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SANTA FE, NEW MEXICO 87501

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MAR 27 2002

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. Bass Enterprises: 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. Beach Exploration: 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. Chi Operating: 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. Dominion Oklahoma: 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. Pogo Producing: 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. St. Mary: St. Mary submitted a proposal by letter to the Division, with a schedule to bring its wells into compliance. See 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,



James Bruce

cc: David K. Brooks

Submit 3 Copies To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Artesia, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural ResourcesOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

Revised March 25, 1999

WELL API NO.

30-015-25412

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement

Name:

Red Lake Unit

8. Well No. 13

9. Pool name or Wildcat

SUNDRY 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" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☐ Other ☐

2. Name of Operator

Beach Exploration, Inc.

3. Address of Operator

800 North Marienfeld, Ste. 200

4. Well Location

Unit Letter L : 2310 feet from the South line and 330 feet from the West line

Section 30

Township 16S

Range 29E

NMPM

County Eddy

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐CASING TEST AND CEMENT JOB ☐OTHER: Re-Classify to TA Status ☐

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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1. Beach Explor. requests TA status for the RLU #3

2. Attached is a copy of the MIT pressure chart recorded 3/15/02, witnessed by Don Early

3. The Red Lake Unit is a mature waterflood. The flood has only had a 0.42/1 secondary to primary ratio. Most Queen floods in this area have a 1/1 secondary to primary ratio. Although Beach has not been able to determine the cause of this underperformance, future review, new technology or sale to another company capable of revitalizing this flood could potentially lead to the recovery of an additional 265MBO. Temporarily abandoning wells in this unit rather than plugging them, will facilitate any future effort.

4. TA procedure:

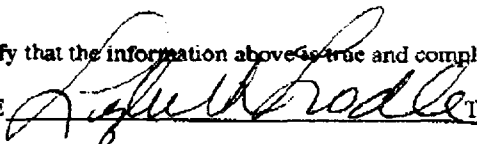
This well originally had 4-1/2" casing set at 2500'. In July 1994 rods, pump & tubing were pulled from this well.

A CIBP was set inside the 4-1/2" csg at 1800' w/35' cmt on top (top perf 1842')

On 3/15/02 a successful MIT test was conducted

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

SIGNATURE



TITLE Engineering

DATE March 19, 2002

Type or print name Lizbeth Lodie

Telephone No. 915-683-6226

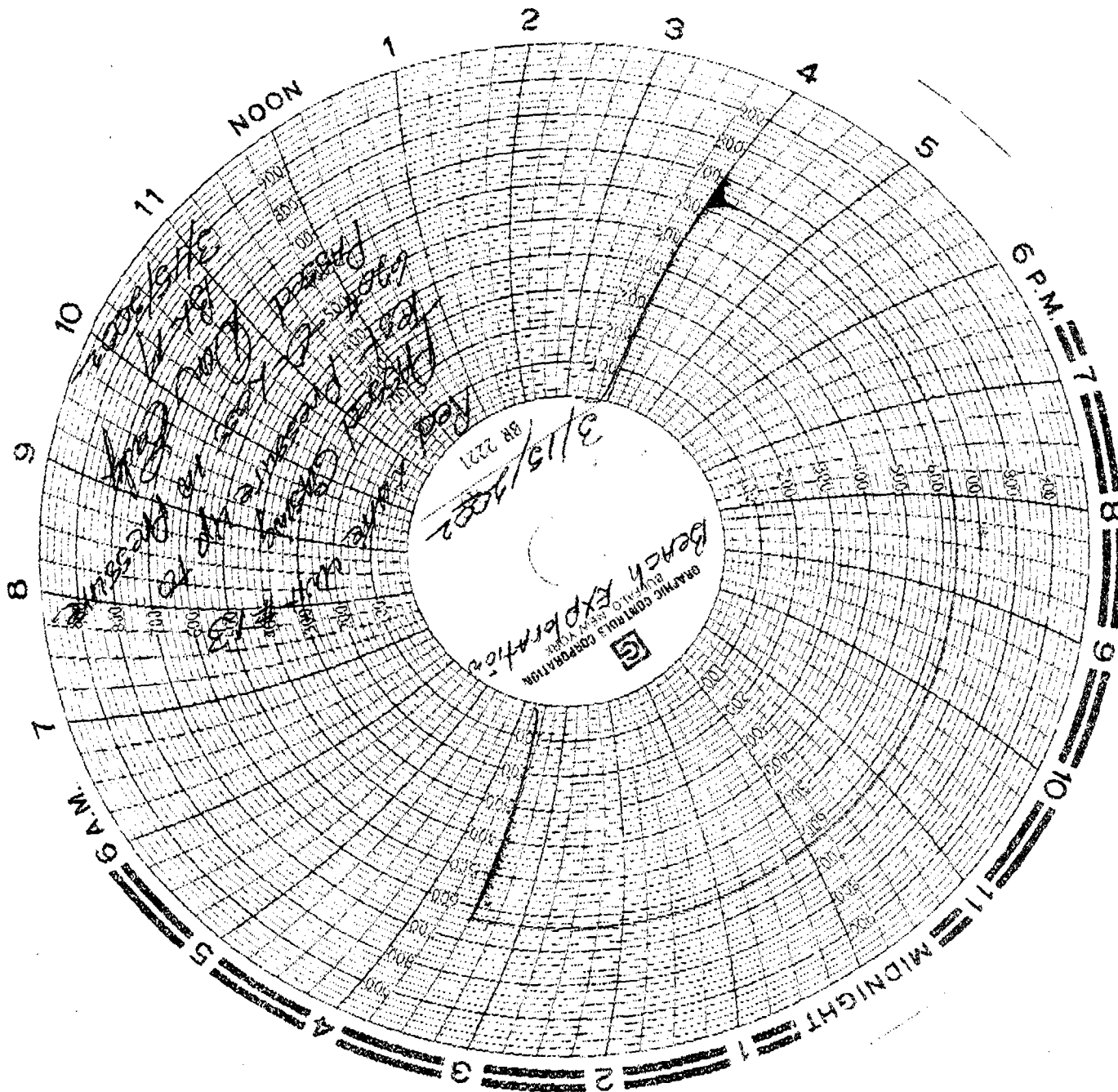
(This space for State use)

APPROVED BY

TITLE

DATE

Conditions of approval, if any:



Form 3160-5
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side**1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Beach Exploration, Inc.3a. Address
800 N. Marienfeld Ste. 200, Midland, TX 797013b. Phone No. (include area code)
915-683-62264. Location of Well (Footage, Sec., T., R., M., or Survey Description)
330' FSL & 990' FEL, SEC 25 TWP 16S RNG 28E5. Lease Serial No.
NM05855

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Red Lake Unit 179. API Well No.
30-015-2387010. Field and Pool, or Exploratory Area
Red Lake, East11. County or Parish, State
Eddy**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletes horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

- Beach Exploration Requests TA status for the RLU #17
- Attached is a copy of the MIT pressure chart recorded 3/15/02 witnessed by Don Early
- The Red Lake Unit is a mature waterflood. The flood has only had a 0.42/1 secondary to primary ratio. Most Queen floods in this area have a 1/1 secondary to primary ratio. Although Beach has not been able to determine the cause of this underperformance, future review, new technology or sale to another company capable of revitalizing this flood could potentially lead to the recovery of an additional 265MBO. Temporarily abandoning wells in this unit rather than plugging them, will facilitate any future effort.
- TA procedure:
This well originally had 4-1/2" casing set at 1920'
2/15 - 2/18/02 this well was cleaned out with a bit and scraper to 1790'
On 2/22/02 a CIBP was set inside the 4-1/2" csg at 1765' w/35' cmt on top (top perf 1814')
On 3/15/02 a successful MIT test was conducted

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Lizbeth Lodie

Engineering Analyst

Title

Signature

Date: March 20, 2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

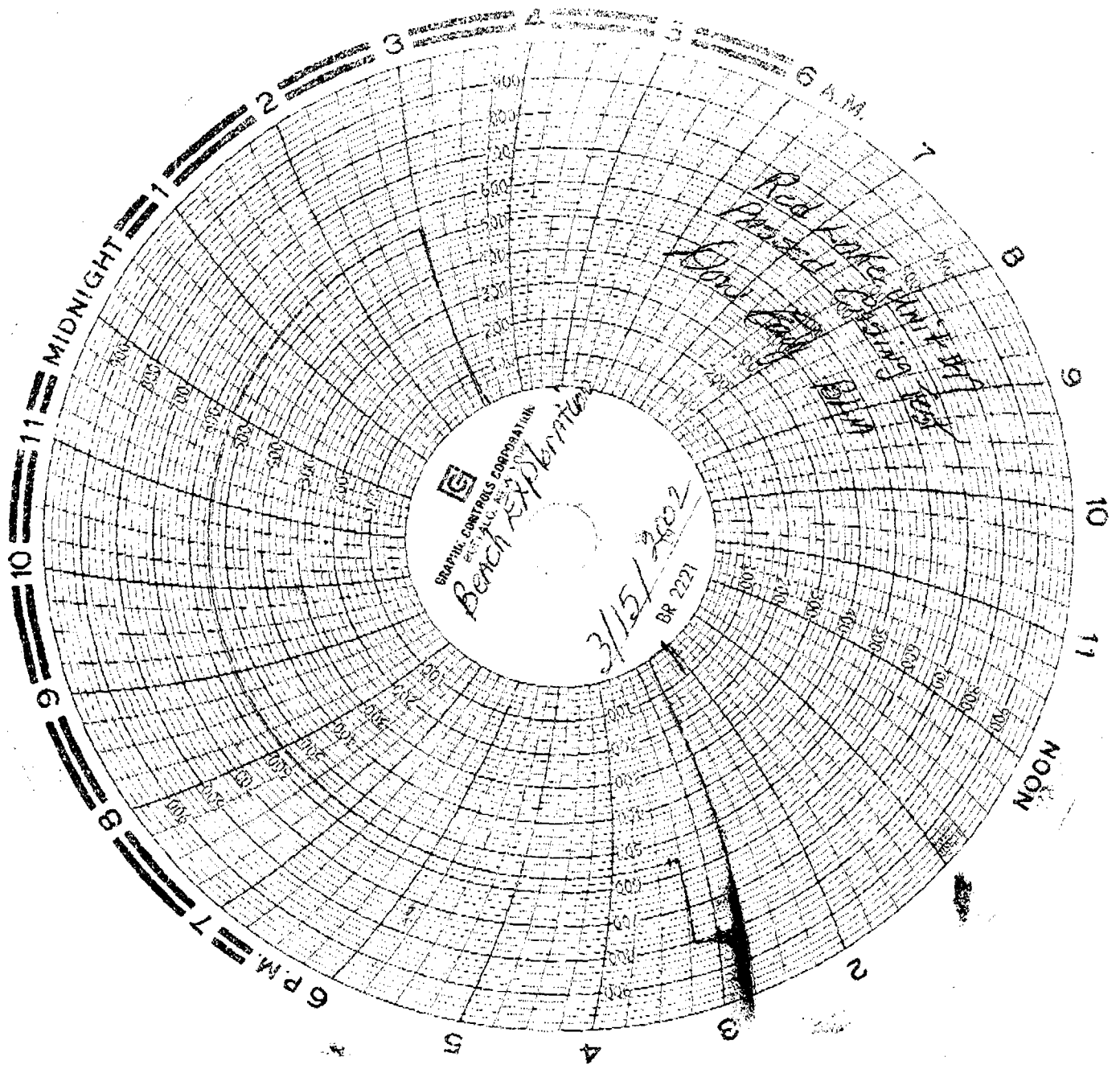
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 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.



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State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

Revised March 25, 1999

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-015-23658

5. Indicate Type of Lease

STATE ☐FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement

Name:

Red Lake Unit

8. Well No. 24

9. Pool name or Wildcat

Red Lake, East

SUNDRY 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" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☐ Other ☐

2. Name of Operator

Beach Exploration, Inc.

3. Address of Operator

800 North Marienfeld, Ste. 200

4. Well Location

Unit Letter G : 1986 feet from the North line and 1983 feet from the East line

Section 36

Township 16S *

Range 29E

NMPM

County Eddy

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☒ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG ANDCASING TEST AND CEMENT JOB ☐ ABANDONMENTOTHER: ☐

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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1 Beach Exploration Requests TA status for the RLU #24

2 Attached is a copy of the MIT pressure chart recorded 3/15/02 witnessed by Mike Bratcher with the OCD

3 The Red Lake Unit is a mature waterflood. The flood has only had a 0.42/1 secondary to primary ratio. Most Queen floods in this area have a 1/1 secondary to primary ratio. Although Beach has not been able to determine the cause of this underperformance, future review, new technology or sale to another company capable of revitalizing this flood could potentially lead to the recovery of an additional 265MBO. Temporarily abandoning wells in this unit rather than plugging them, will facilitate any future effort.

4 TA procedure:

This well originally had 4-1/2" casing set at 1882'

1/1998 the injection tubing and packer were pulled from this well

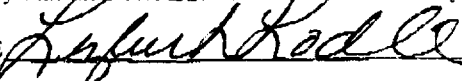
4/28/00 tubing and a packer were run and a successful MIT was witnessed (tbg and packer pulled)

2/14/02 a CIBP was set on wireline inside the 4-1/2" csg at 1730' w/35' cmt on top (top perf 1778')

On 3/15/02 a successful MIT test was conducted

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

SIGNATURE



TITLE Engineering Analyst

DATE March 19, 2002

Type or print name Lizbeth Lodie

Telephone No. 915-683-6226

(This space for State use)

APPROVED BY

TITLE

DATE

Conditions of approval, if any:

