

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

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

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

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Permit 67424

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

WELL API NUMBER
30-015-35674

5. Indicate Type of Lease
S

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
STATE 2

8. Well Number
002

9. OGRID Number
246083

10. Poolname or Wildcat

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

1. Type of Well:O

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

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

4. Well Location
Unit Letter C : 660 feet from the N line and 1980 feet from the W line
Section 2 Township 23S Range 31E NMPM Eddy County

11. Elevation (Show whether DR, KB, BT, GR, etc.)
3435 GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐

CASING/CEMENT JOB ☐

Other: **Drilling/Cement** ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

9/04/2007 Set 20" conductor pipe @ 20'.

9/06/2007 Spud 17.5" hole and drill to 147'

See attached Drilling Report TIFF file.

See Attached

9/6/2007 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
09/08/07	Surf	FreshWater	17.5	13.375	48	H-40	0	699	255	1.92	Prem + Lt		1000	0	N
09/14/07	Int1	FreshWater	11	8.625	32	J-55	0	4445	1800	2.45	Interfil C		1550	0	N
09/14/07	Int1	FreshWater	11	8.625	32	J-55	0	4445	300	1.33	Prem Plus		1550	0	N
09/08/07	Surf	FreshWater	17.5	13.375	48	H-40	155	699	300	1.33	Prem +		1000	0	N
09/22/07	Prod	FreshWater	7.875	5.5	17	I-80	6415	8475	500	1.68	Super H		2480	0	N
09/22/07	Prod	FreshWater	7.875	5.5	17	I-80	4800	8475	230	2.45	Prem Inter		2480	0	N
09/22/07	Prod	FreshWater	7.875	5.5	17	I-80	4800	8475	400	1.33	Poz Prem		2480	0	N

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed

TITLE Regulatory Analyst

DATE 1/17/2008

Type or print name Rosalind Mercer

E-mail address rosaling@reefexploration.com

Telephone No. 972-437-6792

For State Use Only:

APPROVED BY: Bryan Arrant

TITLE Geologist

DATE 1/22/2008 8:05:03 AM

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

Drilling Report

Well Directions: From Jal NM go to 35 miles West on Hwy 128. Turn right North, on Red Road. (#798). Go $\frac{3}{4}$ miles. Turn left, West, and go $\frac{1}{2}$ mile to location.

Date: 9-5-07

Day: 0

Depth:

Present Operation:

Operations Last 24 Hours: MIRU Patterson UTI rig #512. Gave notice of spud to NMOCD.

DDC: \$42,727

CDC: \$42,727

Date: 9-6-07

Day: 0

Depth:

Present Operation:

Operations Last 24 Hours: Continued MIRU Patterson UTI rig #512. Had to shut down due to truck drivers hours. Waiting on trucks.

DDC: \$15,010

CDC: \$57,737

Date: 9-7-07

Day: 1

Depth: 147

Present Operation: Drlg 17 $\frac{1}{2}$ " hole @ 28 fph.

Operations Last 24 Hours: Drilled 147' in the last 24 hours. MW 8.7, Vis 54. Rotary 100 rpms, WOB 45 K, pmp press 500 psi. Finish MIRU Patterson UTI Rig #512. Spud 17 $\frac{1}{2}$ " hole @ 11:30 pm 9-6-07.

DDC: \$33,310

CDC: \$91,047

Date: 9-8-07

Day: 2

Depth: 640

Present Operation: Drlg 17 $\frac{1}{2}$ " hole @ 24 fph.

Operations Last 24 Hours: Drilled 493' in the last 24 hours. MW 9.1, Vis 49, Ph 9. Rotary 90 rpms, WOB 45 K, pmp press 1000 psi. Trip for bit @ 243'.

DDC: \$26,536

CDC: \$117,583