



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

Field Inspection Program

"Preserving the Integrity of Our Environment"

31-Jul-02

BEACH EXPLORATION INC

800 N MARIENFELD

STE 200

MIDLAND TX 79701-

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section below indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division.

Please notify the proper district office of the Division of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

WHLPSU 013

J-17-16S-29E

30-015-01438-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/26/2002	MIT Witnessed - Pre	Gerry Guye	Yes	No	10/29/2002	iUNK0220735413

Comments on Inspection:

Well sign does not reflect proper well name. Violation Rule 103. Since the production casing was not cemented to surface it is requested a valve be installed on the area behind the production casing in order to monitor this area. This valve should be plumbed to the surface with a valve above ground to facilitate setting a gauge for monitoring if necessary.

WHLPSU 026

H-19-16S-29E

30-015-24131-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/26/2002	Routine/Periodic	Gerry Guye	Yes	No	10/29/2002	iGEG0220733585

Comments on Inspection:

Well Sign does not reflect operator or correct well name.

WHLPSU 015

O-18-16S-29E

30-015-25375-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/26/2002	MIT Witnessed - Pre	Gerry Guye	Yes	No	10/29/2002	iUNK0220741220

Comments on Inspection:

Well sign does not reflect proper well name. Violation Rule 103.

7/12