

State Of New Mexico
Energy, Minerals and Natural Resources Department

12-Dec-24

BEACH EXPLORATION INC

800 North Marienfeld
Suite 200
Midland, TX 79701

Pre Enforcement Notification

Dear Operator:

The following inspection indicates that the well, equipment, location or operational status of the well failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. 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 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 on the date indicated.

Please notify the Compliance Officer copied on this letter, in writing, 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

[30-015-24345] WHLPSU #016

OGRID: 1903

P-18-16S-29E 660 FSL 660 FEL

Inspection Date	Type Inspection	Inspector	Inspection No.
12/11/2024	Routine Inspection	[RZH] Ronald Heuer	iRZH2434629346
Violation	Title		Corrective Action Due
cRZH2434725999	19.15.29 Releases Surface Leaks/Spills <i>(One of the tanks overflows when pumped into. Oil saturated soil in TB less than 5 bbls.)</i>		3/11/2025
cRZH2434726000	19.15.10.8 Safety Procedures for Drilling and Production General Housekeeping Required <i>(Mound of contaminated soil on location needs to be cleaned up per Rule.)</i>		3/11/2025
cRZH2434726001	19.15.18.16 Tanks, Oil Tanks, Fire Walls and Tank Identification Tank identification missing or needs repaired <i>(Tank battery sign is missing the Unit Lot letter, Section, Township, and Range.)</i>		3/11/2025
cRZH2434726002	19.15.10.8 Safety Procedures for Drilling and Production Substandard Equipment and/or Needs Repair <i>(Tank mesh covering needs repairs.)</i>		3/11/2025

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.