

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

WELL API NO. #6 (30-015-25788)
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMNM106832X
7. Lease Name or Unit Agreement Name West High Lonesome Penrose Sand Unit
8. Well Number #6
9. OGRID Number 001903
10. Pool name or Wildcat High Lonesome Queen

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	RECEIVED
2. Name of Operator Beach Exploration, Inc.	NOV 10 2005
3. Address of Operator 800 North Marienfeld, Suite 200, Midland, TX 79701	OCD-ARTESIA
4. Well Location Unit Letter <u>K</u> : <u>2310</u> feet from the <u>SOUTH</u> line and <u>1950</u> feet from the <u>WEST</u> line Section <u>17</u> Township <u>16S</u> Range <u>29E</u> NMPM <u>EDDY</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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: ☒

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.

Beach Exploration's West High Lonesome Unit was originally approved for 18 injection wells by Order R-11674 dated 10/19/01. The plan, under that order, was to convert wells to injection in two phases. The Phase I conversion took place at unit installation 9/2/02. In Phase I, twelve of thirteen wells were converted to injection. The remaining five approved injectors were to be converted in Phase II after the Phase II wells had watered out. This process has taken longer than expected, partially because of the need for increased injection pressure. By hearing, the maximum surface injection pressure was increased to 1100 psi for the original 18 approved injectors with Order R-11674-A dated 11/24/03.

Beach Exploration converted two of the originally approved five Phase II wells to injection in June of 2004 (WHL #2 and #16). The WHL #6 is the third of five Phase II wells that needs to be converted to injection. This well has just now started watering out. This work is necessary to increase our injection support in the northeast portion of the unit. This work is planned for late November to early December 2005.

The WHL #6 was listed as the Iles Federal #8 on the original exhibit "A"

Rods, pump and tubing will be pulled from these wells and Duo10 plastic lined 2 3/8" tubing with a plastic lined Model AD-1 tension packer will be run in the hole and set within 100' of the existing perforations. The backside will be loaded with packer fluid and a pressure integrity test will be conducted.

Notify OCD 24 hours
prior to test. 748-1283

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 Brenda Martin TITLE Regulatory Analyst DATE 11-7-05

Type or print name Brenda Martin
For State Use Only

E-mail address: bmartin@beach.com Telephone No. (432) 683-6226

APPROVED BY: [Signature] TITLE Field Supervisor DATE NOV 15 2005
Conditions of Approval (if any):