

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

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

Form C-103
Permit 68031

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NUMBER 30-015-35677
1. Type of Well:O		5. Indicate Type of Lease S
2. Name of Operator REEF EXPLORATION, L.P.		6. State Oil & Gas Lease No.
3. Address of Operator 1901 N. CENTRAL EXPRESSWAY, , SUITE 300 RICHARDSON , TX 75080		7. Lease Name or Unit Agreement Name STATE 2
4. Well Location Unit Letter N : 660 feet from the S line and 1980 feet from the W line Section 2 Township 23S Range 31E NMPM Eddy County		8. Well Number 005
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3416 GR		9. OGRID Number 246083
Pit or Below-grade Tank Application ☐ or Closure ☐ Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		10. Poolname or Wildcat

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐ TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐ PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐ Other:	SUBSEQUENT REPORT OF: REMEDIAL WORK ☐ ALTER CASING ☐ COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐ CASING/CEMENT JOB ☐ Other: Drilling/Cement ☒

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

Please see attached Drilling Report. Included are the Deviation Report and Water Analysis Report.

See Attached

10/31/2007 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
11/02/07	Surf	FreshWater	17.5	13.375	48	H-40	0	700	255	1.92	Prem + Lt		1000	0	N
11/02/07	Surf	FreshWater	17.5	13.375	48	H-40	155	700	300	1.33	Prem +		1000	0	N
10/07/07	Int1	FreshWater	11	8.625	32	J-55	0	4300	700	2.49	Interfill		1700	0	N
10/07/07	Int1	FreshWater	11	8.625	32	J-55	3000	4300	300	1.35	Prem +		1700	0	N
11/14/07	Prod	FreshWater	7.875	5.5	17	L-80	6408	8549	550	1.29	50/50 POZ		1100	0	N
11/14/07	Prod	FreshWater	7.875	5.5	17	L-80	6406	8549	250	1.94	Hallib Lt		1100	0	N
11/14/07	Prod	FreshWater	7.875	5.5	17	L-80	4000	8549	400	1.31	50/50 POZ		1100	0	N

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

SIGNATURE Electronically Signed TITLE Regulatory Analyst DATE 1/29/2008
Type or print name Rosalind Mercer E-mail address rosaland@reefexploration.com Telephone No. 972-437-6792

For State Use Only:

APPROVED BY: Bryan Arrant TITLE Geologist DATE 1/30/2008 7:29:18 AM

Reef Exploration L.P.
State 2 Well #5

Unit G
1980 FNL & 1980 FEL
Sec 2, T-23-S,R-31-E
Eddy County, New Mexico

Drilling Report

Well Directions: From Jal NM go 35 miles West on Hwy 128. Turn right North, on Red Road. (#798). Go 5 ¾ miles. Turn left, West, and go ½ mile to location.

Date: 10-31-07

Present Operation: MIRU Drilling Rig

Operations Last 24 Hours: Start MIRU Patterson UTI rig #512. Notify ODC of intent to spud.

Date: 11-1-07

Day: 1

Present Operation: Drlg 17 ½" hole @ 15 fph

Depth: 400

Operations Last 24 Hours: Drilled 400' in the last 24 hrs. MW8.8, Vis 54, PH 9. Surveys 1 3/4° @ 229. Rotary 65 rpms, WOB 40K, pump pressure 800 psi. Finish rigging up. Mix spud mud. Spud 17 ½" hole @ 1:30PM 10-31-07.

Date: 11-2-07

Day: 2

Present Operation: Start NOP BOP's

Depth: 701

Operations Last 24 Hours: Drilled 301' in the last 24 hrs. MW 8.8, Vis 54, PH 9. Rotary 65 rpms, WOB 40K, pump pressure 800 psi. TD 17 ½" hole. Circ and Cond hole. POH. PU and run 13 3/8' csg as follows:

1-13 3/8" Texas Pattern Guide Shoe	0.75
1-13 3/8" H-40 48# ST&C csg	41.82
1-13 3/8" Float Collar	0.90
15-13 3/8" H-40 48# ST&C csg	656.53
Total Run	700.00

Set pipe @ 700'. Ran 7 centralizers. Halliburton cmt'd as follows: 255 5x5 Halliburton Lite and 300 5x5 Halliburton Prem Plus. Plug down 2 10:30PM 11-1-07. WOC. Cut off csg. Weld on head. Start NU BOP's.

Date: 11-3-07

Day: 3

Present Operation: Drlg 11" hole @ 61 fph

Depth: 1195