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JUN 22 2007

OCD-ARTESIA

JOHNNY MULLOY

President

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 #7	660 FNL & 660 FWL 1980 FNL & 660 FWL	- 30-015-35748-
#8	1980 FSL & 660 FWL	30-015-35749
#9	660 FSL & 660 FWL	30-015-35750

State "36" Lease

#1 #2 #3 #4	660 FNL & 1980 FWL 460 FNL & 660 FWL 1980 FNL & 660 FWL 1780 FSL & 860 FWL	30-015-	35677
#5	660 FSL & 660 FWL		35673

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