

DATE IN 5/5/09	SUSPENSE	ENGINEER W Jones	LOGGED IN 5/5/09	TYPE SMD	APP NO. OKAA0912551717
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2009 MAY 5 AM 11:49 12205 South St. Francis Drive, Santa Fe, NM 87505



30-015-36806
36 State 001
REEF O&G
246083

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 _____

SWD-1180 ✓

[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. Sentz

Print or Type Name

Signature

Production Manager

Title

Date

ronald@reefogc.com

e-mail Address

Injection Permit Checklist (7/8/08)

Case _____ R- SWD WFX _____ PMX _____ IPI _____ Permit Date _____ UIC Qtr _____

Wells 1 Well Name: "36" State No. 1

API Num: (30-) 015-36806 Spud Date: ASAP? (New) Old: _____ (UIC primacy March 7, 1982)

Footages 660 FNL 1980 FNL Unit C Sec 36 Tsp 22S Rge 31E County Eddy

Operator: Reef Exploration, L.P. Contact Ronald M. Sants

OGRID: 246083 RULE 40 Compliance (Wells) 19/0 ✓ (Finan Assur) ✓

Operator Address: 1901 North Central Expressway, Suite 300 Richardson, TX

Current Status of Well: NOT yet drilled. 75080

Disposal well - Delaware Produced water.

Planned Work to Well: _____ Planned Tubing Size/Depth: _____

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing _____ Surface	<u>17 1/2 13 3/8</u>	<u>700</u>	<u>638</u>	<u>Surf / Observation</u>
Existing _____ Intermediate	<u>11 8 5/8</u>	<u>4300</u>	<u>1240 SXS</u>	<u>" "</u>
Existing _____ Long String	<u>7 7/8 5 1/2</u>	<u>6100</u>	<u>1200 SXS</u>	<u>3700 / CBL</u>

DV Tool _____ Liner _____ Open Hole _____ Total Depth 6100' PBTD _____

Well File Reviewed _____

Diagrams: Before Conversion _____ After Conversion _____ Elogs in Imaging File: _____

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)	<u>None</u>		
Injection..... Interval TOP:	<u>5100'</u>	<u>Bell Canyon</u>	<u>NO</u>
Injection..... Interval BOTTOM:	<u>5950'</u>	<u>Cherry Canyon</u>	<u>NO</u>
Below (Name and Top)		<u>Middle Cherry Canyon</u>	<u>NO</u>

3 1/2" F6 Tubing

PSI Max. WHIP _____

Open Hole (Y/N) _____

Deviated Hole? _____

Sensitive Areas: Capitan Reef _____ Cliff House _____ Salt Depths _____

.... Potash Area (R-111-P) _____ Potash Lessee _____ Noticed? _____

Fresh Water: Depths: Surf = 700' Wells(Y/N) N Analysis Included (Y/N): _____ Affirmative Statement _____

Salt Water: Injection Water Types: _____ Analysis? _____

Injection Interval: Water Analysis: _____ Hydrocarbon Potential _____

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

RULE 701B(2) Affected Parties: _____

Area of Review: Adequate Map (Y/N) ✓ and Well List (Y/N) None in 1/2 mile ROA

Active Wells _____ Num Repairs _____ Producing in Injection Interval in AOR _____

..P&A Wells _____ Num Repairs _____ All Wellbore Diagrams Included? _____

Questions to be Answered:

No wells fall within AOR (1/2 mile)

WIPP

5-29-09 - Mark F. Says do it.

Required Work on This Well: _____ Request Sent _____ Reply: _____

AOR Repairs Needed: _____ Request Sent _____ Reply: _____

Request Sent _____ Reply: _____

5100'
x .2
10200

Artesia

BLM
(Carr's back)
State Land office

Jones, William V., EMNRD

From: Wesley_Ingram@blm.gov
Sent: Monday, April 06, 2009 3:37 PM
To: Jones, William V., EMNRD; Shannon_Shaw@nm.blm.gov
Cc: Sanchez, Daniel J., EMNRD; Brooks, David K., EMNRD; Reeves, Jacqueta, EMNRD; Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD
Subject: RE: Injection Application from Reef Exploration LP - 36 State #1

William V. Jones,

I have reviewed the request for injection for the 36 State #1 submitted by Reef Exploration, L.P. through Clay Johnson Oil & Gas properties.

The one comment that I have is that the main presentation gives the impression that the well has already been drilled and the cement tops are actual, but since it has not, verification of these cement tops would have to be submitted prior to injection beginning. Attachment A states that the well has not been drilled.

Thanks,
Wesley W.Ingram

This inbound email has been scanned by the MessageLabs Email Security System.



Friday, May 01, 2009

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: **Application for Authorization to Inject
Form C-108 Filing
36 State #001
API #30-015-36806
Livingston Ridge; Delaware**

Gentlemen,

Please find enclosed an original and signed form C-108 for the above referenced well. A copy has been sent to the Artesia district office as well.

If you need any other information or have questions, please contact me directly at 972-437-6792 or by email at josev@reefogc.com.

Regards,

A handwritten signature in black ink, appearing to be "Jose L. Velez", written over a horizontal line.

Jose L. Velez
Regulatory Affairs

Enclosures

REEF OIL & GAS PARTNERS, L.P.
REEF EXPLORATION, L.P.

1901 N Central Expy, Ste 300 • Richardson, TX 75080
(972) 437-6792 • Fax: (972) 994-0369
Toll Free: (877) 915-7333 • www.reefogc.com

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 North Central Expressway, Suite 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 No 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. Describe 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: Ronald M. Sentz DATE: 01/02/09
E-MAIL ADDRESS: ronald@reefogc.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: _____

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.

Form C-108
Application for Authorization to Inject

Reef Exploration, L.P., Operator
36 State #1
Section 36, T 22S, 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 Exhibit (A), Section B, Item 2
- IV) This is not an expansion of an existing project.
- V) Map of wells and leases within 2 miles and ½ mile radius: (Exhibit C & D).
- VI) Data on wells within ½ mile area of review: No wells fall within the ½ mile area of investigation. The Medano State #1 falls just outside of the area of investigation and I have included a schematic for that well.
- 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#

1020 PSI
@ 0.2 Grad

Form C-108 Continued
Application for Authorization to Inject

Reef Exploration, L.P., Operator
36 State #1

- 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 E). A water analysis from nearby Delaware production (see attachments F1, F2, F3 & F4).
 - 5) Chlorides in all the source wells is expected to be similar to the attached water analysis (see Attachments F1, F2, F3 & F4)
- VIII) The proposed injection zone is the Bell Canyon and Cherry Canyon interval from 5100' to 5950'. 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 from surface 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.
- IX) Projected Perforations: Bench 1) 5850' to 5870', Bench 2) 5720' to 5750' & 5630' to 5650', Bench 3) 5410' to 5500', Bench 4) 5110' to 5140'. 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) The well has not as yet been drilled and the perforation schedule may change slightly when the open hole logs are run; all well logs will be submitted to the NMOCD.

Form C-108 Continued
Application for Authorization to Inject

Reef Exploration, L.P., Operator
36 State #1

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 found 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 _____)

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

Exhibit (A), Section B, Item 2

**“36” State #1
660’ FNL & 1980’ FWL
Section 36, T22S, R31E
Eddy County, New Mexico**

Perforation Schedule for Water Disposal

5110’ to 5140’ 4 SPF

5480’ to 5500’ 4 SPF

5630’ to 5650’ 4 SPF

5720’ to 5750’ 4 SPF

5850’ to 5870’ 4 SPF

The perforation schedule may vary slightly as these are being projected off the nearest well log. The 36 State #1 will have open hole logs run in order to match projected benches.

INJECTION WELL DATA SHEET

OPERATOR: Reef Exploration, L.P.

WELL NAME & NUMBER: State "36" #1

WELL LOCATION: 660' FNL & 1980' FWL

C

FOOTAGE LOCATION

UNIT LETTER

36

SECTION

22S

TOWNSHIP

31E

RANGE

WELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8"

Cemented with: 700 sx. or ft³

Top of Cement: Surface Method Determined: Observation

Intermediate Casing

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

Cemented with: 1240 sx. or ft³

Top of Cement: Surface Method Determined: Observation

Production Casing

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

Cemented with: 1200 sx. or ft³

Top of Cement: 3700' Method Determined: Cement Bond log

Total Depth: 6100'

Injection Interval

See Attachment (A) feet to

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 3 1/2" Lining Material: Fiberglass

Type of Packer: 2 7/8" Baker Lok Set or similar (Coated)

Packer Setting Depth: 5000'

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

Additional Data

1. Is this a new well drilled for injection? X Yes No

If no, for what purpose was the well originally drilled?

2. Name of the Injection Formation: Bell Canyon & Upper Cherry Canyon Sand
3. Name of Field or Pool (if applicable): Livingston Ridge Delaware
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. No
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Middle Cherry Canyon Sand 6000', Brushy Canyon Sand 7000'
-
-
-

**Reef Exploration, L.P.
36 State #1
660' FNL & 1980' FWL
Section 36, T 22S, R 31E
Eddy County New Mexico**

Attachment A

III Well Data

Section A:

1. Lease Name: 36 State #1
Location: 660' FNL & 1980' FWL, Section 36, T 22S, R 31E, Eddy County,
New Mexico

2. Casing and Cement:

Proposed

<u>Casing Size</u>	<u>Setting Depth</u>	<u>Sks Cement</u>	<u>Hole Size</u>	<u>TOC</u>
13 3/8"	700'	638	17 1/2"	Circ. To Surface
8 5/8"	4300'	1240	11"	Circ. To Surface
5 1/2"	6100'	1200	7 7/8"	3700' by CBL

3. Tubing: 3 1/2", 9.3# fiberglass lined, set at 5000'.
4. Packer: 2 7/8" x 5 1/2" Baker Lok Set or similar (coated) set @ 5100'

NOTE: This well has been permitted but not drilled at this time.

36 State #1 Continued

Section B

1. Injection formation: Delaware Sand
Field or Pool Name: Livingston Ridge (Delaware)
2. Injection Interval: Delaware Interval: perforate: 5110' to 5140', 5480' to 5500',
5630' to 5650', 5720' to 5750', 5850' to 5870' (4 SPF)
3. Original purpose of well: Will be drilled for injection purpose.
4. Other perforated intervals: None
5. Next higher oil and gas zone: none
Next lower oil and gas zone: Middle Cherry Canyon

See proposed well bore schematic: (Attachment B)

Also see: Exhibit (A), Section B, Item 2

REEF EXPLORATION, LP.

State "36" #1

1980' FWL & 660' FNL

Sec 36, T22S, R31E

Livingston Ridge; Delaware, SE (96149)

Eddy County, New Mexico

Permanent Wellbore Data

Spud Date: To be drilled
Compl Date:
KB Elev., Ft :
GL Elev., Ft : 3488' Set 40' of 20" conductor

KB
DF 17-1/2 " hole
Surface Casing
Size No Jts Wt. Grade Jt Type Depth,Ft
13 3/8" 16 48.0 H-40 ST&C 700
Cement: 638 Sx. TOC: Surface
Date:

11" hole
8 5/8", 32#, J-55, ST&C
Top of Cement 5 1/2" 3700'

Intermediate Casing
Size No Jts Wt. Grade Jt Type Depth,Ft
8 5/8 102 32.0 J-55 LT&C 4300
Cement: 1,240 Sx. TOC: Surface
Date:

Tubing :
3 1/2", 9.3#, J-55, Flush Joint, set @ 5000'
(Fiberglass lined)

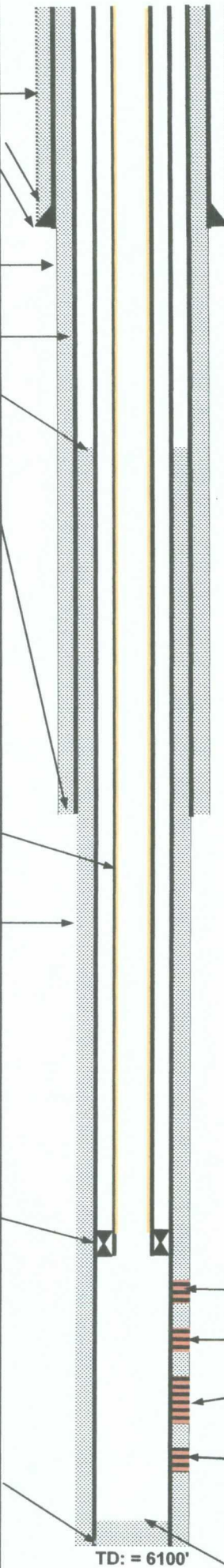
7 7/8" Hole

2 7/8" X 5 1/2" Baker Lok Set or similar Packer @ 5000'
(Coated)

Size No Jts Wt. Grade Jt Type Depth,Ft
5 1/2" 192 17.0 J-55 LT&C 6100
Total depth

ID - 4.892" , drift - 4.767" , IYP - 7740# , JS - 338,000#
Capacity - .0232 bbls/ft
Cement: 1,200 Sx. TOC: 3700
Cement: Sx. TOC:
TD: PBTD: Date:
Set Weight, Lb:
Tank Battery:

Proposed



Data On This Completion

API #: 30-015-36806
Property Code:
OGRID #:
Drilling AFE #:
Date: Activity

Perfs: 5110' to 5140' (4 SPF)
Perfs: 5480' to 5550' (4 SPF)
Perfs: 5630' to 5650', 5720' to 5750'(4 SPF)
Perfs: 5850' to 5870' (4 SPF)
PBTD: 6060'

Prepared By: Ronald M. Sentz 01-17-08

Attachment E

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" #8, 1980' FSL & 660' 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 F-1

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 F-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	#8		#9			
Sample Temp.	65	°F	65	°F		°F
RESISTIVITY	0.058		0.058			
SPECIFIC GR.	1.138		1.140			
pH	6.39		6.32			
CALCIUM	21,500	mpl	23,500	mpl	mpl	mpl
MAGNESIUM	13,200	mpl	13,500	mpl	mpl	mpl
CHLORIDE	122,495	mpl	126,360	mpl	mpl	mpl
SULFATES	heavy	mpl	heavy	mpl	mpl	mpl
BICARBONATES	171	mpl	116	mpl	mpl	mpl
SOLUBLE IRON	10	mpl	10	mpl	mpl	mpl
KCL	Negative		Negative			
Sodium		mpl		mpl	mpl	mpl
TDS		mpl		mpl	mpl	mpl
OIL GRAVITY	@	°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 F-3

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 F-4

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.	65 °F	°F	°F	°F
RESISTIVITY	0.056			
SPECIFIC GR.	1.146			
pH	6.30			
CALCIUM	22,500 mpl	mpl	mpl	mpl
MAGNESIUM	15,000 mpl	mpl	mpl	mpl
CHLORIDE	131,625 mpl	mpl	mpl	mpl
SULFATES	heavy mpl	mpl	mpl	mpl
BICARBONATES	92 mpl	mpl	mpl	mpl
SOLUBLE IRON	100 mpl	mpl	mpl	mpl
KCL	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

REEF EXPLORATION, LP.

Medano State #1

1980' FSL & 1980' FWL

Section 36, Township 22 S, Range 31 E

Livingston Ridge; Delaware, SE (96149)

Eddy County, New Mexico

Permanent Wellbore Data

Spud Date:10/24/89

Compl Date:07/15/90

KB Elev., Ft :

GL Elev., Ft :3466.0

KB0

DF0

17-1/4 " hole

Surface Casing

SizeNo JtsWt. Grade Jt Type Depth,Ft

13.3751748#H40STC745

Cement: 600 sx Sx. TOC: Surface (circ 200sx)

Date: 10/25/1989

12 1/4 " hole

Top of Cement 5 1/2" 2320'

Intermediate Casing

SizeNo JtsWt. Grade Jt Type Depth,Ft

10 3/410545.5#S80STC4,513

Cement: 2,250 SX TOC: Surface Circ. 325sx

Date: 11/4/1989

Tubing :

3 1/2" IPC set to 4893'

Packer @ 4893'

PBTD: 6,725'

Bridge Plug @ 6690' with 35' of cement on top

Bridge Plug @ 10,100" w/ 30' of cement on top

Bridge Plug @ 11,634" w/ 236' of cement on top

Top of liner: 12,281'

Production Casing

SizeNo JtsWt. Grade Jt Type Depth,Ft

7 5/829933.7&29.7#S95LTC12,620

Cement2425sx TOC: 3800'

Date: 11/24/1989

Liner

SizeNo JtsWt. Grade Jt Type Depth,Ft

4 1/27013.50#S95LTC15,118'

Cement500sx TOC: 12,281'

Date: 12/28/1989

TD: 15,118'

PBTD: 6,725'

Date:

Set Weight, Lb:

Tank Battery:

Data On This Completion

API #: 30-015-26171

Property Code:

OGRID #:

Drilling AFE #:0

Date:Activity

Reached TD on 12/28/1989

12/28/89Litho-Dens / comp neut / NGT,
Natural Gamma Ray Spect. Log,
Mechanical Sidewall Coring,
Comp of dual / SFL & dual lat / MSFL
comp. Neut. Litho-Dens.

Set CIBP @ 6690'

Perf 6085 -6011 acid w/ 1000gal of 15%

Set CIBP @ 6050'w 35" CMT

Cement btwn 7 5/8x10 3/4" casing w/400sx cmt

Perf 5614 - 5692, Frac w/ 19000 gal; 44000 #SD

Perf 5506-5596'; 5380 - 5420'

Frac 5380-5420 w/ 22000 gal; 47000 #SD

Perf & Frac 5250-5308 w/ 30000 gal' 61000 #SD

Perf & Frac 5053-5168 w/ 38000gal; 85000 #SD

Packer set @ 4926'

5/2/90 Frac'd Bone Springs
with 82,400 gals of Hybor Gel
165,200# 20/40 SD
Avg Inj Rate 30 BPM, Avg Pres 5900psi

5/12/97 Frac'd Delaware
w/ 1,000 gals of 15% HCL;
46,000 gal of X-link Gel; 190,000 #SD

Injection Perforation Areas

Perf Delaware: 6085' to 6101'
5614' to 5692', 5506' - 5596;
5380'-5420', 5420' to 5380';
5250' to 5308' ; 5053' - 5168'

DV TOOL (7489')

Perf: Delaware (5/12/97)
8107' to 8284', (24 holes) 5/12/1997
8214' to 8280', (133 holes) 4/5/1990

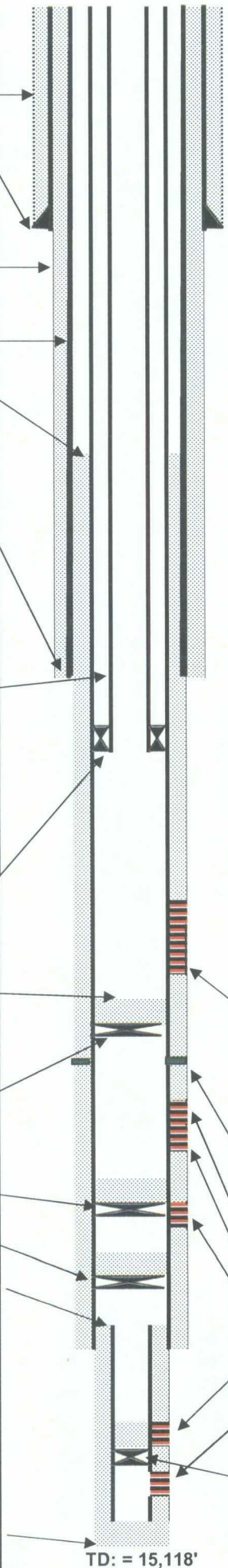
Perf: Bone Springs (03/28/90)
10,140-202' 2SPF (125 holes)

Perf: Middle Morrow (3/1/90)
14572 - 79 6spf (42 holes)

Perf: Lower Morrow (1/31/90)
14,701 - 16' - 6SPF (80 holes)

Bridge Plug @ 14,450 w/ 35sx of cmt on top

Prepared By: Ronald M. Sentz 03-17-08



Covington Land Services Corp. ®

Digital GIS Land Maps and Database Systems

Complete Operational Land Services

April 21, 2009

Mr. Ronald M. Sentz
Reef Oil and Gas Companies
1901 North Central Expressway, Suite 300
Richardson, TX 75080

**Re: 36 State #1, Salt Water Disposal Well
Sand Dunes Project
Eddy County, New Mexico**

Dear Mr. Sentz:

Enclosed are the certified mailings and the affidavit of notice from the local newspaper for the 36 State #1 SWD Well in Eddy County, New Mexico.

- Yates Petroleum Corporation Offset Operator Notification
- New Mexico Bureau of Land Management Offset Operator Notification
- OGX Resources, LLC. Offset Operator Notification
- Samson Resources Company Offset Operator Notification
- Crow Reynolds, Ltd. Offset Operator Notification
- Dardanelles Partnership, Ltd. Offset Operator Notification
- OXY USA Inc. Offset Operator Notification
- Forest Oil Corporation Offset Operator Notification
- CDA Family Partnership, Ltd. Offset Operator Notification
- Five Talents, Ltd. Offset Operator Notification
- New Mexico State Land Office Surface Owner Notification
- Affidavit of Publication- State of New Mexico

Yours very truly,
Covington Land Services, Inc.


Camille E. Covington

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Petroleum
105 S. 4th St.
Artesia, NM 88210

2. Article Numt

7007 0220 0002 4962 9981

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

03-27-09

C. Signature

X

☐ Agent☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below

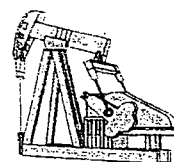
☐ No

MELISSA STEWART

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

AAPL-CPL

Via Federal Express

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-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. Kay 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	\$	03-26-09	Postmark Here
Certified Fee			
Return Receipt Fee (Endorsement Required)			
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$		
Sent To: Yates Petroleum			
Street, Apt. No., or PO Box No. 105 S. 4th St.			
City, State, ZIP+4 Artesia NM 88210			

7007 0220 0002 4962 9981

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bureau of Land Man.
602 E. Greene St.
Carlsbad, NM 88220

2. Article Num

(Transfer fr

7007 0220 0002 4962 6683

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

A. Churruarri☐ Agent☐ Addressee

B. Received by (Printed Name)

Arden Churruarri

C. Date of Delivery

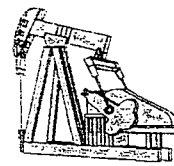
03-27-09

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

AAPL-CPL

Via Federal Express

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Gentlemen:

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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™

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OFFICIAL USE

Postage

\$

Certified Fee

Return Receipt Fee
(Endorsement Required)Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees

\$

03-26-09

Postmark
Here

Sent To

Street, Apt. No.,
or PO Box No.

City, State, ZIP+4

BLM
602 E. Greene St.
Carlsbad NM 88220

Seal Reverse for Instructions

7007 0220 0002 4962 6683

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

OGX Resources
P.O. Box 2064
Midland, TX 79702

2. Article Number

7007 0220 0002 4962 6706

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

Lindsay Wern 3-30-09

C. Signature

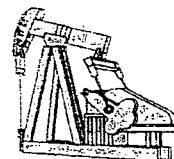
X *Lindsay Wern* ☐ Agent ☒ Addressee

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

AAPL-CPL

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Dear Mr. Lang:

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. Kay Brasuel
Mary Kay Brasuel

Attachments.

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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For delivery information visit our website at www.usps.com

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Postage	\$	03-26-09 Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To	OGX Resources
Street, Apt. No., or PO Box No.	P.O. Box 2064
City, State, ZIP+4	Midland, TX 79702

7007 0220 0002 4962 6706

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Samson Resources
Samson Plaza
Two West Second St.
Tulsa, OK 74103

2. Article Number

7007 0220 0002 4962 9967

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

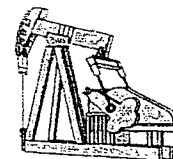
A. Received by (Please Print Clearly) *Jim Pfeiffer* B. Date of Delivery *03-26-09*
C. Signature *Jim Pfeiffer* ☐ Agent ☐ Addressee
x **Jim Pfeiffer**
D. Is delivery address different from item 1? ☒ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



AAPL-CPL

Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Gentlemen:

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Respectfully,

M. Kay 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	\$	03-26-09	Postmark Here
Certified Fee			
Return Receipt Fee (Endorsement Required)			
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$		
Sent To <i>Samson Resources</i>			
Street, Apt. No., or PO Box No. <i>Two West Second St.</i>			
City, State, ZIP+4 <i>Tulsa, OK 74103</i>			

7007 0220 0002 4962 9967

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Crow Reynolds, Ltd.
4010 82nd St, Ste. 260
Lubbock, TX 79423

2. Article

7007 2560 0002 4772 6551

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

3/31/09

C. Signature

x Crow Reynolds Ltd

☐ Agent☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

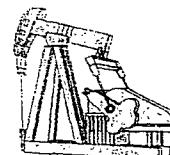
If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

AAPL-CPL

Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

To Whom It May Concern:

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.B. Brasuel

Mary Kay Brasuel

Attachments.



For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 1.34	07020 07 MAR 30 2009 Postmark Here
Certified Fee	\$ 2.70	
Return Receipt Fee (Endorsement Required)	\$ 2.20	
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 6.24	03/30/2009

Sent To: Crow Reynolds, Ltd.
Street, Apt. No., or PO Box No. 4010 82nd St, Ste. 260
City, State, ZIP+4 Lubbock, TX 79423

7007 2560 0002 4772 6551

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dardanelles Partnership, Ltd.
c/o David Pace Estate
P.O. Box 4546
Midland, TX 79704

2. Article No.

7007 2560 0002 4772 6575

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

x

☐ Agent☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

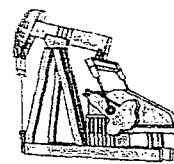
If YES, enter delivery address below:

☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

AAPL-CPL

Via Certified Mail

Re: 36 State #1

Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

To Whom It May Concern:

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,

Mary Kay Brasuel

Attachments.

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MIDLAND TX 79704

OFFICIAL USE

Postage	\$ 1.34	0702 MAR 30 2009 Postmark here MIDLAND TX
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$2.20	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.24	03/30/2009

Sent To Dardanelles Partnership
Street, Apt. No., or PO Box No. P.O. Box 4546
City, State, ZIP+4 Midland, TX 79704

7007 2560 0002 4772 6575

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

OXY USA, Inc.
P.O. Box 4294
Houston, TX 77210

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

James Brasuel

C. Signature

James Brasuel

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

MAR 30 2009

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

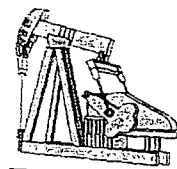
2. Article

7007 0220 0002 4962 9974

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952



AAPL-CPL

Via Certified Mail

Re: 36 State #1
 Application fore Authorization to Inject
 660' FNL & 1980' FWL of Section 36,
 T-22-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,

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	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
03-26-09	
Postmark Here	

7007 0220 0002 4962 9974

Sent To	OXY USA, Inc.
Street, Apt. No., or PO Box No.	P.O. Box 4294
City, State, ZIP+4	Houston, TX 77210

SENDER COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Forest Oil Corp.
707 17th St, Suite 3600
Denver, CO 80202

2. Article Num

7007 0220 0002 4962 6690

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

3/30/07

C. Signature

X

J MANISCALCO

☐ Agent☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

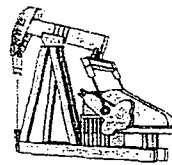
If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

AAPL-CPL

Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-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	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
03-26-09	
Postmark Here	
Sent To Forest Oil Corp.	
Street, Apt. No. or PO Box No. 707 17th St, Suite 3600	
City, State, ZIP+4 Denver, CO 80202	
See Reverse for Instructions	

7007 0220 0002 4962 6690

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CDA Family Part.
P.O. Box 81077
Midland, TX 79708

2. Article

7007 2560 0002 4772 6582

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

4-2-01

C. Signature

X

☒ Agent☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

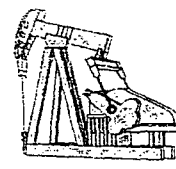
If YES, enter delivery address below:

☒ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

AAPL-CPL

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

To Whom It May Concern:

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	\$ 1.34	0702
Certified Fee	\$ 2.70	07
Return Receipt Fee (Endorsement Required)	\$ 2.20	Postmark Here.
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 6.24	
Sent To		03/30/2009
Street, Apt. No., or PO Box No.		MAR 30 2009
City, State, ZIP+4		
CDA Family Partnership P.O. Box 81077 Midland TX 79708		

7007 2560 0002 4772 6582

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Five Talents, Lta
17304 Preston Ra.
Suite 1250
Dallas, TX 75252

2. Article Number:

7007 2560 0002 4772 6568

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

X

☐ Agent☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

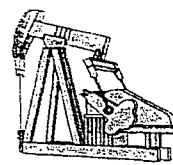
If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

AAPL-CPL

Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

To Whom It May Concern:

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,

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		
DALLAS TX 75252 SPECIAL USE		
Postage	\$ 1.34	0702 Postmark MAR 30 2009 03/30/2009
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$2.20	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.24	
Sent To Five Talents, Lta		
Street, Apt. No., or PO Box No. 17304 Preston Ra Ste. 1250		
City, State, ZIP+4 Dallas, TX 75252		

7007 2560 0002 4772 6568

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

NM State Land
P.O. Box 1148
Santa Fe, NM
87504

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X *[Signature]* *NM 87504*

☐ Agent ☐ Addressee

 D. Is delivery address different from item 1? ☐ Yes

 If YES, enter delivery address below: ☐ No

MAR 30 2009

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article # 7007 0220 0002 4962 9998

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

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 a surface owner. A copy of the application is attached. As the 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,

M. Kay 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	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

03-26-09

Postmark
Here

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

7007 0220 0002 4962 9998

Affidavit of Publication

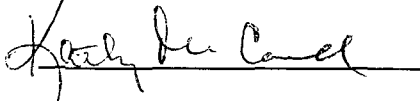
State of New Mexico,
County of Eddy, ss.

Kathy McCarroll, being first duly sworn,
on oath says:

That she is the Classified Supervisor 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:

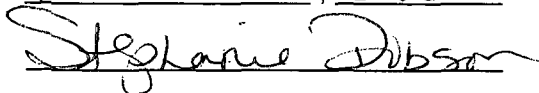
March 28 2009

That the cost of publication is **\$55.31** and that payment thereof has been made and will be assessed as court costs.



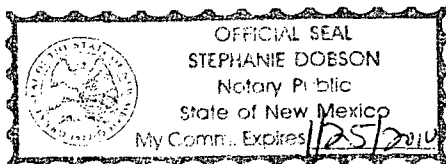
Subscribed and sworn to before me this

30th day of March, 2009



My commission Expires on 1/25/2010

Notary Public



INJECTION WELL
PERMIT
REEF EXPLORA
TION, L.P., 1901
North Central Ex
pressway, Suite 300,
Richardson, Texas
75080-3610, Ronald M.
Senz, phone number
972-437-6792, has ap
plied to the New
Mexico Oil Conserva
tion Division for Au
thorization to inject.

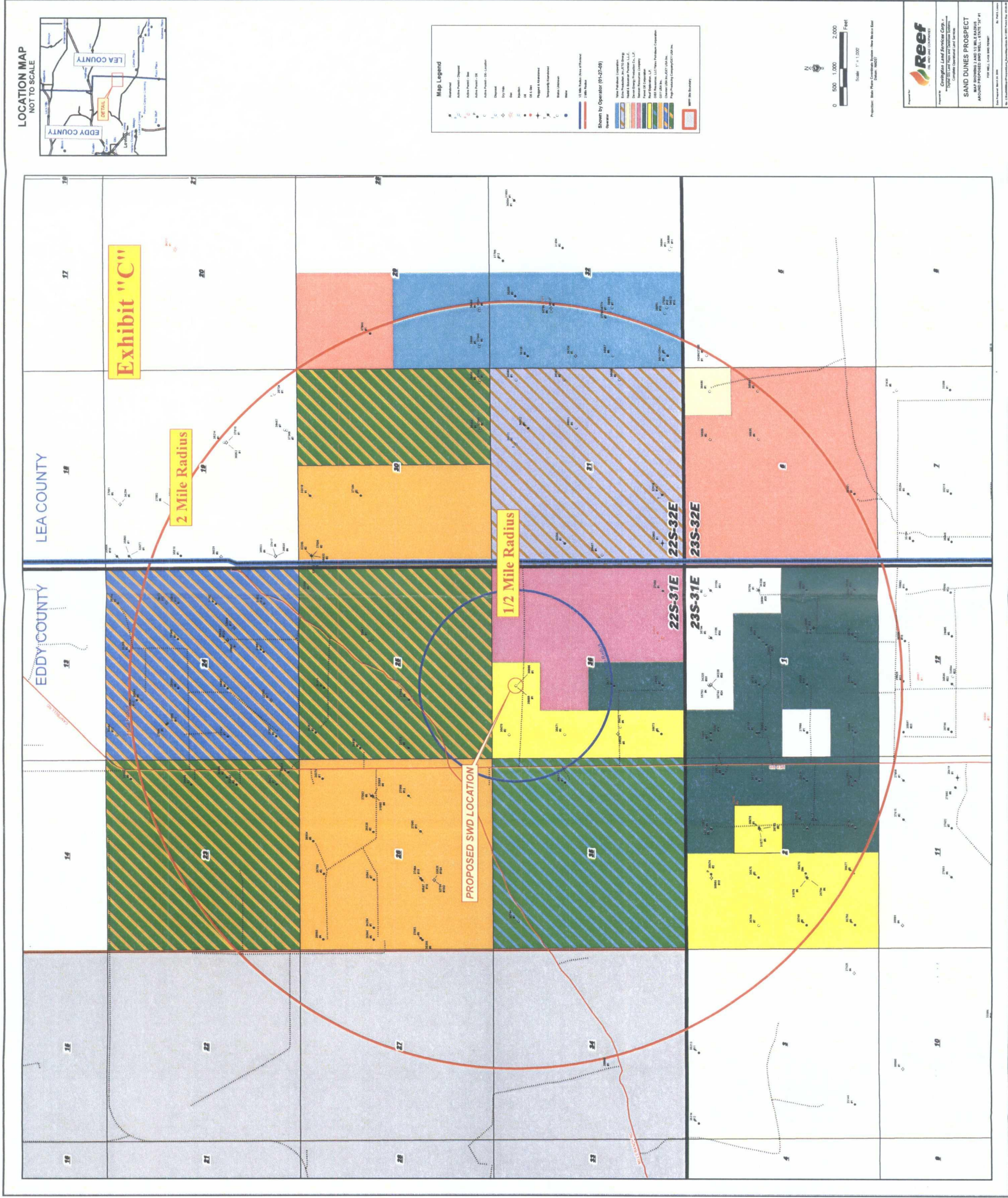
who can show that
they are adversely af
fected, or requests for
further information
concerning any aspect
of the application
should be submitted
in writing, within fif
teen days of publica
tion, to the New Mexi
co Oil Conservation,
1220 South St. Francis
Dr., Santa Fe, New
Mexico 87505.

The Applicant Pro
poses to inject salt
water into the Dela
ware Formation, 36
State #1 Well. The
proposed injection
well is located 660'
from the North line
and 1980' from the
West line of Section
36, T-22-S, R-31-E,
N.M.P.M., Eddy
County, New Mexico.
Fluid will be injected
in the 36 State #1 Well
in the subsurface
depth interval from
4450 feet to 8250 feet.
The purpose of the
well is as a disposal
well for area Dela
ware produced water.
The proposed average
daily injection volume
is 4000 barrels of wa
ter per day with a
proposed average dai
ly injection pressure
of 1000#.

March 28, 2009

LEGAL NOTICE
NOTICE OF APPLI
CATION FOR FLUID

Requests for a public
hearing from persons



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

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

FORM C-108
Revised June 10, 2003

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 North Central Expressway, Suite 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 No 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. Describe 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: Ronald M. Sentz DATE: 01/02/09

E-MAIL ADDRESS: ronald@reefogc.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.

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

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. Sentz		Production Manager	
Print or Type Name	Signature	Title	Date
		ronald@reefog.com	
		e-mail Address	

Form C-108
Application for Authorization to Inject

Reef Exploration, L.P., Operator
36 State #1
Section 36, T 22S, 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 Exhibit (A), Section B, Item 2
- IV) This is not an expansion of an existing project.
- V) Map of wells and leases within 2 miles and ½ mile radius: (Exhibit C & D).
- VI) Data on wells within ½ mile area of review: No wells fall within the ½ mile area of investigation. The Medano State #1 falls just outside of the area of investigation and I have included a schematic for that well.
- 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#

Form C-108 Continued
Application for Authorization to Inject

Reef Exploration, L.P., Operator
36 State #1

- 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 E). A water analysis from nearby Delaware production (see attachments F1, F2, F3 & F4).
 - 5) Chlorides in all the source wells is expected to be similar to the attached water analysis (see Attachments F1, F2, F3 & F4)
- VIII) The proposed injection zone is the Bell Canyon and Cherry Canyon interval from 5100' to 5950'. 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 from surface 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.
- IX) Projected Perforations: Bench 1) 5850' to 5870', Bench 2) 5720' to 5750' & 5630' to 5650', Bench 3) 5410' to 5500', Bench 4) 5110' to 5140'. 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) The well has not as yet been drilled and the perforation schedule may change slightly when the open hole logs are run; all well logs will be submitted to the NMOCD.

Exhibit (A), Section B, Item 2

**"36" State #1
660' FNL & 1980' FWL
Section 36, T22S, R31E
Eddy County, New Mexico**

Perforation Schedule for Water Disposal

5110' to 5140'	4 SPF
5480' to 5500'	4 SPF
5630' to 5650'	4 SPF
5720' to 5750'	4 SPF
5850' to 5870'	4 SPF

The perforation schedule may vary slightly as these are being projected off the nearest well log. The 36 State #1 will have open hole logs run in order to match projected benches.

INJECTION WELL DATA SHEET

OPERATOR: Reef Exploration, L.P.

WELL NAME & NUMBER: State "36" #1

WELL LOCATION: 660' FNL & 1980' FWL C 36 22S 31E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA
Surface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8"

Cemented with: 700 sq. or ft³

Top of Cement: Surface Method Determined: Observation

Intermediate Casing

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

Cemented with: 1240 sq. or ft³

Top of Cement: Surface Method Determined: Observation

Production Casing

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

Cemented with: 1200 sq. or ft³

Top of Cement: 3700' Method Determined: Cement Bond log

Total Depth: 6100'

Injection Interval

See Attachment (A) feet to

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 3 1/2" Lining Material: Fiberglass

Type of Packer: 2 7/8" Baker Lok Set or similar (Coated)

Packer Setting Depth: 5000'

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

Additional Data

1. Is this a new well drilled for injection? X Yes No

If no, for what purpose was the well originally drilled?

2. Name of the Injection Formation: Bell Canyon & Upper Cherry Canyon Sand

3. Name of Field or Pool (if applicable): Livingston Ridge Delaware

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. No

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Middle Cherry Canyon Sand 6000', Brushy Canyon Sand 7000'

**Reef Exploration, L.P.
36 State #1
660' FNL & 1980' FWL
Section 36, T 22S, R 31E
Eddy County New Mexico**

Attachment A

III Well Data

Section A:

1. Lease Name: 36 State #1
Location: 660' FNL & 1980' FWL, Section 36, T 22S, R 31E, Eddy County,
New Mexico

2. Casing and Cement:

Proposed

<u>Casing Size</u>	<u>Setting Depth</u>	<u>Sks Cement</u>	<u>Hole Size</u>	<u>TOC</u>
13 3/8"	700'	638	17 1/2"	Circ. To Surface
8 5/8"	4300'	1240	11"	Circ. To Surface
5 1/2"	6100'	1200	7 7/8"	3700' by CBL

3. Tubing: 3 1/2", 9.3# fiberglass lined, set at 5000'.
4. Packer: 2 7/8" x 5 1/2" Baker Lok Set or similar (coated) set @ 5100'

NOTE: This well has been permitted but not drilled at this time.

36 State #1 Continued

Section B

1. Injection formation: Delaware Sand
Field or Pool Name: Livingston Ridge (Delaware)
2. Injection Interval: Delaware Interval: perforate: 5110' to 5140', 5480' to 5500',
5630' to 5650', 5720' to 5750', 5850' to 5870' (4 SPF)
3. Original purpose of well: Will be drilled for injection purpose.
4. Other perforated intervals: None
5. Next higher oil and gas zone: none
Next lower oil and gas zone: Middle Cherry Canyon

See proposed well bore schematic: (Attachment B)

Also see: Exhibit (A), Section B, Item 2

REEF EXPLORATION, LP.

State "36" #1

1980' FWL & 660' FNL

Sec 36, T22S, R31E

Livingston Ridge; Delaware, SE (96149)

Eddy County, New Mexico

Permanent Wellbore Data

Spud Date:	To be drilled	
Compl Date:		
KB Elev., Ft :		
GL Elev., Ft :	3488'	Set 40' of 20" conductor
KB		
DF		17-1/2 " hole

Surface Casing

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
13 3/8"	16	48.0	H-40	ST&C	700

Cement: 638	Sx.	TOC:	Surface
Date:			

11" hole

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

Top of Cement 5 1/2" 3700'

Intermediate Casing

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
8 5/8"	102	32.0	J-55	LT&C	4300

Cement: 1,240	Sx.	TOC:	Surface
Date:			

Tubing :

3 1/2", 9.3#, J-55, Flush Joint, set @ 5000'
(Fiberglass lined)

7 7/8" Hole

2 7/8" X 5 1/2" Baker Lok Set or similar Packer @ 5000'
(Coated)

Size	No Jts	Wt.	Grade	Jt Type	Depth,Ft
5 1/2"	192	17.0	J-55	LT&C	6100

Total depth

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

Capacity - .0232 bbls/ft

Cement: 1,200 Sx. TOC: 3700

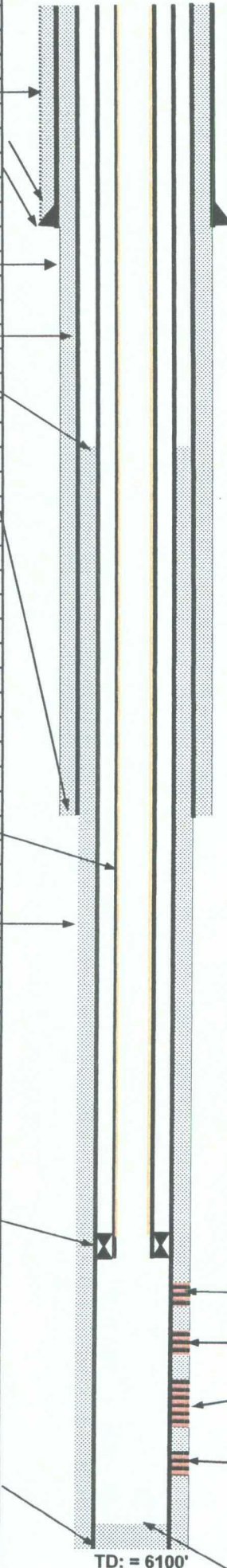
Cement: Sx. TOC:

TD: PBD: Date:

Set Weight, Lb:

Tank Battery:

Proposed



Data On This Completion

API #: 30-015-36806

Property Code:

OGRID #:

Drilling AFE #:

Date: Activity

Perfs: 5110' to 5140' (4 SPF)

Perfs: 5480' to 5550' (4 SPF)

Perfs: 5630' to 5650', 5720' to 5750'(4 SPF)

Perfs: 5850' to 5870' (4 SPF)

PBD: 6060'

Prepared By: Ronald M. Sentz 01-17-08

Attachment E

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" #8, 1980' FSL & 660' 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 F-1

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY
WATER ANALYSIS REPORT
HOBBS, NEW MEXICO

COMPANY Reef Exploration

REPORT DATE W08-030
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 litter
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 F-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	#8		#9			
Sample Temp.	65 °F		65 °F		°F	°F
RESISTIVITY	0.058		0.058			
SPECIFIC GR.	1.138		1.140			
pH	6.39		6.32			
CALCIUM	21,500 mpl		23,500 mpl		mpl	mpl
MAGNESIUM	13,200 mpl		13,500 mpl		mpl	mpl
CHLORIDE	122,495 mpl		126,360 mpl		mpl	mpl
SULFATES	heavy mpl		heavy mpl		mpl	mpl
BICARBONATES	171 mpl		116 mpl		mpl	mpl
SOLUBLE IRON	10 mpl		10 mpl		mpl	mpl
KCL	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

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ANALYST: MB/MA

Attachment F-3

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.	70 °F				
RESISTIVITY	0.53				
SPECIFIC GR.	1.162				
pH	6025.00				
CALCIUM	22,500 mpl				
MAGNESIUM	12,000 mpl				
CHLORIDE	149,008 mpl				
SULFATES	Light mpl				
BICARBONATES	183 mpl				
SOLUBLE IRON	50 mpl				
KCL	Positive				
Sodium	0 mpl				
TDS	0 mpl				
OIL GRAVITY	@ °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 F-4

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

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

REEF EXPLORATION, LP.

Medano State #1

1980' FSL & 1980' FWL

Section 36, Township 22 S, Range 31 E

Livingston Ridge; Delaware, SE (96149)

Eddy County, New Mexico

Permanent Wellbore Data

Spud Date: 10/24/89

Compl Date: 07/15/90

KB Elev., Ft :

GL Elev., Ft : 3466.0

KB 0

DF 0

17-1/4 " hole

Surface Casing

Size No Jts Wt. Grade Jt Type Depth,Ft

13.375 17 48# H40 STC 745

Cement: 600 sx Sx. TOC: Surface (circ 200sx)

Date: 10/25/1989

12 1/4 " hole

Top of Cement 5 1/2" 2320'

Data On This Completion

API #: 30-015-26171

Property Code:

OGRID #:

Drilling AFE #: 0

Date: Activity

Reached TD on 12/28/1989

12/28/89 Litho-Dens / comp neut / NGT,
Natural Gamma Ray Spect. Log,
Mechanical Sidewall Coring,
Comp of dual / SFL & dual lat / MSFL
comp. Neut. Litho-Dens.

Set CIBP @ 6690'

Perf 6085 -6011 acid w/ 1000gal of 15%

Set CIBP @ 6050'w 35" CMT

Cement btwn 7 5/8x10 3/4" casing w/400sx cmt

Perf 5614 - 5692, Frac w/ 19000 gal; 44000 #SD

Perf 5506-5596'; 5380 - 5420'

Frac 5380-5420 w/ 22000 gal; 47000 #SD

Perf & Frac 5250-5308 w/ 30000 gal' 61000 #SD

Perf & Frac 5053-5168 w/ 38000gal; 85000 #SD

Packer set @ 4926'

5/2/90 Frac'd Bone Springs

with 82,400 gals of Hybor Gel

165,200# 20/40 SD

Avg Inj Rate 30 BPM, Avg Pres 5900psi

5/12/97 Frac'd Delaware

w/ 1,000 gals of 15% HCL;

46,000 gal of X-link Gel; 190,000 #SD

Injection Perforation Areas

Perf Delaware: 6085' to 6101'

5614' to 5692', 5506' - 5596';

5380'-5420', 5420' to 5380';

5250' to 5308' ; 5053' - 5168'

DV TOOL (7489')

Perf: Delaware (5/12/97)

8107' to 8284', (24 holes) 5/12/1997

8214' to 8280', (133 holes) 4/5/1990

Perf: Bone Springs (03/28/90)

10,140-202' 2SPF (125 holes)

Perf: Middle Morrow (3/1/90)

14572 - 79 6spf (42 holes)

Perf: Lower Morrow (1/31/90)

14,701 - 16' - 6SPF (80 holes)

Bridge Plug @ 14,450 w/ 35sx of cmt on top

TD: = 15,118'

Prepared By: Ronald M. Sentz 03-17-08

Covington Land Services Corp. ®

Digital GIS Land Maps and Database Systems

Complete Operational Land Services

April 21, 2009

Mr. Ronald M. Sentz
Reef Oil and Gas Companies
1901 North Central Expressway, Suite 300
Richardson, TX 75080

**Re: 36 State #1, Salt Water Disposal Well
Sand Dunes Project
Eddy County, New Mexico**

Dear Mr. Sentz:

Enclosed are the certified mailings and the affidavit of notice from the local newspaper for the 36 State #1 SWD Well in Eddy County, New Mexico.

- Yates Petroleum Corporation Offset Operator Notification
- New Mexico Bureau of Land Management Offset Operator Notification
- OGX Resources, LLC. Offset Operator Notification
- Samson Resources Company Offset Operator Notification
- Crow Reynolds, Ltd. Offset Operator Notification
- Dardanelles Partnership, Ltd. Offset Operator Notification
- OXY USA Inc. Offset Operator Notification
- Forest Oil Corporation Offset Operator Notification
- CDA Family Partnership, Ltd. Offset Operator Notification
- Five Talents, Ltd. Offset Operator Notification
- New Mexico State Land Office Surface Owner Notification
- Affidavit of Publication- State of New Mexico

Yours very truly,
Covington Land Services, Inc.


Camille E. Covington

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Petroleum
105 S. 4th St.
Artesia, NM 88210

2. Article Number

7007 0220 0002 4962 9981

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

03-27-09

C. Signature

X

Melissa Stewart

☐ Agent☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

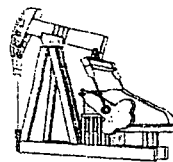
If YES, enter delivery address below

☐ No

3. Service Type

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4. Restricted Delivery? (Extra Fee)

☐ Yes

AAPL-CPL

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

Via Federal Express

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-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. Kay Brasuel

Mary Kay Brasuel
Attachments.

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To: Yates Petroleum	
Street, Apt. No., or PO Box No. 105 S. 4th St.	
City, State, ZIP+4 Artesia NM 88210	

7007 0220 0002 4962 9981

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bureau of Land Man.
602 E. Greene St.
Carlsbad, NM 88220

2. Article Num (Transfer fr) 7007 0220 0002 4962 6683

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

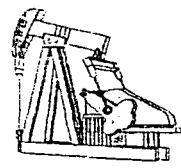
A. Signature ☒ Agent ☐ Addressee
[Signature]

B. Received by (Printed Name) *Arthur Chavez* C. Date of Delivery *03-27-09*

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes



AAPL-CPL

Via Federal Express

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-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.

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Sent To <i>BLM</i>	
Street, Apt. No., or PO Box No. <i>602 E. Greene St.</i>	
City, State, ZIP+4 <i>Carlsbad NM 88220</i>	

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

■ Print your name and address on the reverse so that we can return the card to you.

■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

OGX Resources
P.O. Box 2064
Midland, TX 79702

2. Article Number

7007 0220 0002 4962 6706

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

Lindsay Weiner

B. Date of Delivery

3-30-09

C. Signature

X

D. Is delivery address different from item 1?

If YES, enter delivery address below:

☐ Yes

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

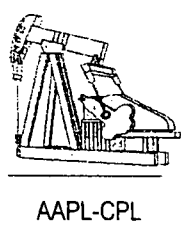
☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Dear Mr. Lang:

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,

Mary Kay Brasuel

Attachments.

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7007 0220 0002 4962 6706

Postage

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees

\$

\$

03-26-09

Postmark
Here

Sent To

OGX Resources

Street, Apt. No.,
or PO Box No.

P.O. Box 2064

City, State, ZIP+4

Midland, TX 79702

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

Jim Pfeiffer

03/26/09

B. Date of Delivery

C. Signature

X

Jim Pfeiffer

☐ Agent
☐ Addressee

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

1. Article Addressed to:

Samson Resources
Samson Plaza
Two West Second St.
Tulsa, OK 74103



2. Article Number

7007 0220 0002 4962 9967

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

Gentlemen:

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Respectfully,

M. K. Brasuel

Mary Kay Brasuel

Attachments.

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Sent To

Samson Resources

Street, Apt. No., or PO Box No. Two West Second St.

City, State, ZIP+4 Tulsa, OK 74103

7007 0220 0002 4962 9967

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Crow Reynolds, Ltd.
4010 82nd St, Ste. 260
Lubbock, TX 79423

2. Article 7007 2560 0002 4772 6551

PS Form 3811, July 1999 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery 3/31/09

C. Signature

x Crow Reynolds Ltd

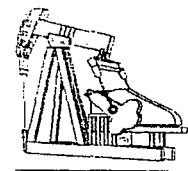
☐ Agent
☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes



AAPL-CPL

Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

To Whom It May Concern:

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.B. 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	
LUBBOCK, TX 79423 SPECIAL USE	
Postage	\$ 1.34
Certified Fee	\$ 2.70
Return Receipt Fee (Endorsement Required)	\$ 2.20
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.24
0702 07 MAR 30 2009	
Sent To: Crow Reynolds, Ltd.	
Street, Apt. No. or PO Box No. 4010 82nd St, Ste 260	
City, State, ZIP+4 Lubbock, TX 79423	

7007 2560 0002 4772 6551

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dardanelles Partnership, Ltd.
c/o David Pace Estate
P.O. Box 4546
Midland, TX 79704

2. Article No:

7007 2560 0002 4772 6575

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

J. Huwiler

B. Date of Delivery

3/31/2009

C. Signature

X *J. Huwiler*

☐ Agent

☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

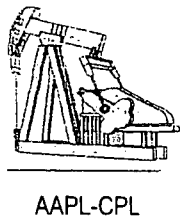
☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

IND TX 79704

MAR 31 2009

USPS



Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

To Whom It May Concern:

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

MIDLAND TX 79704

OFFICIAL USE

Postage	\$ 1.34	0702 MAR 30 2009 Postmark here
Certified Fee	\$ 2.70	
Return Receipt Fee (Endorsement Required)	\$ 2.20	
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 6.24	03/30/2009

Sent To

Dardanelles Partnership

Street, Apt. No.,
or PO Box No. P.O. Box 4546

City, State, ZIP+4 Midland, TX 79704

7007 2560 0002 4772 6575

SENDER: COMPLETE THIS SECTION

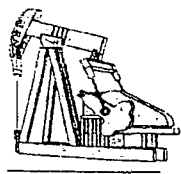
- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
OXY USA, Inc.
P.O. Box 4294
Houston, TX 77210

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
James Brasuel
C. Signature
MAR 30 2009
D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) Yes No



AAPL-CPL

2. Article # 7007 0220 0002 4962 9974

PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952

Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-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 \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$
Postmark Here 03-26-09
Sent To OXY USA, Inc.
Street, Apt. No. or PO Box No. P.O. Box 4294
City, State, ZIP+4 Houston, TX 77210

7007 0220 0002 4962 9974

SENDER COMPLETE THIS SECTION

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

■ Print your name and address on the reverse so that we can return the card to you.

■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Forest Oil Corp.
707 17th St, Suite 3600
Denver, CO 80202

2. Article Nun

7007 0220 0002 4962 6690

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery
3/30/07

C. Signature
X J MANISCALCO

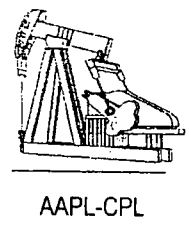
☐ Agent
☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes



Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-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 \$

Certified Fee

Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees \$

03-26-09
Postmark Here

Sent To Forest Oil Corp.

Street, Apt. No. or PO Box No. 707 17th St, Suite 3600

City, State, ZIP+4 Denver, CO 80202

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

■ Print your name and address on the reverse so that we can return the card to you.

■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CDA Family Part.
P.O. Box 81077
Midland, TX 79708

2. Article

7007 2560 0002 4772 6582

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery
4-2-09

C. Signature
X [Signature]

☒ Agent
☐ Addressee

D. Is delivery address different from item 1?
If YES, enter delivery address below:

☐ Yes
☒ No

3. Service Type

☒ Certified Mail
☐ Registered
☐ Insured Mail
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

To Whom It May Concern:

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.

7007 2560 0002 4772 6582

U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

MIDLAND, TX 79708

OFFICIAL USE

Postage	\$ 1.34	0702
Certified Fee	\$ 2.70	07
Return Receipt Fee (Endorsement Required)	\$ 2.20	
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 6.24	

Postmark Here
MAR 30 2009

Sent To
CDA Family Partnership
Street, Apt. No.,
or PO Box No. P.O. Box 81077
City, State, ZIP+4
Midland TX 79708

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Five Talents, Lta
17304 Preston Ra.
Suite 1250
Dallas, TX 75252

2. Article Number

7007 2560 0002 4772 6568

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

monic Daffney

B. Date of Delivery

4/2/09

C. Signature

X *[Signature]*

☐ Agent

☐ Addressee

D. Is delivery address different from item 1?

If YES, enter delivery address below:

☐ Yes

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

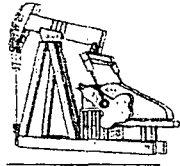
☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



AAPL-CPL

Via Certified Mail

Re: 36 State #1
Application fore Authorization to Inject
660' FNL & 1980' FWL of Section 36,
T-22-S, R-31-E, N.M.P.M., Eddy
County, New Mexico

To Whom It May Concern:

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

DALLAS TX 75252

OFFICIAL USE

Postage	\$ 1.34	0702 MAR 30 2009 Postmark
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$2.20	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.24	03/30/2009

Sent To

Five Talents, Lta

Street, Apt. No., or PO Box No.

17304 Preston Rd Ste 1250

City, State, ZIP+4

Dallas, TX 75252

7007 2560 0002 4772 6568

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
NM State Land
P.O. Box 1148
Santa Fe, NM
87504

2. Article # 7007 0220 0002 4962 9998

PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

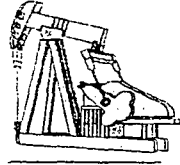
C. Signature
X [Signature] NM 87504

Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:
MAR 30 2009

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes



AAPL-CPL

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 a surface owner. A copy of the application is attached. As the 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,

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

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

03-26-09
Postmark Here

7007 0220 0002 4962 9998
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

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Kathy McCarroll, being first duly sworn,
on oath says:

That she is the Classified Supervisor 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:

March 28 2009

That the cost of publication is \$55.31 and that
payment thereof has been made and will be
assessed as court costs.

Kathy McCarroll

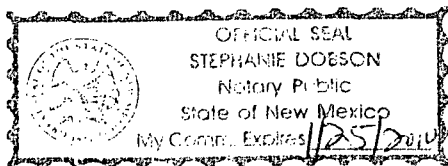
Subscribed and sworn to before me this

30th day of March, 2009

Stephanie Dobson

My commission Expires on 1/25/2010

Notary Public



INJECTION WELL PERMIT
REEF EXPLORA
TION, L.P., 1901
North Central Ex
pressway, Suite 300,
Richardson, Texas
75080-3610; Ronald M.
Senz, phone number
972-437-6792, has ap
plied to the New
Mexico Oil Conserva
tion Division for Au
thorization to inject

who can show that
they are adversely af
fected, or requests for
further information
concerning any aspect
of the application
should be submitted
in writing, within fif
teen days of publica
tion; to the New Mexi
co Oil Conservation,
1220 South St. Francis
Dr., Santa Fe, New
Mexico 87505.

The Applicant Pro
poses to inject salt
water into the Dela
ware Formation, 36
State #1 Well. The
proposed injection
well is located 660'
from the North line
and 1980' from the
West line of Section
36, T-22-S, R-31-E,
N.M.P.M., Eddy
County, New Mexico.
Fluid will be injected
in the 36 State #1 Well
in the subsurface
depth interval from
4450 feet to 8250 feet.
The purpose of the
well is as a disposal
well for area Dela
ware produced water.
The proposed average
daily injection volume
is 4000 barrels of wa
ter per day, with a
proposed average dai
ly injection pressure
of 1000#.

March 28, 2009
LEGAL NOTICE
NOTICE OF APPLI
CATION FOR FLUID

Requests for a public
hearing from persons