

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil & Gas Division
1625 N. French Dr.
Hobbs, NM 88240

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

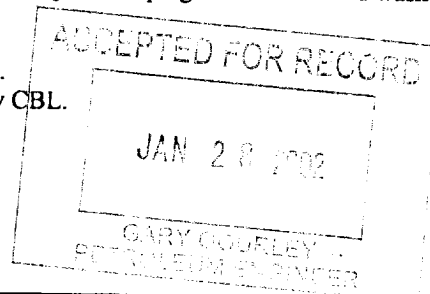
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Re-Entry		5. Lease Serial No. NMNM23006
2. Name of Operator Beach Exploration, Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 800 N. Marienfeld Ste. 200, Midland, TX 79701	3b. Phone No. (include area code) 915/683-6226	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL & 660' FEL SE/4 SE4 Unit P Sec. 31, T18S, R32E		8. Well Name and No. Moleen Federal
		9. API Well No. 30-025-21400
		10. Field and Pool, or Exploratory Area Young, San Andres South
		11. County or Parish, State Lea Co., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Re-entry
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1. Rigged up, drilled out surface plug in 13 3/8" csg, tested BOP.
2. Drilled out cement plugs w/6 3/4" bit, 13 3/8" shoe plug 621'-700', open hole plug 999'-1080', top of 8 5/8" csg stub plug 1713'-1900', 8 5/8" csg shoe plug 2895'-3220'.
3. Pulled out, picked up 7 7/8" bit, reamed to 3220', drilled open hole plug 3655'-3890', open hole plug 4656'-4810' and washed down to 5325'.
4. Ran logs 5300'-3194' GR, Neutron, Density & Dual Laterolog.
5. Ran 7" 23# J-55 8RD LT&C to 1108'. Cemented w/650sx circulated 225 sx to pit.
6. Ran 4 1/2" 11.6# J-55 8RD LT&C to 5305', cemented w/350 sx TOC @ 3808' by CBL.
7. Perforated San Andres 4973'-5009' 2 SPF (38 holes)
8. Acidized w/7200 gal 15% NEFE and swab tested, 2-3 BOPD. Non commercial.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
Lizabeth Lodie

Title Production

Signature

Lizabeth Lodie

Date January 16, 2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

[Handwritten signature]