

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N French Dr., Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S St Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-015-35678 5 Indicate Type of Lease STATE ☒ FEE ☐ State Oil & Gas Lease No V-302
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WELL COMPLETION OR RECOMPLETION REPORT AND LOG				
1a. Type of Well: OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐	7. Lease Name or Unit Agreement Name State "2"			
b. Type of Completion: NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. ☐ WELL OVER BACK RESVR. ☐ OTHER ☐	8. Well No. 1			
2. Name of Operator Reef Exploration, L.P.				
3. Address of Operator 1901 N Central Expressway, Suite 300, Richardson, Texas 75080				
4 Well Location Unit Letter <u>G</u> 1980 Feet From The <u>North</u> Line and 1980 Feet From The <u>East</u> Line Section <u>2</u> Township <u>23S</u> Range <u>31E</u> NMPM Eddy County				
10. Date Spudded 7-25-2007	11. Date T.D. Reached 8-14-2007	12. Date Compl. (Ready to Prod.) 10-10-2007	13. Elevations (DF& RKB, RT, GR, etc.) 3430 GR	14. Elev. Casinghead 3433'
15. Total Depth 8446'	16. Plug Back T.D. 8358'	17. If Multiple Compl. How Many Zones? N/A	18. Intervals Drilled By X	Rotary Tools Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name 8192-8238' 6934-44' 6910-24' Delaware Lower Brushy Canyon Sands				20. Was Directional Survey Made Yes
21. Type Electric and Other Logs Run Hi Res Induction, Spectral Density Dual Spaced Neutron, Triple Combo, GR CCL/CBL				22. Was Well Cored No

23 CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB /FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
20		40	Conductor	Driven	
13 3/8	48	897	17 1/2	675	
8 5/8	32	4433	11	1265	
5 1/2	17	8407	7 7/8	1105	

24 LINER RECORD				25 TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
N/A					2 7/8"	8196'	TAC @ 7966'
						SN @ 8155'	

26. Perforation record (interval, size, and number)				27. ACID. SHOT. FRACTURE. CEMENT. SQUEEZE. ETC.	
8192-8194, 8206-8210, 8228-8230, 8236-8238	.38	28 SOA		DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
6934-6944	.38	11 SOA			
6910-6914, 6920-6924	.38	20 SOA			See Attachment

PRODUCTION							
Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)			Well Status (Prod. or Shut-in)		
10-11-2007		Pumping 25-150 RXBC 24-5			Producing		
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
10-14-2007	24	N.A.		14	TSTM	229	N.A.
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	
50	70		14	TSTM	229	37.5	
29. Disposition of Gas (Sold, used for fuel, vented, etc.)						Test Witnessed By	
Vented						Ronald M. Sentz	
30. List Attachments							
Copy of Deviation Report (Original Deviation report and Logs sent Overnight on 12-14-2007). Water Analysis							
31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief							

Signature <u>Rosalind W. Mercer</u> E-mail Address <u>rosalind@reefogc.com</u>	Printed Name: Rosalind W. Mercer	Title: Regulatory Analyst Date 12/18/2007
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INSTRUCTIONS



DEC 26 2007
OCD-ARTESIA

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....6910.....to.....6924..... No. 3, from.....8192.....to.....8238.....
No. 2, from.....6934.....to.....6944..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
No. 2, from.....to.....feet.....
No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
0	180	180	Shaly sand				
180	380	200	Sand				
380	580	200	Shaly sand				
580	860	280	Anhydritic sandy dolomite				
860	1060	200	Anhydritic sandy dolomite				
1060	2840	1780	Salt w/anhydrite stringers				
2840	4550	1710	Banded limey anhydrite				
4550	4600	50	Limestone				
4600	4650	50	Limestone				
4650	5277	627	Shaly sand, limey sand base				
5277	5352	75	Sandy dolomite				
5352	7294	1942	Shaly sand				
7294	8312	1028	Cleaner sand, some clay/shale				
8312	8450	138	Limestone & limey shale stringers				

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OCD-ARTESIA

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26. PERFORATION RECORD (Intervals, size, and number)

8192-8194, 8206-8210, 8228-8230, 8236-8238'	.38	28 SOA
6934-6944'	.38	11 SOA
6910-6914, 6920-6924'	.38	18 SOA

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL

AMOUNT AND KIND MATERIAL USED

8192-8238'	Acidize w/1500 gals MCA 10% acid & 18 Bio-Balls Fraced w/29,000 gals Silver Stim LT Basic (11) & 42,000 lbs 20/40 sand
6934-6944'	Acidize w/ 1300 gals 10% MCA acid Fraced w/ 22,700 gals Silver Stim Lt Basic (11) & 21,000 lbs 20/40 sand
6910-6924'	Acidize w/ 1000 gals 10% MCA acid & 27 Bio-Balls

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY
WATER ANALYSIS REPORT
HOBBS, NEW MEXICO

DEC 26 2007
OCD-ARTESIA



COMPANY Reef Exploration

REPORT W07-185
DATE September 14, 2007
DISTRICT Hobbs

SUBMITTED BY _____

WELL State "2" #1 DEPTH 8192' to 8236' FORMATION Lower Brushy Canyon
COUNTY Eddy, New Mexico FIELD Livingston Ridge (Delaware, SOURCE Swab Run

SAMPLE	12:00 AM				
Sample Temp.	70 °F				
RESISTIVITY	0.060				
SPECIFIC GR.	1.113				
pH	6.28				
CALCIUM	15,000 mpl				
MAGNESIUM	11,400 mpl				
CHLORIDE	100,338 mpl				
SULFATES	light mpl				
BICARBONATES	268 mpl				
SOLUBLE IRON	500 mpl				
KCL	Positive				
Sodium		0 mpl		0 mpl	0 mpl
TDS		0 mpl		0 mpl	0 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: MA

OPERATOR
WELL/LEASE
COUNTY

REEF EXPLORATION
STATE "2" #1
EDDY

RIG: 512

STATE OF NEW MEXICO
DEVIATION REPORT

297	0.50
590	0.50
900	0.50
1,337	1.00
1,708	0.50
2,128	0.50
2,633	0.50
3,077	0.50
3,461	0.50
3,904	1.00
4,280	3.25
4,419	2.00
4,683	2.25
4,727	1.50
5,003	1.50
5,366	1.50
5,806	1.50
6,190	1.50
6,693	1.00
8,028	1.00
8,465	1.00

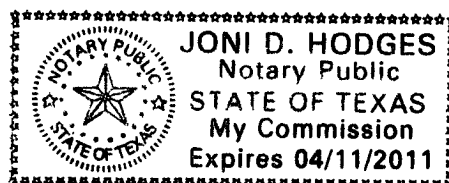
BY: _____

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on _____, by Steve Moore on behalf of Patterson-UTI Drilling Company LLC.

Joni D. Hodges
Notary Public for Midland County, Texas
My Commission Expires: 4/11/11





State 2-1
Deviation Record
Type Run: Teledrift
WLS

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Depth		Angle
294	WLS	1/2°
590	WLS	1/2°
853	WLS	3/4°
1,337	Tele	1°
1,718	Tele	1/2°
2,128	Tele	1/2°
2,633	Tele	1/2°
3,077	Tele	1/2°
3,128	Tele	1/2°
3,461	Tele	1/2°
3,905	Tele	1°
4,308	Wire Line	3 1/4°
4,449	Tele	2°
4,732	Tele	1 1/2°
5,366	Tele	1 1/2°
5,808	Tele	1 1/2°
6,222	Tele	1 1/2°
6,710	Tele	1 1/2°
7,210	Tele	1°
7,524	WLS	1°
8,024	WLS	1°
8,480	WLS	1°