

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. 30-015-25888
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 7
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 TO RE-ENTER A WELL OR TO RE-ENTER A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator BEACH EXPLORATION, INC.	
3. Address of Operator 800 NORTH MARIENFELD, SUITE 200, MIDLAND, TX 79701	
4. Well Location Unit Letter H; 1,650 feet from the NORTH line and 990 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 <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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL. <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: CONVERTED TO INJECTOR <input checked="" type="checkbox"/>

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.

EQU # 7 - CONVERTED TO INJECTOR - (P.J. State A #12)

Beach Exploration, Inc. under the authority granted by Order No. R-12833 dated 10/25/2007 plans to convert the EQU #7 to injection.
(a planned Phase II injector - Order R-12833 Exhibit "A" formerly named the PJ State A #12)
Procedure:

07/15/10	Pulled and laid down rods and pump. Pulled 2 3/8" tbg Ran 3 7/8" bit & scraper to 2485' Laid down tbg. SI well
07/16/10	Took 2 3/8" tbg into CLS (Odessa) to be lined w/fiberglass
08/04/10	Took delivery of Glassbore tbg Ran 4 1/2" x 2 3/8" PC AD-1 Tension pkr, PC SN, and 74 jts of 2 3/8" Glassbore tbg Packer at 2318'. Queen perms (2400'-2428'). Flushed backside w/pkr fluid Set pkr w/25 pts, loaded backside w/pkr fluid and pressure tested annulus to 500 psi Held OK
08/09/10	Conducted and passed Mechanical Integrity Test - Witnessed by OCD (Richard Inge)

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 August 11, 2010

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

APPROVED BY: Richard Inge TITLE COMPLIANCE OFFICER DATE 9/20/10
Conditions of Approval (if any):

CAH