

5/5/08 DATE IN	SUSPENSE	Jones ENGINEER	5/6/08 LOGGED IN	SWD TYPE	PKUR0812730550 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☒ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Ronald M. Senty Ronald M. Senty Prod. Manager 5/2
 Print or Type Name Signature Title Date
 e-mail Address: ronald@realexploration.com

RECEIVED
 2008 MAY 5 PM 2 40



1901 North Central Expressway, Suite 300
Richardson, Texas 75080
972-437-6792

July 16, 2008

New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, Nm 87505

Ref: State "2" #8 Conversion to Salt Water Disposal

Attn: William V. Jones PE. (505-476-3448)

Dear William,

I have been just covered up but after evaluating the additional requests you had made for information I felt that you had not received the package I had asked to be delivered to you. I had sent e-mail information to a consultant to check and see if I had everything I needed for the filings and was working on some additional data at the time. I hope you don't mind but I have sent the complete package that you should have received along with the additional information you have requested; it may be more then what you wanted but I trying to make sure I am covered this time.

The schematic for the proposed conversion, which is attachment "C" shows the perforations Reef is proposing:

[Delaware & Cherry Canyon: Bench 1) 5760' to 5770', 5860' to 5880',
Bench 2) 5550' to 5580', Bench 3) 5150' to 5170',
Bench 4) 4600' to 4620']

and also shows the Bridge Plug to abandon the lower perforations will be set at 6080' with 35' of cement on top (lowest injection perforation will be at 5880'). The injection packer will be set at 4500' (highest injection perforation will be at 4600').

2008 JUL 22 PM 2 17
RECEIVED

I have also included a schematic on the Barclay State #4 along with a survey showing that the well is outside the ½ mile radius but it is so close I felt I should send it. I have also included the additional notifications for the Potash Company, BLM, Yates and the Department of Energy in Carlsbad. I have indicated in the attachment to the C-108 that the only wells that will be disposing of water in this well are Reef Exploration wells that are currently drilled and producing and future wells that Reef will drill on the leases we have adjacent to the State "2" #8 lease.

I have also included a indicating that the closest boundary for the WIPP area is 3350' to the north of the State "2" #8. Previously I had sent an open hole log that had the tops marked on it but I have included another one. You will also find a chart showing all the perforations and treatments on the producing wells in the ½ mile radius.

Please let me know if there is anything else you need; feel free to call me on my cell phone.

Thanks William

Ronald M. Sentz

Reef Exploration, L.P.
1901 N. Central Expressway
Suite 300
Richardson, Texas 75080

Production Manager

Off: 972-437-6792 x3037
Cell: 214-850-8741
E-Mail: ronald@reefexploration.com



May 6, 2008

Eddie Seay

Reference: Filings for conversion of State "2" #8 to a salt water disposal well

Dear Eddie,

I have enclosed the material needed to file with the NMOCD to convert the above referenced well to a Salt Water Disposal Well. Please contact me if there is anything else you need for the filings.

Enclosed:

- 1) C 108 form with back up information.
- 2) Attachment "A" (Item III well data).
- 3) Attachment "B", current well bore schematic.
- 4) Attachment "C", proposed well bore schematic.
- 5) Attachment "C", map with ½ mile radius and 1 mile radius circles with well names and leases.
- 6) Attachments "E, E-1, E-2 and E-3", the well bore schematics of the wells within the ½ mile circle.
- 7) Attachment "G", wells we will be injecting water from.
- 8) Attachments "H-1, H-2, H-3", water analysis from wells and tank battery.
- 9) Attachment "I", notification to surface owner and offset operators.
- 10) Attachment "J", legal advertisement in Eddy County news paper.
- 11) Open hole logs and Cement Bond Logs for the State "2" #3, #4, #5, #8 & #9

Please let me know when you get this package.

Ronald M. Sentz

Reef Exploration, L.P.
1901 N. Central Expressway
Suite 300
Richardson, Texas 75080

Production Manager
Off: 972-437-6792 x3037
Cell: 214-850-8741
E-Mail: ronald@reefexploration.com

Ronald Sentz

From: Rimmer Covington [rimmer@covingtonassociates.net]
Sent: Wednesday, July 09, 2008 4:27 PM
To: Ronald Sentz
Subject: RE: State "2" #8 conversion to water disposal well

The location is 3350 feet from the SE corner of Section 34, which is the WIPP Boundary.

Please email me a copy of THE MAP that they are viewing.

Thanks
Rimmer

From: Ronald Sentz [mailto:ronald@reefogc.com]
Sent: Wednesday, July 09, 2008 1:23 PM
To: Rimmer Covington
Subject: State "2" #8 conversion to water disposal well

Rimmer,

Here is the notice I had sent some time back. I need you to check out the notifications and if we need to send notice to them, please do. They are talking about Yates, Potash people, BLM and Wipp.

What a nightmare this has been.

Ronald M. Sentz

Reef Exploration, L.P.
1901 N. Central Expressway
Suite 300
Richardson, Texas 75080

Production Manager

Off: 972-437-6792 x3037
Cell: 214-850-8741
E-Mail: ronald@reefexploration.com

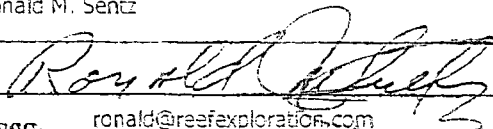
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Reef Oil and Gas Companies
Reef Oil & Gas Partners, L.P.
Reef Exploration, L.P.

Please visit our new website @ <http://www.reefogc.com>.

7/19/2008

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: Reef Exploration, Lp.
ADDRESS: 1901 N. Central Expressway, ste 300, Richardson, Texas 75080
CONTACT PARTY: Ronald M. Sentz PHONE: 972-437-6792
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes X No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describes the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Ronald M. Sentz TITLE: Production Manager
SIGNATURE:  DATE: March 1, 2003
E-MAIL ADDRESS: ronald@reefexploration.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

OPERATOR: Reef Exploration, L.P.

WELL NAME & NUMBER: State "2" #8

WELL LOCATION: 1980' FSL & 660' FWL

UNIT LETTER	SECTION	TOWNSHIP	RANGE
L	2	23S	31E

FOOTAGE LOCATION

WELLBORE SCHEMATICWELL CONSTRUCTION DATA
Surface Casing

Hole Size: 17 1/4" Casing Size: 13 3/8"

Cemented with: 555 sx. or ft³

Top of Cement: Surface Method Determined: Observation

Intermediate Casing

Hole Size: 11" Casing Size: 8 5/8"

Cemented with: 1040 sx. or ft³

Top of Cement: Surface Method Determined: Observation

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2"

Cemented with: 2 stage, 1200 sx. or ft³

Top of Cement: 2320 Method Determined: Cement Bond log

Total Depth: 8559'

Injection Interval

4500' feet to 5900' (Perforating)

4800 (Perforated or Open Hole; indicate which)

5830

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: Fiberglass

Type of Packer: 2 7/8" x 5 1/2" Baker Lok Set or similar

Packer Setting Depth: 4406'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? Yes X No
 If no, for what purpose was the well originally drilled? Originally drilled as an Oil & Gas Producer.
2. Name of the Injection Formation: Bell Canyon & Cherry Canyon
3. Name of Field or Pool (if applicable): Livingston Ridge; Delaware, SE (96149)
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. Brushy Canyon
7234' - 7242', 7381' - 7390', 7400' - 7405', 7778' - 7784', 7792' - 7798', 8004' - 8006', 8011' - 8018', 8023' - 8029', 8035' - 8039', 8047' - 8050', 8151' - 8157', 8163' - 8167', 8180' - 8183',
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Lower Brushy Canyon - 8000' to 8250', Middle Brushy Canyon - 7500' to

Brushy Canyon 6955' to 7450'

Form C-108
Application for Authorization to Inject

Reef Exploration, L.P., Operator
State "2" #8
Section 2, T 23S, R 31E
Eddy County, New Mexico

- I) The purpose of the well is as a disposal well for area Delaware produced water.
- II) Operator: Reef Exploration, L.P.
1901 North central Expressway, Suite 300
Richardson, Texas 75080
Contact: Ronald M. Sentz 972-437-6792
- III) Well Data: See attachments A, B, and C
- IV) This is not an expansion of an existing project.
- V) Map of wells and leases within 2 miles and ½ mile radius: (Attachment D).
- VI) Data on wells within ½ mile area of review: See attachments E, E1, E2 and E3.
- VII) 1. Proposed average daily injection volume: 4000 BWPD
Proposed maximum daily injection volume: 10,000 BWPD
2. This will be a closed system.
3. Proposed averaged daily injection pressure: 1000#
Proposed maximum daily injection pressure: 1140#

Halliburton e-mail confirming the cement integrity of the State "2" #3
(Attachment F)

Form C-108 Continued
Application for Authorization to Inject

Reef Exploration, L.P., Operator
State "2" #8

- 4) The sources of injection water will be produced water from area Delaware wells that Reef Exploration has drilled and completed and wells that Reef Exploration has scheduled to be drilled on the Barclay State (Section 2, T23S, R31E), Barclay Federal (Sections 1 and 12, T23S, R31E) and Medano State leases (Section 36, T22S, R31E). (see list of source wells/Attachment G). A water analysis from nearby Delaware production (see attachments H1, H2 & H3).
 - 5) Chlorides in all the source wells is expected to be similar to the attached water analysis (see Attachments H1, H2, & H3)
- VIII) The proposed injection zone is the Bell Canyon and Cherry Canyon interval from 4600' to 5750'. The Bell Canyon and Cherry Canyon which are part of the Delaware are sandstones (containing siltstone and shale) of Permian age approximately 3800' thick found at a depth of 4450' to 8250'. Possible fresh drinking water zones overlie the proposed injection formation at depths to approximately 700'. No drinking water sources are found below the proposed injection zone. The sections of the Bell Canyon and Cherry Canyon Sands above 5900' were evaluated using the open hole logs and the water saturations were found to be in the range of 80 to 100% and therefore not oil potential productive zones. NMOCD and Forest Oil records were also checked and no wells in the area were found that produced from the intervals we are proposing to inject into.
- IX) Projected Perforations: Bench 1) 5760' to 5770' & 5860' to 5880', Bench 2) 5550' to 5580', Bench 3) 5150' to 5170', Bench 4) 4600' to 4620'. The proposed intervals will be acidized with 2500 gallons of 15% acid and may be frac'd with up to 100,000# of sand per bench.
- X) All well logs and test data available have been previously submitted to the NMOCD; once the well is re-completed, a copy of any additional logs run will be forwarded to the NMOCD.

Form C-108 Continued
Application for Authorization to Inject

Reef Exploration, L.P., Operator
State "2" #8

- XI) No fresh water wells were found within 1 mile of the proposed injection well.
- XII) The applicant has examined geological and engineering data and find there is no evidence of open faults or other hydrologic connection between the proposed disposal zone and any underground source of drinking water.
- XIII) Proof of Notice
- A. A copy of the legal application has been sent by certified mail to the surface owner and offset operators of leases within ½ mile. (see list attached- Attachment I)
 - B. A copy of the legal advertisement is attached (Attachment J). Proof of publication in an Eddy County newspaper will be forwarded once available.
- XIV) Certification: See signature on form C-108.

Ronald M. Sentz

Reef Exploration, L.P.
1901 N. Central Expressway
Suite 300
Richardson, Texas 75080

Production Manager

Off: 972-437-6792 x3037
Cell: 214-850-8741
E-Mail: ronald@reefexploration.com

**Reef Exploration, L.P.
State "2" #8
660' FSL & 1980' FWL
Section 2, T 23S, R 31E
Eddy County New Mexico**

Attachment A

III Well Data

Section A:

1. Lease Name: State "2" #8 (Barclay State)

Location: 1980' FSL & 660' FWL, Section 2, T 23S, R 31E, Eddy County,
New Mexico

2. Casing and Cement:

Existing

<u>Casing Size</u>	<u>Setting Depth</u>	<u>Sks Cement</u>	<u>Hole Size</u>	<u>TOC</u>
13 3/8"	701'	555	17 1/4"	Circ. To Surface
8 5/8"	4380'	1000	11"	Circ. To Surface
5 1/2"	8510'	1200	7 7/8"	2320' by CBL

Proposed

<u>Casing Size</u>	<u>Setting Depth</u>	<u>Sks Cement</u>	<u>Hole Size</u>	<u>TOC</u>
13 3/8"	701'	555	17 1/4"	Circ. To Surface
8 5/8"	4380'	1000	11"	Circ. To Surface
5 1/2"	8510'	1200	7 7/8"	2320' by CBL

NOTE: It is proposed to plug and abandoned existing Lower Delaware perforations from 7234' to 8183' with a Cast Iron Bridge Plug set at 6850' with 35' of cement on to of the CIBP.

Reef Exploration, L.P.
State "2" #8

Attachment A (Continued)

- 3. Tubing: 2 7/8", 6.5# fiberglass lined, set at 4400'.
- 4. Packer: 2 7/8" x 5 1/2" @ 4406'

III Well Data

Section B

- 1. Injection formation: Delaware Sand

 Field or Pool Name: Livingston Ridge (Delaware SE)
- 2. Injection Interval: **Delaware & Cherry Canyon: Bench 1) 5760' to 5770',
 5860' to 5880', Bench 2) 5550' to 5580',
 Bench 3) 5150' to 5170', Bench 4) 4600' to 4620'.**
- 3. Original purpose of well: Drilled to test Lower Delaware formation
- 4. Other perforated intervals: None
- 5. Next higher oil and gas zone: none
 Next lower oil and gas zone: Bone Springs

See current and proposed well bore schematic (Attachments B & C)

REEF EXPLORATION, LP.

State "2" #8

1980' FSL & 660' FWL

Sec 2, T23S, R31E

Livingston Ridge; Delaware, SE (96149)

Eddy County, New Mexico

Permanent Wellbore Data

Spud Date: 11/17/07 Weatherford 912 Unit
Compl Date: 1/12/08
KB Elev., Ft : 3429'
GL Elev., Ft : 3411' Set 40' of 20" conductor

KB 18'
DF 3428' 17-1/4 " hole

Surface Casing
Size No Jts Wt. Grade Jt Type Depth,Ft
13 3/8" 16 48.0 H-40 ST&C 701
Cement: 555 Sx. TOC: Surface (146 Sks)
Date: 11/19/2007

11" hole

8 5/8", 32#, J-55, ST&C

Top of Cement 5 1/2" 2320'

Intermediate Casing

Size No Jts Wt. Grade Jt Type Depth,Ft
8 5/8" 102 32.0 J-55 LT&C 4380
Cement: 1,040 Sx. TOC: Surface Circ 157 sks
Date: 11/24/2007

Tubing :

(222) joints 2 7/8", J-55, EUE, 8 Rd

(1) Anchor catcher

(6) Joints 2 7/8" tubing

(1) Seating Nipple

(1) 2 7/8"X 4' Perforate Pup Jt

(1) joint 2 7/8" Mud Anchor

7215' Bottom of tubing

**** Tubing or Rod count may be incorrect

7 7/8" Hole

Seating Nipple @ 7182'

EOT: 7215' with bull plug

01/11/08: Ran insert pump and rods

14.00' 1 1/4" x 22' polish rod

(1) 4.00' 1" x 4' Pony Rod

(1) 6.00' 1" x 6' Pony Rod

(1) 8.00' 1" x 8' Pony Rod

(81) 2025.00' 1" Sucker rods

(86) 2150.00' 7/8" sucker RodsS

(114) 2850.00' 3/4" Sucker Rods

(3) 75.00' 1" Sucker rods

(1) 25.00' 1" Sucker rod w/ on/off tool

25.00' 2" x 1.75" x 25' RHBC pump with on/off tool

7182.00' to Seating Nipple

12' gas anchor

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
5 1/2"	192	17.0	I-80	LT&C	8443
5 1/2"	3	17.0	I-80	LT&C	66.57
Total depth					8509.57

The 3 joints are flag joints (short for logging)

ID - 4.892", drift - 4.767", IYP - 7740#, JS - 338,000#

Capacity - .0232 bbls/ft

Cement: 500 Sx. TOC: DV tool

Cement: 700 Sx. TOC: 2320'

TD: 8510' PBTD: 8461' Date: 12/2/2007

Set Weight, Lb: 120,000#

Tank Battery:



Current

Data On This Completion

API #: 30-015-35749

Property Code:

OGRID #:

Drilling AFE #: 07DC018

Date: Activity

Reached TD on 11/29/07

11/29/07: Halliburton Services ran Spectral
Density, Dual Spaced Neutron Log
Dual Laterolog, Micro-Guard,
log from TD to 4576'

12/21/07: Halliburton ran an Radial Cement
Bond, CCL, GR Log
From: 8452' to 2570'

01/04/08 Halliburton Frac'd Lower

Brushy Canyon with 42,000 gals

SilverStem Basic (11)

100,000# 16/30 sand, w/Expdite

Avg Inj Rate 27.2 BPM,

Avg Pressure 551#, ISIP 1186#,

CIP 5 Min 420#, CIP 10 Min 420#,

CIP 15 Min 420#

01/04/08 Halliburton Frac'd Middle Brushy

Canyon with 21,375 gal Silverstem,

W/ 42,000# 16/30 sand w/Expdite,

Avg rate 15.5 BPM, avg press 1347#

01/04/08 Halliburton Frac'd Brushy Canyon

with 25,375 gals, SilverStim

49,000# 16/30 sand with Expdite,

Avg Inj Rate 14.7 BPM, Avg Press 614#

01/04/08 Halliburton Frac'd Brushy Canyon

with 14,250 gals, SilverStim

28,000 16/30 sand with Expdite,

Avg Inj Rate 9.9 BPM, Avg Press 825#

DV TOOL (6421')

Tubing anchor catcher @ 7090'

Perf: Brushy Canyon (01/04/08)

7234' to 7242, 1 SPF

Perf: Brushy Canyon (01/04/08)

7381' to 7390, 7400' to 7405', 1 SPF

Perf: Middle Brushy Canyon (01/04/08)

7778' to 7784, 7792' to 7798', 1 SPF

Perf: Lower Brushy Canyon (12/27/07)

8004' to 8006', 8011' to 8018',

8023' to 8029', 8035' to 8039',

8047' to 8050', 8151' to 8157',

8163' to 8157', 8180' to 8183', 1 SPF

PBTD: 8461'

Attachment B

Prepared By: Ronald M. Sentz 03-11-08

REEF EXPLORATION, LP.					
State "2" #8					
1980' FSL & 660' FWL					
Sec 2, T23S, R31E					
Livingston Ridge; Delaware, SE (96149)					
Eddy County, New Mexico					
Permanent Wellbore Data					
Spud Date:		11/17/07			
Compl Date:		1/12/08			
KB Elev., Ft :		3429'			
GL Elev., Ft :		3411' Set 40' of 20" conductor			
KB		18'			
DF		3428' 17-1/4 " hole			
Surface Casing					
Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
13 3/8"	16	48.0	H-40	ST&C	701
Cement: 555 Sx.		TOC: Surface (146 Sks)			
		Date: 11/19/2007			
11" hole					
8 5/8", 32#, J-55, ST&C					
Top of Cement 5 1/2" 2320'					
Intermediate Casing					
Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
8 5/8"	102	32.0	J-55	LT&C	4380
Cement: 1,040 Sx.		TOC: Surface Circ 157 sks			
		Date: 11/24/2007			
Tubing :					
2 7/8", J-55, EUE, 8 Rd, set @ 4400'					
Baker Packer @ 4500'					
7 7/8" Hole					
Bridge Plug @ 6080' with 35' of cement on top					
Size No Jts Wt. Grade Jt Type Depth,Ft					
5 1/2" 192 17.0 I-80 LT&C 8443					
5 1/2" 3 17.0 I-80 LT&C 66.57					
Total depth					8509.57
The 3 joints are flag joints (short for logging)					
ID - 4.892" , drift - 4.767" , IYP - 7740# , JS - 338,000#					
Capacity - .0232 bbls/ft					
Cement: 500 Sx.		TOC: DV tool			
Cement: 700 Sx.		TOC: 2320'			
TD: 8510'		PBTD: 8461'		Date: 12/2/2007	
Set Weight, Lb: 120,000#					
Tank Battery:					
Data On This Completion					
API #: 30-015-35749					
Property Code:					
OGRID #:					
Drilling AFE #:		07DC018			
Date:		Activity			
Reached TD on 11/29/07					
11/29/07: Halliburton Services ran Spectral					
Density, Dual Spaced Neutron Log					
Dual Laterolog, Micro-Guard,					
log from TD to 4576'					
12/21/07: Halliburton ran an Radial Cement					
Bond, CCL, GR Log					
From: 8452' to 2570'					
01/04/08 Halliburton Frac'd Lower					
Brushy Canyon with 42,000 gals					
SilverStem Basic (11)					
100,000# 16/30 sand, w/Expitite					
Avg Inj Rate 27.2 BPM,					
Avg Pressure 551#, ISIP 1186#,					
CIP 5 Min 420#, CIP 10 Min 420#,					
CIP 15 Min 420#					
01/04/08 Halliburton Frac'd Middle Brushy					
Canyon with 21,375 gal Silverstem,					
W/ 42,000# 16/30 sand w/Expidite,					
Avg rate 15.5 BPM, avg press 1347#					
01/04/08 Halliburton Frac'd Brushy Canyon					
with 25,375 gals, SilverStim					
49,000# 16/30 sand with Expidite,					
Avg Inj Rate 14.7 BPM, Avg Press 614#					
01/04/08 Halliburton Frac'd Brushy Canyon					
with 14,250 gals, SilverStim					
28,000 16/30 sand with Expidite,					
Avg Inj Rate 9.9 BPM, Avg Press 825#					
Proposed Injection Perforation Areas					
Perf Delaware: 5760' to 5770' & 5860' to 5880',					
5550' to 5580',					
5150' to 5170'					
4600' to 4620'					
DV TOOL (6421')					
Perf: Brushy Canyon (01/04/08)					
7234' to 7242, 1 SPF					
Perf: Brushy Canyon (01/04/08)					
7381' to 7390, 7400' to 7405', 1 SPF					
Perf: Middle Brushy Canyon (01/04/08)					
7778' to 7784, 7792' to 7798', 1 SPF					
Perf: Lower Brushy Canyon (12/27/07)					
8004' to 8006', 8011' to 8018',					
8023' to 8029', 8035' to 8039',					
8047' to 8050', 8151' to 8157',					
8163' to 8157', 8180' to 8183', 1 SPF					
PBTD: 8461'					
Prepared By: Ronald M. Sentz 03-17-08					

Attachment D

Reef Exploration Wells (in 1/2 Mile Radius)

State "2" #3

Sections Producing

Perf:	Brushy Canyon (10/17/2007)
8172'-8178', 8198'-8204', 1 JSPF w/ 120 Degree Phasing	
10/26/07	Haliburton Frac Brushy Canyon
27,800 Gals SilverStim LT Basic R(11) w/ 49,000#, 16/30 Mesh Ottawa Sand Coated w/ Expedite Lite, Max PSI: 5225, Avg PSI: 1883, Avg Rate: 15.6, Max Rate: 17.51, ISIP: 4793, 5 MIN: 4884, 10 MIN: 4801, 15 MIN: 4777	

State "2" #4

Sections Producing

Perf:	Lower Brushy Canyon (11/09/2007)
8162'-8166', 8180'-8184', 8192'-8200', 8210'-8214', 8220'-8224', 1 JSPF	
11/17/07	Haliburton Frac'd Lower Brushy Canyon.
27,800 gals Silverstim LT R(11) w/ 22,120#, 16/30 sand w/ expedite & 26,880# 20/40 sand w/ expedite lite Max PSI: 1024, Avg PSI: 558, Max Rate: 16.5, Avg Rate: 15.2, ISIP: 747, 5 min 536, 10 min 456, 15 min 398, LTR 1,011 gals	

State "2" #4 Continued

Sections Producing

Perf:	Upper Brushy Canyon (02/09/2008)
6970' to 6980', 7074' to 7080', 1 SPF	
2/9/08	Haliburton Frac'd Upper Brushy Canyon.
23,900 gals Silverstim LT R(13) w/ 50,000# of 16/30 Arizona sand coated with Expedite lite, Max PSI: 994, Avg PSI: 505, Max Rate: 27.4, Avg Rate: 20.7, ISIP: 477, 5 min 396, 10 min 362, 15 min 351, LTR 39,852 gals	

Perf: Brushy Canyon (10/30/2007)

8021'-8034', 2 JSPF w/ 120 Degree Phasing

12/6/07 Haliburton Frac Brushy Canyon

25,400 gals SilverStim LT Basic (11) w/ 45,500#, 16/30 Mesh Ottawa Sand coated w/ Expedite Lite, Max PSI: 1384, Avg PSI: 498, Max Rate: 18.5, Avg Rate: 13.4, ISIP: 965, 5 MIN: 552, 10 MIN: 512, 15 MIN: 487

Perf: Lower Brushy Canyon (11/17/2007)

8007'-8010', 8088'-8092', 8110'-8114', 1 JSPF

11/17/07 Haliburton Frac'd Lower Brushy Canyon.

25,400 gals Silverstim LT basic R(11) w/ 45,500# 16/30 Mesh Ottawa sand coated w/ expedite lite, Max PSI: 889, AVG PSI: 577, Max Rate: 15.7, AVG Rate: 15.0, ISIP: 526, 5 MIN 393, 10 MIN 366, 15 MIN 355

Perf: Middle Brushy Canyon (02/05/2008)

7570' - 7580', 1 JSPF

2/8/08 Haliburton Frac'd Middle Brushy Canyon.

18,500 gals Silverstim LT R(13) w/ 13,500# Arizona sand coated w/ Expedite lite, Max PSI: 4171, Avg PSI: 1620, Max Rate: 16.46, Avg Rate: 9.79, ISIP: 4156, 5 min 3280, 10 min 3306, 15 min 3341, LTR 29,416 gals

Continued

Reef Exploration Wells (in 1/2 Mile Radius)

State "2" #5

Sections Producing

Perf:	Lower Brushy Canyon (12/07/2007)
	8150' - 8155', 8179' - 8184', 8204' - 8208', 8219' - 8224', 8229' - 8232' w/ 1 JSPF
12/21/07	Halliburton Frac
	27,800 gals SilverStim LT Basic R(11) w/ 49,000#, 16/30 Ottawa Sand coated w/ Expdite Lite. Avg PSI: 2,047, Mas PSI: 3,076, Avg Rate: 14.1, Max Rate: 28.3, ISIP: 914, 5 Min: 763, 10 Min: 680, 15 Min: 607, LTR: 948 BLW

Perf: Lower Brushy Canyon (12/21/2007)

8024'-8028', 8034'-8036', 8044'-8055', 8050'-8055' 1 JSPF

12/21/07 Halliburton Frac Upper Delaware Zone

25,400 gals SilverStim LT Basic R(11) w/ 45,500# 16/30 Mesh Ottawa Sand coated w/ Expdite Lite, Avg PSI: 1007, Max PSI: 1486, Avg Rate: 14.5 BPM, Max Rate: 27.3, ISIP: 940, 5 Min: 852, 10 Min: 829, 15 Min: 815, LTR: 997

State "2" #8

Sections to be abandoned

Perf:	Lower Brushy Canyon (12/27/07)
	8004' to 8006', 8011' to 8018',
	8023' to 8029', 8035' to 8039',
	8047' to 8050', 8151' to 8157',
	8163' to 8157', 8180' to 8183', 1 SPF
01/04/08	Halliburton Frac'd Lower
	Brushy Canyon with 42,000 gals
	SilverStem Basic (11)
	100,000# 16/30 sand, w/Expdite
	Avg Inj Rate 27.2 BPM,
	Avg Pressure 551#, ISIP 1186#,
	CIP 5 Min 420#, CIP 10 Min 420#,
	CIP 15 Min 420#

Perf: Brushy Canyon (01/04/08)

7234' to 7242, 1 SPF

01/04/08 Halliburton Frac'd Brushy Canyon

with 14,250 gals, SilverStim

28,000 16/30 sand with Expdite,

Avg Inj Rate 9.9 BPM, Avg Press 825#

Perf: Brushy Canyon (01/04/08)

7381' to 7390, 7400' to 7405', 1 SPF

01/04/08 Halliburton Frac'd Brushy Canyon

with 25,375 gals, SilverStim

49,000# 16/30 sand with Expdite,

Avg Inj Rate 14.7 BPM, Avg Press 614#

Perf:

Middle Brushy Canyon (01/04/08)

7778' to 7784, 7792' to 7798', 1 SPF

01/04/08 Halliburton Frac'd Middle Brushy

Canyon with 21,375 gal Silverstem,

W/ 42,000# 16/30 sand w/Expdite,

Avg rate 15.5 BPM, avg press 1347#

State "2" #9

Sections Producing

Perf:	Lower Brushy Canyon (01/07/08)
	8139' to 8144', 8151' to 8157',
	8162' to 8167', 8171' to 8176',
	8181' to 8186', 8202' to 8206', 1 SPF
09/11/07	Halliburton Frac'd Lower
	Brushy Canyon with 42,2000 gals
	SilverStem Basic (11)
	100,000# 16/30 sand, w/Expdite
	Avg Inj Rate 30 BPM,
	Avg Pressure 929#, ISIP 687#,
	CIP 5 Min 638#, CIP 10 Min 607#,
	CIP 15 Min 607#

Perf: Lower Brushy Canyon (01/24/08)

8007' to 8013', 8020' to 8026',

8032' to 8036', 8044' to 8058', 1 SPF

01/24/08 Halliburton Frac'd Lower Brushy

Canyon with 33,375 gals, SilverStim

45,000 16/30 sand with Expdite,

Avg Inj Rate 30 BPM, Avg Press 961#

Perf:

Middle Brushy Canyon (01/31/08)

7568' to 7577', 7588' to 7592', 1 SPF

02/01/08 Halliburton Frac'd Middle Brushy

Canyon with 25,375 gal Silverstem,

W/ 49,000# 16/30 sand w/Expdite,

Avg rate 16 BPM, avg press 771#

REEF EXPLORATION, LP.

State "2" #3

1980' FNL & 1980' FWL

F-S2-T23S-R31E

Livingston Ridge; Delaware, SE

Eddy County, New Mexico

Permanent Wellbore Data

Spud Date: 9/6/07 Weatherford 912 Unit

Compl Date: 11/5/07

KB Elev., Ft : 3439.0

GL Elev., Ft : 3421.0 Set 40' of 20' conductor

KB 18 RKB to BH 19.5 BH 3419.5

DF Elev., Ft : 3438 17.50 " hole

Surface Casing

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
13 3/8"	17	48#	H-40	STC	715

Cement: 555 Sx. TOC: Surface (150 sacks)

Date: 9/27/2007

11" hole

8 5/8", 32#, J-55, LT&C

Production Csg. TOC @ 3776.00'

Intermediate Casing

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
8 5/8"	103	32#	J-55	LT&C	4410

Cement: 1,500 Sx. TOC: Surface 290

Date: 10/30/2007

Tubing :

(265) joints 2 7/8", 8 rd

(1) TAC w/ 15 points

(6) joints 2 7/8" tubing

(1) Seating Nipple

(1) 4' Perforated sub

(1) Mud joint

(1) 2 7/8" Bulplug

7 7/8" hole

Seating Nipple @ ' 8117

EOT: @ 8153' with bull plug

3/6/2008 : Ran insert pump and rods

Qty	Length	Depth	Description
			Polish rod
1	8	8	1x8' Sub
1	6	14	2x6' Sub
3	75	89	1" Sucker Rods
98	2450	2539	7/8" Sucker Rods
130	3250	5789	3/4" Sucker Rods
92	2300	8089	1" Sucker Rods
1	25	8114	1" Sucker Rod with on/off tool
	25	8139	1.75 RHBC 20-5-4 Pump
		8139	to Seating Nipple
			12' Gas anchor

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
5 1/2"	194	17#	I-80	LT&C	8430.01
5 1/2"	3	17#	I-80	LT&C	66.47
			Total depth		8496.48

There are 3 flag joints (short for logging)

ID - 4.892" , drift - 4.767" , IYP - 7740# , JS - 356,000#

Capacity - .0232 bbls/ft

Cement: 400 Sx. TOC: DV Tool

Cement: 610 Sx. TOC: 3776

TD: 8,500 PBTD: 8439.7 Date: 9/18/2007

Set Weight, Lb: 120,000#

Tank Battery:

Data On This Completion

API #: 30-015-35675

Property Code: 36570 Pool Number: 39380

OGRID #: 246083

Drilling AFE #: 07DC008

Date: Activity

Reached TD on: 9/18/2007

10/8/07 Haliburton services ran Spectral
Density, Dual Spaced Neutron Log
Dual Laterolog, Micro-Guard,
Log from TD' to 4300'

10/17/07 Ran Radial Cement Bond Log,
CCL, GR Log from TD' to 3680'

12/6/07 Haliburton Frac Brushy Canyon

25,400 gals SilverStim LT Basic (11) w/ 45,500#,
16/30 Mesh Ottawa Sand coated w/ Expedite Lite,
Max PSI: 1384, Avg PSI: 498, Max Rate: 18.5, Avg
Rate: 13.4, ISIP: 965, 5 MIN: 552, 10 MIN: 512, 15
MIN: 487

10/26/07 Haliburton Frac Brushy Canyon

27,800 Gals SilverStim LT Basic R(11) w/ 49,000#,
16/30 Mesh Ottawa Sand Coated w/ Expedite Lite,
Max PSI: 5225, Avg PSI: 1883, Avg Rate: 15.6,
Max Rate: 17.51, ISIP: 4793, 5 MIN: 4884, 10 MIN:
4801, 15 MIN: 4777

DV Tool set @ 6366.00'

Tubing anchor catcher @ 7929'

Perf: Brushy Canyon (10/30/2007)

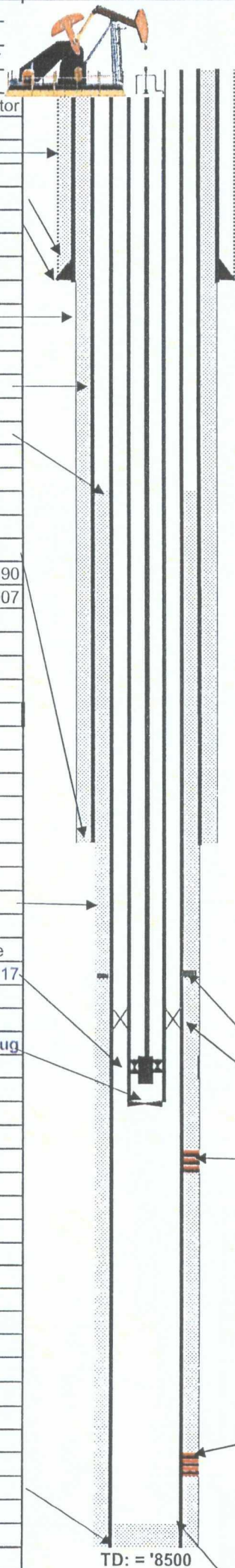
8021'-8034', 2 JSPF w/ 120 Degree Phasing

Perf: Brushy Canyon (10/17/2007)

8172'-8178', 8198'-8204', 1 JSPF w/ 120 Degree
Phasing

PBTD ' 8440

Prepared by: JLV (03/20/2008)



Attachment E

(Attachment F)**Ronald Sentz**

From: Jay Degen
Sent: Monday, March 31, 2008 3:15 PM
To: Ronald Sentz
Cc: Kellam Colquitt; Walt Dunagin; Lawrence J. Harrison, Jr; 'Lars Larson'
Subject: FW: Sate 2 No. 3 Cement Bond Log Analysis

From: Dennis Page [mailto:Dennis.Page@Halliburton.com]
Sent: Monday, March 31, 2008 2:56 PM
To: Jay Degen
Cc: Ronald Sentz
Subject: Sate 2 No. 3 Cement Bond Log Analysis

Jay,

We discussed the bond log integrity on the State 2 No. 3. After review, Doug Scott, Richard Kelley and I (all senior employees with Halliburton Energy Services) believe the cement bond log indicates 100% isolation between 4720' and 4920'. That would be the worst case scenario. Isolation will likely occur at 4720' to 4810'. Again, this is an expert opinion of Halliburton Energy Services. You will also receive a squeeze recommendation in the event the State of New Mexico requires that additional cement work be done to the well.

Please call me if you have any questions.

Thanks,

D. Page
432-557-7191

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4/8/2008

REEF EXPLORATION, LP.

State "2" #4

1980' FSL & 1980' FWL

S2-T23S-R31E

Livingston Ridge, Deleware, South

Eddy County, New Mexico

Permanent Wellbore Data

Spud Date:	10/12/07	Weatherford	Unit
Compl Date:	11/26/07		
KB Elev., Ft :	3432.0		
GL Elev., Ft :	3414.0	Set 40' of	20' conductor
KB	18	RKB to BH	21.5 BH 3410.5
DF Elev., Ft :	3431	17.50 "	hole
Surface Casing			
Size	No Jts	Wt.	Grade Jt Type Depth,Ft
13 3/8"	16	48#	H-40 STC 700
Cement: 555 Sx.		TOC: Surface (143 sacks)	
		Date: 10/13/2007	

11" hole

8 5/8", 32#, J-55, LT&C

Production Csg. TOC @ 5760.00'

Intermediate Casing

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
8 5/8"	102	32#	J-55	LT&C	4399
Cement: 1,125 Sx.		TOC: Surface	Circ 241 sx		
		Date: 10/18/2007			

Tubing :

- (215) joints 2 7/8", J-55, 8 md
- (1) Anchor Catcher
- (6) joints 2 7/8" tubing
- (1) Seating Nipple
- (1) Perforated sub
- (1) Mud joint

7 7/8" hole

Seating Nipple @ ' 6870

EOT: @ 6901'with bull plug

2/14/2008 : Ran insert pump and rods

Qty	Length	Depth	Description
??	??		Polish rod
1	4	4	1" x 4' Pony Rod
1	8	12	1" x 8' Pony Rod
74	1850	1862	1" Sucker Rods
84	2100	3962	7/8" Sucker Rods
110	2750	6712	3/4" Sucker Rods
2	50	6762	1" Sucker Rods
1	25	6787	1" Sucker Rod with on/off tool
1	25	6812	1.75 RWBC 20-5-4 Pump
		6812	to Seating Nipple
		12'	Gas anchor

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
5 1/2"	189	17#	I-80	LT&C	8401.78
5 1/2"	3	17#	I-80	LT&C	66.22
			Total depth		8468

There are 3 flag joints (short for logging)

ID - 4.892", drift - 4.767", IYP - 7740#, JS - 338,000#

Capacity - .0232 bbls/ft

Cement: 425 Sx. TOC: DV-Tool

Cement: 550 Sx. TOC: 0

TD: 8,468 PBTB: 8420 Date: 10/25/2007

Set Weight, Lb: 120,000#

Tank Battery:

Data On This Completion

API #:	30-015-35676
Property Code:	36570
OGRID #:	246083
Drilling AFE #:	07DC009
Date:	Activity

Reached TD on: 10/25/2007

10/26/07 Haliburton services ran Spectral
Density, Dual Spaced Neutron Log
Dual Laterolog, Micro-Guard,
Log from TD' to 4377'

11/8/07 Ran Radial Cement Bond Log,
CCL, GR Log from 8424' to 5400'

2/9/08 Haliburton Frac'd Upper Brushy Cany.

23,900 gals Silverstim LT R(13) w/ 50,000# of
16/30 Arizona sand coated with Expedite lite, Max
PSI: 994, Avg PSI: 505, Max Rate: 27.4, Avg Rate:
20.7, ISIP: 477, 5 min 396, 10 min 362, 15 min 351,
LTR 39,852 gals

2/8/07 Haliburton Frac'd Middle Brushy Cany.

18,500 gals Silverstim LT R(13) w/ 13,500#
Arizona sand coated w/ Expedite lite, Max PSI:
4171, Avg PSI: 1620, Max Rate: 16.46, Avg Rate:
9.79, ISIP: 4156, 5 min 3280, 10 min 3306, 15 min
3341, LTR 29,416 gals

11/17/07 Haliburton Frac'd Lower Brushy Cany.

25,400 gals Silverstim LT basic R(11) w/ 45,500#
16/30 Mesh Ottawa sand coated w/ expedite lite,
Max PSI: 889, AVG PSI: 577, Max Rate: 15.7, AVG
Rate: 15.0, ISIP: 526, 5 MIN 393, 10 MIN 366, 15
MIN 355

11/17/07 Haliburton Frac'd Lower Brushy Cany.

27,800 gals Silverstim LT R(11) w/ 22,120#, 16/30
sand w/ expedite & 26,880# 20/40 sand w/
expedite lite Max PSI: 1024, Avg PSI: 558, Max
Rate: 16.5, Avg Rate: 15.2, ISIP: 747, 5 min 536,
10 min 456, 15 min 398, LTR 1,011 gals

DV Tool set @ 6460.00'

Tubing anchor catcher @ 6684'

Perf: Upper Brushy Canyon (02/09/2007)

6970' to 6980', 7074' to 7080', 1 SPF

Perf: Middle Brushy Canyon (02/05/2007)

7570' - 7580', 1 JSPF

Perf: Lower Brushy Canyon (11/17/2007)

8007'-8010', 8088'-8092', 8110'-8114', 1 JSPF

Perf: Lower Brushy Canyon (11/09/2007)

8162'-8166', 8180'-8184', 8192'-8200', 8210'-8214',
8220'-8224', 1 JSPF

TD: = '8420

Set 5 1/2" csg at 8464'

Prepared by: JLV

Attachment E-1

REEF EXPLORATION, LP.

State "2" #5

660' FSL & 1980' FWL

N-S2-T23S-R31E

Livingston Ridge; Delaware, SE

Eddy County, New Mexico

Permanent Wellbore Data

Spud Date:	10/31/07	Weatherford 912 Unit
Compl Date:	11/26/07	
KB Elev., Ft :	3434.0	
GL Elev., Ft :	3416.0	Set 40' of 20' conductor
KB	18	RKB to BH 20.5 BH 3413.5

DF Elev., Ft : 3433 17.50 " hole

Surface Casing

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
13 3/8"	16	48#	H-40	STC	700

Cement: 555 Sx. TOC: Surface (169 sacks)

Date: 11/2/2007

11" hole

8 5/8", 32#, J-55, LT&C

Production Csg. TOC @ 3093.00'

Intermediate Casing

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
8 5/8"	100	32#	J-55	LT&C	4300

Cement: 1,100 Sx. TOC: Surface 210

Date: 11/7/2007

Tubing :

(254) joints 2 7/8", J-55, 8 rd

(1) 5 1/2" x 2 7/8" TAC

(6) joints 2 7/8" tubing

(1) Seating Nipple

(1) 4' Perforated sub

(1) Mud joint

(1) 2 7/8" Bulplug

7 7/8" hole

Seating Nipple @ ' 8123

EOT: @ 8232'with bull plug

2/14/2008 : Ran insert pump and rods

Qty	Length	Depth	Description
			Polish rod
		0	1" x 4' Pony Rod
		0	1" x 8' Pony Rod
91	2275	2275	1" Sucker Rods
98	2450	4725	7/8" Sucker Rods
131	3275	8000	3/4" Sucker Rods
4	100	8100	1" Sucker Rods
1	25	8125	1" Sucker Rod with on/off tool
		8125	1.75 RHBC 20-5-4 Pump
		8125	to Seating Nipple
			12' Gas anchor

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
5 1/2"	191	17#	I-80	LT&C	8483.78
5 1/2"	3	17#	I-80	LT&C	66.8
Total depth					8550.58

There are 3 flag joints (short for logging)

ID - 4.892", drift - 4.767", IYP - 7740#, JS - 356,000#

Capacity - .0232 bbls/ft

Cement: 550 Sx. TOC: DV Tool

Cement: 650 Sx. TOC: 3093

TD: 8,550 PBTD: 8501 Date: 11/14/2007

Set Weight, Lb: 120,000#

Tank Battery:

Data On This Completion

API #:	30-015-35677
Property Code:	36570 Pool Number: 96149
OGRID #:	246083
Drilling AFE #:	07DC010
Date:	Activity

Reached TD on: 11/14/2007

11/13/07 Haliburton services ran Spectral
Density, Dual Spaced Neutron Log
Dual Laterolog, Micro-Guard,
Log from TD' to 4300'

12/5/07 Ran Radial Cement Bond Log,
CCL, GR Log from 8474' to 3000'

12/21/07 Haliburton Frac Upper Delaware Zone
25,400 gals SilverStim LT Basic R(11) w/ 45,500#
16/30 Mesh Ottawa Sand coated w/ Expedite Lite,
Avg PSI: 1007, Max PSI: 1486, Avg Rate: 14.5
BPM, Max Rate: 27.3, ISIP: 940, 5 Min: 852, 10
Min: 829, 15 Min: 815, LTR: 997

12/21/07 Haliburton Frac
27,800 gals SilverStim LT Basic R(11) w/ 49,000#,
16/30 Ottawa Sand coated w/ Expedite Lite. Avg
PSI: 2,047, Mas PSI: 3,076, Avg Rate: 14.1, Max
Rate: 28.3, ISIP: 914, 5 Min: 763, 10 Min: 680, 15
Min: 607, LTR: 948 BLW

DV Tool set @ 6374.00'
Tubing anchor catcher @ 7933'

Perf: Lower Brushy Canyon (12/21/2007)
8024'-8028', 8034'-8036', 8044'-8055', 8050'-8055'
1 JSPF

Perf: Lower Brushy Canyon (12/07/2007)
8150' - 8155', 8179' - 8184', 8204' - 8208', 8219'
8224', 8229' - 8232' w/ 1 JSPF

TD: = '8550

Attachment E-2

PBTD ' 8501

Prepared by: JLV (03/13/2008)

REEF EXPLORATION, LP.

State "2" #9

660' FSL & 660' FWL

Sec 2, T23S, R31E

Livingston Ridge; Delaware, SE (96149)

Eddy County, New Mexico

Permanent Wellbore Data

Spud Date: 12/4/07 Weatherford 912 Unit
Compl Date: 2/11/08
KB Elev., Ft : 3426'
GL Elev., Ft : 3407' Set 40' of 20" conductor

KB 19'
DF 3425' 17-1/4 " hole

Surface Casing

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
13 3/8"	16	48.0	H-40	ST&C	705

Cement: 555 Sx. TOC: Surface (225 Sks)
Date: 12/5/2007

11" hole

8 5/8", 32#, J-55, ST&C

Top of Cement 5 1/2" 2320'

Intermediate Casing

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
8 5/8"	102	32.0	J-55	LT&C	4370

Cement: 1,125 Sx. TOC: Surface Circ 318 sks
Date: 12/11/2007

Tubing :

(236) joints 2 7/8", J-55, EUE, 8 Rd

(1) 2 7/8" X 5 1/2" Anchor catcher

(18) Joints 2 7/8" tubing

(1) Seating Nipple

(1) 2 7/8"X 4' Perforate Pup Jt

(1) joint 2 7/8" Mud Anchor

8194' Bottom of tubing

7 7/8" hole

Seating Nipple @ 8160'

02/08/08: Ran insert pump and rods

14.00' 1 1/4" x 22' polish rod

(1) 6.00' 1" x 6' Pony Rod

(1) 8.00' 1" x 8' Pony Rod

(95) 2375.00' 1" Sucker rods

(94) 2350.00' 7/8" sucker RodsS

(130) 3250.00' 3/4" Sucker Rods

(3) 75.00' 1" Sucker rods

(1) 25.00' 1" Sucker rod w/ on/off tool

16.00' 2" x 1.75" x 32' RHBC pump with on/off tool

8160.00' to Seating Nipple

12' gas anchor

**** may be error in rod or tubing count

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
5 1/2"	188	17.0	I-80	LT&C	8355.43
5 1/2"	3	17.0	I-80	LT&C	66.57

Total depth 8422

The 3 joints are flag joints (short for logging)

ID - 4.892", drift - 4.767", IYP - 7740#, JS - 338,000#

Capacity - .0232 bbls/ft

Cement: 500 Sx. TOC: DV tool

Cement: 700 Sx. TOC: 2320'

TD: 8422' PBTD: 8371' Date: 12/15/2007

Set Weight, Lb: 120,000#

Tank Battery:

Data On This Completion

API #: 30-015-35750

Property Code:

OGRID #:

Drilling AFE #: 07DC019

Date: Activity

Reached TD on 12/15/07

12/15/07: Halliburton Services ran Spectral
Density, Dual Spaced Neutron Log
Dual Laterolog, Micro-Guard,
log from TD to 4354'

01/04/08: Halliburton ran an Radial Cement
Bond, CCL, GR Log
From: 8298' to 2100'

09/11/07 Halliburton Frac'd Lower
Brushy Canyon with 42,2000 gals
SilverStem Basic (11)
100,000# 16/30 sand, w/Explite
Avg Inj Rate 30 BPM,
Avg Pressure 929#, ISIP 687#,
CIP 5 Min 638#, CIP 10 Min 607#,
CIP 15 Min 607#

01/24/08 Halliburton Frac'd Lower Brushy
Canyon with 33,375 gals, SilverStim
45,000 16/30 sand with Expidite,
Avg Inj Rate 30 BPM, Avg Press 961#

02/01/08 Halliburton Frac'd Middle Brushy
Canyon with 25,375 gal Silverstem,
W/ 49,000# 16/30 sand w/Expidite,
Avg rate 16 BPM, avg press 771#

DV TOOL (6420')

Tubing anchor catcher @ 7562'

Perf: Middle Brushy Canyon (01/31/08)
7568' to 7577', 7588' to 7592', 1 SPF

Perf: Lower Brushy Canyon (01/24/08)
8007' to 8013', 8020' to 8026',
8032' to 8036', 8044' to 8058', 1 SPF

Perf: Lower Brushy Canyon (01/07/08)
8139' to 8144', 8151' to 8157',
8162' to 8167', 8171' to 8176',
8181' to 8186', 8202' to 8206', 1 SPF

PBTD: 8371'

Landed casing at 8407'

EOT: 8194' with bull plug

Prepared By: Ronald M. Sentz 03-10-08

Attachment-E3

Attachment G

WELLS THAT PRODUCED WATER WILL COME FROM FOR DISPOSAL

State "2" #1, 1980' FNL & 1980' FEL, Sec 2, T 23S, R 31E, Eddy County, New Mexico

State "2" #2, 660' FNL & 1980' FWL, Sec 2, T 23S, R 31E, Eddy County, New Mexico

State "2" #3, 1980' FNL & 1980' FWL, Sec 2, T 23S, R 31E, Eddy County, New Mexico

State "2" #4, 1980' FSL & 1980' FWL, Sec 2, T 23S, R 31E, Eddy County, New Mexico

State "2" #5, 660' FSL & 1980' FWL, Sec 2, T 23S, R 31E, Eddy County, New Mexico

State "2" #9, 660' FSL & 660' FWL, Sec 2, T 23S, R 31E, Eddy County, New Mexico

State "36" #5, 660' FSL & 660' F WL, Sec 36, T 22S, R 31E, Eddy County, New Mexico

Attachment-H1

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY
WATER ANALYSIS REPORT
HOBBS, NEW MEXICO

COMPANY Reef Exploration

REPORT W07-236
DATE December 17, 2007
DISTRICT Hobbs

SUBMITTED BY _____

WELL State 2 #5 DEPTH _____ FORMATION _____
COUNTY _____ FIELD _____ SOURCE _____

SAMPLE	_____	_____	_____	_____
Sample Temp.	<u>70</u> °F	_____ °F	_____ °F	_____ °F
RESISTIVITY	<u>0.53</u>	_____	_____	_____
SPECIFIC GR.	<u>1.162</u>	_____	_____	_____
pH	<u>6025.00</u>	_____	_____	_____
CALCIUM	<u>22,500</u> mpl	_____ mpl	_____ mpl	_____ mpl
MAGNESIUM	<u>12,000</u> mpl	_____ mpl	_____ mpl	_____ mpl
CHLORIDE	<u>149,008</u> mpl	_____ mpl	_____ mpl	_____ mpl
SULFATES	<u>Light</u> mpl	_____ mpl	_____ mpl	_____ mpl
BICARBONATES	<u>183</u> mpl	_____ mpl	_____ mpl	_____ mpl
SOLUBLE IRON	<u>50</u> mpl	_____ mpl	_____ mpl	_____ mpl
KCL	<u>Positive</u>	_____	_____	_____
Sodium	_____ mpl	<u>0</u> mpl	<u>0</u> mpl	<u>0</u> mpl
TDS	_____ mpl	<u>0</u> mpl	<u>0</u> mpl	<u>0</u> mpl
OIL GRAVITY	<u>@</u> °F	<u>@</u> °F	<u>@</u> °F	<u>@</u> °F

REMARKS _____

MPL = Milligrams per liter
Resitivity measured in: Ohm/m2/m

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Co.

ANALYST: JH/JE

Attachment-H-2

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY WATER ANALYSIS REPORT HOBBS, NEW MEXICO

COMPANY Reef Exploration

REPORT W08-030
DATE March 3, 2008
DISTRICT Artesia

SUBMITTED BY _____

WELL St. 2 Leases DEPTH _____ FORMATION _____
COUNTY _____ FIELD _____ SOURCE _____

SAMPLE	#001	#3	#004	#005
Sample Temp.	65 °F	65 °F	65 °F	65 °F
RESISTIVITY	0.058	0.055	0.055	0.057
SPECIFIC GR.	1.137	1.148	1.148	1.141
pH	6.49	6.33	6.44	6.32
CALCIUM	25,000 mpl	21,500 mpl	23,000 mpl	23,500 mpl
MAGNESIUM	13,500 mpl	12,600 mpl	13,200 mpl	12,000 mpl
CHLORIDE	121,446 mpl	133,380 mpl	133,380 mpl	128,115 mpl
SULFATES	heavy mpl	heavy mpl	heavy mpl	heavy mpl
BICARBONATES	153 mpl	140 mpl	171 mpl	153 mpl
SOLUBLE IRON	10 mpl	10 mpl	10 mpl	10 mpl
KCL	Negative	Negative	Negative	Negative
Sodium	_____ mpl	_____ mpl	_____ mpl	_____ mpl
TDS	_____ mpl	_____ mpl	_____ mpl	_____ mpl
OIL GRAVITY	@ °F	@ °F	@ °F	@ °F

REMARKS _____

MPL = Milligrams per liter

Resitivity measured in: Ohm/m2/m

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management: it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Co.

ANALYST: MB/MA

Attachment- H-3

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY WATER ANALYSIS REPORT HOBBS, NEW MEXICO

COMPANY Reef Exploration

REPORT W08-031
DATE March 3, 2008
DISTRICT Artesia

SUBMITTED BY _____

WELL St. 2 36 #005 DEPTH _____ FORMATION _____
COUNTY _____ FIELD _____ SOURCE _____

SAMPLE	_____	_____	_____	_____
Sample Temp.	<u>65</u> °F	_____ °F	_____ °F	_____ °F
RESISTIVITY	<u>0.056</u>	_____	_____	_____
SPECIFIC GR.	<u>1.146</u>	_____	_____	_____
pH	<u>6.30</u>	_____	_____	_____
CALCIUM	<u>22,500</u> mpl	_____ mpl	_____ mpl	_____ mpl
MAGNESIUM	<u>15,000</u> mpl	_____ mpl	_____ mpl	_____ mpl
CHLORIDE	<u>131,625</u> mpl	_____ mpl	_____ mpl	_____ mpl
SULFATES	<u>heavy</u> mpl	_____ mpl	_____ mpl	_____ mpl
BICARBONATES	<u>92</u> mpl	_____ mpl	_____ mpl	_____ mpl
SOLUBLE IRON	<u>100</u> mpl	_____ mpl	_____ mpl	_____ mpl
KCL	<u>Negative</u>	_____	_____	_____
Sodium	_____ mpl	_____ mpl	_____ mpl	_____ mpl
TDS	_____ mpl	_____ mpl	_____ mpl	_____ mpl
OIL GRAVITY	_____ @ _____ °F	_____ @ _____ °F	_____ @ _____ °F	_____ @ _____ °F

REMARKS _____

MPL = Milligrams per liter

Resitivity measured in: Ohm/m2/m

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ANALYST: MB/MA

To: 'Rimmer Covington'

Cc: 'Eddie Seay (seayo4@leaco.ne)'; Lawrence J. Harrison, Jr; Walt Dunagin; Jay Degen; Michael Mauceli; Kellam Colquitt

Subject: FW: SWD Notifications - New Mexico

Rimmer,

I have Eddie Seay set up to do the filings and we are just waiting for the notification letter conformations and the published article and affidavit. Eddy has done filings for us in the past and was with the NMOCD; he has reviewed the preliminary information and is on go to do the rest.

Eddie Seay
601 W Illinois
Hobbs, New Mexico 88242

Off: 505-397-2236
Cell: 505-392-6949
Fax: 505-390-2454

I will need copies of all data that is sent to Eddie.

Please call me if you have any thoughts or questions.

Ronald M. Sentz

Reef Exploration, L.P.
1901 N. Central Expressway
Suite 300
Richardson, Texas 75080

Production Manager

Off: 972-437-6792 x3037
Cell: 214-850-8741
E-Mail: ronald@reefexploration.com

From: Walt Dunagin
Sent: Monday, April 28, 2008 6:52 PM
To: Lawrence J. Harrison, Jr; Ronald Sentz
Cc: Michael Mauceli; Kellam Colquitt
Subject: FW: SWD Notifications - New Mexico

FYI

H. Walt Dunagin
Executive Vice President and Land Manager
Reef Exploration, L.P.
972-437-6792 x3014

From: Rimmer Covington [<mailto:rimmer@covingtonassociates.net>]
Sent: Monday, April 28, 2008 5:58 PM
To: Walt Dunagin
Subject: SWD Notifications - New Mexico

Walt

The Sand Dunes notification is finished. The regulation refers to "evidence of mailing", and we have receipts that show

5/5/2008

Attachment I**Ronald Sentz**

From: Rimmer Covington [rimmer@covingtonassociates.net]
Sent: Tuesday, April 29, 2008 9:44 AM
To: seay04@leaco.net
Cc: Ronald Sentz; Walt Dunagin; Lawrence J. Harrison, Jr
Subject: RE: SWD Notifications - New Mexico
Attachments: Sand Dunes SWD Notification Letters.pdf; 2nd Forest Oil Letter.pdf; Ad and Affidavit.pdf

Eddie

There are three PDF files attached.

1. Ad and Affidavit.pdf – copy of advertisement and affidavit of publication
2. Sand Dunes SWD Notification Letters.pdf – Copies of 5 letters and receipts for each letter showing the date mailed (BP America Production Company, Devon Energy Production Company, LP, Samson Resources Company, New Mexico State Land Office, and Forest Oil Corporation. On April 28, 2008 I used the US Postal Service "Track and Confirm" web feature to determine that four of the five letters was delivered. The fifth letter "Forest Oil" showed only proof of mailing. We sent the letter to Forest Oil Co., address of record on file with the State of NM. Later we found through State of Texas records a new address for Forest Oil Co, and we sent them a letter via Federal Express yesterday, April 28, 2008.
3. 2nd Forest Oil Letter.pdf – This is a copy of the 2nd Forest Oil Co letter and Fedex receipt dated April 28, 2008.

What else do you need from us regarding the notification? Will the copies suffice or do you want us to send you the originals?

From: Ronald Sentz [mailto:ronald@reefogc.com]
Sent: Tuesday, April 29, 2008 7:08 AM
To: seay04@leaco.net
Cc: Rimmer Covington
Subject: FW: SWD Notifications - New Mexico

Eddie,

I typed in your address but left off the t in net.

Ronald M. Sentz

Reef Exploration, L.P.
 1901 N. Central Expressway
 Suite 300
 Richardson, Texas 75080

Production Manager

Off: 972-437-6792 x3037
 Cell: 214-850-8741
 E-Mail: ronald@reefexploration.com

From: Ronald Sentz
Sent: Tuesday, April 29, 2008 7:06 AM

5/5/2008

that each letter was mailed via certified mail to the address of record. In addition to the receipts, we have proof of delivery for all but one letter Forest Oil. Today we send Forest a letter via Fedex.

The required 15 days applies to the time before Reef can get its "administrative approval" for the SWD well, AND the 15 day period begins the day that Reef's application is received by the NM authorities.

Last week Mr. Sentz sent me a request for information required by the form C108 to show wells, name of wells and current leases within a two mile radius of the disposal well –placed on a map. I will have the information tomorrow (Tuesday) afternoon and will post the info on his map Wednesday. We should be able to file the full application by Wednesday or Thursday.

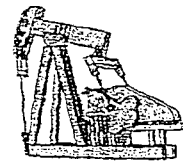
Rim

5/5/2008

Attachment J

Clay Johnson Oil & Gas Properties

203 WEST WALL, SUITE 202* MIDLAND, TEXAS 79701 * (432) 684-4110* FAX (432) 684-5166



AAPL-CPL

April 18, 2008

Forest Oil Corporation
1600 Broadway, Suite 2200
Denver, CO 80202

Via Certified Mail

Re: State "2" #8
Application for Authorization to Inject
1980' FSL & 660' FWL of Section 2,
T-23-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Gentlemen:

Reef Exploration, Lp. is applying to the New Mexico Oil Conservation Division for a permit to inject fluid into a reservoir productive of oil and gas. This letter is to provide notification to you as an offset operator. A copy of the application is attached. As an offset operator you have the option to object in writing to the New Mexico Oil Conservation Division.

Should you have any questions or comments, please direct them to Ronald M. Sentz, production manager for Reef Exploration, Lp. at 972-437-6792.

Respectfully,

M. K. Brasuel
Mary Kay Brasuel
Attachments.

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 58
Certified Fee	2.40
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 62.15
Sent to: Forest Oil Corporation	
Street, Apt. No., or PO Box No.: 1600 Broadway, Ste. 220	
City, State, ZIP+4: Denver, CO 80202	

7007 0220 0002 4962 6665

MIDLAND TX
Postmark
APR 18 2008
U.S. 514

April 13, 2008

LEGAL NOTICE
NOTICE OF
APPLICATION FOR
FLUID INJECTION
WELL PERMIT

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

April Hernandez, being first duly sworn,
on oath says:

That she is HR Manager of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

April 18 2008

That the cost of publication is \$ 56.37 that Payment Thereof has been made and will be assessed as court costs.

April Hernandez

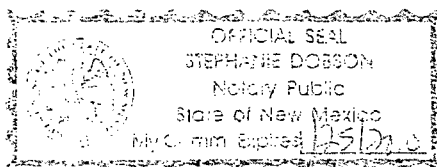
Subscribed and sworn to before me this

18 day of April, 2008

Stephanie Dobson

My commission Expires on 1/25/2010

Notary Public



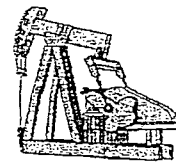
REEF EXPLORATION, L.P., 1901 North Central Expressway, Suite 300, Richardson, Texas 75080-3610, Ronald M. Santz, phone number 972-437-6792, has applied to the New Mexico Oil Conservation Division for Authorization to Inject.

The Applicant Proposes to inject salt water into the Delaware Formation, State "2" #8 Well. The proposed injection well is located 1980' from the South line and 660' from the West line of Section 2, T-23-S, R-31-E, N.M.P.M., Eddy County, New Mexico. Fluid will be injected in the State "2" Well #8 in the subsurface depth interval from 4450 feet to 8250 feet. The purpose of the well is as a disposal well for area Delaware produced water. The proposed average daily injection volume is 4000 barrels of water per day with a proposed average daily injection pressure of 1000#.

Requests for a public hearing from persons who can show that they are adversely affected, or requests for further information concerning any aspect of the application should be submitted in writing, within fifteen days of publication, to the New Mexico Oil Conservation, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505.

Clay Johnson Oil & Gas Properties

203 WEST WALL, SUITE 202* MIDLAND, TEXAS 79701 *(432) 684-4110* FAX (432) 684-5166



AAPL-CPL

April 18, 2008

New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504-1148

Via Certified Mail

Re: State "2" #8
Application fore Authorization to Inject
1980' FSL & 660' FWL of Section 2,
T-23-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Gentlemen:

Reef Exploration, Lp. is applying to the New Mexico Oil Conservation Division for a permit to inject fluid into a reservoir productive of oil and gas. This letter is to provide notification to you as the surface owner. A copy of the application is attached. As a surface owner you have the option to object in writing to the New Mexico Oil Conservation Division.

Should you have any questions or comments, please direct them to Ronald M. Sentz, production manager for Reef Exploration, Lp. at 972-437-6792.

Respectfully,

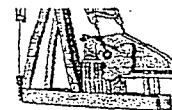
Mary Kay Brasuel
Attachments.

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 5.8
Certified Fee	2652.40
Return Receipt Fee (Endorsement Required)	2157.75
Restricted Delivery Fee (Endorsement Required)	538
Total Postage & Fees	\$ 473
Sent To: New Mexico State Land Office	
Street, Apt. No., or PO Box No. P.O. Box 1148	
City, State, ZIP+4 Santa Fe NM 87504-1148	

PS Form 3800, August 2005 See Reverse for Instructions

Clay Johnson Oil & Gas Properties

203 WEST WALL, SUITE 202 MIDLAND, TEXAS 79701 * (432) 684-4110 * FAX (432) 684-5166



AAPL-CPL

April 18, 2008

Samson Resources Company
Samson Plaza
Two West Second Street
Tulsa, OK 74103

Via Certified Mail

Re: State "2" #8
Application fore Authorization to Inject
1980' FSL & 660' FWL of Section 2,
T-23-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Gentlemen:

Reef Exploration, Lp. is applying to the New Mexico Oil Conservation Division for a permit to inject fluid into a reservoir productive of oil and gas. This letter is to provide notification to you as an offset operator. A copy of the application is attached. As an offset operator you have the option to object in writing to the New Mexico Oil Conservation Division.

Should you have any questions or comments, please direct them to Ronald M. Sentz, production manager for Reef Exploration, Lp. at 972-437-6792.

Respectfully,

M. K. Brasuel

Mary Kay Brasuel
Attachments.

5499 2964 2000 0220 1001

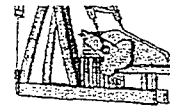
U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 58
Certified Fee	2652.40
Return Receipt Fee (Endorsement Required)	2157.75
Restricted Delivery Fee (Endorsement Required)	538.00
Total Postage & Fees	\$ 4.75

Sent To: Samson Resources Company
Street, Apt. No.:
City, State, Zip+4: Tulsa, OK 74103

Postmark: APR 21 Here 2008
DOWNTOWN STA.
USPS

Clay Johnson Oil & Gas Properties

203 WEST WALL, SUITE 202 MIDLAND, TEXAS 79701 * (432) 684-4110 * FAX (432) 684-5166



AAPL-CPL

April 18, 2008

Devon Energy Production Company, LP
20 Broadway, Suite 1500
Oklahoma City, OK 73102-8260

Via Certified Mail

Re: State "2" #8
Application for Authorization to Inject
1980' FSL & 660' FWL of Section 2,
T-23-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Gentlemen:

Reef Exploration, Lp. is applying to the New Mexico Oil Conservation Division for a permit to inject fluid into a reservoir productive of oil and gas. This letter is to provide notification to you as an offset operator. A copy of the application is attached. As an offset operator you have the option to object in writing to the New Mexico Oil Conservation Division.

Should you have any questions or comments, please direct them to Ronald M. Sentz, production manager for Reef Exploration, Lp. at 972-437-6792.

Respectfully,

M. K. Brasuel

Mary Kay Brasuel
Attachments.

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$.58
Certified Fee	263.40
Return Receipt Fee (Endorsement Required)	214.75
Restricted Delivery Fee (Endorsement Required)	5.28
Total Postage & Fees	\$ 4.73

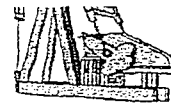
7007 0220 0002 4962 6652

TX DOWNTOWN 514
APR 21 2008
USPS

Sent To: Devon Energy Prod. Co.
Street, Apt. No., or PO Box No. 20 N. Broadway Suite 1500
City, State, ZIP+4: OKLAHOMA CITY, OK 73102-8260

Gray Johnson Oil & Gas Properties

203 WEST WALL, SUITE 202 MIDLAND, TEXAS 79701 * (432) 684-4110 * FAX (432) 684-5166



AAPL-CPL

April 18, 2008

BP America Production Company
P.O. Box 4587
Houston, TX 77210-4587

Via Certified Mail

Re: State "2" #8
Application fore Authorization to Inject
1980' FSL & 660' FWL of Section 2,
T-23-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Gentlemen:

Reef Exploration, Lp. is applying to the New Mexico Oil Conservation Division for a permit to inject fluid into a reservoir productive of oil and gas. This letter is to provide notification to you as an offset operator. A copy of the application is attached. As an offset operator you have the option to object in writing to the New Mexico Oil Conservation Division.

Should you have any questions or comments, please direct them to Ronald M. Sentz, production manager for Reef Exploration, Lp. at 972-437-6792.

Respectfully,

M. K. Brasuel

Mary Kay Brasuel
Attachments.

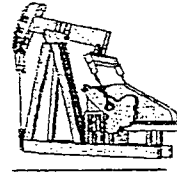
U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 1.58
Certified Fee	2652.40
Return Receipt Fee (Endorsement Required)	257.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.73
Sent to <u>BP America Production Co.</u>	
Street, Apt. No. <u>PO Box 4587</u>	

1007 0220 0002 4962 6676

MIDLAND, TX 79701
Postmark Here
APR 21 2008
USPS

Clay Johnson Oil & Gas Properties

203 WEST WALL, SUITE 202* MIDLAND, TEXAS 79701 * (432) 684-4110* FAX (432) 684-5166



AAPL-CPL

April 18, 2008

Forest Oil Corporation
707 17th Street, Suite 3600
Denver, CO 80202

Via Federal Express

Re: State "2" #8
Application fore Authorization to Inject
1980' FSL & 660' FWL of Section 2,
T-23-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Gentlemen:

Reef Exploration, Lp. is applying to the New Mexico Oil Conservation Division for a permit to inject fluid into a reservoir productive of oil and gas. This letter is to provide notification to you as an offset operator. A copy of the application is attached. As an offset operator you have the option to object in writing to the New Mexico Oil Conservation Division.

Should you have any questions or comments, please direct them to Ronald M. Sentz, production manager for Reef Exploration, Lp. at 972-437-6792.

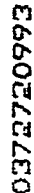
Respectfully,

A handwritten signature in cursive script, appearing to read "M. K. Brasuel".

Mary Kay Brasuel
Attachments.



City Denver State CO ZIP 80202

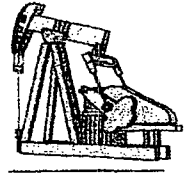


8 Residential Delivery Signature Options If you require a signature, check Direct or Indirect.

Rev Date 10/05-Part #16279-01904-2008 FedEx-PRINTED IN U.S.A.-SAG

Clay Johnson Oil & Gas Properties

203 WEST WALL, SUITE 202* MIDLAND, TEXAS 79701 *(432) 684-4110* FAX (432) 684-5166



AAPL-CPL

July 14, 2008

Mosaic Potash Carlsbad Inc.
1361 Potash Mines Rd.
Carlsbad, New Mexico 88220

Via Federal Express

Re: State "2" #8
Application for Authorization to Inject
1980' FSL & 660' FWL of Section 2,
T-23-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Gentlemen:

Reef Exploration, Lp. is applying to the New Mexico Oil Conservation Division for a permit to inject fluid into a reservoir productive of oil and gas. This letter is to provide notification to you as an offset operator. A copy of the application is attached. As an offset operator you have the option to object in writing to the New Mexico Oil Conservation Division.

Should you have any questions or comments, please direct them to Ronald M. Sentz, production manager for Reef Exploration, Lp. at 972-437-6792.

Respectfully,

A handwritten signature in cursive script that reads "M. K. Brasuel".

Mary Kay Brasuel
Attachments.

FedEx Express
US Airbill

FedEx Tracking Number

8652 0849 4170

1 From Please print and give to recipient
Date 07-14-08 Sender's FedEx Account Number 2362-2237-3

Sender's Name Mary Kay Brasuel Phone (432) 684-4110

Company CLAY JOHNSON OIL & GAS CO

Address 203 W WALL STE 202

Dept./Floor/Room

City MIDLAND State TX ZIP 79701-4510

2 Your Internal Billing Reference

First 24 characters will appear on invoice.

OPTIONAL

3 To

Recipient's Name

Company Mosaic Potash Carlsbad Inc. Phone 575-887-2871

Recipient's Address 1361 Potash Mines Rd.

We cannot deliver to P.O. boxes or P.O. ZIP codes.

Dept./Floor/Room

Address

To request a package be held at a specific FedEx location, print FedEx address here.

City Carlsbad State NM ZIP 88220

0377328488



PULL AND RETAIN THIS COPY BEFORE AFFIXING TO THE PACKAGE. NO POUCH NEEDED.

4a Express Package Service
☐ FedEx Priority Overnight
Next business day, Monday through Friday. Shipments will be delivered on Monday unless SATURDAY Delivery is selected.
☒ FedEx Standard Overnight
Next business day, Monday through Friday. Shipments will be delivered on Monday unless SATURDAY Delivery is selected.
☐ FedEx 2Day
Second business day, Monday through Friday. Shipments will be delivered on Monday unless SATURDAY Delivery is selected.
☐ FedEx Express Saver
Third business day, Monday through Friday. Shipments will be delivered on Monday unless SATURDAY Delivery is selected.
* To meet business day, Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
* FedEx Envelope and not available. Minimum charge (one-pound rate).

4b Express Freight Service
☐ FedEx 1Day Freight
Next business day, Monday through Friday. Shipments will be delivered on Monday unless SATURDAY Delivery is selected.
☐ FedEx 2Day Freight
Second business day, Monday through Friday. Shipments will be delivered on Monday unless SATURDAY Delivery is selected.
☐ FedEx 3Day Freight
Third business day, Monday through Friday. Shipments will be delivered on Monday unless SATURDAY Delivery is selected.
* To meet business day, Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
* FedEx Envelope and not available. Minimum charge (one-pound rate).

5 Packaging
☒ FedEx Envelope
Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak.
☐ FedEx Pak
Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak.
☐ FedEx Tube
☐ Other

6 Special Handling
☐ SATURDAY Delivery
Not available for FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx Express Saver, or FedEx 1Day Freight.
Does this shipment contain dangerous goods?
☐ No ☐ Yes
If Yes, attach and complete Shipper's Declaration. Dangerous goods (including dry ice) cannot be shipped in FedEx packaging.
☐ HOLD Weekday at FedEx Location
Not available for FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx Express Saver, or FedEx 1Day Freight.
☐ HOLD Saturday at FedEx Location
Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations.
* To meet business day, Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

7 Payment Bill to
☒ Sender
Account No. in Section 8.
☐ Recipient
☐ Third Party
☐ Credit Card
☐ Cash/Check

8 Residential Delivery Signature Options
☐ No Signature Required
Package may be left without signature for delivery.
☐ Direct Signature
Someone at recipient's address must sign for delivery.
☐ Indirect Signature
If no one is available at recipient's address, we will leave a delivery attempt card for delivery.
If you require a signature, check Direct or Indirect.

Total Packages Total Weight Total Declared Value
\$.00

FedEx Account No. Credit Card No. Exp. Date

Your liability is limited to \$100 unless you declare a higher value. See back for details. By using this Airbill, you agree to the service conditions on the back of this Airbill and to the current FedEx Service Guide, including terms that limit our liability.

8 Residential Delivery Signature Options
If you require a signature, check Direct or Indirect.

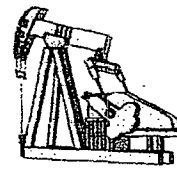
No Signature Required
Direct Signature
Indirect Signature
Signature may be left without signature for delivery.
Someone at recipient's address must sign for delivery.
If no one is available at recipient's address, we will leave a delivery attempt card for delivery.
If you require a signature, check Direct or Indirect.

Rev. Date 10/09/Part 4/15/27/94-2008 FedEx/PRINTED IN U.S.A.-SIF

519

Clay Johnson Oil & Gas Properties

203 WEST WALL, SUITE 202* MIDLAND, TEXAS 79701 *(432) 684-4110* FAX (432) 684-5166



AAPL-CPL

July 10, 2008

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Via Federal Express

Re: State "2" #8
Application for Authorization to Inject
1980' FSL & 660' FWL of Section 2,
T-23-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Gentlemen:

Reef Exploration, Lp. is applying to the New Mexico Oil Conservation Division for a permit to inject fluid into a reservoir productive of oil and gas. This letter is to provide notification to you as an offset operator. A copy of the application is attached. As an offset operator you have the option to object in writing to the New Mexico Oil Conservation Division.

Should you have any questions or comments, please direct them to Ronald M. Sentz, production manager for Reef Exploration, Lp. at 972-437-6792.

Respectfully,

A handwritten signature in cursive script that reads "M. K. Brasuel".

Mary Kay Brasuel
Attachments.



US Airbill

FedEx Tracking Number

8634 0602 5374

1 From *Please print and press hard.*
 Date 07-10-08 Sender's FedEx Account Number 2362-2237-3
 Sender's Name Mary Kay Brasuel Phone (432) 684-4110
 Company CLAY JOHNSON OIL & GAS CO
 Address 203 W WALL STE 202

City MIDLAND State TX ZIP 79701-4510
 Dept./Floor/Room

2 Your Internal Billing Reference
 First 24 characters will appear on invoice.

3 To
 Recipient's Name
 Company Yates Petroleum Corp. Phone 576748-1471
 Address 105 S. 4th St.
 We cannot deliver to P.O. boxes or P.O. ZIP codes.

Address
 To request a package be held at a specific FedEx location, print FedEx address here.
 City Artesia State NM ZIP 88210
 Dept./Floor/Room

0372720993



4a Express Package Service
☐ FedEx Priority Overnight
 Next business morning. * Friday shipments will be delivered on Monday unless SAT/URAT Delivery is selected.
☐ FedEx 2Day
 Second business day. * Thursday shipments will be delivered on Monday unless SAT/URAT Delivery is selected.
☐ FedEx Standard Overnight
 Next business morning. * Friday shipments will be delivered on Monday unless SAT/URAT Delivery is selected.
☐ FedEx Express Saver
 Second business day. * Thursday shipments will be delivered on Monday unless SAT/URAT Delivery is selected.

4b Express Freight Service
☐ FedEx 1Day Freight*
 Next business day. * Friday shipments will be delivered on Monday unless SAT/URAT Delivery is selected.
☐ FedEx 2Day Freight
 Second business day. * Thursday shipments will be delivered on Monday unless SAT/URAT Delivery is selected.
☐ FedEx 3Day Freight
 Third business day. * Thursday shipments will be delivered on Monday unless SAT/URAT Delivery is selected.

5 Packaging
☒ FedEx Envelope*
☐ FedEx Pak*
 Includes FedEx Small Pak, FedEx Large Pak, and FedEx Surety Pak.
☐ FedEx Box
☐ FedEx Tube
☐ Other

6 Special Handling
☐ SAT/URAT Delivery
 Next business day. * Friday shipments will be delivered on Monday unless SAT/URAT Delivery is selected.
☐ HOLD Saturday at FedEx Location
 Available only for FedEx Priority Overnight and FedEx 2Day to select locations.
☐ HOLD Sunday at FedEx Location
 Available only for FedEx Priority Overnight and FedEx 2Day to select locations.

7 Payment Bill to:
☐ Recipient
☐ Third Party
☐ Cash/Check
☐ Sender's Account
 Enter FedEx Acct. No. or Credit Card No. below.

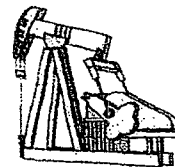
8 Residential Delivery Signature Options
☐ No Signature Required
☐ Direct Signature
 Someone at recipient's address may sign for delivery. * No signature required.
☐ Indirect Signature
 If no one is available at recipient's address, someone at a neighboring address may sign for delivery. * No signature required.

Total Packages Total Weight Total Declared Value
 \$ 00
 Your liability is limited to \$100 unless you declare a higher value. See back for details. By using this Airbill you agree to the service conditions on the back of this Airbill and in the current FedEx Service Guide. Including terms that limit our liability.

Rev. Date 10/09/07 1/02/09 © 1994-2008 FedEx-PRINTED IN U.S.A.-SBS

Clay Johnson Oil & Gas Properties

203 WEST WALL, SUITE 202* MIDLAND, TEXAS 79701 *(432) 684-4110* FAX (432) 684-5166



AAPL-CPL

July 10, 2008

Bureau of Land Management
620 E. Greene St.
Carlsbad, New Mexico 88220

Via Federal Express

Re: State "2" #8
Application for Authorization to Inject
1980' FSL & 660' FWL of Section 2,
T-23-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

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Respectfully,

A handwritten signature in cursive script that reads "M. K. Brasuel".

Mary Kay Brasuel
Attachments.



Find drop-off locations at fedex.com
Simplify your shipping. Manage your account. Access all the tools you need.

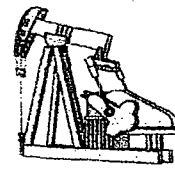
Rev. Data (Q108) Part #158279 © 1994-2008 FedEx® PRINTED IN U.S.A. SRS

8 Residential Delivery Signature Options

615

Clay Johnson Oil & Gas Properties

203 WEST WALL, SUITE 202* MIDLAND, TEXAS 79701 *(432) 684-4110* FAX (432) 684-5166



AAPL-CPL

July 10, 2008

Department of Energy
Carlsbad Field Office
Attn: David Moody
4021 National Park Highway
Carlsbad, New Mexico 88221

Via Federal Express

Re: State "2" #8
Application for Authorization to Inject
1980' FSL & 660' FWL of Section 2,
T-23-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Dear Mr. Moody:

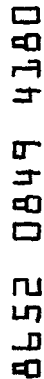
Reef Exploration, Lp. is applying to the New Mexico Oil Conservation Division for a permit to inject fluid into a reservoir productive of oil and gas. This letter is to provide notification to you as an offset operator. A copy of the application is attached. As an offset operator you have the option to object in writing to the New Mexico Oil Conservation Division.

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Respectfully,

A handwritten signature in cursive script that reads "M.K. Brasuel".

Mary Kay Brasuel
Attachments.



2362-2237-3

Senter's Mary Kay Brasuel
Name Phone (432) 684-4110

Company CLAY JOHNSON OIL & GAS CO

Address 203 W WALL STE 202

CITY MIDLAND State TX ZIP 79701-4510

2 Your Internal Billing Reference

3 To Recipient's Name David Moody Phone ()

Department of Energy

4021 National Park Highway

We cannot deliver to P.O. boxes or P.O. ZIP codes.

Address
To request a package be held at a specific FedEx location, inform FedEx address here.

City State ZIP NM 88221

0377328488



Simplify your shipping. Manage your account. Access all the tools you need.

Gov. Data 10/06-Part 1 158278-01994-2006 FedEx-PRINTED IN U.S.A.-SRF

ST20

4a Express Package Service
Packages up to 150 lbs.

☐ **FedEx Priority Overnight**
Next business morning.* Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

☒ **FedEx Standard Overnight**
Next business afternoon.* Saturday Delivery NOT available.

☐ **FedEx First Overnight**
Earliest next business morning delivery to select locations.* Saturday Delivery NOT available.

☐ **FedEx 2Day**
Second business day.* Thursday
shipments will be delivered on Monday
except on holidays.

☐ **FedEx Express Saver**
Third business day.*
Saturday Delivery/NOT available.

UNLESS SATURDAY DELIVERY IS SELECTED. FedEx Envelope rate not available. Minimum charge: One-pound rate. * To most locations.

4b Express Freight Service

<input type="checkbox"/> FedEx 1Day Freight** Next business day, ** Friday	<input type="checkbox"/> FedEx 2Day Freight Second business day, ** Thursday	<input type="checkbox"/> FedEx 3Day Freight Third business day, **
--	--	--

Packages over 150 lbs.

Shipments will be delivered on Monday unless SATURDAY Delivery is selected.

Shipments will be delivered on Monday unless SATURDAY Delivery is selected.

Call for Confirmation.

to most locations.

Weekend Delivery NOT available.

5. Packaging

<input type="checkbox"/>	FedEx Envelope*	<input type="checkbox"/>	FedEx Pak* Includes FedEx Small Pak, FedEx Large Pak and FedEx Sturdy Pak	<input type="checkbox"/>	FedEx Box	<input type="checkbox"/>	FedEx Tube	<input type="checkbox"/>	Other
--------------------------	------------------------	--------------------------	--	--------------------------	------------------	--------------------------	-------------------	--------------------------	--------------

5 Special Handling

☐ **SATURDAY Delivery** ☐ **HOLD Weekday** at FedEx Location ☐ **HOLD Saturday** at FedEx Location

Does this shipment contain dangerous goods?

<input type="checkbox"/> No	<input type="checkbox"/> Yes As per attached	<input type="checkbox"/> Yes Signer's Declaration	<input type="checkbox"/> Dry Ice Dry Ice, as UN 1845	x _____ kg
-----------------------------	---	--	---	------------

☐ **Cargo Aircraft Only**

Dangerous goods (including dry ice) cannot be shipped in FedEx packaging.

Shipper's Declaration. not required.

7 Payment Bill to: ☐ Enter FedEx Acct. No. or Credit Card No. below.

☒ Sender
☐ Recipient
☐ Third Party
☐ Credit Card
☐ Cash/Check

Acct. No. in Section
 1 will be billed.

Index Acct. No.	Exp. Date
Bank Card No.	

Total Packages	Total Weight	Total Declared Value*
1	10.00	10.00
2	20.00	20.00
3	30.00	30.00
4	40.00	40.00
5	50.00	50.00
6	60.00	60.00
7	70.00	70.00
8	80.00	80.00
9	90.00	90.00
10	100.00	100.00
11	110.00	110.00
12	120.00	120.00
13	130.00	130.00
14	140.00	140.00
15	150.00	150.00
16	160.00	160.00
17	170.00	170.00
18	180.00	180.00
19	190.00	190.00
20	200.00	200.00
21	210.00	210.00
22	220.00	220.00
23	230.00	230.00
24	240.00	240.00
25	250.00	250.00
26	260.00	260.00
27	270.00	270.00
28	280.00	280.00
29	290.00	290.00
30	300.00	300.00
31	310.00	310.00
32	320.00	320.00
33	330.00	330.00
34	340.00	340.00
35	350.00	350.00
36	360.00	360.00
37	370.00	370.00
38	380.00	380.00
39	390.00	390.00
40	400.00	400.00
41	410.00	410.00
42	420.00	420.00
43	430.00	430.00
44	440.00	440.00
45	450.00	450.00
46	460.00	460.00
47	470.00	470.00
48	480.00	480.00
49	490.00	490.00
50	500.00	500.00
51	510.00	510.00
52	520.00	520.00
53	530.00	530.00
54	540.00	540.00
55	550.00	550.00
56	560.00	560.00
57	570.00	570.00
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59	590.00	590.00
60	600.00	600.00
61	610.00	610.00
62	620.00	620.00
63	630.00	630.00
64	640.00	640.00
65	650.00	650.00
66	660.00	660.00
67	670.00	670.00
68	680.00	680.00
69	690.00	690.00
70	700.00	700.00
71	710.00	710.00
72	720.00	720.00
73	730.00	730.00
74	740.00	740.00
75	750.00	750.00
76	760.00	760.00
77	770.00	770.00
78	780.00	780.00
79	790.00	790.00
80	800.00	800.00
81	810.00	810.00
82	820.00	820.00
83	830.00	830.00
84	840.00	840.00
85	850.00	850.00
86	860.00	860.00
87	870.00	870.00
88	880.00	880.00
89	890.00	890.00
90	900.00	900.00
91	910.00	910.00
92	920.00	920.00
93	930.00	930.00
94	940.00	940.00
95	950.00	950.00
96	960.00	960.00
97	970.00	970.00
98	980.00	980.00
99	990.00	990.00
100	1000.00	1000.00

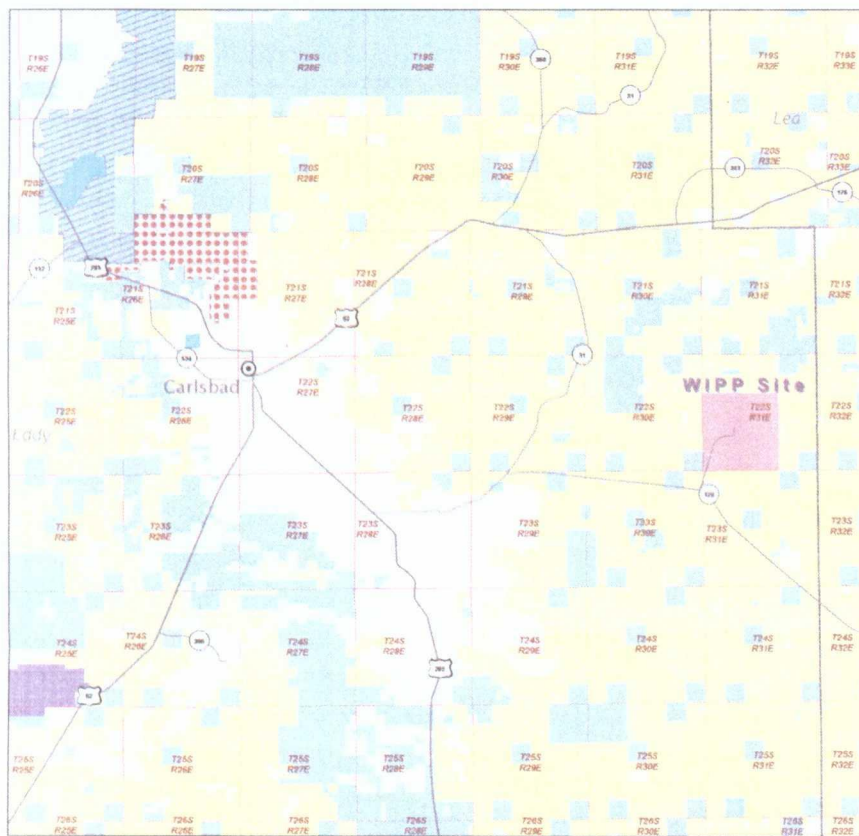
Your liability is limited to \$100 unless you deduct a higher rate. To receive this \$100 you agree to this

Recidential Delivery Signature Options

Indicating the type of signature	Indicating the type of signature
No Signature	No Signature
Direct Signature	Indirect Signature

☐ No signature required
☐ Signature required
 Package may be left at recipient's address, someone else's address, or a neighboring address may deliver.

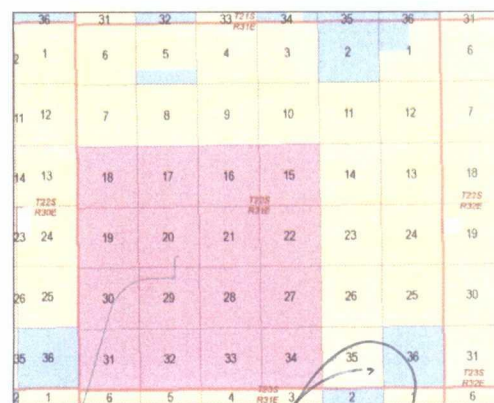
Box Date 10/06/98 #1192729-01594-2006 FedEx® PRINTED IN U.S.A. ® SFE



DOE WIPP General Area (w/ detail of affected sections)



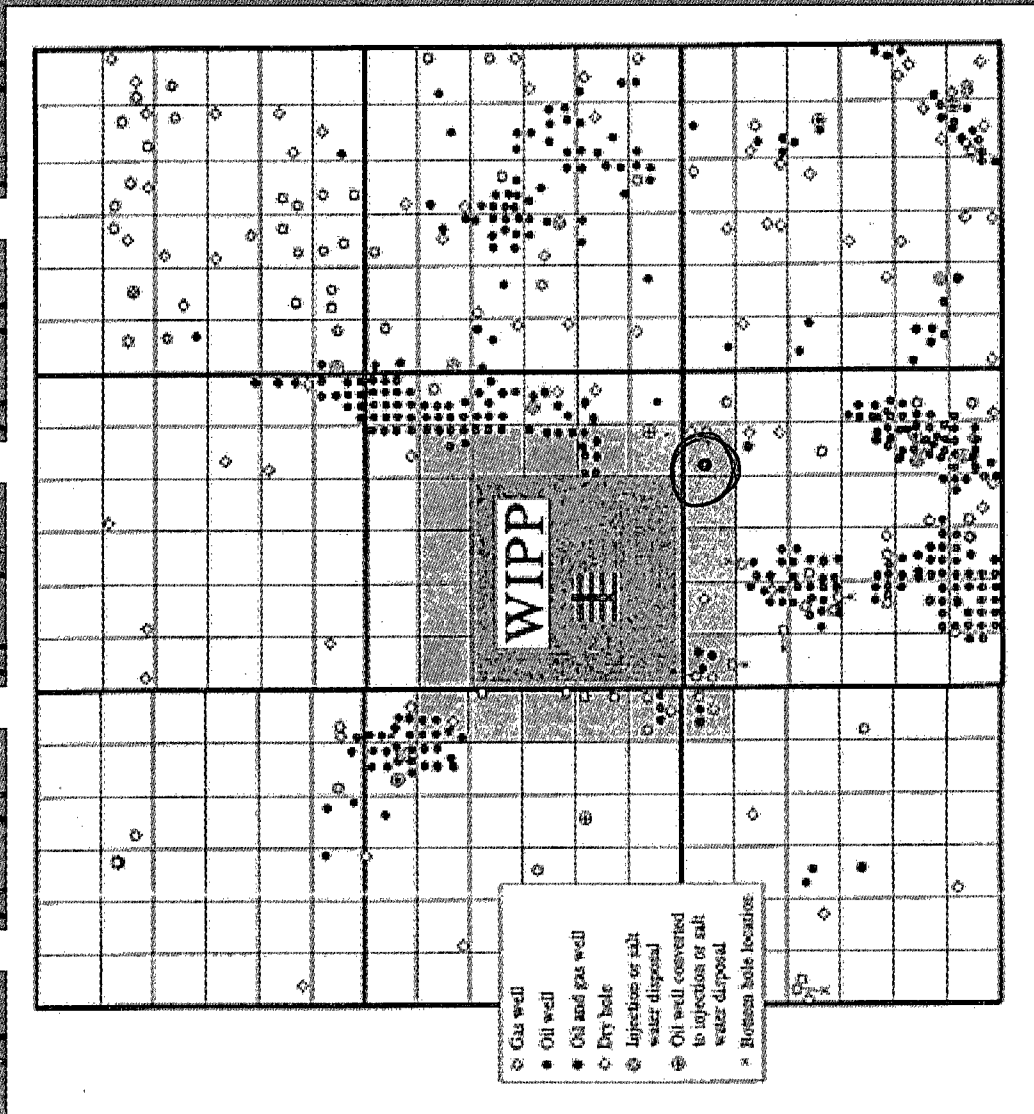
Detail Showing Affected Sections within T22S R31E



0 1.5 3 6 Miles

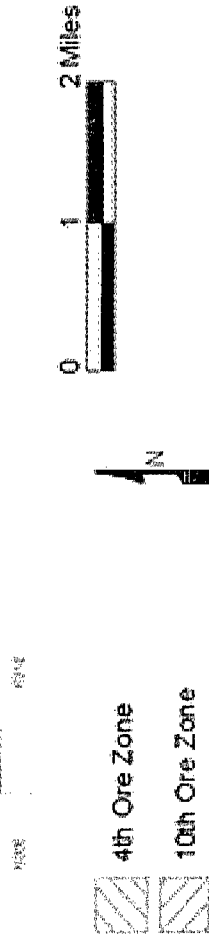
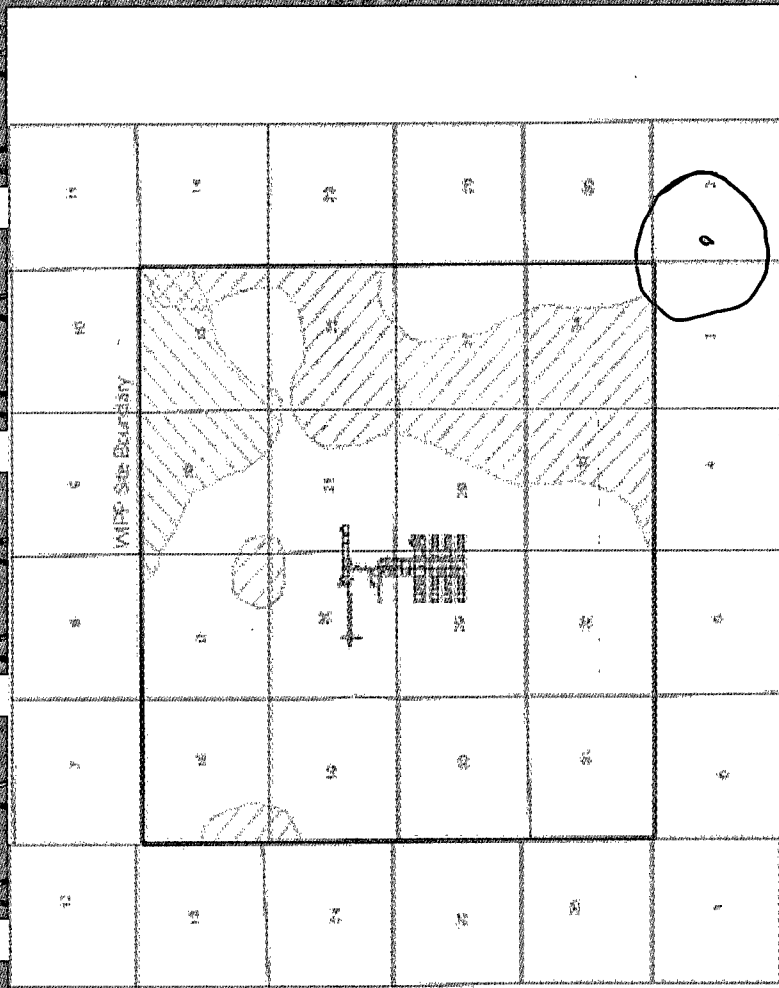
Map by EMNRD GIS 02/2008; land ownership data from BLM

Wells Surrounding WIPP, 1993

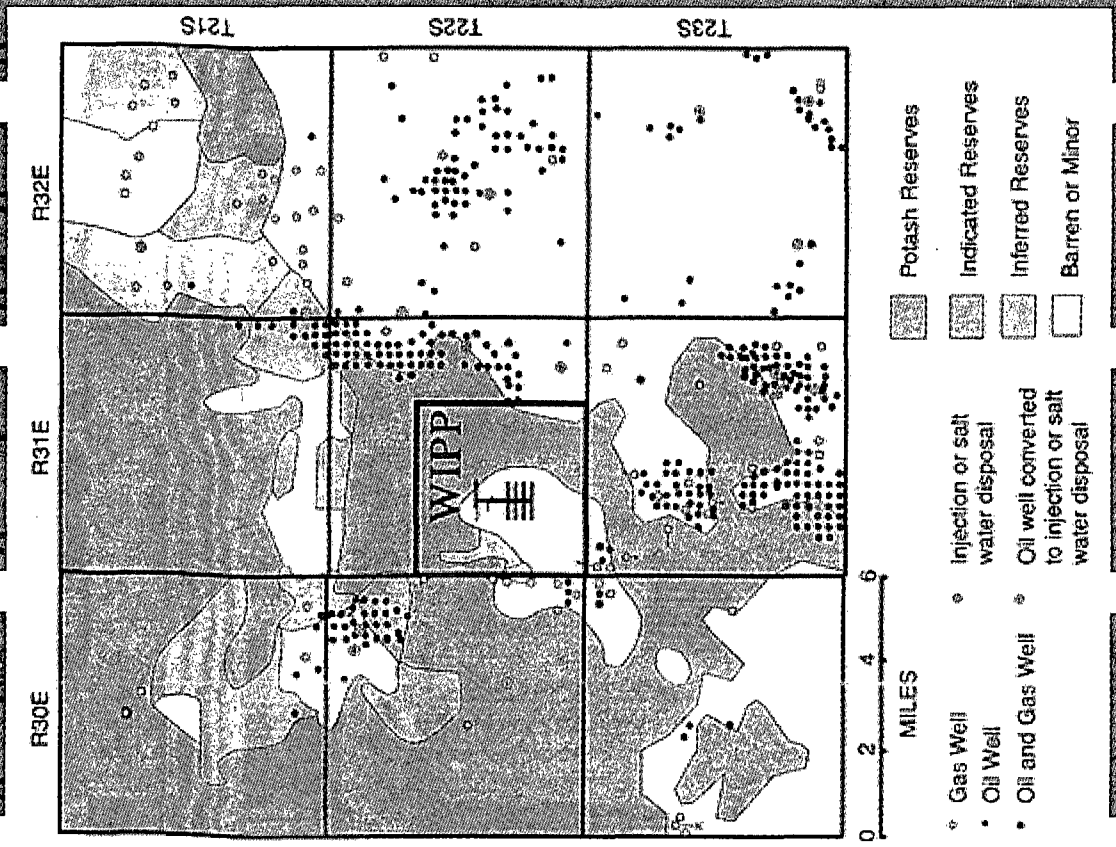


Source: EEC

Potash Zones in WIPP LWA



Potash Reserves, Oil & Gas Wells



Source: EEG

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, July 23, 2008 1:48 PM
To: 'ronald@reefexploration.com'
Cc: Ezeanyim, Richard, EMNRD; William F Carr (wcarr@hollandhart.com); Warnell, Terry G, EMNRD
Subject: SWD application on behalf of Reef Exploration, LP: State 2 Well No. 8 API No. 30-015-35749 Unit L of Section 2, T23S, R31E

Hello Ronald:

The OCD just received a protest to this proposal to inject from Yates Petroleum Corporation. Mary Kay Brasuel in Midland with Reef Exploration was copied on this protest letter. If you don't receive a copy, please ask her or ask Yates to send you one. The review process here in the engineering bureau is NOT complete and the outcome of this application is still undecided.

However, since a protest has been received, the OCD cannot continue to process this application administratively - so your application will be cancelled from our database.

You have the option of negotiating with Yates. If successful, ask Yates to send a retraction letter and let us know, formally in writing if you want the application review to resume.

You also have the option of asking your attorney to immediately set this application to hearing. The administrative correspondence from the engineering bureau will be included in the case file. Please let Bill Carr and myself know who your attorney will be.

Regards,

William V. Jones PE
 New Mexico Oil Conservation Division
 1220 South St. Francis
 Santa Fe, NM 87505
 505-476-3448

*Protest
 Cancelled
 TODAY*

From: Jones, William V., EMNRD
Sent: Thursday, July 10, 2008 9:30 AM
To: 'ronald@reefexploration.com'
Cc: Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD; Clark, Anne, EMNRD; Chavez, Carl J, EMNRD; Brooks, David K., EMNRD
Subject: RE: SWD application on behalf of Reef Exploration, LP: State 2 Well No. 8 API No. 30-015-35749 Unit L of Section 2, T23S, R31E, Eddy County

Ron:

We talked last week and I still have not received anything from you concerning the questions below.

Looked at this again today and talked to our Division Director - and have additional requests:

- 1) Would you please formally notify the DOE manager of the WIPP site with a complete copy of your application and send proof of notice to me?
- 2) Please look at the OCD ONLINE Imaging Site and make sure the CBL run on the 5-1/2 inch casing is there - if not, please send a copy of the entire log to Paul Kautz in Hobbs to Scan into our files.
- 3) Send the cementing treatment report from the service company that cemented the 8-5/8 inch casing - should show all details on this cement, volumes, pressures, type, etc.
- 4) Why do you need this injection well? Will it be injecting only your produced fluid from surrounding wells? Or is this meant to be a commercial disposal facility? The concern would be imposing additional pore pressure into formations near the WIPP Site. Injection pressures from any permit here would likely be limited.

7/23/2008

Jones, William V., EMNRD

From: Jones, William V., EMNRD

Sent: Tuesday, June 03, 2008 12:06 PM

To: 'ronald@reefexploration.com'

Cc: Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD; Clark, Anne, EMNRD

Subject: SWD application on behalf of Reef Exploration, LP: State 2 Well No. 8 API No. 30-015-35749 Unit L of Section 2, T23S, R31E, Eddy County

*Richard Talked
To Thom
6/29/08, removed
off 1/5.*

Hello Ronald:

We have the following requests:

- 1) I can't very well read the detail on your AOR map. Please send a more detailed 1/2 mile Area of Review map showing all lands within this 1/2 mile and all existing wells that were drilled to at least 4600 feet. ✓
- 2) Your wellbore diagrams are very detailed on the offset wells, but I don't see the "status" of each well or the locations of existing perforations. Please send this info anyway you would like. ✓
- 3) NOTICE: (Please read Rule 701B(2))
 From your existing map, it appears that Yates and the BLM should also be noticed. ✓
 Also, since this is very near the Potash Area as defined in R-111-P, please send proof of notice to the nearest Potash leaseholder. ✓
 How close is this to the WIPP site? *3360 Feet*
 Your notice in the newspaper seems to say the entire Delaware may be used for injection - was that intentional? ✓
- 4) The Division will require the well to be plugged back to within 200 feet of the lowermost injection perforation AND the injection packer must be set within 100 feet of the top perforation - your Post Conversion Wellbore Diagram should reflect this. It should also show the injection perforations. Please be advised, any injection permit will be "formation" specific AND "depth" specific - so any additional perforations Reef would add above or below the permitted injection interval will require a new injection application. ✓
- 5) Questions for your geologist:
 Has there been no production in this upper Delaware interval in this area? How was it evaluated for hydrocarbons? ✓
 Please coordinate with the OCD Artesia District geologist and pick formation tops (including members in the Delaware) from the Rustler down to the Bone Spring. e
- 6) Fresh Water: What is the depths to fresh water here? (Fresh meaning anything less than 10,000 TDS) Send a current water analysis from the nearest well or windmill if not more than a mile away. ✓

Thank You for answering these questions and sending proof of additional notices. The Division must wait 15 days after the last notice is provided prior to possibly releasing this permit. If protests arrive before the permit is issued (even if after 15 days), the processing will stop.

Regards,

William V. Jones PE
 New Mexico Oil Conservation Division
 1220 South St. Francis
 Santa Fe, NM 87505
 505-476-3448

Mailed 6/20/08

6/3/2008

Jones, William V., EMNRD

From: Clark, Anne, EMNRD
Sent: Wednesday, July 09, 2008 11:51 AM
To: Jones, William V., EMNRD; Koehler, Rick, EMNRD
Cc: Ezeanyim, Richard, EMNRD
Subject: RE: WIPP Site Map

Hi Will:

I have a map on the wall in the WIPP library. I thought I also had it electronically, but I'm having trouble finding it. Come see me after 2PM.

Anne deLain W. Clark

office: 505-476-3224
cell: 505-660-9912

From: Jones, William V., EMNRD
Sent: Wednesday, July 09, 2008 11:13 AM
To: Koehler, Rick, EMNRD
Cc: Ezeanyim, Richard, EMNRD; Clark, Anne, EMNRD
Subject: WIPP Site Map

Hey Rick:
Came down to see you in your new location... but you weren't there.

I am evaluating a permit to inject oil field waste water somewhere close to the WIPP site but I don't know how close this is.

Do you have any Land maps of the WIPP site - simply showing Section Township Range location of this site?

Let me know if you do.

Thank YOU

Will Jones

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

7/9/2008

Jones, William V., EMNRD

From: Zappe, Steve, NMENV
Sent: Thursday, July 10, 2008 2:39 PM
To: Jones, William V., EMNRD
Cc: Chavez, Carl J, EMNRD; Clark, Anne, EMNRD
Subject: RE: WIPP Setbacks

MARK Farnie
Called THEM

Hi -

There is no oil/gas drilling allowed within the 16 square mile land withdrawal area (LWA). DOE evaluates all potential drilling activities within a one-mile buffer surrounding the LWA to determine any adverse impact on their activities. I'm not sure who DOE's contact is, and I'm on vacation right now so I don't have access to that information. You might call their public information officer at 800-336-WIPP and ask. Here's their web page:

<http://www.wipp.energy.gov/>

Steve

From: Jones, William V., EMNRD
Sent: Thu 7/10/2008 8:48 AM
To: Zappe, Steve, NMENV
Cc: Chavez, Carl J, EMNRD; Clark, Anne, EMNRD
Subject: WIPP Setbacks

Hello Steve Zappe:

I was referred to you by Carl Chavez. He mentioned you may have knowledge of setback requirements for oil and gas operations near the WIPP site. Specifically I am evaluating an oil field waste water injection well (into the Delaware formation) near the WIPP site.

Appreciate any knowledge you have.

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: Chavez, Carl J, EMNRD
Sent: Tuesday, June 10, 2008 12:44 PM
To: Jones, William V., EMNRD
Subject: WIPP Maps

Will:

Try the link below the WIPP power points. Thx.

WIPP
<D:\Word\CarlC\HWB\WIPP\Maps\Presentations>

Let me know if you can't access the power points.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.

7/11/2008

Jones, William V., EMNRD

From: Ronald Sentz [ronald@reefogc.com]
Sent: Thursday, July 10, 2008 9:55 AM
To: Jones, William V., EMNRD
Subject: RE: SWD application on behalf of Reef Exploration, LP: State 2 Well No. 8 API No. 30-015-35749 Unit L of Section 2, T23S, R31E, Eddy County

I'll will work on this also; thanks for your help.

Ronald M. Sentz

Reef Exploration, L.P.
 1901 N. Central Expressway
 Suite 300
 Richardson, Texas 75080

Production Manager

Off: 972-437-6792 x3037
 Cell: 214-850-8741
 E-Mail: ronald@reefexploration.com

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Thursday, July 10, 2008 10:29 AM
To: Ronald Sentz
Cc: Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD; Clark, Anne, EMNRD; Chavez, Carl J, EMNRD; Brooks, David K., EMNRD
Subject: RE: SWD application on behalf of Reef Exploration, LP: State 2 Well No. 8 API No. 30-015-35749 Unit L of Section 2, T23S, R31E, Eddy County

Ron:
 We talked last week and I still have not received anything from you concerning the questions below.

Looked at this again today and talked to our Division Director - and have additional requests:

- 1) Would you please formally notify the DOE manager of the WIPP site with a complete copy of your application and send proof of notice to me? *330 offset + waiver or cert. Receipt!!*
- 2) Please look at the OCD ONLINE Imaging Site and make sure the CBL run on the 5-1/2 inch casing is there - if not, please send a copy of the entire log to Paul Kautz in Hobbs to Scan into our files.
- 3) Send the cementing treatment report from the service company that cemented the 8-5/8 inch casing - should show all details on this cement, volumes, pressures, type, etc.
- 4) Why do you need this injection well? Will it be injecting only your produced fluid from surrounding wells? Or is this meant to be a commercial disposal facility? The concern would be imposing additional pore pressure into formations near the WIPP Site. Injection pressures from any permit here would likely be limited.

We will be also looking at any State or DOE imposed buffer zone around the WIPP.

Also, this permit may need to be processed through an examiner hearing - but that has not been decided yet.

Thanks Again
 William V. Jones PE
 New Mexico Oil Conservation Division
 1220 South St. Francis
 Santa Fe, NM 87505
 505-476-3448

7/10/2008



August 5, 2008

VIA HAND DELIVERY

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

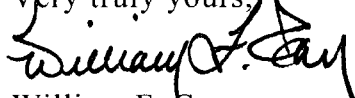
**Re: Application of Reef Exploration, LP
Application for Authorization to Inject
State "2" Well No. 8
1980' FSL & 660' FWL
Section 23 South, Township 31 East, N.M.P.M.
Eddy County, New Mexico.**

RECEIVED
2008 AUG 6 PM 3 52

Dear Mr. Fesmire:

By letter dated July 22, 2008 Yates Petroleum Corporation protested the above-referenced application and requested that it be scheduled for hearing before an Examiner of the Oil Conservation Division. Since that date, representatives of Reef Exploration have shared information with Yates Petroleum Corporation on Reef's application for Authorization to Inject. As a result of these discussions, Yates Petroleum Corporation hereby withdraws its protest and its request for hearing.

Very truly yours,


William F. Carr

cc: Ms. Janet Richardson
Ms. Kathy Porter
Yates Petroleum Corporation

Ms. Mary Kay Brasuel
Johnson Oil & Gas Properties/Reef Exploration, LP
203 West Wall, Suite 202
Midland, Texas 79701

Jones, William V., EMNRD

From: Ronald Sentz [ronald@reefogc.com]
Sent: Tuesday, July 29, 2008 11:48 AM
To: Jones, William V., EMNRD
Subject: RE: SWD application on behalf of Reef Exploration, LP: State 2 Well No. 8 API No. 30-015-35749 Unit L of Section 2, T23S, R31E

Thanks William, I hope we won't need to get into that. I am in touch with J.O. Barnett of Yates and have sent him information. Yates was thinking that we might be injecting in to the Lower Basil Brushy Canyon; maybe with the data I have sent them we can get an approval.

I will keep you posted; thanks for your help in this matter.

Ronald M. Sentz

Reef Exploration, L.P.
1901 N. Central Expressway
Suite 300
Richardson, Texas 75080

Production Manager

Off: 972-437-6792 x3037
Cell: 214-850-8741
E-Mail: ronald@reefexploration.com

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, July 29, 2008 11:32 AM
To: Ronald Sentz
Subject: RE: SWD application on behalf of Reef Exploration, LP: State 2 Well No. 8 API No. 30-015-35749 Unit L of Section 2, T23S, R31E

Hey Ron:
Here is Yates' attorney:

William F. Carr, Esq.
with Holland and Hart LLC
PO Box 2208 Santa Fe 87504-2208
505-988-4421

Regards,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: Ronald Sentz [mailto:ronald@reefogc.com]
Sent: Monday, July 28, 2008 9:20 AM
To: Jones, William V., EMNRD
Subject: RE: SWD application on behalf of Reef Exploration, LP: State 2 Well No. 8 API No. 30-015-35749 Unit L of Section 2, T23S, R31E

7/29/2008



July 22, 2008

VIA HAND DELIVERY

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED
2008 JUL 22 PM 4 39

**Re: Application of Reef Exploration, LP
Application for Authorization to Inject
State "2" Well No. 8
1980' FSL & 660' FWL
Section 23 South, Township 31 East, N.M.P.M.
Eddy County, New Mexico.**

Dear Mr. Fesmire:

Yates Petroleum Corporation hereby protests the above-referenced application and requests that it be scheduled for hearing before an Examiner of the Oil Conservation Division at the earliest possible date.

Your attention to this request is appreciated.

Very truly yours,

William F. Carr

cc: Ms. Janet Richardson
Ms. Kathy Porter
Yates Petroleum Corporation

Ms. Mary Kay Brasuel
Johnson Oil & Gas Properties/Reef Exploration, LP
203 West Wall, Suite 202
Midland, Texas 79701

General Geological Prognosis

Sand Dunes Area

Sections 1, 2, 12 & 36 of
T22 & T23 31E

<u>Tops/Bases</u>	<u>Formation</u>	<u>Lithology</u>	<u>Comments</u>
0' - 180'	Ogalalla	Shaly sand	Seepage, caving
180' - 380'	Santa Rosa	Sand	
380' - 580'	Dewey Lake	Shaly sand	Heavy seepage, lost circulation, differential sticking
580' - 860'	Rustler	Anhydritic sandy dolomite	Casing seat
860' - 1060'	Rustler	Anhydritic sandy dolomite	Casing seat
1,060' - 2,840'	Salado	Salt, w/anhydrite stringers	Dissolution, hole enlargement
2,840' - 4,550'	Castile	Banded limey anhydrite	Key seats
4,550' - 4,600'	Lamar	Limestone	Int. csg seat
4,600' - 4,650'	Lamar	Limestone	Int. csg seat
4,650' - 5,277'	Bell Canyon	Shaly sand, limey sand base	
5,277' - 5,352'	Cherry Canyon/ Manzanita	Sandy dolomite	
5,352' - 7,294'	Cherry Canyon	Shaly sand	Seepage
7,294' - 8,312'	Brushy Canyon	Cleaner sand, some clay/ shale	Seepage
8,312' - 8,450'	U. Bone Spring	Limestone & limey shale stringers	Deviation

Reef Exploration, LP Injection into the Bell and Cherry Canyons near the WIPP Site.													
API	WELL NAME	OPERATOR	FTG. NS	NS. CD	FTG. EW	EW. CD	SDIV	Sec	Tsp	Rge	Dist	TVD. DEPTH	WL. SOGRID. CDE
3001535749	STATE 008	REEF EXPLORATION, L.P.	1980 S		660 W		L		2 23S	31E	30-015-35749	0 A	246083
3001535748	STATE 007	REEF EXPLORATION, L.P.	1980 N		660 W		E		2 23S	31E	1,310	0 N	246083
3001531078	BARCLAY STATE 006A	BP AMERICA PRODUCTION COMPANY	1980 S		1980 W		K		2 23S	31E	1,320	0 C	778
3001535676	STATE 2 004	REEF EXPLORATION, L.P.	1980 S		1980 W		K		2 23S	31E	1,320	0 A	246083
3001535750	STATE 009	REEF EXPLORATION, L.P.	660 S		660 W		M		2 23S	31E	1,320	0 A	246083
3001535675	STATE 2 003	REEF EXPLORATION, L.P.	1980 N		1980 W		F		2 23S	31E	1,860	0 A	246083
3001535677	STATE 2 005	REEF EXPLORATION, L.P.	660 S		1980 W		N		2 23S	31E	1,867	0 A	246083
3001524112	DUNES ST 001	THE SUPERIOR OIL CO	1980 S		1980 E		J		2 23S	31E	2,640	0 P	214263
3001529590	BARCLAY STATE 002	FOREST OIL CORPORATION	1980 S		1980 E		J		2 23S	31E	2,640	8470 A	8041
3001530089	BARCLAY 11 D FEDERAL 004	DEVON ENERGY PRODUCTION COMPANY, LP	660 N		660 W		D		11 23S	31E	2,640	0 C	6137
Nearby Injection Wells													
3001529792	BARCLAY STATE 004	FOREST OIL CORPORATION	660 S		1980 E		O		2 23S	31E	2,952	8450 A	8041
3001505840	STATE AA-2 001	FOREST OIL CORPORATION	660 N		660 E		I		2 23S	31E	4,754	5800 A	8041
3001525410	BARCLAY 11 H FEDERAL 001	DEVON ENERGY PRODUCTION COMPANY, LP	2180 N		660 E		H		11 23S	31E	5,743	9104 A	6137

L was Flowing Safe Water when Open Hole LOGGED
 SWD-7477 10/20/98 4500-5850 NOT USED
 CMT Top Below DV = ? Producing From 638-
 See WBD
 L. Brady C.

Reef Exploration, LP Injection into the Bell and Cherry									
API	WELL_NAME	PROPERTY	QCD	LAND_TYPE	WELL_TYPE	NBR	ACRES	SPUD_DATE	COMPL_STATU
3001535749	36 STATE 008		36538 L	S	O	1	40		Unknown
3001535748	36 STATE 007		36538 E	S	O	1	40		Unknown
3001531078	BARCLAY STATE 006A		29382 K	S	G				Unknown
3001535676	STATE 2 004		36570 K	S	O	1	40		Unknown
3001535750	36 STATE 009		36538 M	S	O	1	40		Unknown
3001535675	STATE 2 003		36570 F	S	O	1	40		Unknown
3001535677	STATE 2 005		36570 N	S	O	1	40		Unknown
3001524112	DUNES ST 001		30041 J	S	O				Plugged
3001529590	BARCLAY STATE 002		32711 J	S	O	1	40	05-Aug-97	Active
3001530089	BARCLAY 11 D FEDERAL 004		22889 D	F	O				Unknown
Nearby Injection Wells									
3001529792	BARCLAY STATE 004		32711 O	S	S	2	80	07-Sep-97	Active
3001505840	STATE AA-2 001		32712 A	S	S	1	40	22-May-97	Active
3001525419	BARCLAY 11 H FEDERAL 001		13218 H	F	S	2	80	28-Jun-03	Active

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

Form C-105
Revised 1-1-89

WELL API NO.

30-015-29590

5. Indicate Type Of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

BARCLAY STATE

8. Well No.

2

9. Pool name or Wildcat

LIVINGSTON RIDGE SOUTH (DELAWARE)

1a. Type of Well: ☒ OIL WELL ☐ GAS WELL ☐ DRY ☐ OTHER

b. Type of Completion:

NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF ☐ RESVR ☐ OTHER

2. Name of Operator

ARCO Permian

3. Address of Operator

P.O. Box 1610 Midland, TX 79702

4. Well Location

Unit Letter J : 1980 Feet From The SOUTH Line and 1980 Feet From The EAST Line

Section 2

Township 23S

Range 31E

NMPM

EDDY

County

10. Date Spudded

8/5/97

11. Date T.D. Reached

8/18/97

12. Date Compl.(Ready to Prod.)

9/4/97

13. Elevations(DF & RKB, RT, GR, etc.)

3436

14. Elev. Casinghead

15. Total Depth

8470

16. Plug Back T.D.

8429

17. If Multiple Compl. How Many Zones?

18. Intervals Drilled By

Rotary Tools

X

Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name

8043-8244 (DELAWARE)

20. Was Directional Survey Made

NO

21. Type Electric and Other Logs Run

GR-DDL-CNL-NGT-LDT

22. Was Well Cored

YES

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	54.5	845	17 1/2"	775 SX CLASS "C" CIRC.	0
8-5/8	32	4525	12 1/4"	1300 SX CLASS C CIRC.	0
5-1/2	17	8470	7-7/8	875 SX CLASS C CEMENT	0
				DV @ 5491 TOC 3580' TS	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	7908	

26. Perforation record (interval, size, and number)

8043-8244 DELAWARE (CURRENTLY OPEN)

27. ACID, SHOT, FRACTURE, CEMENT, SOBBEZE, ETC.

DEPTH INTERVAL

8043-8244

AMOUNT AND KIND MATERIAL USED

ACID W/2000 GAL 15-FRAC W/58,800 GAL VIK I-30: 204,000 #SD

28. PRODUCTION

Date First Production

9-5-97

Production Method (Flowing, gas lift, pumping - Size and type pump)

PUMPING

Well Status (Prod. or Shut-In)

PRODUCING

Date of Test

7-10-97

Hours Tested

24

Choke Size

Prod'n For Test Period

Oil - Bbl.

42

Gas - MCF

Water - Bbl.

250

Gas - Oil Ratio

Flow Tubing Press.

150

Casing Pressure

45

Calculated 24-Hour Rate

Oil - Bbl.

Gas - MCF

Water - Bbl.

Oil Gravity - API (Corr.)

42.3

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

VENTED

Test Witnessed By

30. List Attachments

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature

Elizabeth A. Casbeer

Printed Name

ELIZABETH A. CASBEER

Title REG./COMP. ANALYST Date 9/19/97

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I

P.O. Box 1980, Hobbs NM 88241-1980

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO.

30-015-29590

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

20761

7. Lease Name or Unit Agreement Name

BARCLAY STATE

8. Well No.

2

9. Pool name or Wildcat

LIVINGSTON RIDGE SOUTH (DELAWARE)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

OIL
WELL ☒

GAS
WELL ☐

OTHER

2. Name of Operator

ARCO Permian

3. Address of Operator

P.O. Box 1610 Midland, TX 79702

4. Well Location

Unit Letter J : 1980 Feet From The SOUTH Line and 1980 Feet From The EAST Line

Section 2 Township 23S Range 31E NMPM EDDY County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

3436

11.

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 PLANS ☐

PULL OR ALTER CASING ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ADD PERES

☒

12. 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.

6-21-98 MIRU PULLING UNIT.

6-22-98 POOH W/RODS AND PUMP. SET CIBP @ 6960' & DUMP 35' CMT.

6-23-98 PERF UPPER BRUSHY CANYON 6657-6746' AND 6039-6219'.

6-24-98 FRAC 6657-6746' W/35500 GAL 15x; 70000 #SD.

FRAC 6039-6219' W/27000 GAL 15x; 48000 #SD.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Laurie Cherry

TITLE REGULATORY COMPLIANCE

DATE 7/1/98

TYPE OR PRINT NAME LAURIE CHERRY

TELEPHONE NO. 915-688-5532

(This space for State Use)

APPROVED BY

Jim W. Brown B60

TITLE

District Supervisor

DATE

7-6-98

CONDITIONS OF APPROVAL, IF ANY:

DRILLING PROGRAM

Attached to Form 3160-3
Devon Energy Corporation (Nevada)
BARCLAY "11D" FEDERAL #4
660' FNL & 660' FWL
Section 11-T23S-R31E, Unit D
Eddy County, New Mexico

1. Geologic Name of Surface Formation

Permian

2. Estimated Tops of Important Geologic Markers

Rustler	800'
Top of Salt	1100'
Base of Salt	3900'
Bell Canyon	4435'
Cherry Canyon	5610'
Brushy Canyon	6970'
Bone Spring Lime	8265'
Total Depth	8750'

← should be
approximate if

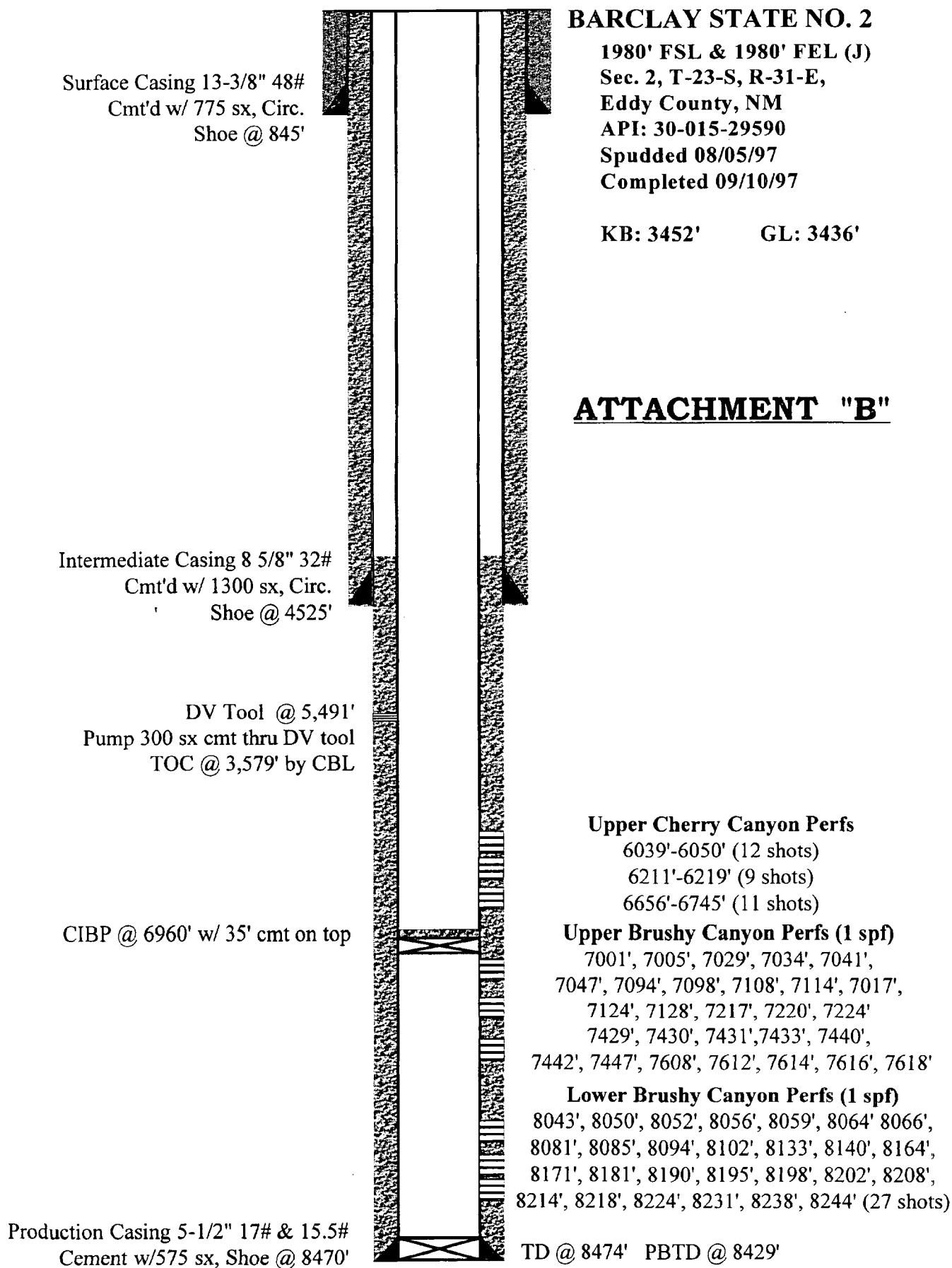
3. Estimated Depths of Possible Fresh W

Upper Permian Sands	fresh wat
Delaware	4435' oi
Delaware (Cherry Canyon)	6010' oir
Delaware (Brushy Canyon)	8025' oil

Depth can be
held to 8365 ormations
(100' into/through
Bone Springs)

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13 3/8" casing at 850' and circulating cement back to surface. The Potash and Salt intervals will be protected by setting 8 5/8" casing at 4350' and circulating cement to surface. The Delaware intervals will be isolated by setting 5 1/2" casing to total depth and circulating cement above the base of the 8 5/8" casing.

CURRENT WELLBORE SCHEMATIC



CMD :
OG5SEC2

ONGARD
VIEW LAND BY ULSTR

08/26/08 16:50:44
OGOWVJ -TPKW
PAGE NO: 7

Sec : 2 Twp : 23S Rng : 31E Cnty1 : WIP
Cnty2 : Eddy Cnty3 :

U Lot/ Qtr	SRF SUB	ACTIVE	Bene	REMARKS	
L Trct Qtr	ACREAGE	OWNER	LEASE #	(may show restrictions codes)	
J	NW4SE4	40.00 ST ST R2 6739 0000	WIP		
		R2 6740 0000			
		V0 0302 0005			
K	NE4SW4	40.00 ST ST GM 1701 0000 CS	WIP		
		MP 0024 0003			
		V0 0302 0005			
L	NW4SW4	40.00 ST ST GM 1701 0000 CS	POT WIP		
		MP 0024 0003			
		V0 0302 0005			
M	SW4SW4	40.00 ST ST GM 1701 0000 CS	POT WIP		
		MP 0024 0003			
PF01 HELP	PF02 PREV	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG5SEC2

ONGARD
VIEW LAND BY ULSTR

08/26/08 16:52:00
OGOWVJ -TPKW
PAGE NO: 8

Sec : 2 Twp : 23S Rng : 31E Cnty1 : WIP
Cnty2 : Eddy Cnty3 :

U Lot/ Qtr	SRF SUB	ACTIVE	Bene	REMARKS
L Trct Qtr	ACREAGE	OWNER	LEASE #	(may show restrictions codes)
M SW4SW4	40.00	ST ST V0	0302 0005	POT WIP
N SE4SW4	40.00	ST ST GM	1701 0000 CS	WIP
		MP 0024	0003	
		V0 0302	0005	
O SW4SE4	40.00	ST ST GM	1701 0000 CS	WIP
		MP 0024	0003	
		R2 5430	0000	
		R2 6740	0000	
		SW 0192	0003	
		V0 0302	0005	
P SE4SE4	40.00	ST ST GM	1701 0000 CS	WIP

PF01 HELP	PF02 PREV	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG5SEC2

ONGARD
VIEW LAND BY ULSTR

08/26/08 16:52:04
OGOWVJ -TPKW
PAGE NO: 9

Sec : 2 Twp : 23S Rng : 31E Cnty1 : WIP
Cnty2 : Cnty3 :

U Lot/ Qtr	SRF SUB	ACTIVE	Bene	REMARKS
L Trct Qtr	ACREAGE	OWNER	LEASE #	(may show restrictions codes)
P	SE4SE4	40.00	ST ST MP	0024 0003 WIP
			R2	4785 0000
			R2	5430 0000
			R2	6471 0000
			R2	6626 0000
			R2	7166 0000
			V0	0302 0005

M0001: This is the last page

PF01 HELP	PF02 PREV	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

PROPOSED SWD LOCATION

Yates Petroleum Corporation
NM-81953 Lease
3

Reef Exploration, L.P./Forest Oil Corporation
V-302-5 Lease
2

Devon Energy Production Co. LP
NM-77046 Lease

USA - BLM
Open Lease

ALX FEDER

GLOW WORM ALX FEDER
#14

GLOW WORM ALX FEDER
#12

GLOW WORM ALX FEDER
#11

#14

#12

#11

STATE 2-6
#6

STATE 2 NO. 2
#2

BARCLAY STATE
#9

STATE AA-2
#WD-1

BARCLAY FEDER
#16

BARCLAY STATE
#8

BARCLAY STATE
#5

STATE 2-7
#7

STATE 2-3
#3

BARCLAY STATE
#3

BARCLAY F
#14

RED RD

STATE 2-8
#8

STATE 2-4
#4

BARCLAY STATE
#2

BARCLAY STATE
#1

UNION FED
#1

GLOW WORM ALX FEDER
#4

STATE 2 No. 9
#9

BARCLAY STATE
#WD-4

BARCLAY STATE
#7

BARCLAY F
#15

BARCLAY 11 D FEDERAL
#4

BARCLAY 11 B FEDERAL
#2

BARCLAY 11 A FEDERAL
#1

BARCLAY F
#25

now well drilled

Forest Oil Co

#6

BARCLAY 11 F FEDERAL

#7

BARCLAY 11G FEDER

#1

BARCLAY F
#8

BARCLAY 11 FEDERAL

#005

1/2 Mile Radius

1/2 Mile Radius

Injection Permit Checklist 2/8/07

SWD Order Number 1140 Dates: Division Approved 8/26/08 District Approved

Well Name/Num: State 2" #8 (BARCLAY State) Date Spudded: 11/17/07

API Num: (30-) 015-35749 County: EDDY

Footages 660 FWH / 1980 FGL Sec 2 Tsp 22S Rge 3/E

Operator Name: Reef EXPLORATION, LP Contact Ronald M. SENTZ

Operator Address: 1901 N. Central EXPRESSWAY, SUITE 300, RICHARDSON, TX, 75080

Current Status of Well: Low Del Well (BRUSHY Cong) Planned Work: PLUG BACK Inj. Tubing Size: 2 7/8" @ 4400'

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	17 1/4 13 3/8	701	555	CIRC
Intermediate	11 8 5/8	4380	1000	CIRC
Production	7 7/8 5 1/2	8510	1200	2320 CBL
Last DV Tool		6421		
Open Hole/Liner				
Plug Back Depth				

Diagrams Included (Y/N): Before Conversion ☒ After Conversion ☒

Checks (Y/N): Well File Reviewed ☒ ELogs in Imaging ☒

Intervals:	Depths	Formation	Producing (Yes/No)
Salt/Potash			
Capitan Reef			
Chert House, Etc.			
Formation Above			
Top Inj Interval	4500	Bell Del	Top
Bottom Inj Interval	5250	Cherry Del	5262
Formation Below			

920 PSI Max. WHIP
NO Open Hole (Y/N)
NO Deviated Hole (Y/N)

Fresh Water: Depths: NO Wells(Y/N) NO Analysis Included (Y/N): ? Affirmative Statement P

Salt Water Analysis: Injection Zone (Y/N/NA) NO Disp Waters (Y/N/NA) 1/2 Types: Brushy Cong

Notice: Newspaper(Y/N) ☒ Surface Owner SLG Mineral Owner(s)

Other Affected Parties: Valdez / Former OIL / BP owner / Deion / Sonson / SGO

AOR/Repairs: Num Active Wells 5 Repairs? NO Producing in Injection Interval in AOR NO

AOR Num of P&A Wells 0 Repairs? — Diagrams Included? — RBDMS Updated (Y/N)

Well Table Adequate (Y/N) AOR STRs: Sec Tsp Rge UIC Form Completed (Y/N)

New AOR Table Filename Sec Tsp Rge This Form completed

Conditions of Approval: Sec Tsp Rge Data Request Sent

SET CIBP w/in 200'
Sec PKR w/in 100'

Who is current Lessee?

AOR Required Work: What number of Del is to PS office Prod? above Del = ?
?, BLM notice?

Required Work to this Well: Send Batten 1/2 mile AOR Map.