

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

APR - 2 2009

Form C-103
May 27, 2004

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

WELL API NO. 30-015-03541
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 18
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 RE-ENTRY

2. Name of Operator BEACH EXPLORATION, INC.

3. Address of Operator
800 NORTH MARIENFELD, SUITE 200, MIDLAND, TX 79701

4. Well Location
Unit Letter J; 1632 feet from the SOUTH line and 1667 feet from the EAST line
Section 1 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 ☐
OTHER: RE-ENTER AND CONVERT TO INJECTION ☒

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

Work to date (Approved C-101 7/13/08, Approved C-144 7/3/08 Permit No 020820)

09/16/08 Removed dry hole marker, tied 8 5/8" csg back to surf and welded on wellhead
11/17/08 RU. NU BOP and ran 7 7/8" bit No surface cmt plug Drilled cmt from 327' to 394'. Fluid started circ out of ground.
11/18/08 Tested and found leaks in 8 5/8" casing above 262'. Attempted to squeeze leaks w/100sx Starlite 12.8 ppg cmt.
11/19/08 Drld sqz cmt from 210' to 257'. 8 5/8" csg still leaking. Discussed w/Mike Bratcher (OCD NM) decided to run 7" csg.
11/20/08 Ran 7" FJ23# J55 FL4S csg to 382' Cmt'd w/50sx Class C cmt Circulated 25sx to surface between 8 5/8" and 7"
Notified Mike Bratcher (OCD NM) of csg job results
11/21/08 Drld out 7" float shoe w/6 1/8" bit and old cmt from 394' to 445' Cleaned out hole to 1142'
11/24/08 Finished cleaning out hole to cmt plug at 2530'. Drld cmt from 2530' to 2556' in preparation to run 4 1/2" csg
11/25/08 Ran to bottom w/drill string to check for fill before logging. With bit on bottom at 2556', drill string parted at 1190'.
Fish is 6 1/8" bit, bit sub, x-over, 4 - 4 1/8" drill collars and 39 jts of 2 7/8" N80 6.5# blue band tubing (fish 1367 47')
12/10/08 Well is SI waiting on evaluation of future operations
Note: Fished for 10 days, ran 3 different overshots / mills to cut / grab tubing, ran 6 1/4" bit to drill beside fish, and ran a Weatherford hook wall grapple We were
not successful in cutting the fish We were only able to get to 1400' beside the fish We were able to grab and lift the fish with the hook wall grapple but
always slipped off because the top of the fish is bent out into an enlarged hole from 1142' to 1200'. A Fish finder and a downhole video were run to evaluate
future operations Cudd Coiled Tbg division has studied the well and has indicated that they may be able to do an outside cut on the fish below the bent
portion to facilitate removing the fish

Planned procedure

- 1) Perform an outside tubing cutoff below fish collar at 1205' w/Cudd coiled tbg and high press jetted sand
- 2) RIH w/ hookwall tool, overshot mill and grapple and latch fish Jar fish out of hole past (2 7/8" tbg) cutoff floater
- 3) RIH to check clearance by floater and clean hole to 2556' Run 4 1/2" 10 5#J55 LTC casing to 2556'
- 4) Cement 4 1/2" csg to surface w/950.sx lite (12 8 ppg) w/3% salt, 5# / sx gilsonite, 1/4#/sxfkicekem tauk ub w/ 200 sx
- 5) Run cased hole evaluation logs
- 6) Install Model R, 4 1/2 x 2 3/8 tbg head Perforate Queen unitized interval at approx 2450'
- 7) Break perforations down w/acid and fracture treat Queen w/25Mgal and 40 M# of sand. Swab and clean up after frac
- 8) Run FG lined tbg and Modle AD-1 tension pkr (lined and coated) within 50' of perms.
- 9) Flush backside, set packer, load backside w/packer fluid and conduct integrity test

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 March 30, 2009

Type or print name Jack M. Rose E-mail address: bmartin@beachexp.com Telephone No. (432) 683-6226

For State Use Only

APPROVED BY: Ronald Ingram TITLE Compliance Officer DATE 4/14/09

Conditions of Approval (if any):

PLEASE NOTIFY THE OCD
48 HOURS IN ADVANCE
OF THE MIT TEST
SO IT MAY BE
WITNESSED.