

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



October 26, 2009

Reef Exploration, L.P.
1901 N. Central Expressway
Suite 300
Richardson, TX 75080

Re:	36 State #4	Sec.36 T22S R31E	API # 30-015-35672
	State 2 #7	Sec.2 T23S R31E	API # 30-015-35748
	36 State #2	Sec.36 T22S R31E	API # 30-015-35670
	36 State #3	Sec.36 T22S R31E	API # 30-015-35671

To whom it may concern:

Please be advised that your permits to drill the referenced well(s) have expired and have been cancelled. If drilling operations have commenced, you should contact this office immediately.

If you wish to drill these well(s) in the future, it will be necessary to submit new Form(s) C101, Application to Drill, and drilling package(s) for review and approval.

Sincerely,

A handwritten signature in cursive script that reads "Darold Gray".

Darold Gray
Field Supervisor, District II



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 Dr.
Santa Fe, NM 87505

JUL 10 2007
OCD-ARTESIA

Submit to appropriate District Office
☐ AMENDED REPORT

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

Operator Name and Address REEF EXPLORATION, L.P. 508 WEST WALL, SUITE 100 MIDLAND, TEXAS 79701		OGRID Number 246083
Property Code 36538	Property Name "36" STATE	Well No 4
Proposed Pool 1 LIVINGSTON RIDGE DELAWARE,		Proposed Pool 2

7 Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	36	22 S	31 E		1780	SOUTH	860	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

Work Type Code N	Well Type Code 0	Cable/Rotary R	Lease Type Code STATE	Ground Level Elevation 3454
Multiple NO	Proposed Depth 8700	Formation DELAWARE	Contractor TBO	Spud Date 6-15-07
Depth to Groundwater 950		Distance from nearest fresh water well 1000' OR MORE		Distance from nearest surface water 1000' OR MORE
Pit Liner Synthetic X 12_mils thick Clay <input type="checkbox"/> Pit Volume 2000 bbls		Drilling Method Fresh Water X Brine X Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		
Closed-Loop System <input type="checkbox"/>				

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
9 7/8	5 1/2	17 L-80	8700	750	4500

- 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

Operator To set surface casing in Anhydrite section of Rustler

21 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

CANCELLED

Approved by

Due to APD Expiration Date

D.G.

Title

Approval Date JUL 11 2007

Expiration Date JUL 11 2008

Conditions of Approval Attached ☐