

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.
30-025-30493
5. Indicate Type of Lease
STATE ☒ FEE ☒
6. State Oil & Gas Lease No.
001916

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 10-1) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Beach Exploration, Inc.

3. Address of Operator
800 North Marienfeld, Suite 200, Midland, TX 79701

4. Well Location
F Unit Letter 1980 feet from the North line and 1980 feet from the West line
11 Section 18 S Township 38 E Range 1E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3636' GL

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: ☐

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.

6/1/2007 Prepared wellsite - dug, lined and fenced workover pit.

6/4/2007 MI pulling unit, frac tanks and BOP/accumulator, Nipple-up BOP/accumulator and plumb frac and btry tanks. Unseated pump but pump stuck coming up. Backed off rods at 2000'. RU to tbq and unable to release TAC. Screwed back into rods at 2000' and tried unsuccessfully to pull pump.

6/5/2007 Pulled on rods and pump came free. POOH w/ rods and pump. RU to tbq. Released TAC. TAC would move down but not up. Hot watered down tbq and csg. TAC and tbq came free. POOH w/tbq and TAC. Ran 4 3/4" bit and 5 1/2" csg scraper and cleaned well out to PBTD of 4942'.

6/6/2007 POOH w/bit and scraper. RIH w/ 5 1/2" Mod AD-1 pkr, SN and 2 3/8" tbq. Tested tbq in hole to 5000 psi. Located squeezed Queen perfs that had broken down 4110' - 4119' w/pkr. 2 BPM at 500 psi. Attempted to set pkr above San Andres and swab. Pkr would not seal.

6/7/2007 Queen flowed up backside overnight at a rate of 154 BFPD w/3% oil cut. Tried to pull pkr. Pkr stuck. Pkr would move down but not up. Hot watered San Andres down tbq. No communication between annulus and tbq. Swabbed San Andres under pkr. Recovered water and FL staying at 3800'.

6/8/2007 SICP 100 psi. Blew csg down. ND BOP. Lowered tbq to 4846'. SN at 4843', Pkr at 4844' (20' to 46' above San Andres sqz'd and open perfs). RU and swabbed San Andres under pkr. Pkr sealed. No communication between tbq and annulus. Swabbing water from San Andres. Getting Queen sand out of San Andres. RIH w/PAP pump and rods. Hung well on and started pumping San Andres under pkr.

Will test pump San Andres under a pkr and leave Queen SI on backside. If Queen pressure increases will flow down to tank btry. Drained pit but left lined and fenced while test pumping the San Andres.

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 NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE _____ TITLE _____ Engineer _____ DATE _____ June 13, 2007 _____

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

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____ JUN 1 2007

Conditions of Approval (if any): _____ DATE _____ JUN 19 2007