

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address. Beach Exploration, Inc. 800 N. Marienfeld Ste. 200 Midland, Texas 79701		² OGRID Number 1903
		³ API Number 30-025-34689
⁴ Property Code 24852	⁵ Property Name Laughlin	⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	19	19S	38E		2122'	South	380'	West	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
⁹ Proposed Pool 1 Wildcat - San Andres					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code Oil	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3595'
¹⁶ Multiple	¹⁷ Proposed Depth 4,600'	¹⁸ Formation San Andres	¹⁹ Contractor Norton Drlg.	²⁰ Spud Date 9-15-99

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12"	8 5/8"	24#	325'	275 Cl C	Surface
7 7/8"	4 1/2"	15.5#	4,600'	Required	500' Above Perf

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Spud 12" hole, drill to approximately 400', set and cement 8 5/8" surface casing, cement with 275 sxs. Cl C, circulate to surface. Drill to anticipated TD of 4,600'. Run logs, circulate, perforate, acidize and frac for completion.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Barbara Watson</i>		OIL CONSERVATION DIVISION	
Printed name: Barbara Watson		Approved by: <i>Paul Kautz</i> Title: Geologist	
Title: Production		Approval Date: SEP 17 1999	Expiration Date:

District I
PO Box 198th, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brasos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025	2 Pool Code —	3 Pool Name Wildcat - San Andres
4 Property Code 24852	5 Property Name Laughlin	6 Well Number 1
7 OGRID No. 1903	8 Operator Name Beach Exploration, Inc.	9 Elevation 3595

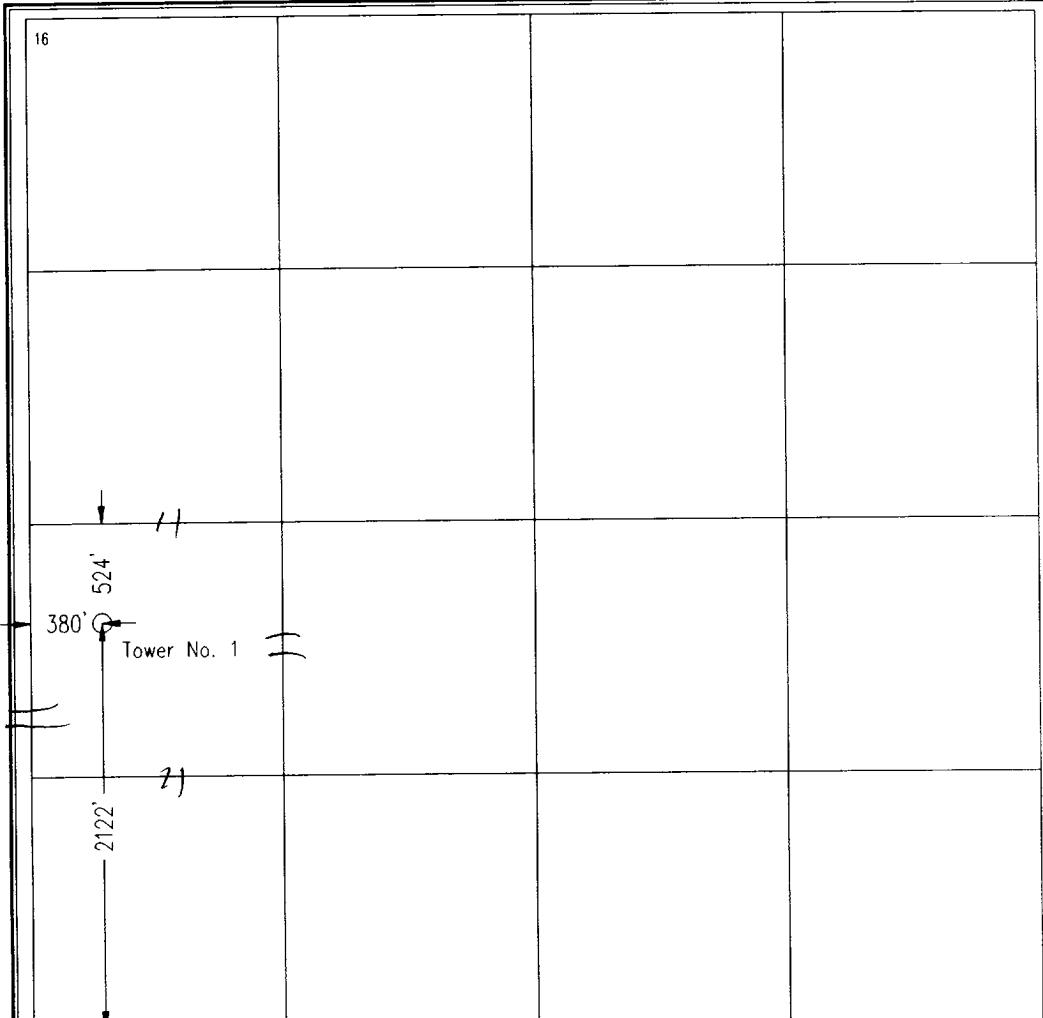
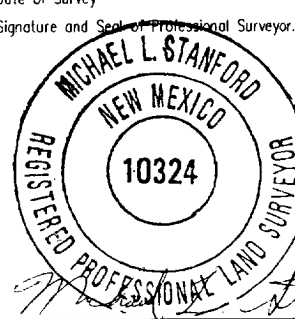
¹⁰ Surface Location

UL or lot no. L	Section 19	Township 19 S	Range 38 E	Lot Idn	Feet from the 2122	North/South line South	Feet from the 380	East/West line West	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40									
¹³ Joint or Infill									
¹⁴ Consolidation Code									
¹⁵ Order No.									

40.65 NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature: <i>Barbara Watson</i> Printed Name: Barbara Watson Title: Production Date: August 30, 1999
	18 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey: August 23, 1999 Signature and Seal of Professional Surveyor:  Certificate Number: 10324

4 Miles SW of Hobbs, New Mexico.

File No. A-1444

New Mexico Oil Conservation Division
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED
"AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or depended resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number of this (proposed) completion
7. Operator's OGRID number
8. The Operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines. NOTE: if the United States government survey designates a Lot Number for this location use that number in the "UL or Lot no." box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre.
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion of this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

C	Communitization
U	Unitization
F	Forced pooling
O	Other
P	Consolidation pending

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL
ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD
UNIT HAS BEEN APPROVED BY THE DIVISION!

15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling

16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion or the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to the completion, outline each one and identify the ownership as to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

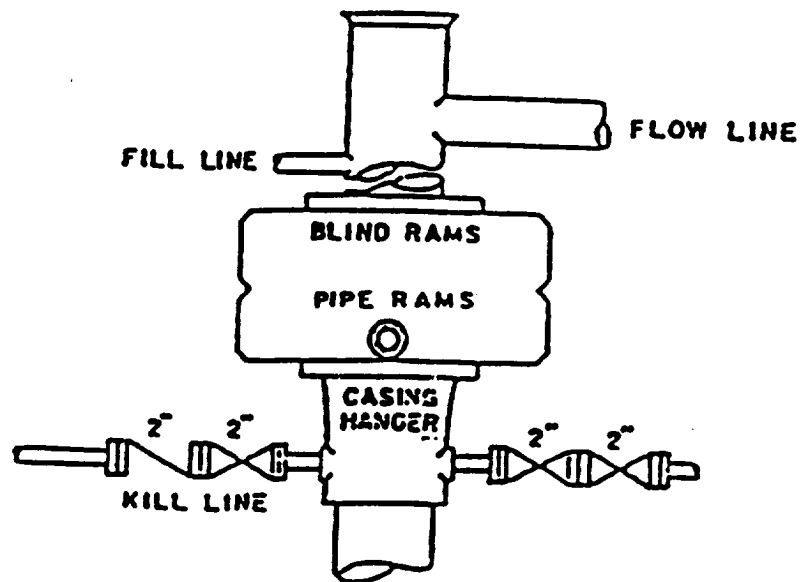
Blowout Preventer Arrangement

BEACH EXPLORATION, INC.

Laughlin Well No. 1

NW/4 SW/4, Sec. 19, T19S, R38E

Lea County, NM



ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED

ELF 2/27/99

1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022