

District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

JUN 18 2007

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address REEF EXPLORATION, L. P. 508 WEST WALL, SUITE 100 MIDLAND, TEXAS 79701		² OGRID Number 246083
³ Property Name STATE 36		⁴ API Number 30 - 15 - 35670
⁵ Property Code 36538	⁶ Well No. 2	
⁹ Proposed Pool 1 LIVINGSTON RIDGE DELAWARE		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	22 S	31 E	460	NORTH	660	WEST	EDDY

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code STATE	¹⁵ Ground Level Elevation 3476
¹⁶ Multiple NO	¹⁷ Proposed Depth 8700	¹⁸ Formation DELAWARE	¹⁹ Contractor TBO	²⁰ Spud Date 6-15-07
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
²¹ Proposed Casing and Cement Program				

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	48# H-40	700' 900	835	SURFACE
12 1/4	8 5/8	32# K-55	4500	1270	SURFACE
7 7/8	5 1/2	17 I-80	8700	750	4500

22 ²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone Describe the blowout prevention program, if any. Use additional sheets if necessary.

23 Drill Delaware well to +/-8700 Circulate cement to surface on 8 5/8" casing Test all significant shows & evaluate w/adequate logging programs.

24 Abandonment, if necessary, will be performed in accordance w/prudent practices and regulatory requirements A double ram series 900 BOP and choke

25 Manifold will be used from the 8 5/8" casing point to total depth. After logging and evaluation at total depth, the decision will be made as to whether or not

26 To run production casing Production casing will be 5 1/2 and will be run at total depth. Completion will be from perforation in the 5 1/2 casing in the Delaware

27 Formation Describe the proposed program If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone Describe the blowout prevention program, if any. Use additional sheets if necessary

28

Set surface casing in anhydrite section of Permian

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature

Colleen Germany

Printed name COLLEEN GERMANY

Title AGENT

E-mail Address: oilreportsinc@oilreportsinc.com

Date: 6-15-07

Phone: 505-393-2727

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT

Title. DISTRICT II GEOLOGIST

Approval Date: JUN 20 2007

Expiration Date

JUN 20 2008

Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Frances Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 39360	Pool Name LIVINGSTON RIDGE DELAWARE, --
Property Code 36538	Property Name STATE "36"	Well Number 2
OGRID No. 246083	Operator Name REEF EXPLORATION, L.P.	Elevation 3476'

Surface Location

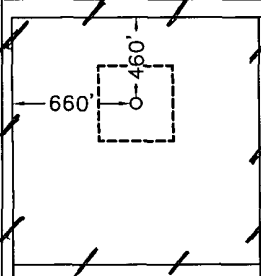
UL or lot No. D	Section 36	Township 22 S	Range 31 E	Lot Idn	Feet from the 460	North/South line NORTH	Feet from the 660	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

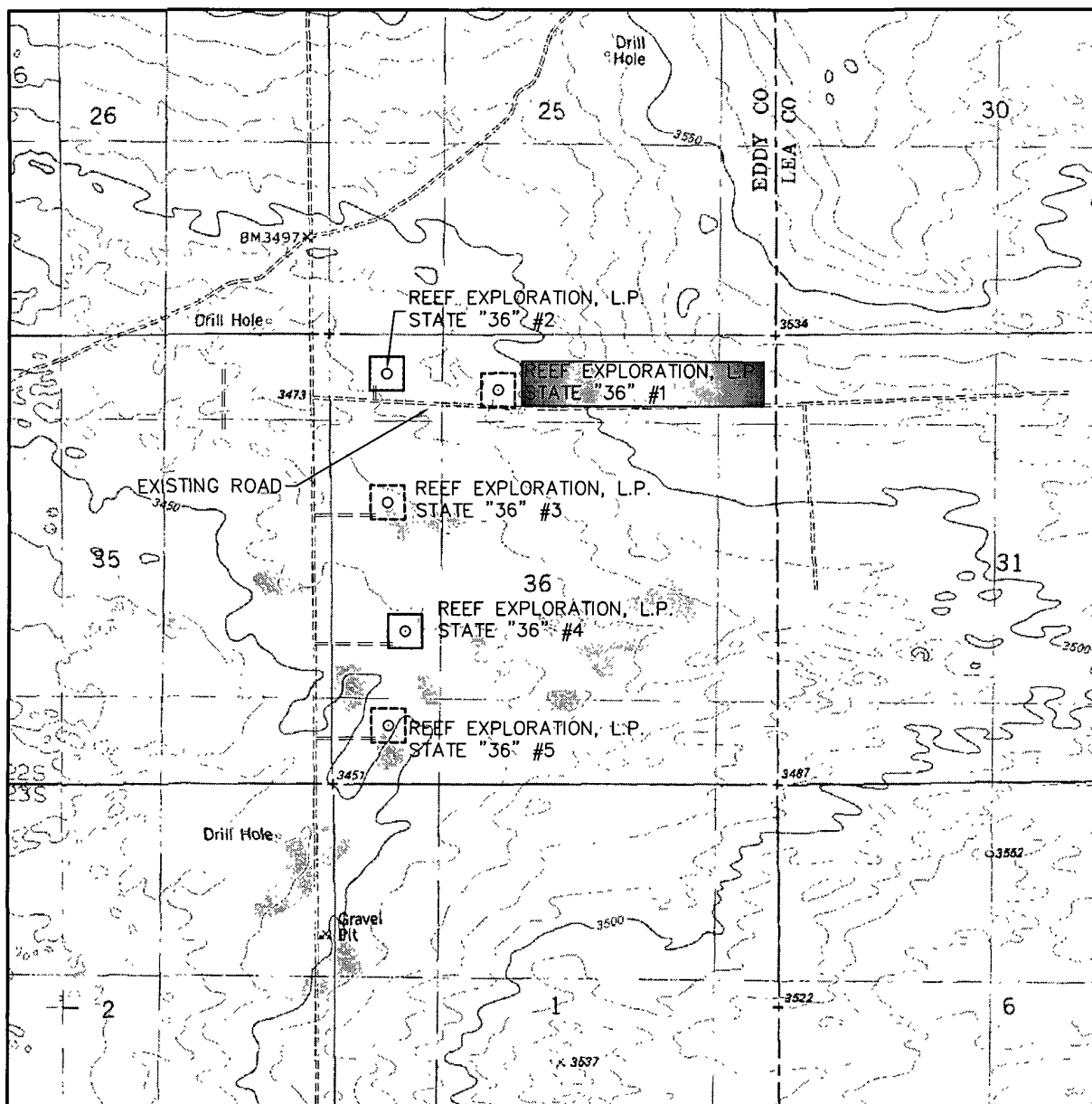
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				OPERATOR CERTIFICATION I hereby certify the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Colleen Germany 6-15-07 Signature Date Colleen Germany Printed Name
Plane Coordinate X = 684,012.9 Y = 492,958.3 Geodetic Coordinate Lat. 32°21'13.86" N Long. 103°44'14.78" W (NAD '27)				SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes ofveys made by me or under myn and that the same is true ando the best of my belief May 25, 2007 Date of Survey Signature & Seal of Professional Surveyor LVA NEW MEXICO 12185 W.O. Num. 2007-0569 Certificate No. MACON McDONALD 12185
NOTE: 1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.				

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
BOOTLEG RIDGE - 10'

SEC. 36 TWP. 22-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 660' FNL & 1980' FWL

ELEVATION 3488'

OPERATOR REEF EXPLORATION, L.P.

LEASE STATE "36"

U.S.G.S. TOPOGRAPHIC MAP

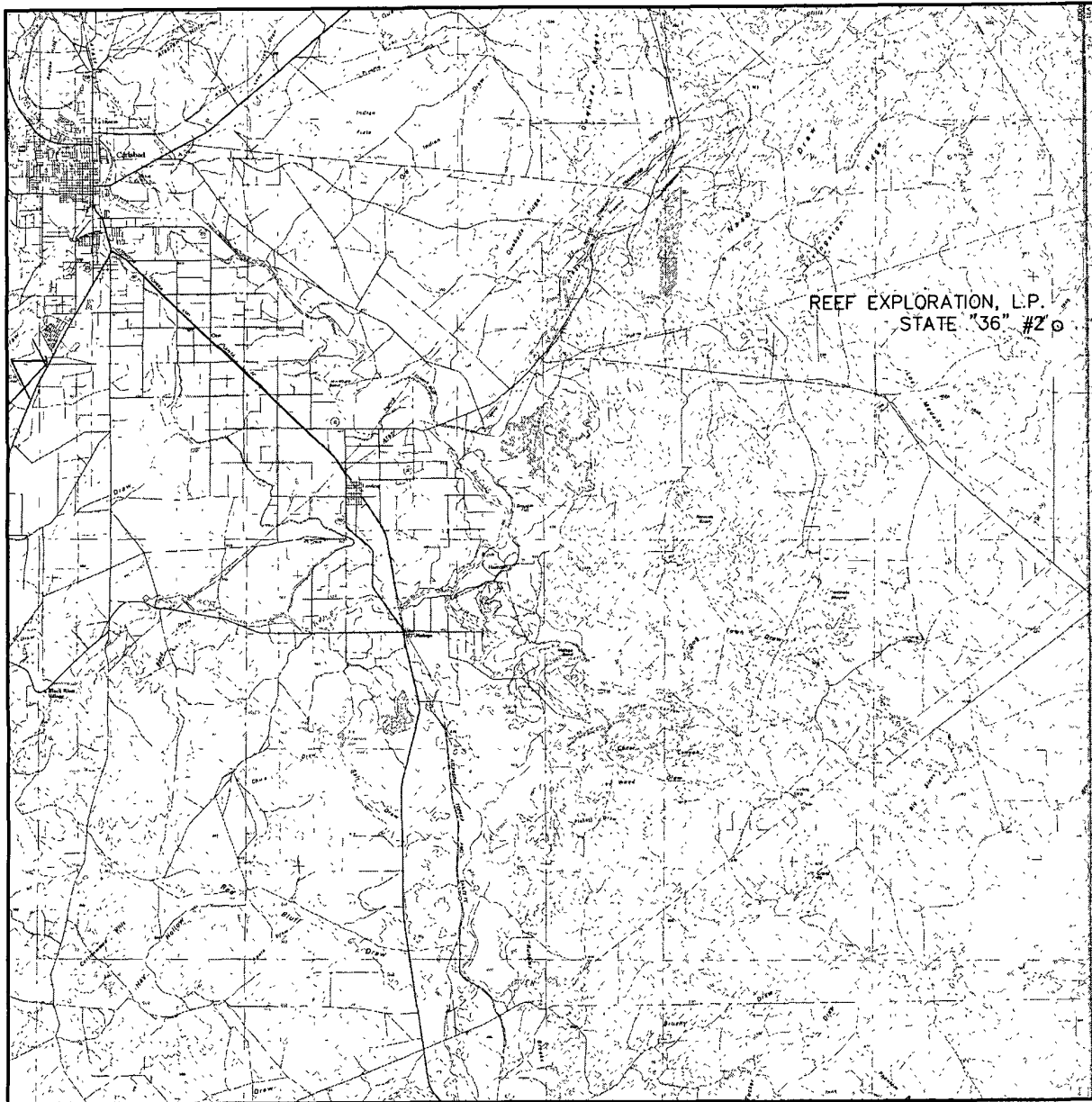
BOOTLEG RIDGE



**WEST
COMPANY**
of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

VICINITY MAP



SCALE: 1" = 5 MILES

SEC. 36 TWP. 22-S RGE. 31-E
SURVEY N.M.P.M.
COUNTY EDDY
DESCRIPTION 460' FNL & 660' FWL
ELEVATION 3476'
OPERATOR REEF EXPLORATION, L.P.
LEASE STATE "36"



WEST
COMPANY
of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

J. W. MULLOY ASSOCIATES, INC.

Engineering & Consulting

508 West Wall, Suite 700

Midland, Texas 79701

Phone: (432) 687-0323

Fax (432) 686-7224

JOHNNY MULLOY
President

JUN 22 2007
OCD-ARTESIA

June 20, 2007

State of New Mexico
Oil Conservation Division
1310 W. Grand Avenue
Artesia, New Mexico 88210

RE: H2S Contingency Plan
Sec 2 & 12, T-23-S, R-31-E
Sec 36 T-22-S, R-31-E
Eddy County, New Mexico

Attention: Mr. Bryan Arrant

As a representative of Reef Exploration, L.P. (Ogrid # 246083) research has been conducted to determine if H2S will be encountered while drilling the following wells:

State "2" Lease

#6	660 FNL & 660 FWL
#7	1980 FNL & 660 FWL
#8	1980 FSL & 660 FWL
#9	660 FSL & 660 FWL

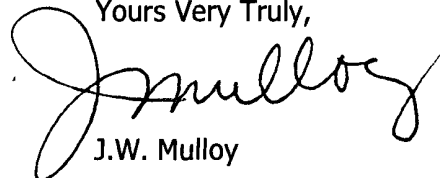
State "36" Lease

#1	660 FNL & 1980 FWL
#2	460 FNL & 660 FWL
#3	1980 FNL & 660 FWL
#4	1780 FSL & 860 FWL
#5	660 FSL & 660 FWL

It was determined that no H2S would be encountered and therefore a contingency plan is not needed. This letter is being sent to you to satisfy the conditions of approval of the above requested permits.

If additional data is required, please contact the undersigned at 432-687-0323.

Yours Very Truly,



J.W. Mulloy