



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

5/1/2003

Beach Exploration Inc.
800 N. Marienfeld
Ste 200
Midland, TX 79701

Dear Operator:

The attached list of injection wells indicates a injection pressure which possibly exceeds the allowable for the wells indicated. Please verify your records and furnish this office, in writing, on or before May 15, 2003, with any documentation regarding a authorized increase in the injection pressure indicated.

In the event that a satisfactory response is not received to this letter of direction by the date indicated above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Your cooperation in this matter is appreciated.

Sincerely,

Gerry Guye
Compliance Officer
NMOCD District II - Artesia

Injection Pressure Exceedance Tracking Report

Report Description

This report presents information pertaining to Class II injection wells in which records show injection pressures that have exceeded permitted or otherwise allowed maximums in the course of a witnessed MIT.

RBDMS Report Name: rptUicPres/FlowExcedences

Injection Pressures and Rates Exceeding Permitted Maximum Tracking Report

02-May-03

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API Well Number	Well Name And Number	Test Dt	Pt(allow) (psig)	Pt(mx) (psig)	Exceeds (Y/N)
Operator Name					
30-015-24016-00-00	RED LAKE UNIT No. 012	3/26/2003 1:51:17 PM	363	1,000	Yes
BEACH EXPLORATION INC				Over Limit:	637