

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

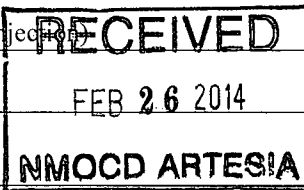
State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

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

WELL API NO. 30-015-10235
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name EASTLAND QUEEN UNIT
8. Well Number 17
9. OGRID Number 1903
10. Pool name or Wildcat TURKEY TRACK;7RVRS-QU-GB-SA

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other *(Injection)	
2. Name of Operator BEACH EXLORATION, INC.	
3. Address of Operator 800 N. Marienfeld, Suite 200, Midland, TX 79701	
4. Well Location Unit Letter <u>K</u> : <u>1</u> ,470 feet from the <u>SOUTH</u> line and <u>2,420</u> feet from the <u>WEST</u> line Section <u>1</u> Township <u>19S</u> Range <u>29E</u> NMPM <u>EDDY</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	



12. 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 COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
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.

The EQU #17 injector failed a mechanical integrity test on 2/19/14 conducted by Richard Inge (NM OCD). The most probable cause is a shallow casing leak above 500'. The well is currently shut in pending repair.

Procedure:

1. Connect flowback to vacuum truck to catch injection well flowback.
2. RU pulling unit. NU BOP. Release and reset packer seal. Drop standing valve to SN and pressure up on tbq to test.
3. Replace tubing and or packer and retest. If packer and tubing test ok then proceed to step 4.
4. Pick up 4 1/2" RBP, packer and 2 3/8" workstring. RIH and set RBP at 2310'. Pull up, set packer and test BP to 2000 psi.
5. Work packer up hole testing tubing and backside to locate casing leak. RIH w/16 jts tailpipe and packer to casing leak.
6. Spot a 25sx balanced cement plug as follows: pump 7.5sx C-neat cmt, 10sx C-neat cmt w/6#/sx blast sand, and 7.5sx C-neat
7. Pull up 16 jts, pump 6 BFW, set packer and hesitation squeeze casing leak. WOC
8. POOH w/tubing. RU reverse unit. Pickup 3 7/8" bit, drill collars and workstring. Drill out squeeze plug and pressure test casing.
9. Retrieve RBP at 2310' and clean out hole below perfs 2360 - 2388 (PBD 2516) POOH and laydown drill collars and workstring.
10. RIH w/2 3/8" x 4 1/2" PC AD-I tension packer, PC SN and 74 jts Glassbore lined tbq. Load backside w/packer fluid and set packer at 2338'.
11. Conduct OCD witnessed MIT. Return well to injection.

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

SIGNATURE Jack Rose TITLE Engineer DATE February 21, 2014
Type or print name Jack Rose E-mail address: bmartin@beachexp.com PHONE: 432/683-6226
For State Use Only

APPROVED BY: Richard Inge TITLE COMPLIANCE OFFICER DATE 3/13/14
Conditions of Approval (if any):