JAMES BRUCE ATTORNEY AT LAW

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MAR 2 7 202

March 26, 2002

Michael E. Stogner Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Case 12811

Dear Mr. Stogner:

Because I represented a number of operators in the above case, this letter summarizes the requests of the various operators:

- 1. <u>Bass Enterprises</u>: Over the past 15 months, Bass Enterprises has brought 34 wells into compliance. It is now in compliance on all but three wells. As to those three wells, it requests that it be allowed to bring them into compliance (by production or TA status) as follows: (a) James Ranch Unit No. 10 by May 1, 2002; (b) James Ranch Unit No. 11 by August 1, 2002; and (c) Big Eddy Unit No. 92 by November 1, 2002.
- 2. <u>Beach Exploration</u>: Beach Exploration is listed as having four wells out of compliance. On three of them, it is waiting on a unit to P&A the wells. As to the Ryan Fed. Well No. 2, it is in the recently approved West High Lonesome Unit. Because of the length of time it took to get the unit approved, Beach Exploration requests until June 2002 to place the well on production.

Also, enclosed are mechanical integrity test results on the Red Lake Unit Well Nos. 13, 17, and 24.

3. <u>Chi Operating</u>: Chi Operating has one well out of compliance, and it filed a sundry notice in January or early February to place the well in a TA status. It requests until May 1, 2002 to place the well in compliance.

- 4. <u>Dominion Oklahoma</u>: Dominion Oklahoma (formerly Louis Dreyfus) has one well out of compliance (the Ram Ewe Fed. No. 1). It has a plugging procedure approved by the BLM, and is awaiting a unit to P&A the well. It requests until May 1, 2002 to plug the well.
- 5. <u>Pogo Producing</u>: Pogo Producing has one well out of compliance (the Lightfoot No. 1). It has an approved procedure to TA the well, which should have been accomplished in the last several days. Appropriate paperwork will be filed.
- 6. <u>St. Mary</u>: St. Mary submitted a proposal by letter to the Division, with a schedule to bring its wells into compliance. <u>See</u> St. Mary Exhibit No. 1.
- 7. Strata Production: Strata Production hired an engineer to review the wells on the Division's non-compliance list, and his conclusions and proposals are stated in Strata Exhibit No. 1. Although three of the wells are capable of production, the purchaser will not accept the gas, so plugging is proposed by mid-April. The fourth well is proposed as a SWD well, and the disposal application is being prepared.

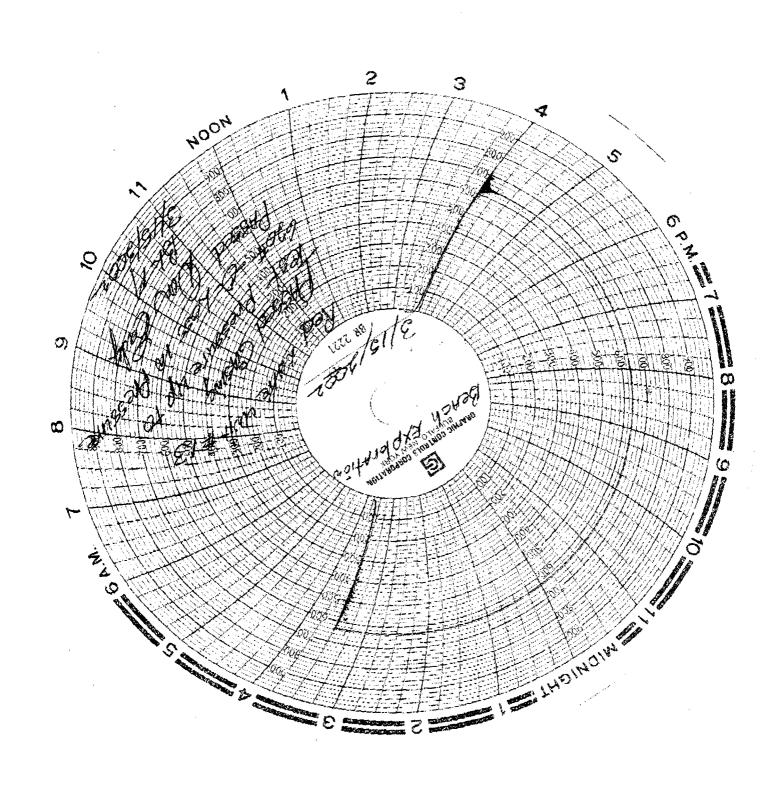
The above operators request that no penalties be assessed against them so long as they comply with their proposals.

Please call me if you have any questions.

Very truly yours,

cc: David K. Brooks

| Submit 3 Copies To Appropriate District Office | | New M | | | Form C-103 | |
|--|---|--------------------------------|------------------------------|-----------------------------|-----------------------------|--|
| District I | Energy, Mineral | s and Nati | ural Resources | | Revised March 25, 1999 | |
| 1625 N. French Dr., Hobbs, NM 88240 District II | 07 00 10 7 | | | WELL API NO 30-015-25412 | • | |
| 1301 W. Grand Ave., Artesia, NM 88210 District III | OIL CONSER | | | 5. Indicate Typ | e of Lease | |
| 1000 Kio Brazos Rd., Aztec, NM 87410 | 1220 Sout | in St. Fra Fe, NM 8 | | STATE | ☐ FEE ☐ | |
| <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 | Santa 1 | re, mivi a | 7303 | 6. State Oil & | Gas Lease No. | |
| SUNDRY NOTI | CES AND REPORTS | ON WELLS | 5 | 7. Lease Name | or Unit Agreement | |
| (DO NOT USE THIS FORM FOR PROPOSED DIFFERENT RESERVOIR. USE "APPLIC | BALS TO DRILL OR TO DE BATION FOR PERMIT* (FO | EPEN OR PL RM C-101) F | UG BACK TO A | Name: | | |
| PROPOSALS.) | , | , . | | Red Lake Unit | | |
| 1. Type of Well: Oil Well Gas Well G | Other | | | | | |
| 2. Name of Operator | V-14-00 | | | 8. Well No.13 | | |
| Beach Exploration, Inc. | | | | | | |
| 3. Address of Operator 800 North Marienfeld, Ste. 200 | | | | 9. Pool name or | Wildcat | |
| 4. Well Location | | | | | | |
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| Unit Letter_L:_231 | 0fect from the Sou | th | line and330_ | feet from | lie_West_line | |
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| Section 30 | Township | 168 | Range 29E | NMPM | County Eddy | |
| | 10. Elevation (Show | whether D. | R, RKB, RT. GR, etc | c.) | County LCC | |
| 33 Gh. I | | . | | | | |
| NOTICE OF IN | Appropriate Box to | Indicate | | | | |
| NOTICE OF IN' | PLUG AND ABANDON | v | SUB REMEDIAL WOR | SEQUENT REPORT OF: | | |
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| TEMPORARILY ABANDON | CHANGE PLANS | | COMMENCE DRI | LLING OPNS. | PLUG AND ABANDONMENT | |
| PULL OR ALTER CASING | MULTIPLE | | CASING TEST A | ND 🗆 | MOMNUO INMENT | |
| | COMPLETION | | CEMENT JOB | | | |
| OTHER: | | | OTHER: Re-Cla | assify to TA Status | | |
| 12. Describe proposed or completed | operations, (Clearly st | ate all peru | inent details, and gir | ve pertinent dates. | including estimated date of | |
| stanting any proposed work). SE | ERULE 1103. For Ma | ltiple Com | pletions: Attach we | libore diagram of | proposed completion or | |
| recompilation. 1. Beach Explor. requests TA status for the | 46 D! 1 #3 | | | | | |
| 2. Attached is a copy of the MIT pressure | chart recorded 3/15/02, with | nessed by D | on Early | | | |
| 3. The Red Lake Unit is a mature waterfloor | od. The flood has only had | a 0.42/1 se | condary to primary | | | |
| ratio. Most Queen floods in this area have nay not been able to determine the cause | a 1/1 secondary to primary of this underperformance, f | r ratio. Altho uture review | lugh Beach new technology | | | |
| or sale to another company capable of revi | talizing this flood could pote | entially lead | to the recovery of | | | |
| an additional 265MBO. Temporarily aband facilitate any future effort, | ioning wells in this unit rath | er than plug | ging them, will | | | |
| , | | | | | | |
| TA procedure: This well originally had 4-1/2" casing set at | 2500'. In July 1994 rods.p | omo & tubin | a were bulled from this | t well | | |
| A CIBP was set inside the 4-1/2" osg at 186 | 00" w/35" cmt on top (top pe | if 1842') | a were persent werk that | , | | |
| On 3/15/02 a successful MIT test was cond | lucted | | | | | |
| | 1 | | | | | |
| I hereby certify that the information a | hove serve and comple | te to the be | st of my knowledge | and belief. | | |
| -///. 1 X | | | | | | |
| SIGNATURE ALL | a willer | TLE_Engir | ncering | DATE_M | arch 19, 2002 | |
| Type or print name Lizbeth Lodle | | | | Tele | phone No. 915-683-6226 | |
| (This space for State use) | | | | 2.71 | F | |
| • | | | | | | |
| APPPROVED BY | | TITLE | | | DATE | |
| Conditions of approval, if any: | | | | | | |



FROM : BEACH EXPLORATION, INC. PHONE NO. : 915 683 1038 Mar. 21 2002 05:15PM P3

| Form 3160-5 (August 1999) DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abendoned well. Use Form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE - Other instructions on reverse side | | | | | | FORM APPROVED OMB No. 1004-0135 Expires November 30, 7000 5. Lease Scrial No. NM05855 6. If Indian, Allottes or Tribe Name | | | | | |
|---|---|---|--|---|--|---|---|--|--|--|--|
| | SUBMIT IN TH | RIPLICATE | - Other instru | ctions on | reve | se sid | e e | | 7. If Unit | or C/ | VAgreement, Name and/or No. |
| 2. Name of Beach 3a. Address 800 N. | vell 🔲 Gas Well [| 00. Midland. | Survey Description) | 36. Phone N 915-683- RNG 285 | 6226 | tude area | codaj | | 8. Well I Red La 9. API W 30-01 10. Field a Red 1 11. County | ike U /eli No 15-23 ind Po ake | nit 17 5. 1870 ol. or Exploratory Area East |
| | 12. CHECK AF | PROPRIAT | E BOX(ES) TO | INDICATE | NAT | URE O | FNOTIC | E, RE | PORT, O | R O | THER DATA |
| TYPE O | FSUBMISSION | | | - | | TYPE O | FACTION | | | | |
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| If the pro- Attach the following testing he determined: 1. Beact 2. Attact 3. The iteration of the ration of the to anoth 265MBC 4. TA p This weil 2/15 - 2/ On 2/22 | posil is to deepen dire e Bond under which the | ctionally or received work will be solved operation and Abandoning for final inspecturests TA state MiT press mature water in this area I mine the caustle of revitality andoning was cleaned out tinside the | complete horizontally experionned or proving the performed or proving the performed or proving the performed or proving the performed the RLU is the chart records erflood. The floot are a 1/1 second so of this underpezing this flood occells in this unit rate at 1920' at with a bit and a 4-1/2" osg at 176. | give subsorts de the Bond N caulis in a multilod only after 417 and 3/15/02 with the sort of the subserformance, build potential ther than placeraper to 17 acraper to 17 | itness and a safety rail future futur | mines and like with Ecompletion quirement od by D 0.42/1 stio. Altie review ad to the g them, | measured as SIM/BLA. R or recomple to Harly econdary t hough Bea r, new tech c recovery will facili | nd true Require sition in reclam reclam co prin ich unolog of an | verneal de de subseque la new interestion, have mary | person ni reperval, a becn | ad approximate duration thereof all pertinent markers and cones onts shall be filed within 30 day. Form 3150-4 shall be filed once completed, and the operator has the completed of the operator for the complete of the complete of the operator for the o |
| Name (P) | pertify that the foregoing inted/Typed) h Lodje | ng is true and co | Office Co. | | Title | Engin | eering An | a)yst | | | |
| Signature | Haller | A 4 | odle | | Date | Marci | n 20, 2002 | | | | |
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| | approval, if any, are applicant holds legi entitle the applicant to | ai or coullable | title to those ments | does not warm in the subject | ans of lease | Title Office | | | | Date | |

Tide 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

FROM : BEACH EXPLORATION, INC. PHONE NO. : 915 683 1038 Mar. 21 2002 05:16PM P4 11 S MIONIGHT

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| Submit 3 Copies To Appropriate Dista | INC. PHONE NO. | : 915 683 1038 | Mar. 21 2002 05:13PM P1 |
|--|--|---|---|
| Office | riei State of N | ew Mexico | Form C-10 |
| District I | Energy, Minerals as | id Natural Resources | Revised March 25, 199 |
| 1625 N. French Dr., Hobbs, NM 8824 | 10 | | WELL API NO. |
| District II 1301 W. Grand Ave., Artesia, NM 88 | OT CONSERVA | ATION DIVISION | 30-015-23658 |
| District III | 1220 South 9 | St. Francis Dr. | 5. Indicate Type of Lease |
| 1000 Rio Brazos Rd., Aztec, NM 874 | .1113 | | STATE FEE |
| District IV 1220 S. St. Francis Dr., Santa Fe, NM | Sama re, | NM 87505 | 6. State Oil & Gas Lease No. |
| 87505 | | | |
| SUNDRY | NOTICES AND REPORTS ON | WELLS | 7. Lease Name or Unit Agreement |
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| PROPOSALS.) | DIECATION FOR PERMIT (FORM) | C-101) FOR SOCH | Red Lake Unit |
| 1. Type of Well: | | | |
| Oil Well Gas Well | Other | | |
| 2. Name of Operator | | | 8. Well No,24 |
| Beach Exploration, Inc. 3. Address of Operator | | | |
| 800 North Marienfeld, Ste. 200 | n | | 9. Pool name or Wildcat |
| 4. Well Location | V | | Red Lake, East |
| Section 36 | Township 16 | S Range 29E ther DR, RKB, RT, GR, etc | NMPM County Eddy |
| | | | |
| 11. Chec | ck Appropriate Box to Indic | cate Nature of Notice, | Report or Other Data |
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