

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Permit 67910

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL API NUMBER
30-015-35678

5. Indicate Type of Lease
S

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
STATE 2

8. Well Number
001

9. OGRID Number
246083

10. Poolname or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:O

2. Name of Operator
REEF EXPLORATION, L.P.

3. Address of Operator
1901 N. CENTRAL EXPRESSWAY, , SUITE 300 RICHARDSON , TX 75080

4. Well Location
Unit Letter G : 1980 feet from the N line and 1980 feet from the E line
Section 2 Township 23S Range 31E NMPM Eddy County

11. Elevation (Show whether DR, KB, BT, GR, etc.)
3430 GR

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 OF PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐

CASING/CEMENT JOB ☐

Other: **Drilling/Cement** ☒

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.

Please see attached Drilling Report

See Attached

7/25/2007 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
07/28/07	Surf	FreshWater	17.5	13.375	48	H-40	0	897	290	1.93	Prem + Lt		800	0	N
07/28/07	Surf	FreshWater	17.5	13.375	48	H-40	0	897	545	1.34	Prem +		800	0	N
08/03/07	Int1	FreshWater	11	8.625	32	J-55	0	4433	965	2.05	C		1000	0	N
08/03/07	Int1	FreshWater	11	8.625	32	J-55	3500	4433	300	1.35	Prem +		1000	0	N
08/16/07	Prod	FreshWater	7.875	5.5	17	L-80	6355	8407	375	1.68	Super H		1300	0	N
08/16/07	Prod	FreshWater	7.875	5.5	17	L-80	6347	8407	200	2.48	Interfill		1300	0	N
08/16/07	Prod	FreshWater	7.875	5.5	17	L-80	6344	8407	525	2.42	Poz Prem		1300	0	N

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

SIGNATURE Electronically Signed

TITLE Regulatory Analyst

DATE 1/21/2008

Type or print name Rosalind Mercer

E-mail address rosaland@reefexploration.com

Telephone No. 972-437-6792

For State Use Only:

APPROVED BY: Bryan Arrant

TITLE Geologist

DATE 1/22/2008 7:59:55 AM

**Reef Exploration L.P.
State 2 Well #1
Unit G
1980 FNL & 1980 FEL
Sec 2, T-23-S,R-31-E
Eddy County, New Mexico**

Drilling Report

Well Directions: From Jal NM go to 35 miles West on Hwy 128. Turn right North, on Red Road. (#798). Go 5 ½ miles. Turn left, West, and go ¼ mile to location.

Date: 4-26-07

Day:

Depth:

Present Operation: Stake Location

Operations Last 24 Hours: Stake State 2 Well #1 Unit G, 1980 FNL & 1980 FEL, Sec 2, T-23-S R-31-E, Eddy County, NM.

Date: 6-20-07

Day:

Depth:

Present Operation: Prep work

Operations Last 24 Hours: Permit approved by NMOCD.

Date: 7-25-07

Day:

Depth:

Present Operation: Move in.

Operations Last 24 Hours: Commence to move in drilling rig. 20" conductor set @ 40'.

Date: 7-26-07

Day: 01

Depth: 121'

Present Operation: Drilling.

Operations Last 24 Hours: Drilled 121'. Bit #1-17 ½" w/8.5 #/gal. Spud mud. Moved in and rig up. Notify NMOCD @ 4:00 pm CST on 7-25-07. Drill 121' @ 15.5/hr. Unplug flowline.

Date: 7-27-07

Day: 02

Depth: 390'

Present Operation: Drilling.

Operations Last 24 Hours: Made 290' of 17 ½" hole in 14 1/4 hrs w/8.7#/gal spud mud. Replace valve on pump and un plug flow line. TOH to work on flow