

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. 30-015-35676 5. Indicate Type of Lease STATE ☒ FEE ☐ State Oil & Gas Lease No. V-302
--	---	--

WELL COMPLETION OR RECOMPLETION REPORT AND LOG					
1a. Type of Well: OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER _____ b. Type of Completion: NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. ☐ WELL OVER BACK RESVR. ☐ OTHER _____			7. Lease Name or Unit Agreement Name State "2" S		
2. Name of Operator Reef Exploration, L.P.			8. Well No. 004		
3. Address of Operator 1901 N Central Expressway, Suite 300, Richardson, Texas 75080			9. Pool name or Wildcat Livingston Ridge; Delaware, South		
4. Well Location Unit Letter <u>K</u> : 1980 Feet From The <u>South</u> Line and 1980 Feet From The <u>West</u> Line Section <u>2</u> Township <u>23S</u> Range <u>31E</u> NMPM Eddy County					
10. Date Spudded 10/12/2007	11. Date T.D. Reached 10/25/2007	12. Date Compl. (Ready to Prod.) 11/26/2007	13. Elevations (DF& RKB, RT, GR, etc.) 3414 GR	14. Elev. Casinghead 3410.5	
15. Total Depth 8468	16. Plug Back T.D. 8420	17. If Multiple Compl. How Many Zones? N/A	18. Intervals Drilled By	Rotary Tools X	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name SEE ATTACHED					20. Was Directional Survey Made
21. Type Electric and Other Logs Run: Spectral Density, Dual Spaced Neutron Log, Dual Density Laterolog, Micro-Guard, Radial Cement Bond, CCL, GR Log					22. Was Well Cored

23. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	48#	700	17.5"		
8 5/8"	32#	4399	11"		
5 1/2"	17#	8468	7 7/8"		

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 7/8"	6901'	TAC @ 6684'
						SN @ 6870'	

26. Perforation record (interval, size, and number) SEE ATTACHMENT			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td>See Attachment</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>			DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED				See Attachment		
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED												
	See Attachment												

PRODUCTION							
Date First Production 11/26/2007		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping			Well Status (Prod. or Shut-in) Producing		
Date of Test 11/26/2007	Hours Tested 24	Choke Size N/A	Prod'n For Test Period	Oil - Bbl 20	Gas - MCF 70	Water - Bbl. 320	Gas - Oil Ratio 3.5:1
Flow Tubing Press. 150	Casing Pressure 50	Calculated 24-Hour Rate	Oil - Bbl. 20	Gas - MCF 70	Water - Bbl. 320	Oil Gravity - API - (Corr.) 37.5	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold						Test Witnessed By Ronald M. Sentz	

30. List Attachments Copy of Deviation Report, Triple Combo Log	
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief	
Printed Name: Jose L. Velez Signature:	Department: Regulatory Affairs E-mail Address: jose@reefogc.com Date: 3/14/2008

INSTRUCTIONS

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.....6970.....to.....7080..... No. 3, from.....8007.....to.....8114.....
 No. 2, from.....7570.....to.....7580..... No. 4, from.....8162.....to.....8224.....

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				

19. PRODUCING INTERVAL(s) (Top, Bottom, Name)

Top	Bottom	Name
6970'	7080'	Upper Brush Canyon
7570'	7580'	Middle Brush Canyon
8007'	8114'	Lower Brushy Canyon
8162'	8224'	Lower Brush Canyon

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

Interval	Size	Number (SPF)
6970' to 6980', 7074' to 7080'	.38	1
7570' - 7580'	.38	1
8007'-8010', 8088'-8092', 8110'-8114'	.38	1
8162'-8166', 8180'-8184', 8192'-8200', 8210'-8214', 8220'-8224'	.38	1

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

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
6970' to 7080'	23,900 gals Silverstim LT R(13) w/ 50,000# of 16/30 Arizona sand coated with Expedite lite,
7570' to 7580'	18,500 gals Silverstim LT R(13) w/ 13,500# Arizona sand coated w/ Expedite lite
8007' to 8114'	25,400 gals Silverstim LT basic R(11) w/ 45,500# 16/30 Mesh Ottawa sand coated w/ expedite lite
8162' to 8224'	27,800 gals Silverstim LT R(11) w/ 22,120#, 16/30 sand w/ expedite & 26,880# 20/40 sand w/ expedite lite

State "2" #4 Deviation Record

Deviation Record
Type Run: Teledrift
WLS

Depth		Angle
297	WLS	3/4 °
700	Totco	2 °
1176	Teledrift	1 °
1,636	Teledrift	1/2 °
2,058	Teledrift	1 °
2,523	Teledrift	1 °
2,933	Teledrift	3°
2,933	WLS	3 °
3,031	Teledrift	1 1/2 °
3,091	Teledrift	1 °
3,349	Teledrift	1/2 °
3,739	Teledrift	1/2 °
4,283	Teledrift	1°
4,869	Teledrift	1/2°
5,311	Teledrift	1/2°
5,790	Teledrift	1°
6,234	Teledrift	1/2°
6,708	Teledrift	1°
7,151	Teledrift	1/2°
7,644	Teledrift	1°
8,056	Teledrift	1°
8,468	Totco	1°