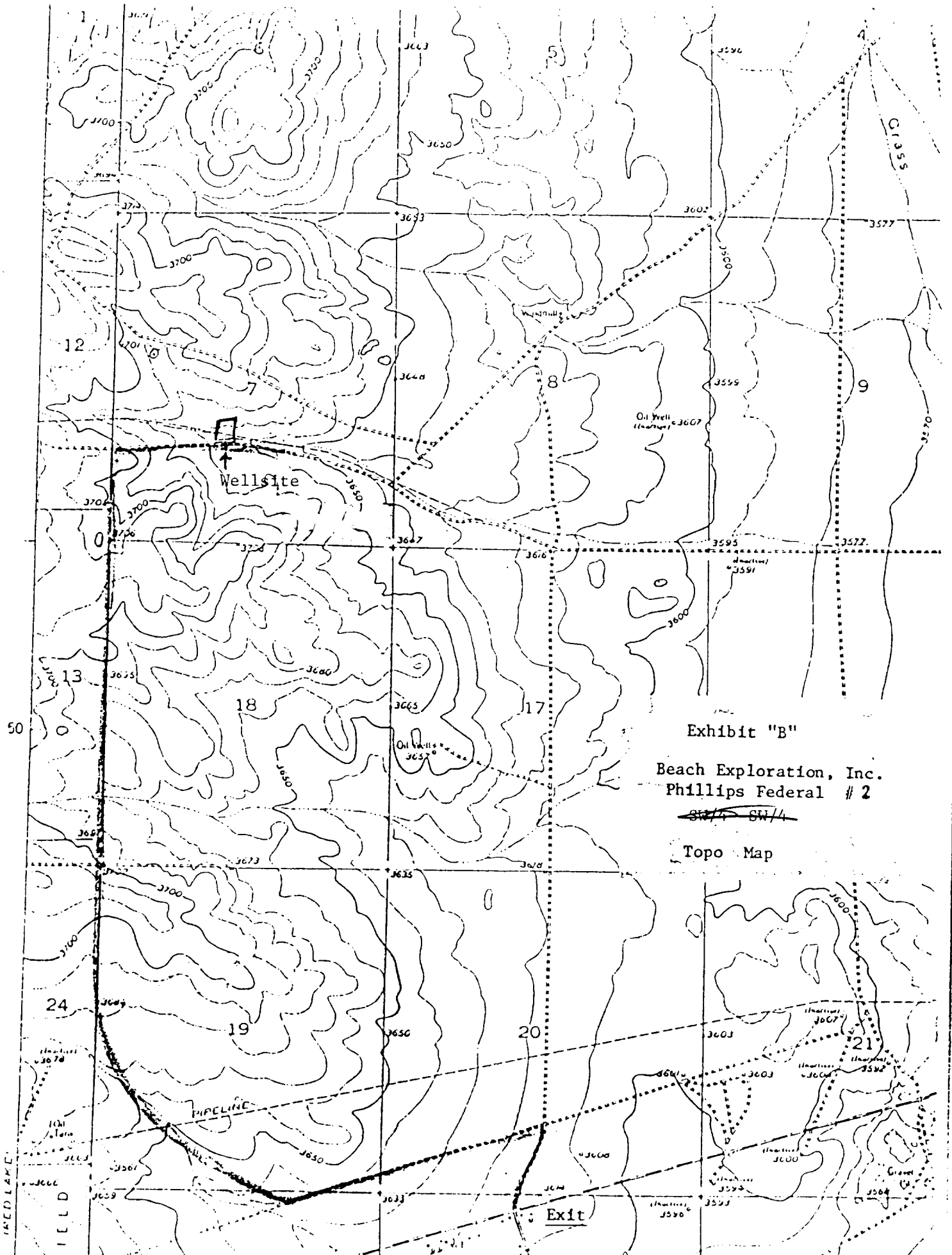


Exhibit "B"

Beach Exploration, Inc.
Phillips Federal # 2

~~SW/4~~ SW/4

Topo Map

Exit

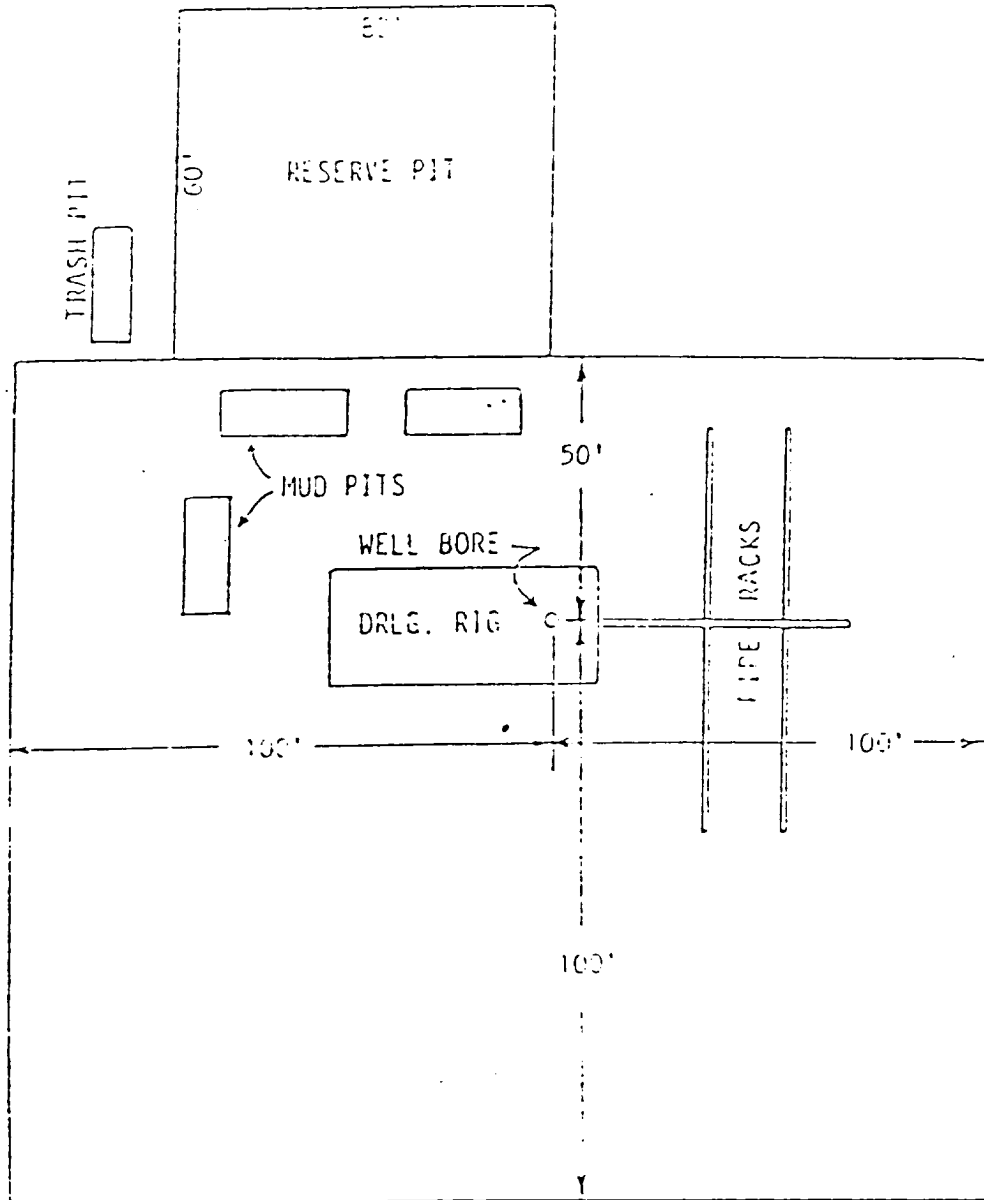


Exhibit "D"

SKETCH OF WELL PAD

Beach Exploration, Inc.
Phillips Federal #2

~~SW/4~~ SW/4