

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Bureau of Land Management, Santa Fe, New Mexico
SERIAL NO.: 46278

and hereby designates

NAME: Beach Exploration, Inc.
ADDRESS: P. O. Box 3669, Midland, Texas 79702

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

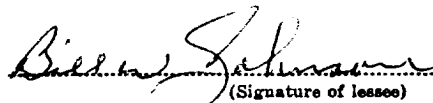
Section 1: Lot 1, SE/4 NE/4, NE/4 SE/4
T23S, R35E, Lea County, New Mexico

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

Aminoil USA, Inc.


(Signature of lessee)

Bill W. Johnson, Contract Agent

601 N. Loraine, Midland, Texas 79701

April 26, 1982

(Date)

(Address)

OPERATIONS PLAN

Beach Exploration, Inc.

Aminoil-Federal #1

I. Location: 330' FEL & 1650' FNL,
 Sec. 1, T-23-S, Rge 35E,
 Lea County, New Mexico

Field: Jalmat-Yates Seven Rivers

Elevation: 3489'

II. Geology:

A. Formation Tops:

Anhydrite	1620'
Salt	1750'
Yates	3660'

B. Logging Program:

Gamma Ray-Neutron - surface to 3900'

C. Coring or Testing:

None

III. Drilling

A. Mud Program

- (1) Fresh water mud from surface to 325'
- (2) Brine water from base of surface csg to 3800', flosal sweeps to TD, mud weight approx 10.1#

IV. Materials:

A. Casing Program:

<u>Hole Size</u>	<u>Depth</u>	<u>Csg Size</u>	<u>Wt.</u>
11"	325'	8 5/8"	24#
7 7/8"	3900'	4 1/2"	10.5#

B. Float Equipment:

8 5/8" surface csg - none
4 1/2" production csg - guide shoe and insert float.

C. Tubing: 3800' 2 3/8" J-55, 4.38#

D. Wellhead Equipment: Larkin figure 92, 2800 psi rated wellhead

V. Cementing:

A. Surface casing (11" x 8 5/8") cement with LCM, fluid loss additives and 2% CaCl and circulate to surface, WOC 8 hrs and test to 500#

B. Production Casing (7 7/8" x 3900') cement with 300 sxs, Class H plus 2% CaCl, WOC 24 hrs.

22-35

JALMAT YATES
UNIT

JALMAT YATES UNIT

SO EUNICE UNIT
CONOCO (OPER)

33

34

35

36

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23-35

LEGEND

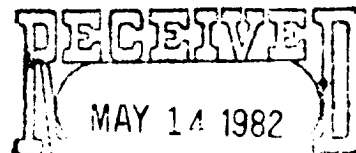
LEASE ACREAGE

PRORATION UNIT

Map No. 1

SURFACE USE PLAN

Beach Exploration, Inc,
Aminoil-Federal #1
330th FEL & 1650 FNL
Sec. 1, T-23-S, Rge 35 E,
Lea County, New Mexico



OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

1) Existing Road

Please refer to the following a attached map (Map No. 2) showing existing roads. All existing roads will be properly maintained during the duration of this project.

2) Planned New Access Roads

None. Well falls on existing road therefore no new access roads will be necessary.

3) Location of Existing wells

See Map No. 1

4) Location of Tank Batteries & Production Facilities

There are no existing production facilities on this lease. All batteries will be constructed on the location pad.

5) Source of Construction Materials

Caliche for pad construction is to be taken from BLM approved caliche pit.

6) Method of Handling Waste Material

All garbage and trash material will be put into burn pit. This pit is to be fenced to prevent scattering in the wind. When clean-up operations are finished all burn pit refuse will be buried three (3') below the surface. If large volumes of fluids are left in reserve pit after completion of this project, adequate time will be allowed for these to dry up and then the clean-up operation can be completed. No earthen pit will be located on a natural drainage that would allow these materials to get into the watershed. All drill cuttings and drilling fluids will be disposed of in a plastic lined pit as to prevent leakage from occuring.

7) Wellsite Location

Only minor leveling will be required for construction, no significant cuts or fills will be made.

8) Plans for Restoration of the Surface

After completion of this project the location will be cleaned and leveled. The location production equipment will be painted as designated by the BLM.

9) Operator's Representative

D. Forrest Jones
800 N. Marienfield - Suite 200
Midland, Texas 79701

Phone (915) 683-6226

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HOBBS OFFICE

Introduction

An archaeological reconnaissance was recently completed by the Agency for Conservation Archaeology (A.C.A.) at Eastern New Mexico University for Beach Exploration, Inc. in Lea County, New Mexico, on land administered by the Bureau of Land Management. The reconnoitered area will be impacted by the construction of a well pad and an associated access road. The project was administered by Mr. Carl Beach for Beach Exploration, Inc. and Dr. Colleen M. Beck, Director of ACA. This report was prepared by the Portales office of ACA.

The field work was conducted on April 19, 1982 by Michael Kyte. Excellent field and weather conditions prevailed throughout the course of this reconnaissance. This survey was conducted under Federal Antiquities Permit number 81-NM-223. A search of the National Register has been made and properties within this area are not listed on the Register.

Survey Technique

Visual inspection of the pad was completed by walking a series of parallel transects. Each transect was covered in a tightly spaced zigzag pattern. The access road was examined as two individual transects, with tightly spaced zigzag patterns covering the length and breadth. The distance between transects was 25 feet (7.6 meters). This method maximized the opportunity of observing any cultural resources within or near the proposed area of impact.

Aminoil Federal #1 & Road

Location

The proposed well pad and access road are located 25 miles southwest of Hobbs, New Mexico, on the Llano Estacado. The pad measures 400 X 400 feet (121.9 X 121.9 meters) and the access road measures 50 X 1650 feet (15.2 X 502.9 meters). They are situated as follows:

Well Pad:

SE 1/4 NE 1/4, Section 1, T23S R35E, NMPM, Lea County, NM (BLM)

Access Road:

SE 1/4 NE 1/4, Section 1, T23S R35E, NMPM, Lea County, NM (BLM)

NE 1/4 NE 1/4, Section 1, T23S R35E, NMPM, Lea County, NM (BLM)

Plat: Figure 1

Map Reference: USGS Oil Center Quadrangle, 15 minute series, 1963 (figure 2)

Terrain

The proposed well pad and access road are located on the Llano Estacado, 1 mile northeast of San Simon Ridge. They are situated in a dune field on a gradual (50' per mile) south facing slope. Vision is limited to 1/8 mile on the north and east and 1.5 miles on the south and west, to the next rise. The elevation varies from 3480' to 3510 feet (1060.7 to 1069.8 meters). The soil encountered in the area is predominantly a sand. Taxonomically, it can be classified as a member of the paleorthids-haplargids association. Lithic inclusions consist of less than 5 cm diameter of caliche fragments.

Floristics

ACA encountered a sparse to moderate floral assemblage at this location. The density of the vegetation in the area varies from approximately 10 to 30 percent, consisting primarily of shrubs. The dominant species is oak brush (Quercus havardii). Among other species present are mesquite (Prosopis juliflora), plains yucca (Yucca campestris), and various grasses.

Cultural Resources

During this survey ACA did not encounter any archaeological sites. However the following isolated manifestation was recorded:

IM-1: is an unretouched white quartzite tertiary flake measuring 1.5 X 1.5 cm, found 100 feet directly north of the center stake (not collected).

A review of the National Register did not find any properties listed for this location.

Recommendations

The cultural material lacks significance and geologic integrity; therefore, ACA recommends clearance for the proposed well pad and access road and suggests that construction be allowed to proceed as currently planned.

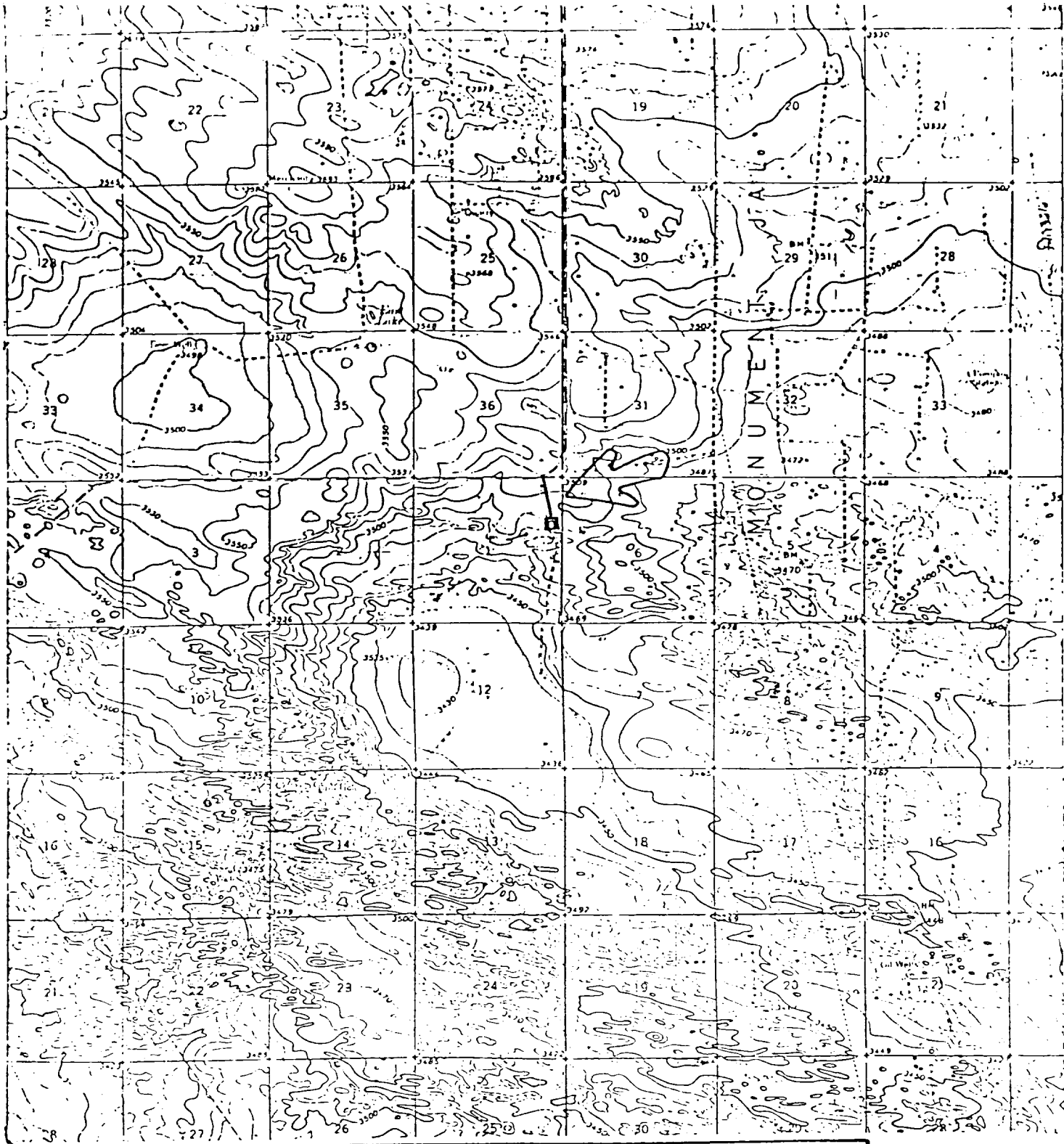
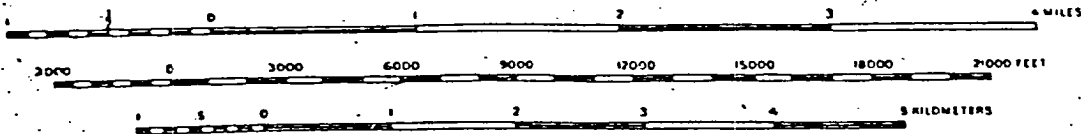


Figure 2: Location of Aminoil Federal #1 & Road
Section 1, T23S, R35E, Lea County

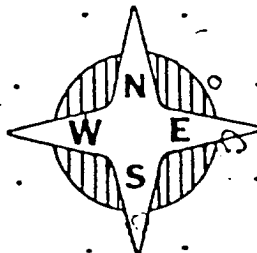
Map Reference: USGS Oil Center Quadrangle, 1963

Map No. 2

SCALE 1:62500



15 MINUTE
SERIES



CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and that the work associated with the operations proposed herein will be performed by Beach Exploration, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date: April 21, 1982

Beach Exploration, Inc.

By: Conrad C. Beach

Title: Vice-President

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