



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
3162.4 (P0220)

February 23, 2012

Reef Exploration, L.P.
508 W Wall Suite 700
Midland, TX 79701

Gentlemen:

Your Applications for Permit to Drill (APDs) for the wells listed below have expired because drilling has not commenced per Onshore Order #1:

LEASE	WELL NAME AND NUMBER	LOCATION	APD EXPIRATION DATE
NM22080	FEDERAL 12 2 3001535809	660' FSL & 660' FWL, SEC. 12 T23S R31E	9/10/2009
NM22080	FEDERAL 12 1 3001535792	846' FSL & 2176' FWL, SEC. 12 T23S R31E	9/6/2009

If a well has not been spud, but site construction activities have occurred please contact Jim Amos at (575) 234-5909 for surface reclamation instructions. If drilling operations have commenced on a well send all necessary reports (spud, casing/cementing, etc., 1 original and 3 copies) to the BLM so we may correct our records.

If you wish to drill these wells at a later date, please submit a complete application (1 original and 3 copies for each well) to this office. Since the original APDs have expired, the resubmitted APDs will be subject to all processing requirements including the \$6,500 application fee and the 30-day posting period. Please note on the resubmitted APDs that they were previously approved and we will review the expired files for information which will help expedite the processing.

If you have any questions, please contact Jim Hughes at (575) 234-5949.

Sincerely,

Don Peterson
Assistant Field Manager, Lands & Minerals