

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

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

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

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

**State of New Mexico**  
Energy, Minerals and Natural Resources

Form C-103  
Permit 62889

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

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------|
| SUNDRY NOTICES AND REPORTS ON WELLS<br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)                                                                                                                                  |  | WELL API NUMBER<br>30-015-35678                 |
|                                                                                                                                                                                                                                                                                                                                         |  | 5. Indicate Type of Lease<br>S                  |
| 1. Type of Well: O                                                                                                                                                                                                                                                                                                                      |  | 6. State Oil & Gas Lease No.                    |
| 2. Name of Operator<br>REEF EXPLORATION, L.P.                                                                                                                                                                                                                                                                                           |  | 7. Lease Name or Unit Agreement Name<br>STATE 2 |
| 3. Address of Operator<br>1901 N. CENTRAL EXPRESSWAY, , SUITE 300 RICHARDSON , TX 75080                                                                                                                                                                                                                                                 |  | 8. Well Number<br>001                           |
| 4. Well Location<br>Unit Letter <u>G</u> : <u>1980</u> feet from the <u>N</u> line and <u>1980</u> feet from the <u>E</u> line<br>Section <u>2</u> Township <u>23S</u> Range <u>31E</u> NMPM <u>Eddy</u> County                                                                                                                         |  | 9. OGRID Number<br>246083                       |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>3430 GR                                                                                                                                                                                                                                                                            |  | 10. Pool name or Wildcat<br>See Area 13         |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ |  |                                                 |

|                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                            |
| NOTICE OF INTENTION TO:<br>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/><br>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/><br>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/><br>Other:                            | SUBSEQUENT REPORT OF:<br>REMEDIAL WORK <input type="checkbox"/> ALTER CASING <input type="checkbox"/><br>COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/><br>CASING/CEMENT JOB <input type="checkbox"/><br>Other: <b>Perforations/Tubing</b> <input checked="" type="checkbox"/> |
| 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.<br>Please see attached completion report.<br>See Attached |                                                                                                                                                                                                                                                                                                                            |

**Perforations**

**Pool: LIVINGSTON RIDGE;DELAWARE, SE, 39380 Location: G -2-23S-31E 1980 N 1980 E**

| TOP  | BOT  | Open Hole | Shots/ft | Shot Size | Material   | Stimulation | Amount |
|------|------|-----------|----------|-----------|------------|-------------|--------|
| 8192 | 8238 | N         | 2        | 0.38      |            | Acid        | 1500   |
| 8192 | 8238 | N         | 2        | 0.38      | Sand/Water | Frac        | 42000  |
| 6934 | 3944 | N         | 1        | 0.38      |            | Acid        | 1300   |
| 6934 | 3944 | N         | 1        | 0.38      | Sand/Water | Frac        | 21000  |

**Tubing**

**LIVINGSTON RIDGE;DELAWARE, SE, 39380**

| Tubing Size | Type   | Depth Set | Packer Set |
|-------------|--------|-----------|------------|
| 2.875       | L-80 8 | 8196      | 0          |

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

SIGNATURE Electronically Signed TITLE Regulatory Analyst DATE 1/21/2008

Type or print name Rosalind Mercer E-mail address rosalind@reefexploration.com Telephone No. 972-437-6792

**For State Use Only:**

APPROVED BY: Bryan Arrant TITLE Geologist DATE 1/22/2008 7:54:41 AM

Reef Exploration L.P.  
State 2 Well #1  
Unit G  
1980 FNL & 1980 FEL  
Sec 2, T-23-S,R-31-E  
Eddy County, New Mexico  
*Completion*  
~~Drilling~~ Report

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**Date:** 8-21-07

MI Key WS pulling unit. SDFD.

**Date:** 8-22-07

RU PU. NU BOP. PU 4 3/4" bit, string mill, DC's and 2 7/8" L-80 tbg and TIH. Tag cmt @ 6388'. Drl out cmt and DV tool. Work string mill through area of DV tool. TIH and tag PBTD @ 8354'. Circ hole clean. SDFD.

**Date:** 8-23-07

POH. W/O Halliburton WL. RU Halliburton WL and TIH w/spherical cmt bond log. Tag PBTD @ 8352'. Run bond long f/PBTD to 3600'. RD WL. SDFD.

**Date:** 8-24-07

TIH w/tbg. Install gauge in tbg. Release unit. SD to wait on orders.

**Date:** 8-29-07

SITP O PSI. WOO. Roustabouts and backhoe leveled chat and built back firewall for tank battery.

**Date:** 9-03-07

TBG press=0 psi. WOO. Delivered 4 frac tanks, set and manifold together.

**Date:** 9-04-07

MIRU Halliburton. Circ hole with 2% KCL WTR and spot 200 gals 17% MCA up to 8140'. RD Halliburton. POH with 2 7/8" TBG. RU Halliburton WL. TIH and perf with 2 jspf as follows: 8236-8238', 8228-8230', 8206-8210', 8192-8194'. Total 20 Holes RD Halliburton WL. SDFD.

**Date:** 9-05-07

PU pkr and TIH to +/- 8078'. RU Halliburton reverse acid into tbg. Set pkr. Acidized perf's with 1500 gals 10% MCA acid and 18 bio balls. Form broke at 1.4 bpm @ 2154 psi. Increase rate to 3.5 BPM. Had good ball action on first few balls with press increasing then breaking back. ISIP 270 psi, 5 min 226 psi, 10 min 212 psi, 15 min 202 psi. RD Halliburton TLTR 90 bbls. Bled press to frac tank. Swab 6 hrs. fl @ 7100' and holding. SDFD. Rec 59 BLW 31 BLWTR