

30015 35677

**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 ¾ @ 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

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Drilling Report

Operations Last 24 Hours: Drilled 494' in the last 24 hrs. MW 10, Vis 28 PH 10. Surveys: $\frac{1}{2}^\circ$ @ 963. Rotary 70 rpms, WOB 15K, pump pressure 1000 psi. Finish NU BOP's and test, ok. PU bit and BHA and TIH. Tag up @ 650'. Drl out cmt, float collar and 151 cmt. Test csg to 1000 psi, ok. Finish drlg out cmt and shoe. Spud 11" hole at 9:00PM 11-3-07.

Date: 11-4-07

Day: 4

Present Operation: Drlg 11" hole @ 42 fph

Depth: 2260

Operations Last 24 Hours: Drilled 1065' in the last 24 hrs. MW 10, Vis 28 PH 10. Surveys: $\frac{1}{2}^\circ$ @ 1391, $\frac{1}{2}^\circ$ @ 1835. Rotary 70 rpms, WOB 15K, pump pressure 1100 psi.

Date: 11-5-07

Day: 5

Present Operation: Drlg 11" hole @ 27 fph

Depth: 3089

Operations Last 24 Hours: Drilled 829' in the last 24 hrs. MW 10, Vis 28 PH 10. Surveys: $\frac{1}{2}^\circ$ @ 2310, $\frac{1}{2}^\circ$ @ 2753. Rotary 70 rpms, WOB 12K, pump pressure 1100 psi. Drlg slower due to rotary problem.

Date: 11-6-07

Day: 6

Present Operation: Drlg 11" hole @ 34 fph

Depth: 3720

Operations Last 24 Hours: Drilled 623' in the last 24 hrs. MW 10, Vis 28 PH 10. Surveys: $\frac{1}{2}^\circ$ @ 3228. Rotary 70 rpms, WOB 12K, pump pressure 1100 psi.

Date: 11-7-07

Day: 7

Present Operation: Drlg 11" hole @ 22 fph

Depth: 4385

Operations Last 24 Hours: Drilled 665' in the last 24 hrs. MW 10, Vis 28 PH 10. Surveys: 1° @ 3679, $\frac{1}{2}^\circ$ @ 3923. Rotary 70 rpms, WOB 12K, pump pressure 1100 psi.

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Drilling Report

Date: 11-08-07

Day: 8

Present Operation: NU BOP's

Depth: 4385'

Operation last 24 hours: Drilled 0' in the last 24 hrs. MW 10, Vis 28, Ph 10
Dev Surveys: 1 1/4° @ 4385'. Rotary 70 rpms, WOB 12K, Pump Pressure 1100 psi.

TD 11" hole @ 4385' @ 6:00 am 11-07-07. Circ and cond hole. POH. Run 8 5/8" casing as follows:

1 - 8 5/8" Guide Shoe	1.50'
1 - 8 5/8" 32# J-55 ST&C csg	44.42'
1 - 8 5/8" Float Collar	3.00'
101 - 8 5/8" 32# J-55 ST&C csg	4336.08'
Total Run	4385.00'

Set pipe @ 4385'. Ran 21 cent. Halliburton cmt'd as follows: 700 sxs Interfil "C" and 300 sxs Halliburton Prem Plus. Plug down @ 11:00 pm 11-07-07. Circ 210 sxs to surf. ND BOP. Set slips and cut off csg. Install head. Start NU BOP's.

Date: 11-09-07

Day: 9

Present Operation: Drlg 7 7/8" hole @ 52 fph

Depth: 4935'

Operation last 24 hours: Drilled 550' in the last 24 hrs. MW 8.6, Vis 28, Ph 8
Dev Surveys: 1 1/2° @ 4830'. Rotary 175 rpms, WOB 20K, Pump Pressure 1250 psi. Finish NU and test, OK. PU bit and BHA. TIH and drl out float collar and 20' cmt. Test csg to 1000 psi, OK. Drl out rest of cmt and shoe. Spud 7 7/8" hole @ 6:00 pm 11-8-07

Date: 11-10-07

Day: 10

Present Operation:

Depth: 6373'

Operation last 24 hours: Drilled 1438' in the last 24 hrs. MW 9, Vis 28, Ph 9.
Dev Surveys: 1/2° @ 5302', 1/2° @ 5747', 1/2° @ 6185'. Rotary 175 rpms, WOB 20K, Pump Pressure 1300 psi.

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Drilling Report

Date: 11-11-07

Day: 11

Present Operation: Drlg 7 7/8" hole @ 43 fph

Depth: 7387'

Operation last 24 hours: Drilled 1014' in the last 24 hrs. MW 8.9, Vis 28, Ph 10. Dev Surveys: 1/2° @ 6664', 1/2° @ 7140'. Rotary 175 rpms, WOB 20K, Pump Pressure 1650 psi.

Date: 11-12-07

Day: 12

Present Operation: Drlg 7 7/8" hole @ 31 fph

Depth: 8287'

Operation last 24 hours: Drilled 900' in the last 24 hrs. MW 8.9, Vis 28, Ph 10. Dev Surveys: 1/2° @ 7540', 1° @ 7990'. Rotary 175 rpms, WOB 20K, Pump Pressure 1650 psi.

Date: 11-13-07

Day: 13

Present Operation: Running open hole logs

Depth: 8550'

Operation last 24 hours: Drilled 263' in the last 24 hrs. MW 8.8, Vis 28, Ph 10. Dev Surveys: 1/2° @ 8435', 1/2° @ 8550'. Rotary 175 rpms, WOB 20K, Pump Pressure 1650 psi. TD 7 7/8" hole @ 4:00PM 11-12-07. Circ and cond hole. POH for logs. RU Halliburton logging. Start running open hole logs.

Date: 11-14-07

Day: 14

Present Operation: Running 5 1/2" csg

Depth: 8550'

Operation last 24 hours: Drilled 0' in the last 24 hrs. MW 8.8, Vis 28, Ph 10. Rotary 0 rpms, WOB 0K, Pump Pressure 0 psi. Finish running open hole logs. TIH. Circ and cond hole. POH LDDP & DC's. Rig up csg crew and start running 5 1/2" csg.

Date: 11-15-07

Day: 15

Present Operation: Rig Released

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Drilling Report

Depth: 8550'

Operation last 24 hours: Drilled 0' in the last 24 hrs. Finish running 5 1/2" csg as follows:

1-5 1/2" Guide Shoe	1.75
1-5 1/2" 17# I-80 LT&C csg	44.52
1-5 1/2" Float Collar	1.25
48- 5 1/2" 17# I-80 LT&C csg	2091.47
1-5 1/2" DV Tool	3.00
150- 5 1/2" 17# I-80 LT&C csg	6407.01
Total Run	8549.00

Set pipe @ 8549'. Ran 50 cent. Halliburton cmt'd 1st as follows: 550 5x5 50/50 Prem POZ. Bump plug, open DV tool and circ 4 hrs. Halliburton cmt'd 2nd stage as follows: 250 5x5 Hall Lite and 400 5x5 50/50 Prem POZ. Plug down @ 3:15PM 11-14-07. ND BOP's. Install tbg head and test, ok. Clean out pits. Release rig @ 2:00 AM 11-15-07.

OPERATOR
WELL/LEASE
COUNTY

Reef Exploration, LP
State 2 #5
Eddy

Rig: 512

STATE OF NEW MEXICO
DEVIATION REPORT

225	1.75
504	1.00
701	1.50
973	0.50
1,398	0.50
1,835	0.50
3,228	0.50
3,670	1.00
3,923	0.50
4,385	0.50
4,777	0.50
5,252	0.50
5,697	0.50
6,140	0.50
6,616	0.50
7,090	0.50
7,500	0.50
7,941	1.00

STATE OF TEXAS

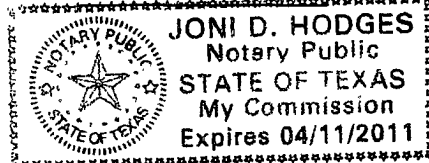
COUNTY OF MIDLAND

BY: 

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


Notary Public for Midland County, Texas
My Commission Expires: 4/11/11

November 20, 2007 by Steve



HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY WATER ANALYSIS REPORT HOBBS, NEW MEXICO

COMPANY Reef Exploration

REPORT W07-236
DATE December 17, 2007
DISTRICT Hobbs

SUBMITTED BY _____

WELL State 2 #5 DEPTH _____ FORMATION _____
COUNTY _____ FIELD _____ SOURCE _____

SAMPLE

Sample Temp.	<u>70</u>	°F	_____	°F	_____	°F	_____	°F
RESISTIVITY	<u>0.53</u>		_____		_____		_____	
SPECIFIC GR.	<u>1.162</u>		_____		_____		_____	
pH	<u>6025.00</u>		_____		_____		_____	
CALCIUM	<u>22,500</u>	mpl	_____	mpl	_____	mpl	_____	mpl
MAGNESIUM	<u>12,000</u>	mpl	_____	mpl	_____	mpl	_____	mpl
CHLORIDE	<u>149,008</u>	mpl	_____	mpl	_____	mpl	_____	mpl
SULFATES	<u>Light</u>	mpl	_____	mpl	_____	mpl	_____	mpl
BICARBONATES	<u>183</u>	mpl	_____	mpl	_____	mpl	_____	mpl
SOLUBLE IRON	<u>50</u>	mpl	_____	mpl	_____	mpl	_____	mpl
KCL	<u>Positive</u>		_____		_____		_____	
Sodium	_____	mpl	<u>0</u>	mpl	<u>0</u>	mpl	<u>0</u>	mpl
TDS	_____	mpl	<u>0</u>	mpl	<u>0</u>	mpl	<u>0</u>	mpl
OIL GRAVITY	<u>@</u>	°F	<u>@</u>	°F	<u>@</u>	°F	<u>@</u>	°F

REMARKS

MPL = Milligrams per liter
Resitivity measured in: Ohm/m2/m

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ANALYST: JH/JE

REEF EXPLORATION, LP.

State "2" #5

660' FSL & 1980' FWL

Sec 2, T23S, R31E

Livingston Ridge; Delaware, SE (96149)

Eddy County, New Mexico

Permanent Wellbore Data

Spud Date:	10/31/07	
Compl Date:		
KB Elev., Ft.	3434'	
GL Elev., Ft.	3416'	Set 40' of 20" conductor
	KB	18'

17-1/4" hole

Surface Casing

Size	No Jts	Wt.	Grade	Jt Type	Depth, Ft
13 3/8"	16	48.0	H-40	ST&C	700

Cement 555 Sx. TOC Surface (143 Sks)
Date: 11/3/2007

11" hole

8 5/8", 32#, J-55, ST&C

Intermediate Casing

Size	No Jts	Wt	Grade	Jt Type	Depth, Ft
8 5/8"	100	32.0	J-55	LT&C	4300

Cement 1,000 Sx. TOC Surface Circ 210 sks
Date: 11/7/2007

7 7/8" hole

Size	No Jts	Wt.	Grade	Jt Type	Depth, Ft
5 1/2"	191	17.0	I-80	LT&C	8477.52
5 1/2"	3	17.0	I-80	LT&C	71.48
Total depth					8549

The 3 joints are flag joints (short for logging)

ID - 4.892", drift - 4.767", IYP - 7740#, JS - 338,000#

Capacity - .0232 bbls/ft

Cement 550 Sx TOC: ??? Stage 1

Cement 650 Sx TOC: ??? Stage 2

TD 8550' PBTD. 8501' Date 11/14/2007

Set Weight, Lb. 120,000#

Tank Battery

Data On This Completion

API #: 30-015-35677

Property Code:

OGRID #:

Drilling AFE #: 07DC010

Date: Activity

Reached TD on 11/12/07

11/13/07: Halliburton Services ran Spectral
Density, Dual Spaced Neutron Log
Dual Laterolog, Micro-Guard,
log from TD to 4300'

DV TOOL (6407')

Marker Joints @

5850' (26.96' Long)

7477' (22.27' Long)

8033' (22.25' Long)

PBTD: 8501'

TD: = 8550'

Prepared by R. M. Sentz 12/01/07