

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised August 1, 2011

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)		WELL API NO. 30-015-25392
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Beach Exploration, Inc.		6. State Oil & Gas Lease No. NMNM106832X
3. Address of Operator 800 N. Marienfeld, Suite 200, Midland, TX 79701		7. Lease Name or Unit Agreement Name WEST HIGH LONESOME UNIT
4. Well Location Unit Letter <u>A</u> : <u>660</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>East</u> line Section <u>19</u> Township <u>16S</u> Range <u>29E</u> NMPM Eddy County		8. Well Number <u>21</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 001903
		10. Pool name or Wildcat High Lonesome Queen

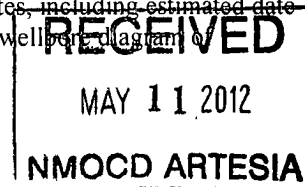
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL. <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The WHL #21 injector failed a mechanical integrity test on 2/21/12 conducted by Richard Inge (NM OCD).

Repaired 4/18/12



- 1 After flowback to battery, released packer and pulled injection tubing Set CIBP on wireline at 1700' and tested under a packer to 1500 psi.
- 2 Found hole in 4 1/2" casing at 33'. Spotted Class C cmt w/2% CaCl2 at 47' and squeezed csg leak down 4 1/2" csg w/50sx cmt.
- 3 RU cementers to 4 1/2" x 8 5/8" annulus and pressured squeeze job to 160 psi WOC
- 4 Drilled out cmt from surf to 37' w/3 7/8" bit and tested 4 1/2" csg Tested good after letting sit over weekend.
- 5 Finished drilling cement and fell out at 62". Drilled out CIBP at 1700' and cleaned well out to 1815'. Circulated well clean. POOH.
- 6 RIH w/2 3/8" x 4 1/2" PC AD-1 tension packer, PC SN and 53 jts Duo-10 lined tbg Loaded backside w/packer fluid and set packer at 1707'.
- 7 Conducted successful MIT witnessed by OCD (Richard Inge) on 5/1/12

Spud Date:

Rig Release Date:

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

SIGNATURE Jack M. Rose TITLE Engineer DATE May 3rd, 2012

Type or print name Jack M. Rose E-mail address: jrose@beachexp.com PHONE: 432/683-6226

For State Use Only

APPROVED BY [Signature] TITLE Dist # Supervisor DATE 05/24/12

Conditions of Approval (if any):