

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 68029

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

WELL API NUMBER
30-015-35675

5. Indicate Type of Lease
S

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
STATE 2

8. Well Number
003

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 F : 1980 feet from the N line and 1980 feet from the W line
Section 2 Township 23S Range 31E NMPM Eddy County

11. Elevation (Show whether DR, KB, BT, GR, etc.)
3421 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.

See attached Drilling Report

See Attached

9/25/2007 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
09/27/07	Surf	FreshWater	17.5	13.375	48	H-40	0	715	255	1.94	Prem + Lt		1000	0	N
09/27/07	Surf	FreshWater	17.5	13.375	48	H-40	0	715	300	1.35	Prem +		1000	0	N
10/02/07	Int1	FreshWater	11	8.625	32	J-55	0	4410	1100	2.49	Interfill		1980	0	N
10/02/07	Int1	FreshWater	11	8.625	32	J-55	3000	4410	400	1.35	Prem+		1980	0	N
10/10/07	Prod	FreshWater	7.875	5.5	17	L-80	6336	8496	400	1.68	Super H		1280	0	N
10/10/07	Prod	FreshWater	7.875	5.5	17	L-80	5000	8496	400	1.31	50/50 POZ		1280	0	N
10/10/07	Prod	FreshWater	7.875	5.5	17	L-80	4200	8496	210	2.45	Prem Inter		1280	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 1/25/2008

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 1/30/2008 7:30:58 AM

Reef Exploration L.P.
State 2 Well #3
Unit G
660 FNL & 1980 FEL
Sec 2, T-23-S,R-31-E
Eddy County, New Mexico

Drilling Report

Date: 9-24-07

Day: 0

Depth:

Present Operation:

Operations Last 24 Hours: Waiting on trucks.

Date: 9-25-07

Day: 0

Depth:

Present Operation: MIRU Patterson Rig #512

Operations Last 24 Hours: Waiting on trucks.

Date: 9-26-07

Day: 1

Depth: 355

Present Operation: Repair Rotary Chain

Operations Last 24 Hours: Drilled 355' last 24 hours. MW 9, Vis 54, Ph 9. Surveys: 3/4° @ 256. Rotary 100 rpms, WOB All K, pump pressure 1350 psi. Finish rigging up. Spud 17 1/2" hole @ 3:15PM 9-25-07. Drl to 355. Repair Rotary Chain.

Date: 9-27-07

Day: 2

Depth: 715

Present Operation: CMT'G Surface Pipe

Operations Last 24 Hours: Drilled 360' last 24 hours. MW 9, Vis 54, Ph 9. Surveys: 1/4° @ 499, 1/4° @ 715. Rotary 95 rpms, WOB 50 K, pump pressure 1350 psi. TD 17 1/2" Hole @ 10:30PM 9-26-07. Circ hole clean. Run 13 3/8" csg. (csg detail on tomorrows report). RU Halliburton. Start cmt'g csg.

Date: 9-28-07

Day: 3

Depth: 1265

Present Operation: Drlg 11" hole @ 79 fph.

Operations Last 24 Hours: Drilled 550' last 24 hours. MW 10, Vis 28, Ph 9. Surveys: 1/2° @ 1166. Rotary 60 rpms, WOB 12 K, pump pressure 1150 psi. Ran 13 3/8" csg as follows:

1-13 3/8" Texas Pattern Guide Shoe

0.75