

District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

Operator Name and Address REEF EXPLORATION, L.P. 508 WEST WALL, SUITE 100 MIDLAND, TEXAS 79701		OGRID Number 246083
Property Code 36538	Property Name STATE 36	API Number 30-015-35671
Proposed Pool 1 LIVINGSTON RIDGE DELAWARE		Well No 3
Proposed Pool 2		

7 Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	36	22 S	31 E		1980	NORTH	660	WEST	EDDY

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

Work Type Code N	Well Type Code 0	Cable/Rotary R	Lease Type Code STATE	Ground Level Elevation 3466
Multiple NO	Proposed Depth 8700	Formation DELAWARE	Contractor TBO	Spud Date 6-15-07
Depth to Groundwater 950		Distance from nearest fresh water well 1000' OR MORE		Distance from nearest surface water 1000' OR MORE
Pit Liner Synthetic, X 12_mils thick Clay <input type="checkbox"/> Pit Volume 2000 bbls		Drilling Method: Fresh Water X Brine X Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		
Closed-Loop System <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	48# H-40	700 900	835	SURFACE
12 1/4	8 5/8	32# K-55	4500	1270	SURFACE
9 7/8	5 1/2	17 L-80	8700	750	4500

- 22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.
- 23 Drill Delaware well to +/-8700. Circulate cement to surface on 8 5/8" casing. Test all significant shows & evaluate w/adequate logging programs.
- 24 Abandonment, if necessary, will be performed in accordance w/prudent practices and regulatory requirements. A double ram series 900 BOP and choke.
- 25 Manifold will be used from the 8 5/8" casing point to total depth. After logging and evaluation at total depth, the decision will be made as to whether or not.
- 26 To run production casing. Production casing will be 5 1/2" and will be run at total depth. Completion will be from perforation in the 5 1/2" casing in the Delaware Formation.

Set surface casing in anhydrite section of Rustler

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature

Colleen Germany

Printed name COLLEEN GERMANY

Title AGENT

E-mail Address oilreportsinc@oilreportsinc.com

Date 6-15-07

Phone 505-393-2727

OIL CONSERVATION DIVISION

Approved by

BRYAN G. ARRANT

DISTRICT II GEOLOGIST

Title

Approval Date JUN 20 2007

Expiration Date

JUN 20 2008

Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Frances Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 39360	Pool Name LIVINGSTON RIDGE DELAWARE, CT
Property Code 36538	Property Name STATE "36"	Well Number 3
OGRID No. 246083	Operator Name REEF EXPLORATION, L.P.	Elevation 3466'

Surface Location

UL or lot No. E	Section 36	Township 22 S	Range 31 E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 660	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 4c	Joint or Infill	Consolidation Code	Order No.						

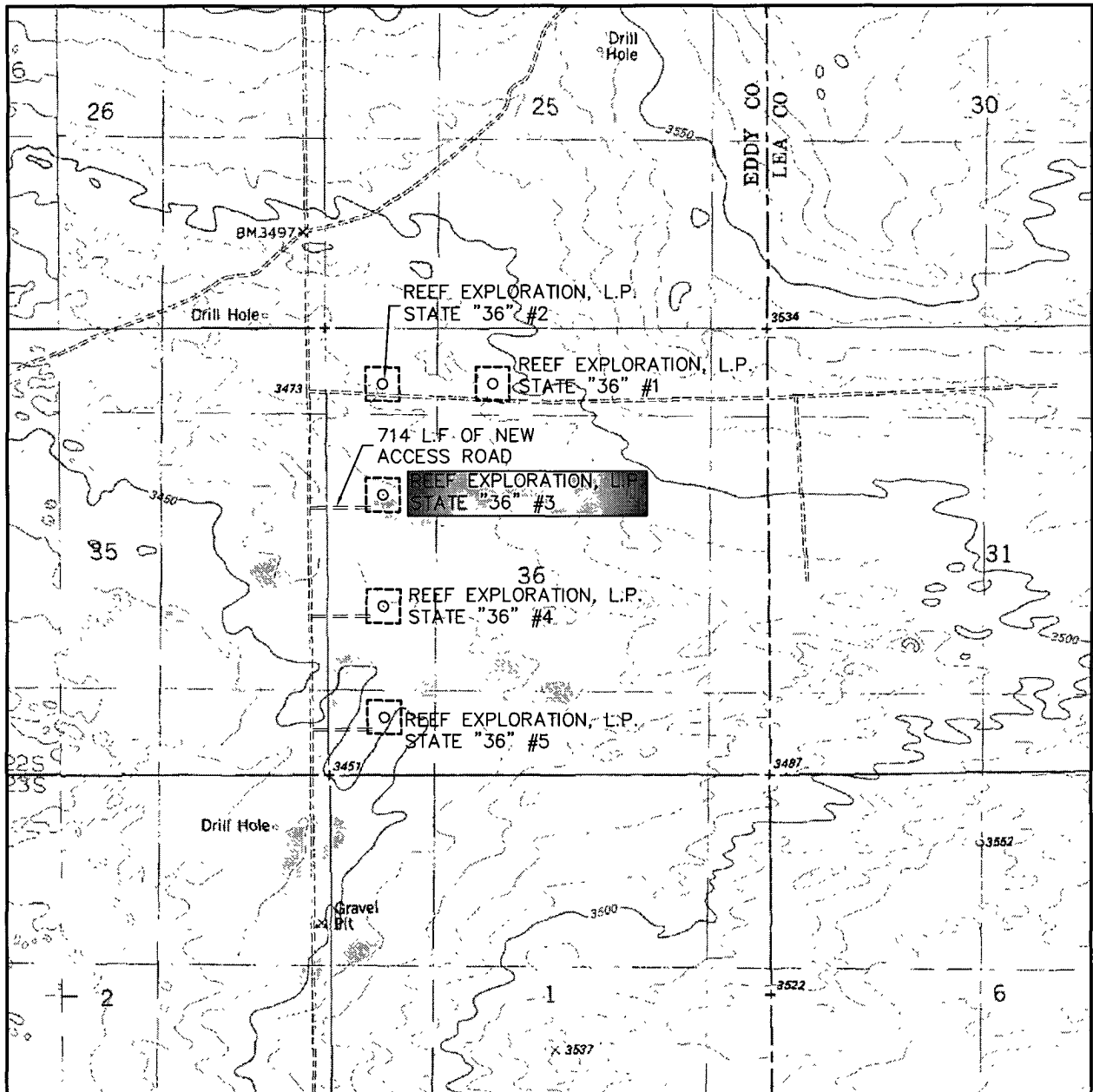
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>Plane Coordinate X = 684,022.0 Y = 491,438.5 Geodetic Coordinate Lat. 32°20'58.82" N Long. 103°44'14.77" W (NAD '27)</p>				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Colleen Germany</i> 6-15-07 Signature Date Colleen Germany Printed Name</p>
				<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes ofveys made by me or under my n and that the same is true and o the best of my belief</p> <p>May 25, 2007 Date of Survey Signature & Seal of Professional Surveyor <i>MAQUIN McDONALD</i> NEW MEXICO 12185 W.O. Num. 2007-0570 Certificate No. MAQUIN McDONALD 12185</p>

NOTE:

- 1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
BOOTLEG RIDGE - 10'

SEC. 36 TWP. 22-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1980' FNL & 660' FWL

ELEVATION 3466'

OPERATOR REEF EXPLORATION, L.P.

LEASE STATE "36"

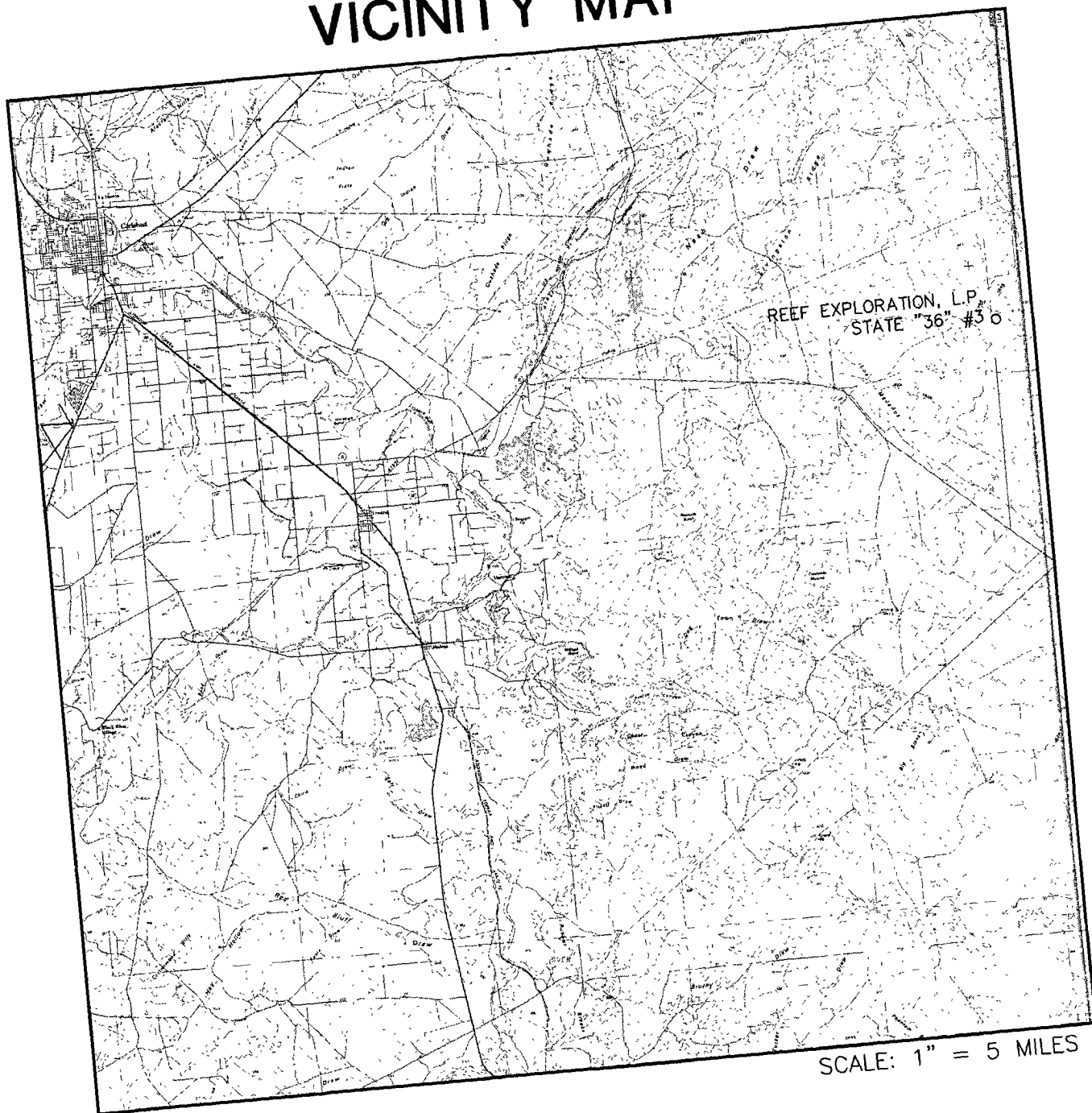
U.S.G.S. TOPOGRAPHIC MAP

BOOTLEG RIDGE

**WEST
COMPANY**
of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

VICINITY MAP



SEC. 36 TWP. 22-S RGE. 31-E
SURVEY N.M.P.M.
COUNTY EDDY
DESCRIPTION 1980' FNL & 660' FWL
ELEVATION 3466'
OPERATOR REEF EXPLORATION, L.P.
LEASE STATE "36"



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110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
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J. W. MULLOY ASSOCIATES, INC.

Engineering & Consulting

508 West Wall, Suite 700

Midland, Texas 79701

Phone: (432) 687-0323

Fax: (432) 686-7224

JOHNNY MULLOY
President

JUN 22 2007
OCD-ARTESIA

June 20, 2007

State of New Mexico
Oil Conservation Division
1310 W. Grand Avenue
Artesia, New Mexico 88210

RE: H2S Contingency Plan
Sec 2 & 12, T-23-S, R-31-E
Sec 36 T-22-S, R-31-E
Eddy County, New Mexico

Attention: Mr. Bryan Arrant

As a representative of Reef Exploration, L.P. (Ogrid # 246083) research has been conducted to determine if H2S will be encountered while drilling the following wells:

State "2" Lease

#6	660 FNL & 660 FWL
#7	1980 FNL & 660 FWL
#8	1980 FSL & 660 FWL
#9	660 FSL & 660 FWL

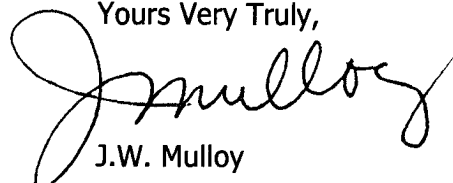
State "36" Lease

#1	660 FNL & 1980 FWL
#2	460 FNL & 660 FWL
#3	1980 FNL & 660 FWL
#4	1780 FSL & 860 FWL
#5	660 FSL & 660 FWL

It was determined that no H2S would be encountered and therefore a contingency plan is not needed. This letter is being sent to you to satisfy the conditions of approval of the above requested permits.

If additional data is required, please contact the undersigned at 432-687-0323.

Yours Very Truly,



J.W. Mulloy