

Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W Grand Ave , Artesia, NM 88210
District III
1000 Rio Brazos Rd , Aztec, NM 87410
District IV
1220 S St Francis Dr , Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

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|---|
| WELL API NO. 30-015-26444 |
| 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 8 |
| 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 ☒ Gas Well ☐ Other ☐
2. Name of Operator
BEACH EXPLORATION, INC
3. Address of Operator
800 NORTH MARIENFELD, SUITE 200, MIDLAND, TX 79701

APR 18 2006

OCD-ARTESIA

4. Well Location
Unit Letter H; 2,310 feet from the NORTH line and 330 feet from the EAST line
Section 2 Township 19S Range 29E NMPM EDDY County
11 Elevation (Show whether DR, RKB, RT, GR, etc)

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: CONVERT TO INJECTION ☒

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 1103. For Multiple Completions Attach wellbore diagram of proposed completion or recompletion.

Beach plans move to Triple N into the area in May 2008 to initiate conversion of this well to injection. Additional C-103's are being filed to convert 12 other wells to injection and condition 17 wells for production.

Work Required - EQU #8 - Well was originally a producer and will be converted to injection. The 7 Rivers perfs 1626' - 1736' will be squeezed. The CIBP at 1800' will be drilled out.

Procedure:

1. Pull rods & pump, test tbg to 3,000 psi and pull tbg
2. Press test plug (1800') below 7 Rvrs perfs (1626'-1736')
3. Spot 25sx cmt squeeze plug at 1760' across 7 Rvrs perfs (250' in 5 1/2")
4. Hesitation squeeze 7 Rvrs perfs. WOC
5. Drill out squeeze plug w/ 4 3/4" bit
6. Press test csg squeeze job
7. Drill out 5 1/2" CIBP at 1800' (leaves 21' rat hole)
8. Pull and laydown tubing, send tbg to CPL for FG lining (est 4 weeks)
9. Run FG lined tubing and Model AD-1 Tension Pkr (lined & coated) within 50' of perfs
10. Flush backside, set packer, load backside w/packer fluid and integrity test

See attached
Conditions of Approval

2244-2294

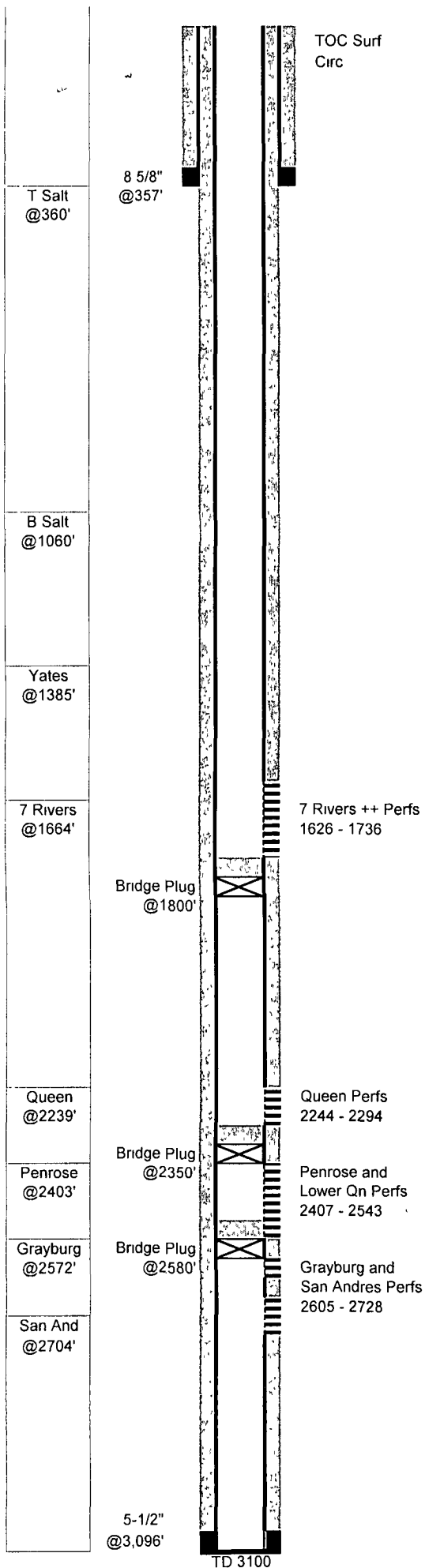
The initial 8 steps should be completed in May, the final 2 steps plus equipping the wellhead is anticipated in July

I hereby certify that the information above is true and complete to the best of my knowledge and belief I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Jack M. Rose TITLE Engineer DATE April 11, 2008
Type or print name Jack M. Rose E-mail address: bmartin@beachexp.com Telephone No. (432) 683-6226

For State Use Only

APPROVED BY: Gerry Guye TITLE Gerry Guye Compliance Officer DATE APR 21 2008
Conditions of Approval (if any): _____



EASTLAND QUEEN UNIT # 8

GL: 3,381 Status: Active pumping
 KB: 3,389 Perfs: 1626 - 1736
 TD: 3,100
 PBD: 3,037 1,800 API: 30-015-26444
 Fr. Wtr: Legal: 2,310 from N NM Lse: B-7717
 330 from E Field: Turkey Track (Sr-Qn-Gb-Sa)
 Section: 2-H Logs: CNL, LDL, DLL
 Township: 19S
 Range: 29E
 County: Eddy Archeological:

| Casing | Wt | Type | Set | Cmt | Hole | TOC | Method |
|--------|-------|----------|-------|-----|---------|------|--------------|
| 8-5/8" | 24 00 | J55 | 357 | 350 | 12-1/4" | Surf | ?? RM 10 yds |
| 5-1/2" | 15 50 | 779' J55 | 3,096 | 675 | 7-7/8" | Surf | Circ 25 sx |
| 5-1/2" | 14 00 | 2309' | | | | | |

- 19-Aug-90 Spud well
Eastland Oil - P.J. State A #20
- 9-Oct-90 CO w/pulling unit to 3100' and run 5-1/2" csg
- 11-Oct-90 **Grayburg San Andres Completion**
 Perf 2605,91,93, 2700,03,11,21,28 2 SPF 16 holes 4" csg gun
 acidized w/1000 gal 15% HCL 30 BS, Avg 3 9bpm 1650psi ISIP 1000 15min 940
 frac w/20Mgal gel wtr 40M# 20/40, Avg 20bpm 1400psi, ISIP 1250 15min 1090
- 31-Oct-90 Tst Pumping 28 BO 4 BW 40 MCF 24 hrs 35 2 API 1,454 GOR
- 6-Nov-90 Tst Pumping 9 BO 7 BW ?? MCF 35 2 API 24 hrs
- 13-Dec-90 **Penrose & Lower-Queen Completion**
 Bridge plug at 2580'
 Perf 2407,12,18,32,40,55,86,90, 2513,31,39,43 24 holes 0 4"
 acidized w/1000 gal 15% HCL
 frac w/25Mgal x-linked gel, 35M# 20/40, 15M# 12/20
 Avg 20bpm 1550psi, ISIP 1510 15min 1360
 swabbed and flowed SW with no show, no oil after 28 day test pumping
- 9-Jan-91 **Queen Completion**
 Bridge plug at 2350'
 Perf 2244,46,49,50,55,56,57,58,60,65,71,80,87,89,92,94 2 SPF 32 holes
 acidized w/1000 gal 15% HCL
 frac w/25Mgal gel wtr, 35M# 20/40, 15M# 12/20
 Tst Pump 5 BOPD
- 28-Jan-91 **7 Rivers + Completion**
 Bridge plug at 1800'
 Perf 1626,29,64,68,70,73,78,80,82,83, 1733,36 2 SPF 24 holes
 acidized w/1000 gal 15% HCL
 frac w/25Mgal x-linked gel, 35M# 20/40, 15M# 12/20 Avg 21bpm
- 1-Feb-91 IP Pumping 6 BO 7 BW 165 MCF 24 hrs 27,500 GOR

WORK REQUIRED

Well was originally a producer and will be converted to injection
 The 7 Rivers perfs 1626' - 1736' will be squeezed
 The CIBP at 1800' will be drilled out

Procedure:

1. Press test plug (1800') below 7 Rvrs perfs (1626'-1736')
2. Spot 25sx cmt squeeze plug at 1760' across 7 Rvrs perfs (250' in 5 1/2")
3. Hesitation squeeze 7 Rvrs perfs. WOC
4. Drill out squeeze plug w/ 4 3/4" bit
5. Press test csg squeeze job
6. Drill out 5 1/2" CIBP at 1800' (leaves 21' rat hole)

Conditions of Approval

- Approval to begin injection will only be granted upon receipt by OCD (Artesia) of the subsequent C-103 (Sundry Notice) with a detailed description of work done and the results of the Mechanical Integrity Test (Chart).
- Well must be tested to a minimum of 300 psi for 30 minutes with less than a 10% drop in pressure.
- Notify OCD (Artesia) 24 hours prior to testing so the test may be witnessed.