

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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

RECEIVED

JAN 24 2005

OCD-BIA

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Beach Exploration, Inc.3a. Address
800 North Marienfeld, Suite 200, Midland, Texas 797013b. Phone No. (include area code)
432/683-6226

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2,310' from the South and 330' from the West, Section 30-1, T 16S, R 29E

5. Lease Serial No.

NM9987

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 #013

9. API Well No.

30-015-25412

10. Field and Pool, or Exploratory Area

Red Lake, Queen-Grayburg, East

11. County or Parish, State

Eddy, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Acidize ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-Off
☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ Casing Repair ☐ New Construction ☐ Recomplete ☐ Other
☐ Change Plans ☐ Plug and Abandon ☒ Temporarily Abandon
☐ Convert to Injection ☐ Plug Back ☐ 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 recompleting 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 recompleting 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.)

1. Beach Exploration requests TA status for the RLU #13

2. Beach was notified by the OCD 10/5/04 that the RLU #13 was in need of a test for renewal of TA'd status. The test was set up 11/2/04, successfully conducted and witnessed by Gerry Guye of the OCD. Later it was determined that this well was an inactive producer in the waterflood, but was originally a Federal well and should have been witnessed by the BLM. Attached is a copy of the MIT pressure chart recorded 11/2/04 and signed and annotated by Gerry Guye of the OCD (505-748-1283).

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/History: This well originally had 4-1/2" casing set at 2500'. In July 1994 rods, pump and 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 and witnessed by Don Early with the BLM. On 11/2/04 a successful MIT test was conducted and witnessed by Gerry Guye with the OCD

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Brenda Martin

Title Engineer Assistant

Signature

Date 11/9/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Joe G. Lara

Title

Pet. Eng.

Date

JAN 20 2005

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 any which would entitle the applicant to conduct operations thereon.

Office

CARLSBAD FIELD 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.

(Instructions on page 2)

* By ending date, put well to beneficial use or submit plugging procedure.

