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

RECEIVED
APR 26 2013
NMOCD ARTESIA

Form C-103
Revised August 1, 2011

	WELL API NO. 30-015-25495
	5. Indicate Type of Lease STATE ☐ FEE ☐
	6. State Oil & Gas Lease No. NM109644
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.)	7. Lease Name or Unit Agreement Name WEST HIGH LONESOME UNIT
1. Type of Well: Oil Well ☐ Gas Well ☒ Other INJECTION	8. Well Number 27
2. Name of Operator Beach Exploration, Inc.	9. OGRID Number 001903
3. Address of Operator 800 N. Marienfeld, Suite 200, Midland, TX 79701	10. Pool name or Wildcat W. High Lonesome Queen
4. Well Location Unit Letter E : 1,650 feet from the North line and 330 feet from the West line Section 20 Township 16S Range 29E NMPM Eddy County, NM	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3,644 RKB

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☒	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER: ☐		OTHER: ☐	

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.

WHL #27 – Plugging Procedure

RU Pluggers. ND wellhead. NU BOP.

1. Run 2 3/8" tbg to PBTD (1720'). Pump 10sx Class C cmt plug inside 5 ½" csg on top of CIBP at 1730' (had 10' cmt on top).
2. Load hole with 9.5 ppg mud. POOH with tbg.
3. RU wireline and perforate 5 ½" csg at 828'. Run pkr and tbg and squeeze 30sx Class C cmt plug (combination Yates and Base of Salt plug). If can't pump into sqz perfs, pump 30sx plug from 878' inside 5 ½" csg. WOC. Tag plug at 728' or less. POOH with tbg.
4. RU wireline and perforate 5 ½" csg at 348'. Run pkr and tbg and squeeze 30sx Class C cmt plug (combination 8 5/8" shoe and Top of Salt plug). If can't pump into sqz perfs, pump 30sx plug from 398' inside 5 ½" csg. WOC. Tag plug at 225' or less. POOH w/tbg.
5. Pull tbg to 132'. Squeeze 50sx Class C cmt plug in 5 1/2" csg (old leak between 75' and 82'). Bring plug to surface.
6. POOH. ND BOP. Cut 8 5/8" and 5 1/2" csg off 3' below ground level. Top off with cmt if necessary.
7. Install 4" dry hole marker with 4' above ground with required info stenciled on pipe. **CONDITIONS OF APPROVAL ATTACHED**

Estimate starting plugging operations no later than July 15, 2013.

Spud Date: | Rig Release Date: | Approval Granted providing work is Completed by July 31-2013

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 04/19/2013

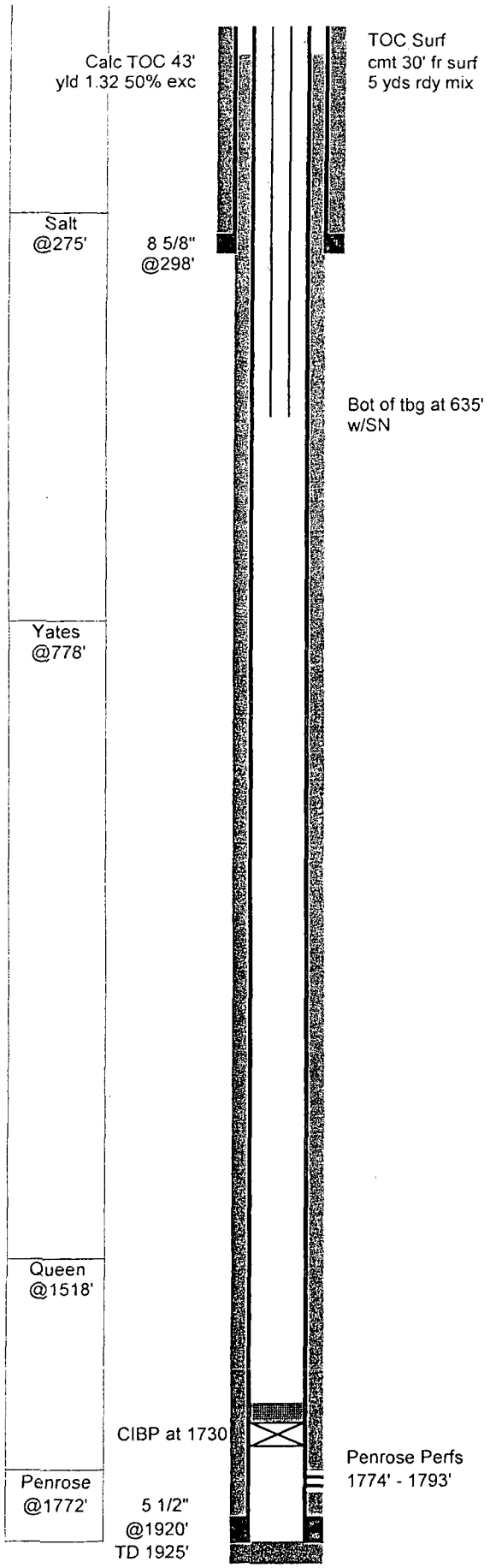
Type or print name Jack M. Rose E-mail address: bmartin@beachexp.com PHONE: 432/683-6226

For State Use Only

APPROVED BY: JR Dade TITLE Dist II Supervisor DATE 4/26/2013

Conditions of Approval (if any):

SEE Attached COA's



WHL #27 (Renee Federal #3)

GL:	3,638			**Status:**	Active Injection
KB:	3,644			**Perfs:**	1774' - 1793'
TD:	1,925				
PBD:	1,920			**API:**	30-015-25495
Fr. Wtr:					
Legal:	330	from W		**NM Lse:**	NMLC046119A
	1,650	from N		**Field:**	High Lonesome (Queen)
Section:	20-E				
Township:	16S			**Logs:**	GR, Neu, Den
Range:	29E				
County:	Eddy			**Archeological:**	none

Casing	Wt	Type	Set	Cmt	Hole	TOC	Method
8 5/8"	24.00		298	280	12 1/4"	Surf	30'+5yds rdy mx
5 1/2"	14.00		1,920	375	7 7/8"	43	Calc 50% exc

4-Dec-85	Spud well ***McClellan Oil Corp. - Renee Federal #3***
	Penrose Completion
18-Dec-85	Perf (1774'-1793') 9 holes 0.4" (1774,75,77,79,80,81,91,92 and 93) acid w/1Mgal 10%, frac w/30Mgal gel wtr 16.5M# 20/40+32.5M# 12/20 sand IP pumping 85 BOPD 5 BWPD 25 MCFPD 294 GOR 34 API
1-Oct-94	Beach purchased well
1-Dec-01	**West High Lonesome Unit #27**
	Convert to Injection
21-May-02	Treated down 2 3/8 x 5 1/2 annulus w/250gal xylene
23-May-02	Pulled and laid down rods and pump. Press tst'd tbg to 2500psi. RIH w/bit & scraper and CO to 1816'. Acidized Penrose w/300gal 15% NEFE acid. Well on vacuum. Laid down tbg and sent to Rice Eng for Duo-10 lining.
17-Jul-02	RIH w/5 1/2" PC AD-1 pkr, PC SN, 53 jts 2 3/8" J-55 Duo-10 lined tbg. Bottom of pkr 1717'. Loaded backside w/pkr fluid and tested integrity. OK
26-Jul-02	OCD conducted inj well MIT. Passed
21-Feb-12	Well failed MIT test by Richard Inge (OCD) csg would take water above 200 psi
11-Apr-12	Flowed well back to btry for three weeks. POOH w/inj string and set CIBP at 1700'. Found leak in 5 1/2" csg between 75' and 82'. Test below 82' to 1500psi Pumped into leak in 5 1/2" and circ out 8 5/8". Spotted 2 bbl of cmt Class C w/2% CaCl2 at 103' to surf. Pumped 3.5 bbl of cmt down 5 1/2" csg and had full circ out 8 5/8". Circ good cmt out 8 5/8", SI 8 5/8" valve and press 5 1/2" csg to 200 psi. Bled to 110 psi and held that press overnight.
14-Apr-12	Drld cmt from 9' to 112'. Tested csg and losing 10 psi every 2 min. Drld CIBP at 1700'. CO to 1830'. POOH. RIH w/original injection string, circ 45 bbl of pkr fluid and set pkr w/13 pts. Press csg to 110 psi and still had 108 psi 2 days later. Test csg and pumping 0.5 bpm at 400 psi.
19-Apr-12	Decision to TA well. POOH w/injection string. Set 5 1/2" CIBP at 1730' and dump bailed 10' cmt on top. RIH w/SN and 21 jts of 2 3/8" workstring open ended to 630'. Swabbed water out of well down to 520'. SI well. Moved DUO-10 lined injection tubing along with remainder of workstring (108 jts) to central btry yard.
Note:	Will monitor flood performance for one year to determine if this injector is critical. If critical will try to repair, if not will P&A.

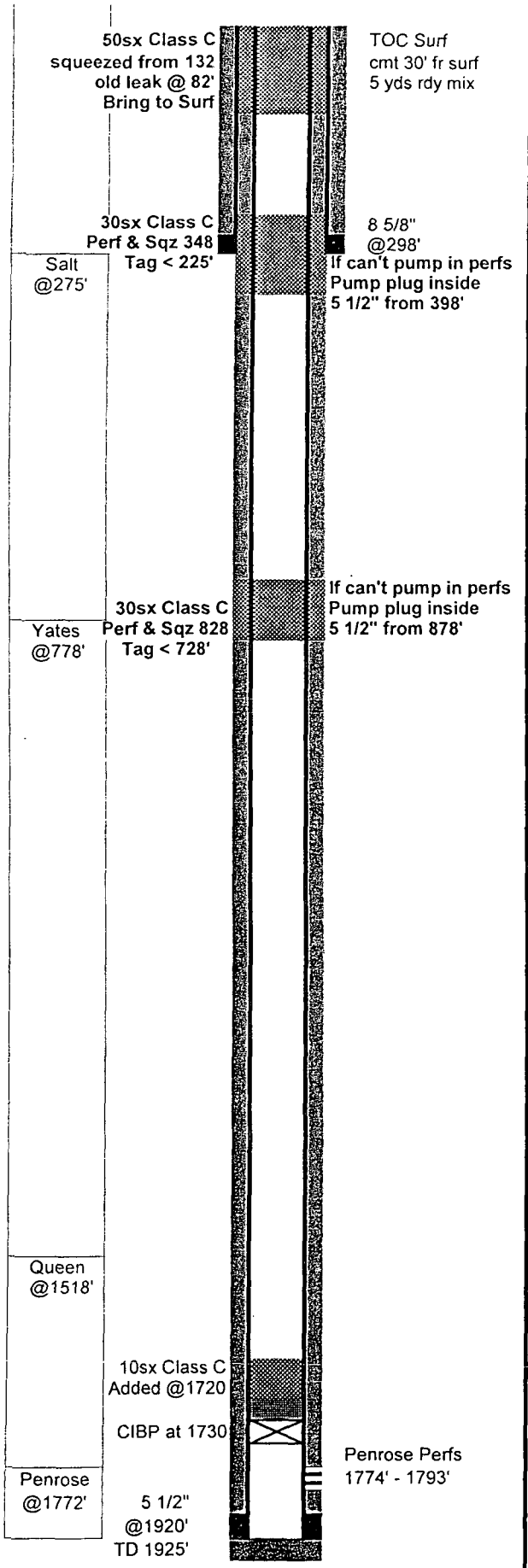
53 jts 2 3/8" 4.7# J-55 Duo-10 lined 1709.16 to cent btry

TUBING STRING 4/19/2012

# OF JTS	DESCRIPTION	LENGTH	FROM	TO
Distance from KB to top of pipe		4.00	0.00	4.00
21	2 3/8" 4.7# tbg	630.00	4.00	634.00
1	2 3/8" SN	1.10	634.00	635.10

ROD STRING (none)

# OF JTS	SIZE	TYPE OF RODS	LENGTH



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ROD STRING (none)

# OF JTS	SIZE	TYPE OF RODS	LENGTH

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: Beach Exploration, Inc

Well Name & Number: West High Lonesome Unit # 27

API #: 30-015-25495

1. Produced water **will not** be used during any part of the plugging & abandonment operation.

2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.

3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.

4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.

5. A subsequent C-103 will serve as notification that the well bore has been plugged ONLY. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.

6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.

7. Every attempt must be made to clean the well bore out to below the perfs, before any plugs can be set, by whatever means possible.

8. **Cement Retainers may not be used.**

9. **Squeeze pressures are not to exceed 500 PSI, unless approval is given by NMOCD.**

10. **Plugs may be combined after consulting with and getting approval from NMOCD.**

11. **Minimum WOC time for tag plugs will be 4 Hrs.**

DATE: 4/26/2013

APPROVED BY: A Dade

GUIDELINES FOR PLUGGING AND ABANDONMENT

DISTRICT II / ARTESIA

- All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sacks of gel per 100 bbls of water.
- A cement plug is required to be set 50' below and 50' above all casing shoes and casing stub plugs. These plugs must be tagged.
- A CIBP with 35' of cement on top may be set in lieu of 100' cement plug.
- A plug as indicated above must be placed within 100' of top perforation. This plug must be tagged.
- Plugs set below and above salt zones must be tagged.
- No more than 2000' is to be allowed between cement plugs in open hole and no more than 3000' in cased hole.
- DV tools are required to have a 100' cement plug set 50' above and below the tool and must be tagged.

- Formations to be isolated with plugs placed at the top of each formation are:
  - Fusselman
  - Devonian
  - Morrow
  - Wolfcamp
  - Bone Spring
  - Delaware
  - Any Salt Section (Plug at top and bottom)
  - Abo
  - Glorieta
  - Yates (this plus is usually at base of salt section)

- If cement does not exist behind casing strings at recommended formation depths, the casing must be cut and pulled with plugs set at these depths or casing must be perforated and cement squeezed behind casing at the formation depths.
- In the R-111-P area (Potash Mine area) a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts common to the section penetrated and in suitable proportions, but not more than a 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible (50' below and 50' above).