CEMENT TO COVER ALL OIL, GAS AND WATER BEARING ZONES

rand /

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be NM 8 obtained prior to pit construction.

Form 3160-3 (August 1999)	RECE	INEU	FORM APPRO OMB No. 1004 Expires November	F0136 }
UNITED STATE DEPARTMENT OF THE I BUREAU OF LAND MANA	NTERIOR UEC 16	2005	5. Leuse Serial No. NMI	/0359/ NM 12359 1
APPLICATION FOR PERMIT TO D			6. If Indian, Allottee or T	tibe Name
ia. Type of Work: A DRILL REENT	ER		7. If Unit or CA Agreemen	15 35 No.
1b. Type of Well: Oil Wall Gas Well Other	Single Zone Mul	tiple Zone	8. Lease Name and Well N Arabian Midge	Fed 20m "6"
2. Name of Operator David H. Arrington Oil & Gas, Inc.	5898		9. API Well No. 30-015-3450	1 - let
P.O. Box 2071, Midland, Texas 79702	3b. Phone No. (include area code) (432) 684-6381 9		10. Field and Pool, or Explo Wildcat Wolfcar	
4. Location of Vetil (Report location clearly and in accordance with	Any State comprements 1)	L BY ST	11. Sec., T., R., M., or Blk.	and Survey or Area
At surface 1265 FNL & 1613 FEL At proposed prod. zone 330 FSL & 1613 FEL			Sec. 6, T19S, 1	R24E
14. Distance in miles and direction from nearest town or post office? 16 miles SW of Artesia			12. County of Parish Eddy	13. State
15. Distance. Irom proposed. location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any) 330	16. No. of Acres in Jesse.	17. Specing	tall dedicated to this well.	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2907 *	19. Proposed Depth 5300	Rerla	LA Bond No. on file (2) from Connection 0005938 (EAR)	Petche 12/11 NM 250
21. Elevations (Show whether DF, KDB, RT. GL, etc.) 3783 GR	22. Approximate date work will st. Upon Approval	ari*	23. Estimated duration 11 Days	
	24. Attachments			
The following, completed in accordance with the requirements of Onsho 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface tise Plan (if the location is on National Forest System SUPO shall be filed with the appropriate Forest Service Office).	4. Bond to cover the new 20 above). 5. Operator certific	he operations cation. specific infu	form: runless covered by an existin	J
25. Signature	Name (Printed/Typed) Ann E. Rit		Date	11-2-05
Regulatory Agent	ann.ritchi	le@wtor.r	net	
Appenved by (Signature) Joe G. Lara	Name (Printed/Typed) /S/ Joe G	. Lara	Date	EC 1.4 200
THE THE IELD MANAGER	OMC CARLSB	AD FIE	LD OFFICE	
Application approval docs not warrant or certify the the applicant holds le operations thereon. Conditions of approval, if any, are attached.	gal or equitable thic to those rights in	The subject let	ROVAL FOR 1	YEAR
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it States any false, fictitious or fraudulent statements or representations as to	a crime for any person knowingly an any matter within its jurisdiction.	d willfully to	make to any department of \$8	ency of the United

*(Instructions on reverse)

Roswell Controlled Water Basin

APPROVAL SUBJECT TO Tineral requirements a EFECIAL STIPULATIONS

: 13 8" COMENT JOB

DISTRICT, I 1625 N. French Dr., Hobbs, NM 88240

State of New Mexico

Form C-102
Revised August 15, 2000

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

Energy, Minerals, and Natural Resources Department

Submit to Appropriate District Office State Lease - 4 copies

OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Fee Lease - 3 copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

Santa Fe, New Mexico 87505

AMENDED REPORT

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-	96086	Wildcat Wolfcamp GAS	
⁴ Property Code	ARABIAN M	Property Name IIDGE FED COM "6"	⁶ Well Number 1
⁷ OGRID №. 5898	DAVID H. ARRI	⁸ Operator Name NGTON OIL & GAS, INC.	Slevation 3783'

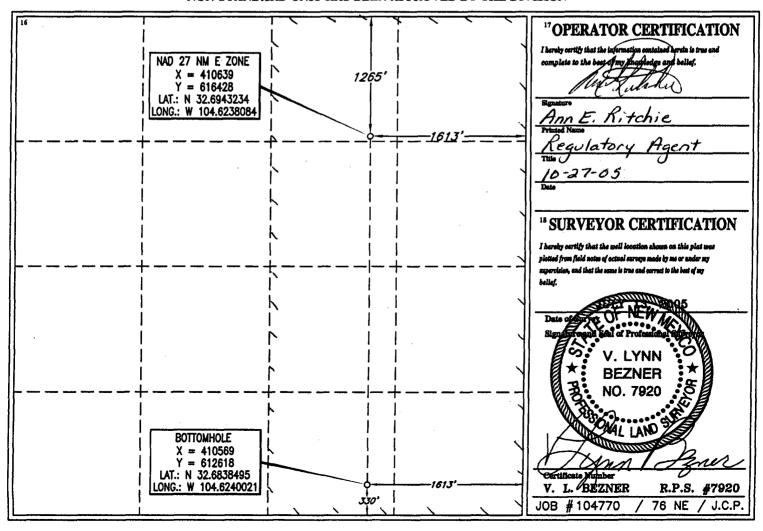
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	6	19 SOUTH	24 EAST, N.M.P.M.	j	1265'	NORTH	1613'	EAST	EDDY

11 Bottom Hole Location If Different From Surface

	Dottom Hote Docution is Districted 110m Durage								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	8	19 SOUTH	24 EAST, N.M.P.M.		330'	SOUTH	1613'	EAST	EDDY
12 Dedicated Acre	s 13 Jo	int or Infill	14 Consolidation Code	15 Order N	io.				

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



David H. Arrington Oil & Gas Inc.
Arabian Midge Federal Com "6" No. 1
SHL - 1260' FNL & 1613' FEL
BHL - 330' FSL & 1613' FEL
S6, T19S, R24E
Eddy County, NM

Drilling Plan

1. Ground Elevation above Sea Level: 3783'

2. Proposed drilling depth: 5300' TVD

3. Estimated tops of geological markers:

Tubb	3050'
Abo Shale	3720'
Abo Reef	3860'
Abo/Wolf Pay	4800'
Wolfcamp	5130'

4. Possible mineral bearing formations:

Abo/Wolfcamp

Oil

5. Casing Program

Hole size	<u>Interval</u>	OD of Casing	Weight	Thread	Grade	TOC
17-1/2°	40' - 350'	13-3/8"	48#	8rd	H40	Surf
12-1/4"	350' - 1,350'	9-5/8°	40#	8rd	J55	Surf
8-3/4"	1,350' - 5,400'	5-1/2"	17#	8rd	L80	Surf
7-7/8"5,4	00' - 8,800' (5200' TVD)	5-1/2"	17#	8rd	L80	Surf

6. Cementing and Setting Depth

13-3/8"	Surface	350'	Lead: Premium Plus + 2% CaCl2 + 3% Econolite + ¼ pps Flocele Tail: Premium Plus + 2% CaCl2 + ¼ pps Flocele.
9-5/8"	Intermediate	1,350'	Lead: Interfill "C" + ¼ pps Flocele Tail: Premium Plus + 1% CaCl2
5-1/2"	Production	8,800'	Lead: Interfill C + ¼ pps Flocele Tail: Premium Cement + 100% Acid Soluble Additive + 0.6% Halad-344 + 0.8% Econolite + 0.2% HR-55

7. Pressure Control Equipment:

After setting 9-5/8" casing and installing 5000 psi casing head, NU 11" 5000 psi double ram BOP and 5000 psi annular BOP, and test with clear fluid to 3000 psi using rig pumps.

8. Proposed Mud Circulating System

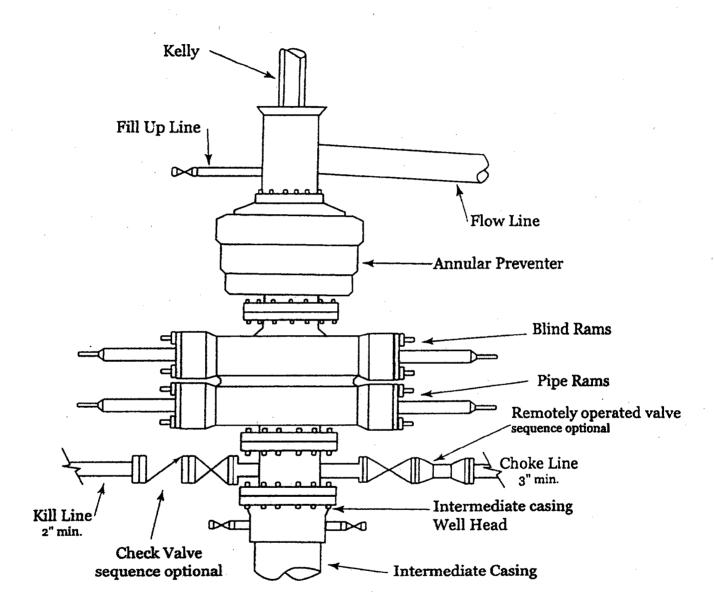
Interval	Mud Wt.	Visc.	FL	Type Mud System
40' 350'	8.5 – 8.6	32 – 34	NC	Fresh water gel/lime slurry. Spot LCM pill for l losses. If not regained, dry drill to depth.
350' – 1,350'	8.7 – 8.8	30 – 32	NC	Drill out w/ FW. Add paper for seepage. If losses occur, utilize 15-25 lb/bbl LCM material to regain losses.
1,350' — 5200'	8.4 9.3	28 -34	<12	Fresh water. Use paper and high viscosity sweeps for seepage and hole cleaning. At ~ 3,600' add brine to mud. At ~4,600' utilze starch/aquapac system.
4,800' – 8,800'	9.1 – 9.3	32 – 50	15	XCD polymer system. Use DCS surfactant while drilling curve. Sweep w/ 29-30 viscosity swepps every 200' – 500'.

Proposed Drilling Plan:

Drill pilot hole to ±5300'. Log well. Plug back to ±4500'. Dress off to KOP±4800'. Kickoff well w/ 15°/100' BR to inclination 90°. If drilling hole conditions are favorable, reduce hole size from 8 ¾" to 7 7/8". Drill lateral to ±8800'. Run and cement 5 ½" liner.

If hole conditions in the curve deteriorate, then 7" casing will be run thru end of curve section. Lateral will be drilled w/ 6 1/8" hole. Run 4 ½" liner and cement.

David H. Arrington Oil & Gas. Inc. Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Thirteen Point Plan for Surface Use (Additional data for form 3160-3)

David H. Arrington Oil & Gas, Inc.

Arabian Midge Federal Com "6", Well #1

SL: 1260' FNL & 1613' FEL; BHL: 330' FSL & 1613' FEL

Section 6, T19S, R24E, Eddy County, NM

Undesignated Wolfcamp/Abo - oil

NMNM 123591

1. EXISTING ROADS - VICINITY MAP, Topographic Land Surveyors

The road log to the location is as follows:

Distance and direction - from Artesia go 13 miles south on Highway 285.

Thence West on paved road 12.2 miles

Thence North 1.7 miles

Thence West 1.3 miles to the Southeast corner of Section 6.

- PLANNED ACCESS ROAD —Approximately 300' of new E-W access road will be built from the existing NE-SW main caliche road to the west. All lease roads will be graded in compliance with BLM standards and made a uniform width of 20', including shoulders.
- 3. LOCATION OF EXISTING WELLS The Colt Midge Federal Com 6, #2 is located in the W/2 of Section 6; the Arabian Midge Federal Com 6, Well #1 is located in the E/2.
- 4. LOCATION OF EXISTING OR PROPOSED FACILITIES This well will require new production facilities to be located in the NW/4 of Section 6, T19S, R24E, Eddy Cty.
- 5. LOCATION AND TYPE OF WATER SUPPLY All water (fresh or otherwise) needed for the drilling and completion of this well will be purchased from a commercial source and trucked to the location via the existing and proposed access road. No water source wells will be drilled, and no surface water will be utilized.
- 6. SOURCE OF CONSTRUCTION MATERIALS Construction material (caliche) required for the preparation of the drill site is available from a local source approximately 5 miles away. It is not anticipated that a significant amount of material will be required as the terrain is relatively flat. Transportation will be over the existing roads.

METHODS FOR HANDLING WASTE DISPOSAL -

- Drill cuttings will be disposed into drilling pits after fluids have evaporated.
- The drilling pits will be lined with a 12+mil biodegradable plastic liner, and buried as per regulatory requirements. The pits will be located on the drill site.
- Receptacles for solid wastes (paper, plastic, etc) will be provided and equipped to prevent scattering by wind, animals, etc. This waste will be hauled to an approved landfill site.
- Any other waste generated by the drilling, completion, testing of this well will be removed from the site within 30 days of the completion of drilling or testing operations.
- A Porta-John will be provided for the crews. This will be properly maintained during the drilling operations and removed upon completion of the well.
- 8. ANCILLARY FACILITIES The drilling, completion, and/or testing of this well will require temporary test facilities.
- 9. WELLSITE LAYOUT Attached, as "Drilling Pad Layout" is the plat showing the anticipated orientation of the drilling rig and the pad. The approx. 400' x 400' area in which the drill site will be located has been surveyed and flagged. Approximately 5" of topsoil will be stockpiled on the east side of the location for rehabilitation purposes.
- 10. PLANS FOR SURFACE RESTORATION Reclamation of the surface location will be in accordance with the requirements set forth by the BLM. As stated earlier all waste generated by this operation will be disposed of in an approved manner, and the site restored as closely as possible to its pre-operation appearance. Due to the topography of the area no problems are anticipated in achieving this status and no erosion or other detrimental effects are expected as a result of this operation.
- 11. OTHER INFORMATION The surface ownership of the drill site and the access routes are under the control/ownership of:

Bureau of Land Management P. O. Box 1778 Carlsbad, New Mexico 88221-1778 505-234-5972

The BLM representative for this area is Barry Hunt who can be reached at the above number, or 505-361-4078.

The site was archaeologically surveyed in July 2005. Michael Stowe, the registered archeological surveyor, should forward a copy of that report to the BLM.

Drilling contractor: Patterson UTI Drilling: 432 682-9401

12.	OPERATORS REPRESENTATIVE - David H. Arrington Oil & Gas, Inc. is covered by Nationwide Bond No. UIB0005938. David H. Arrington Oil & Gas, Inc. is represented by:
	Mark Ellerby, Company Operations & Drilling Engineer (432,5591216)
	David H. Arrington Oil & Gas, Inc. P.O. Box 2071 Midland, TX 79702
	432 684-7193 - office (ext. 351)
13.	OPERATORS CERTIFICATION
	I hereby certify that I, Mark Flerby Operations Engineer, have inspected the proposed drill site and access route and that I am familiar with the conditions that currently exist, that the statements made in the APD package are to the best of my knowledge true and correct; and that the work associated with operations herein will be performed by David H. Arrington Oil & Gas, Inc. and it's contractors and subcontractors in conformity with the terms and conditions of this APD package. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application with bond coverage being provided under a BLM nationwide bond.
	This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.
	Name and title: Mark E. Ellerbe Operations/Drilling Engineer,
	$\sim \sim $

11-02-05

Mr. Bryan Arrant, Geologist New Mexico Oil Conservation Division 1301 W. Grand Avenue Artesia, NM 88210

RE: David H. Arrington Oil & Gas, Inc., Arabian Midge Federal Com "6", Well #1 E/2, Section 6, T19S, R24E, Eddy County, New Mexico

Dear Mr. Arrant,

Please see attached the calculations as per the estimated maximum H2S concentrations that might be encountered during the drilling and anticipated completion in the Wolfcamp formation. There was no concentration of H2S encountered during the drilling of the offsetting Green Wooley-Booger Federal "5", Well #1, as per drilling personnel at David H. Arrington Oil & Gas, Inc.

There is currently no offset drilling, no residences or public roads within I/4 mile of this location to the best of my knowledge.

Please let us know if you need any further information or notification concerning the application to drill of the Arabian Midge Federal Com "6", Well #1. Thank you.

Yours truly.

Ann E. Ritchie, Regulatory Agent David H. Arrington Oil & Gas, Inc. P.O. Box 2071

Midland, TX 79702 (432) 684-7193

ann.ritchie@wtor.net

attachment

cc: Arrington file/Midland

Hydrog	en Sulfide Calculation	
David F	. Arrington Oil & Gas, Inc	>.
Section 6	T19S, R24E, Eddy County, NN	f - Wolfcamp test
Data	Description	
10	H2S Concentration - PPM	
	Maximum Escape Volume - M	ICF/Day
3	100 PPM Radius of Exposure	
1	500 PPM Radius of Exp0sure	

Hydrogen Sulfide Drilling Operations Plan

For

David H. Arrington Oil & Gas, Inc. Arabian Midge Federal Com "6", Well #1 E/2 Section 6, T19S, R24E Eddy County, New Mexico

ONE: Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted or employed on an unscheduled basis has or will receive training from qualified instructors in the following areas prior to working on the drilling operations on this well:

The hazards & characteristics of H2S

The proper use & maintenance of personal protective equipment and Life support systems;

The proper use of H2S detectors, alarms, warning systems, briefing areas, evacuation procedures & prevailing winds; and,
The proper techniques of first aid and rescue contact procedures

In addition, the supervisory personnel will be trained in the following areas:

The effects of H2S on metel components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.

Corrective action an shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.

The contents and requirements of the H2S Drilling Operations Plan.

There will be an initial training session just prior to encountering a known or probable H2S zone (within 3 days or 500') and periodic H2S and well control drills for all personnel in each crew. The initial training session should include a review of the site specific Drilling Operations Plan. This plan is to be available at the well site.

TWO: H2S Safety Equipment and Systems

NOTE: All H2S safety equipment and systems will be installed, tested and operational when drilling reaches a depth of 500 feet above, or three days prior to penetration of a known zone containing or reasonably expected to contain H2S.

1. Well Control Equipment:

Flare line with flare igniter;
Choke manifold with one remote hydraulic choke installed;
Blind rams & pipe rams to accommodate all pipe sizes with
properly sized closing unit;

Auxiliary equipment to include an Annular Preventer.

2. Protective equipment for essential personnel:

The designated safety expert will provide 5-minute escape units located in the doghouse, and 30-minute air units at briefing areas.

3. H2S detection and monitoring equipment:

 Three portable H2S monitors will be positioned on location for the best coverage and response. These units have warning lights and audible sirens when triggered by H2S levels > 20 PPM.

 One portable SO2 monitor will be positioned near flare line during H2S flaring operations.

4. Visual warning systems:

 Wind direction indicators will be placed in accordance with the directives issued by the designated H2S expert.

• Caution/Danger signs shall be posted on roads providing direct access to the location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be legible from the immediate location.

5. Mud Program:

The mud program will minimize the volume of H2S circulated to the surface. Proper mud weight safe drilling practices, and, if necessary, the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

6. Metallurgy:

- All drill strings, casing, tubing, wellhead, blowout preventers, drilling spools kill lines, choke manifold and line valves shall be suitable for H2S service.
- All elastomers used for packing and seals shall be H2S trimmed.

7. Communications:

 Radio and telephone communications will be available in company vehicles and rig doghouse.

8. Well Testing:

 Drill stem testing will be performed with a minimum number of personnel necessary to safely and adequately conduct the test. The drill stem testing of any known formation that contains H2S will be conducted during daylight hours.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Well Name & No.

DAVID H. ARRINGTON OIL & GAS, INC.

1 – ARABIAN MIDGE FEDERAL COM 6

Location:

1265' FNL & 1613' FEL - SEC 6 - T19S - R24E - EDDY COUNTY (SHL) 330' FSL & 1613' FEL - SEC 6 - T19S - R24E - EDDY COUNTY (BHL)

NM-103591

Lease:

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5909 or (505) 361-2822 (After hours) - for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

- B. Cementing casing: 13-3/8 inch 9-5/8 inch 5-1/2 inch liner (Note: This is a directional well If hole conditions deteriorate in the curve portion of the hole 7 inch casing will be run through the end of the curve section and a 4-1/2 inch liner will be run in the lateral portion.
- C. BOP tests
- 2. H2S gas has been reported in the area but not quantified. The Operator has an H2S Plan in place should H2S gas be encountered.
- 3 Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- 4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.
- 5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.
- 6. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

II. CASING:

- 1. The 13-3/8 inch surface casing shall be set at 350 feet, below usable water and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
- 2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is circulate cement to the surface. This portion of the hole shall be drilled with fresh water or fresh water mud.
- 3. The minimum required fill of cement behind the 5-1/2 inch production liner is cement shall extend upward to the top of the liner at approximately 5400 feet.

III. PRESSURE CONTROL:

- 1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the <u>9-5/8</u> inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
- 2. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling the surface and intermediate casing shall be <u>2000</u> psi. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling below the <u>9-5/8</u> inch casing shall be <u>3000</u> psi.
- 3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.
- BOPE must be tested prior to drilling into the Wolfcamp Formation by an independent service company.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** Formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- 1. Recording pit level indicator to indicate volume gains and losses.
- 2. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
- 3. Flow-sensor on the flow line to warn of abnormal mud returns from the well.