

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

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

WELL API NO.
30-015-23658

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement

Name:

Red Lake Unit

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

RECEIVED

2. Name of Operator

Beach Exploration, Inc.

MAR 17 2004

3. Address of Operator

800 North Marienfeld, Ste. 200

OCD-ARTESIA

8. Well No.24

9. Pool name or Wildcat

Red Lake, East

4. Well Location

Unit Letter G : 1986 feet from the North line and 1983 feet from the East line

Section 36

Township 16S

Range 29E

NMPM

County Eddy

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

11. 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 COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT

CASING TEST AND CEMENT JOB ☐

OTHER: T.A. Well ☐

12. 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 recompilation.

1 Beach Exploration Requests TA status for the RLU #24

2 Attached is a copy of the MIT pressure chart recorded 3/11/04
witnessed by Gerry Guye with the OCD

3 The Red Lake Unit is a mature waterflood. The flood has only had a 0.42/1 secondary to primary ratio. Most Queen floods in this area have a 1/1 secondary to primary ratio. Although Beach has not been able to determine the cause of this underperformance, future review, new technology or sale to another company capable of revitalizing this flood could potentially lead to the recovery of an additional 265MBO. Temporarily abandoning wells in this unit rather than plugging them, will facilitate any future effort.

4 TA procedure:

This well originally had 4-1/2" casing set at 1882'

1/1998 the injection tubing and packer were pulled from this well

4/28/00 tubing and a packer were run and a successful MIT was witnessed (tbg and packer pulled)

2/14/02 a CIBP was set on wireline inside the 4-1/2" csg at 1730' w/35' cmt on top (top perf 1778')

On 3/15/02 a successful MIT test was conducted;

successful MIT conducted on 3/11/04.

Please Note
well lost
90% during
Test

Temporary Abandoned Status approved
until 3-11-05

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

SIGNATURE Lizbeth Lodle TITLE Engineering Analyst

DATE March 16, 2004

Type or print name Lizbeth Lodle

Telephone No. 432-683-6226

(This space for State use)

APPROVED BY

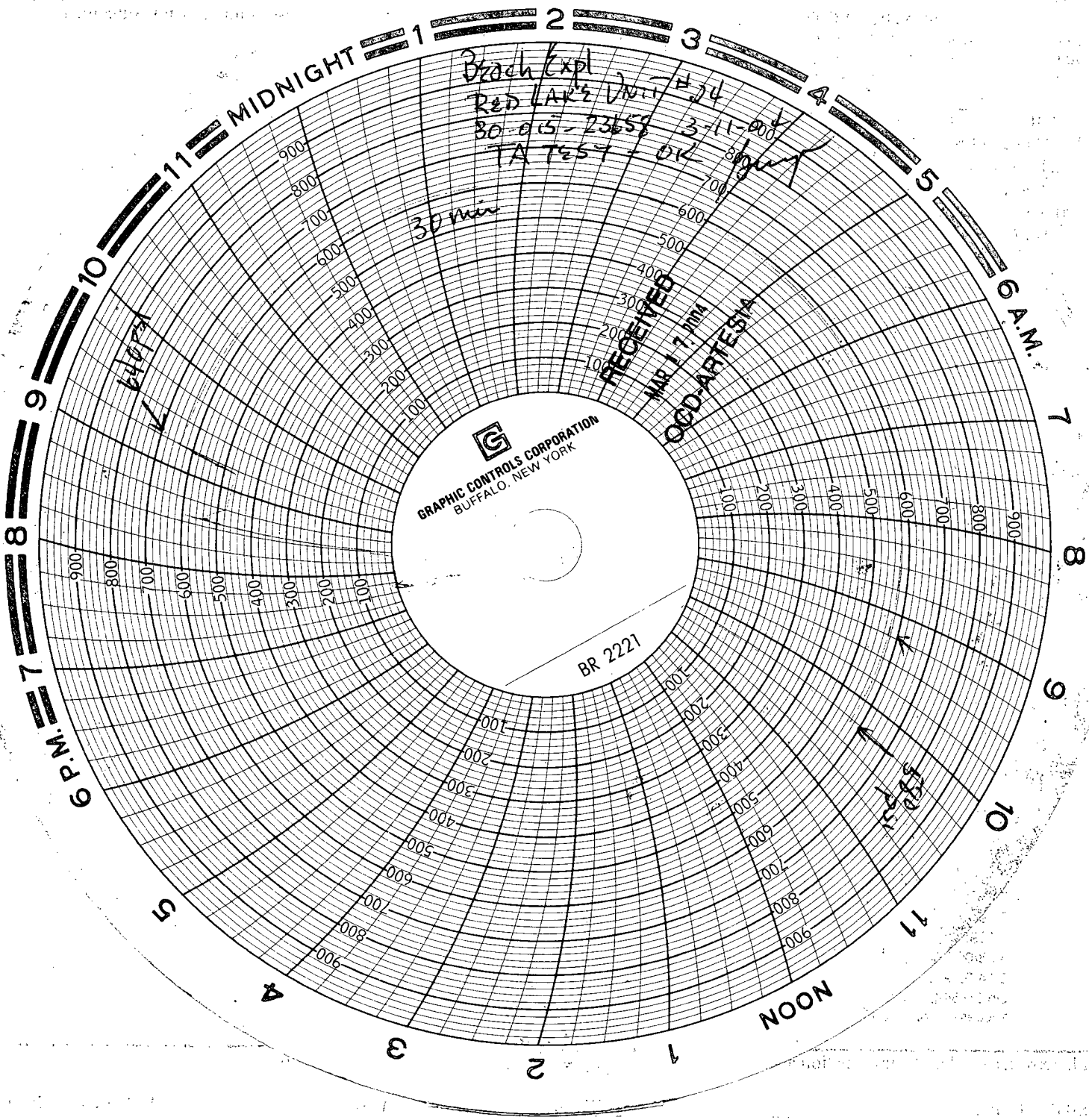
TITLE

DATE

APR 5 2004

Conditions of approval, if any:

RECEIVED
FBI
MAY 11 1964



GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

BR 2221

Branch Expl
Red Lake Unit #24
80-015-23653 3-11-00
TA TEST OK

APR 2 1964

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FBI
MAY 11 1964