

F-06-42

3/17/06

OCD-ARTESIA

Form 3160-3  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED  
JUN 12 2006  
OCD-ARTESIA

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM 100527 & 100528
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator David H. Arrington Oil & Gas, Inc. 5898		7. If Unit or CA Agreement, Name and No.
3a. Address c/o Box 953, Midland, TX 79702	3b. Phone No. (include area code) 432 684-6381	8. Lease Name and Well No. 35780 Brown Steele Stone Fed Com #2H
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 400' FSL & 1880' FWL (PP=660' FSL & 1880' FWL) At proposed prod. zone 660' FNL & 1880' FWL		9. API Well No. 30-015- 34951
14. Distance in miles and direction from nearest town or post office*		10. Field and Pool, or Exploratory WILCOAT Wolfcamp
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 400'/PP 660'		11. Sec., T. R. M. or Blk. and Survey or Area Sec 27, T17S, R23E
16. No. of acres in lease 640	17. Spacing Unit dedicated to this well 320	12. County or Parish Eddy
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2710'	19. Proposed Depth TVD:4480';MD:8415'	13. State NM
20. BLM/BIA Bond No. on file Statewide Bond # 2503	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3975'	22. Approximate date work will start* 05/01/2006
23. Estimated duration 14-20 days		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Ann E. Ritchie	Date 03/13/2006
-------------------	--	--------------------

Title

Regulatory Agent

Approved by (Signature) 	Name (Printed/Typed) J/s/ James Stovall	Date JUN 08 2006
Title Acting FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any statement or representation as to any matter within its jurisdiction.

\*(Instructions on page 2)

DECLARED WATER BASIN  
CEMENT BEHIND THE 8 3/8"  
CASING MUST BE CIRCULATED

WITNESS

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

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

**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 Department

**OIL CONSERVATION DIVISION**

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

Form C-102

Revised August 15, 2000

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015	<sup>2</sup> Pool Code 96286	<sup>3</sup> Pool Name Wolfcamp
<sup>4</sup> Property Code	<sup>5</sup> Property Name BROWN STEELE STONE FED COM	<sup>6</sup> Well Number 2H
<sup>7</sup> OGRID No. 5898	<sup>8</sup> Operator Name DAVID H. ARRINGTON OIL & GAS	<sup>9</sup> Elevation 3975'

**<sup>10</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	27	17 SOUTH	23 EAST, N.M.P.M.		400'	SOUTH	1880'	WEST	EDDY

**<sup>11</sup> 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
C	27	17 SOUTH	23 EAST, N.M.P.M.		660'	NORTH	1880'	WEST	EDDY
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

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

**<sup>17</sup> OPERATOR CERTIFICATION**

I hereby certify that the information furnished herein is true and complete to the best of my knowledge and belief.

Signature: *Ann E. Ritchie*

Printed Name: Ann E. Ritchie

Title: Regulatory Agent

Date: 2-21-06

**<sup>18</sup> SURVEYOR CERTIFICATION**

I hereby certify that the information shown on this plat was prepared by me or under my supervision, and that it is true and correct to the best of my belief.

Date of Survey: FEBRUARY 21, 2006

Signature: *V. L. BEZNER*

Printed Name: V. L. BEZNER

Title: Registered Professional Land Surveyor

License Number: R.P.S. #7920

Job Number: JOB #110361 / 101 SW / E.U.O.

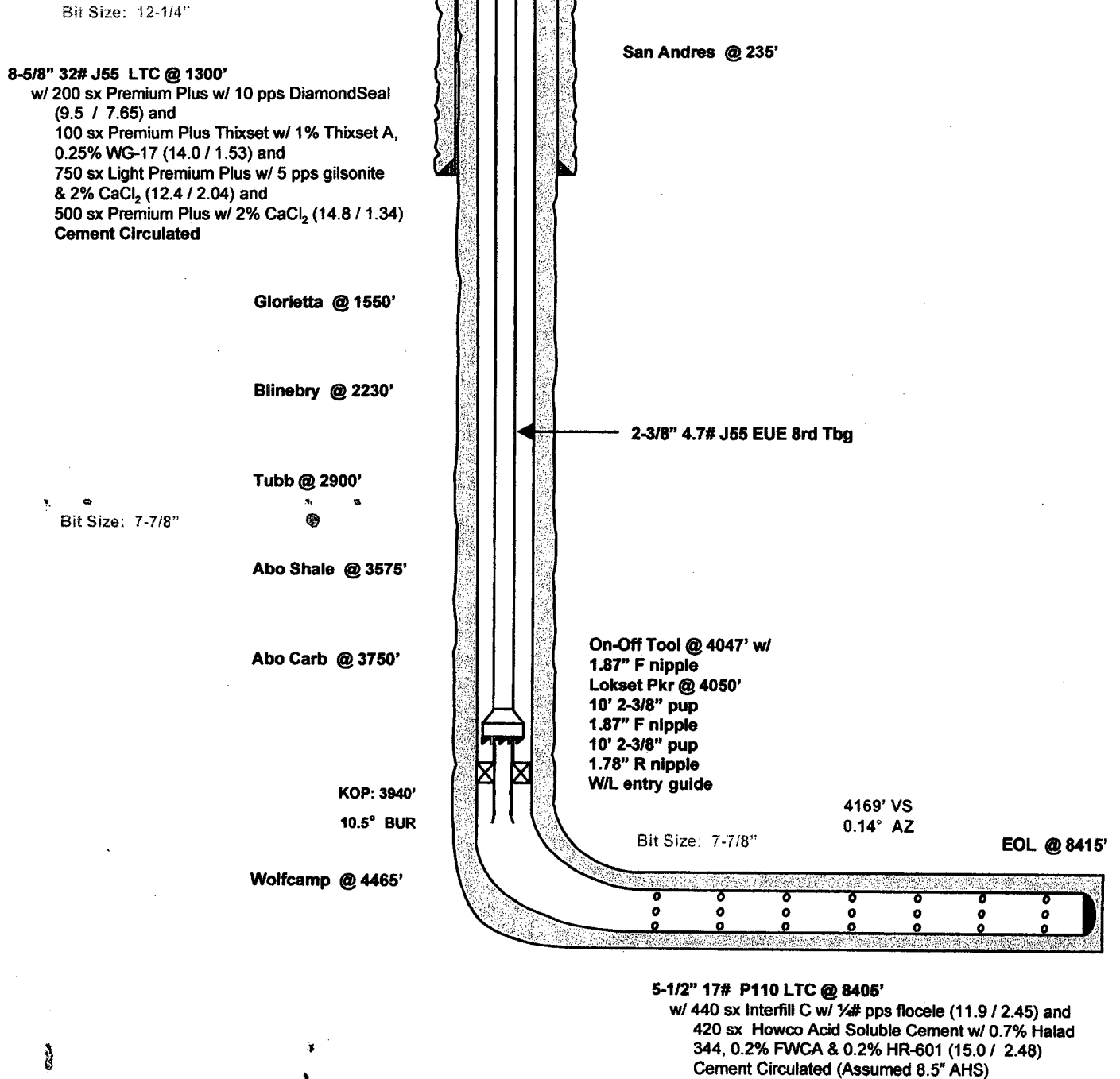
**Brown Steelie Stone Fed Com 2H  
Cottonwood Creek Field  
Eddy County, New Mexico**

<b>Surface</b>	<b>Lateral Terminus</b>
400' FSL	660' FNL
1880' FWL	1880' FWL
S-27	
T17S, R23E	

**Proposed Wellbore**

**API: 30-015-?**

**KB: 3994'  
GL: 3975'**



TD: 8470'

MEE: 02/24/06

David H. Arrington Oil & Gas Inc.  
Brown Steelie Stone Fed Com 2H  
SHL - 400' FSL & 1880' FWL  
Point of Entry - 660' FSL & 1880' FWL  
BHL - 660' FNL & 1880' FWL  
S27, T17S, R23E  
Eddy County, NM

1. Ground elevation above sea level: 3975'
2. Proposed drilling depth: 8415' TMD
3. Estimated tops of geological markers:

San Andres	235'
Glorietta	1550'
Blinberry	2230'
Tubb	2900'
Abo Shale	3575'
Abo Carbonate	3750'
Wolfcamp	4465'

4. Possible mineral bearing formations:

Abo/Wolfcamp      Gas/Oil

5. Casing Program

<u>Hole size</u>	<u>Interval</u>	<u>OD of Casing</u>	<u>Weight</u>	<u>Thread</u>	<u>Grade</u>	<u>TOC</u>
12-1/4"	40' - 1300'	8-5/8"	32#	LTC	J55	Surf
7-7/8"	1300' - 8415'	5-1/2"	17#	LTC	P110	Surf

Drill 7-7/8" vertical hole to ~3940' and begin 10.53 BUR. Land curve @ ~4480' TVD and drill ahead to a total measured depth of ~8415'. Run 5-1/2" production string to TD and cement to surface.

6. Cementing and Setting Depth

<u>String</u>	<u>Depth</u>	<u>Sks</u>	<u>Slurry</u>
8-5/8" Surface	1300'	200	Lead-1: Premium Premium Plus w/ 10 pps DiamondSeal
		100	Lead-2: Premium Plus Thixset w/ 1% Thixset A & 0.25% WG-17
		750	Lead-3: Light Premium Plus w/ 5 pps gilsonite & 2% CaCl <sub>2</sub>
		500	Tail: Premium Plus w/ 2% CaCl <sub>2</sub>
5-1/2" Production	8415'	440	Lead: Interfill C w/ ¼ pps Flocele
		420	Tail: Howco Acid Soluble Cement w/ 0.7% Halad 344, 0.2% FWCA & 0.2% HR-601

Both casing strings will be cemented to surface.

7. Pressure Control Equipment: After setting 8-5/8" 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 3<sup>rd</sup> party testers.

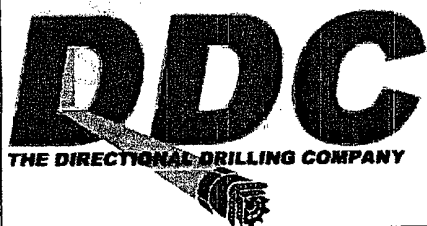
## 8. Proposed Mud Circulating System

<u>Interval</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>FL</u>	<u>Type Mud System</u>
40' - 1300'	8.5 - 8.6	32 - 38	NC	Fresh water gel/lime slurry. Add paper for seepage. If losses occur, utilize 15-25 lb/bbl LCM. If necessary, spot LCM pill for losses. If not regained, dry drill to depth.
1300' - 8415'	8.4 - 9.3	28 - 38	NC-12	Fresh water-cut brine. Drill out w/ fresh water using paper and high viscosity sweeps for seepage and hole cleaning. At ~ 3,300' add brine to mud. Mud up at ~4,400' utilizing starch/PAC system. Add XCD polymer as necessary in lateral portion for hole stability and cleaning.

### Proposed Drilling Plan:

Drill 12-1/4" surface hole to 1300'. Run 8-5/8" and cement to surface.

Drill 7-7/8" production hole to ~3940' and build curve w/ 10.5°/100' BUR to ~90° inclination. Drill 7-7/8" lateral to ~8415'. Run 5-1/2" casing and cement to surface.



Job Number:  
 Company: David H. Arrington Oil & Gas  
 Lease/Well: Brown Steelie Stone Fed Com 2H  
 Location: Eddy County  
 Rig Name:  
 RKB:  
 G.L. or M.S.L.:

State/Country: New Mexico  
 Declination:  
 Grid:  
 File name: C:\PROPOS~1\ARRING~1\2HBRO~1\PLAN.SVY  
 Date/Time: 26-Feb-06 / 12:30  
 Curve Name: Preliminary Plan

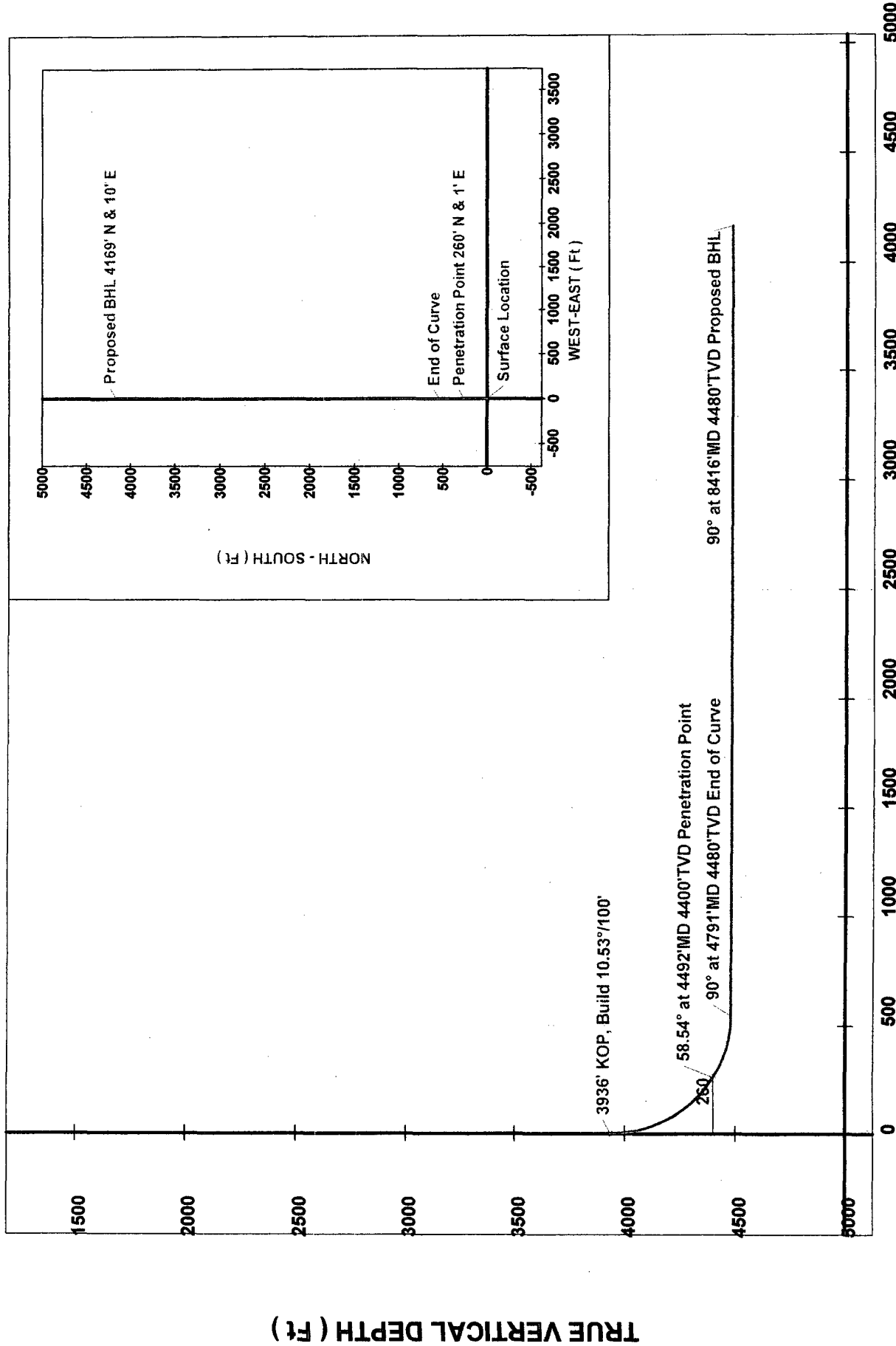
## THE DIRECTIONAL DRILLING COMPANY

### WINSERVE PROPOSAL REPORT Minimum Curvature Method Vertical Section Plane .14 Vertical Section Referenced to Wellhead Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	Dogleg Severity Deg/100
<b>KOP, Build 10.53°/100'</b>							
3935.88	.00	.14	3935.88	.00	.00	.00	.00
3985.88	5.26	.14	3985.81	2.30	2.30	.01	10.53
4035.88	10.53	.14	4035.32	9.16	9.16	.02	10.53
4085.88	15.79	.14	4083.99	20.55	20.54	.05	10.53
4135.88	21.06	.14	4131.41	36.34	36.34	.09	10.53
4185.88	26.32	.14	4177.18	56.43	56.43	.14	10.53
4235.88	31.59	.14	4220.91	80.63	80.63	.20	10.53
4285.88	36.85	.14	4262.24	108.74	108.74	.27	10.53
4335.88	42.12	.14	4300.81	140.52	140.52	.34	10.53
4385.88	47.38	.14	4336.31	175.71	175.71	.43	10.53
4435.88	52.65	.14	4368.42	214.01	214.01	.52	10.53
4485.88	57.91	.14	4396.89	255.10	255.09	.62	10.53
<b>Penetration Point</b>							
4491.78	58.54	.14	4400.00	260.11	260.11	.64	10.53
4535.88	63.18	.14	4421.47	298.62	298.62	.73	10.53
4585.88	68.44	.14	4441.95	344.21	344.21	.84	10.53
4635.88	73.71	.14	4458.16	391.49	391.49	.96	10.53
4685.88	78.97	.14	4469.96	440.06	440.06	1.08	10.53
4735.88	84.24	.14	4477.25	489.51	489.51	1.20	10.53
4785.88	89.50	.14	4479.98	539.42	539.42	1.32	10.53
<b>End of Curve</b>							
4790.58	90.00	.14	4480.00	544.12	544.12	1.33	10.53

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	Dogleg Severity Deg/100
4990.58	90.00	.14	4480.00	744.12	744.12	1.82	.00
5190.58	90.00	.14	4480.00	944.12	944.12	2.31	.00
5390.58	90.00	.14	4480.00	1144.12	1144.12	2.80	.00
5590.58	90.00	.14	4480.00	1344.12	1344.12	3.28	.00
5790.58	90.00	.14	4480.00	1544.12	1544.12	3.77	.00
5990.58	90.00	.14	4480.00	1744.12	1744.11	4.26	.00
6190.58	90.00	.14	4480.00	1944.12	1944.11	4.75	.00
6390.58	90.00	.14	4480.00	2144.12	2144.11	5.24	.00
6590.58	90.00	.14	4480.00	2344.12	2344.11	5.73	.00
6790.58	90.00	.14	4480.00	2544.12	2544.11	6.22	.00
6990.58	90.00	.14	4480.00	2744.12	2744.11	6.71	.00
7190.58	90.00	.14	4480.00	2944.12	2944.11	7.19	.00
7390.58	90.00	.14	4480.00	3144.12	3144.11	7.68	.00
7590.58	90.00	.14	4480.00	3344.12	3344.11	8.17	.00
7790.58	90.00	.14	4480.00	3544.12	3544.11	8.66	.00
7990.58	90.00	.14	4480.00	3744.12	3744.11	9.15	.00
8190.58	90.00	.14	4480.00	3944.12	3944.11	9.64	.00
8390.58	90.00	.14	4480.00	4144.12	4144.11	10.13	.00
<b>Proposed BHL</b>							
8415.66	90.00	.14	4480.00	4169.20	4169.19	10.19	.00

Company: David H. Arrington Oil & Gas  
 Lease/Well: Brown Steele Stone Fed Com 2H  
 Location: Eddy County  
 State/Country: New Mexico



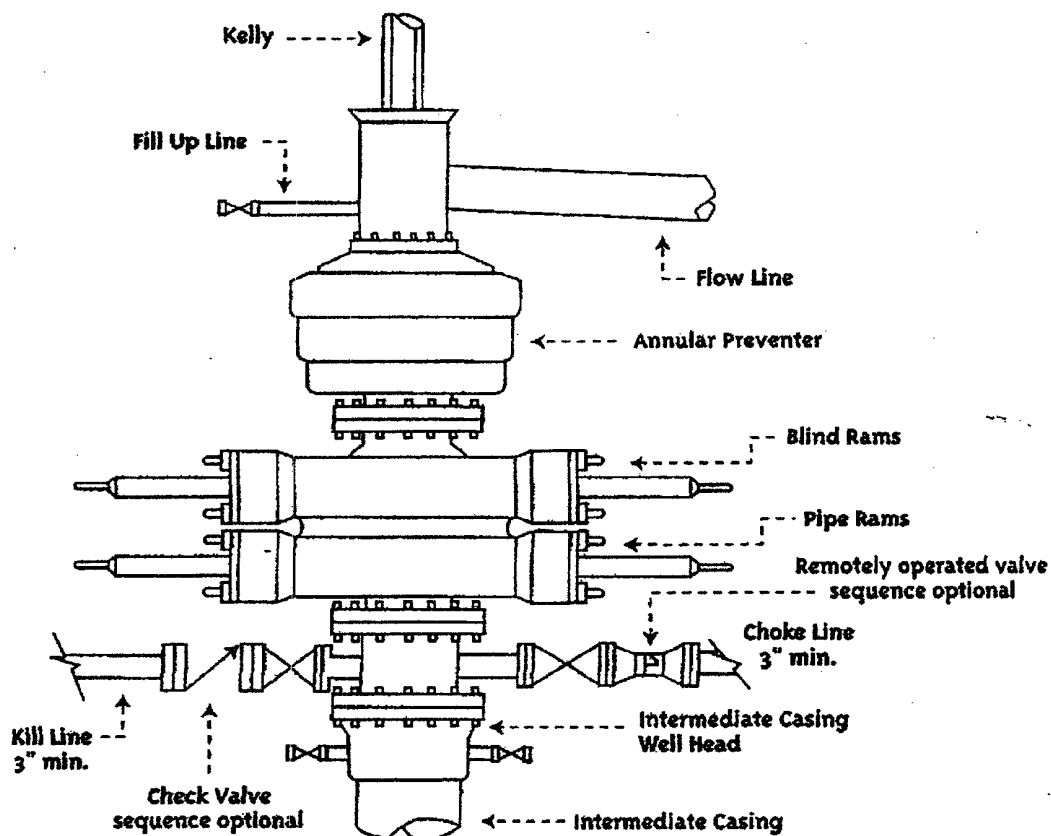
VERTICAL SECTION ( Ft ) @ .14°



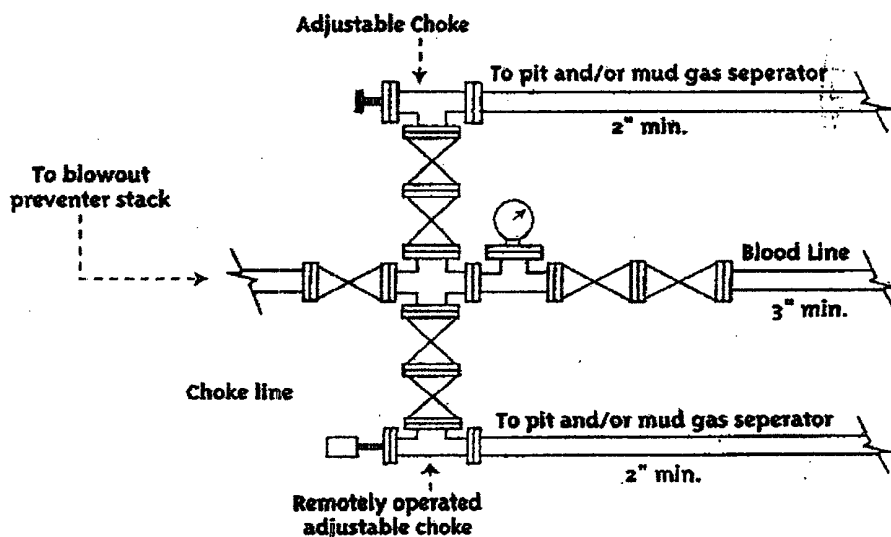


David H. Arrington Oil & Gas, Inc.

**Typical 5,000 psi Pressure System  
Schematic  
Annular Double Ram Preventer Stack**



**Typical 5,000 psi choke manifold assembly with at least these minimum features**



March 13, 2006

Bureau of Land Management  
620 E. Greene Street  
Carlsbad, NM 88220

Oil Conservation Division  
Attn: Bryan Arrant  
1301 Grand Ave.  
Artesia, NM 88210

**RE: David H. Arrington Oil & Gas, Inc., Brown Steelie Stone Fed Com, Well #2H; Cottonwood Creek; Wolfcamp, Sec 27, T17S, R24E,(N) Eddy County, NM**

It is not anticipated that we will encounter any H2S during the drilling or completion of the above referenced well. The closest dwelling is approximately 4200' to the SE of this location.

We are respectfully requesting an exemption from H2S requirements as per NMOCD Rule 118. The anticipated TVD is 4480', the MD is 8415' for this proposed horizontal well.

In the event the NMOCD determines that the H2S contingency plan be a part of the permitting of this well, please see our plan attached.

Thank you,



Ann E. Ritchie, Regulatory Agent  
**David H. Arrington Oil & Gas, Inc.**  
c/o P.O. Box 953  
Midland, TX 79702  
432 684-6381/682-1458-fax  
ann.ritchie@wtor.net

# Hydrogen Sulfide Drilling Operations Plan

For

David H. Arrington Oil & Gas, Inc.  
Brown Steelie Stone Fed Com, Well #2H  
Section 27, T17S, R23E (N)  
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 H<sub>2</sub>S
- The proper use & maintenance of personal protective equipment and Life support systems;
- The proper use of H<sub>2</sub>S 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 H<sub>2</sub>S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
- Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- The contents and requirements of the H<sub>2</sub>S Drilling Operations Plan.

There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500') and periodic H<sub>2</sub>S 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: H<sub>2</sub>S Safety Equipment and Systems

NOTE: All H<sub>2</sub>S 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 H<sub>2</sub>S.

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.

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

David H. Arrington Oil & Gas, Inc.

Brown Steelie Stone Fed Com, Well #2H

Sec. 27, T17S, R23E, 400' FSL & 1880' FEL (SL); (PP=660' FSL & 1880' FEL); 660' FNL & 1880' FEL (BHL), Eddy County, NM

Cottonwood Creek; Wolfcamp

NMNM 100527 & 100528

1. **EXISTING ROADS - A "VICINITY MAP" and a "LOCATION VERIFICATION MAP"** by Topographic Land Surveyors are attached which show the location of existing roads and the area topography.  
The directions to the location are as follows:  
From intersection of Hwy. 82 & Hwy. 285 go west on Hwy. 82 +/- 17.0 miles, thence south on CR 8 2 miles, thence east 0.5 miles, thence north 0.1 miles to a point +/- 700' east of the location.
2. **PLANNED ACCESS ROAD** —A total of 752' of new access road(s) will be built from the existing road(s). Please see 1"=1000' plats enclosed for detail of location access roads to be built off of existing CR and lease road.
3. **LOCATION OF EXISTING WELLS** – As per the Location Verification Map & C-102. We have applied for an application to drill for Well #1H in the east half of Section 27.
4. **LOCATION OF EXISTING OR PROPOSED FACILITIES** – New facilities for the Brown Steelie Stone Fed Com, Well #1H will be constructed in the SE /4 of Section 27.
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 3 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.
7. **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 20 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. All drilling line, oil filters, etc. will be hauled away by the Drilling Contractor.
- 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 and/or existing facilities in SE/4 of Section 27.
9. **WELLSITE LAYOUT** - Attached is a plat showing the anticipated orientation of the drilling rig, and pad. The approximate 400 x 400' drill site area has been surveyed and flagged. Approximately 5' of topsoil will be stockpiled on the east side of the location for rehabilitation purposes. The interior reserve pit diameter is approximately 130 x 135', approximately 6000' bbls. There are no waterways; the closest occupied structure is approximately 4200' to the SE designated on the Location & Elevation Verification Map as the "100 Ranch". Material moved to create the drilling pits will be utilized in the dike around the pits so as to facilitate restoration of the area when operations are completed.
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 site has been archaeologically surveyed by a registered archeological surveyor in February 2006 and submitted to the BLM, Carlsbad, New Mexico.  
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: *and Statwide Bond # 2503.*

Mark Ellerbe, Company Operations & Drilling Engineer (432-559-1216-mobile)

(432 682-6685, ext. 351-off)

David H. Arrington Oil & Gas, Inc.

P.O. Box 2071

Midland, TX 79702

432 682-6685 - office

13. OPERATORS CERTIFICATION

I hereby certify that I, Mark Ellerbe, 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 its 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 Ellerbe, Operations/Drilling Engineer,

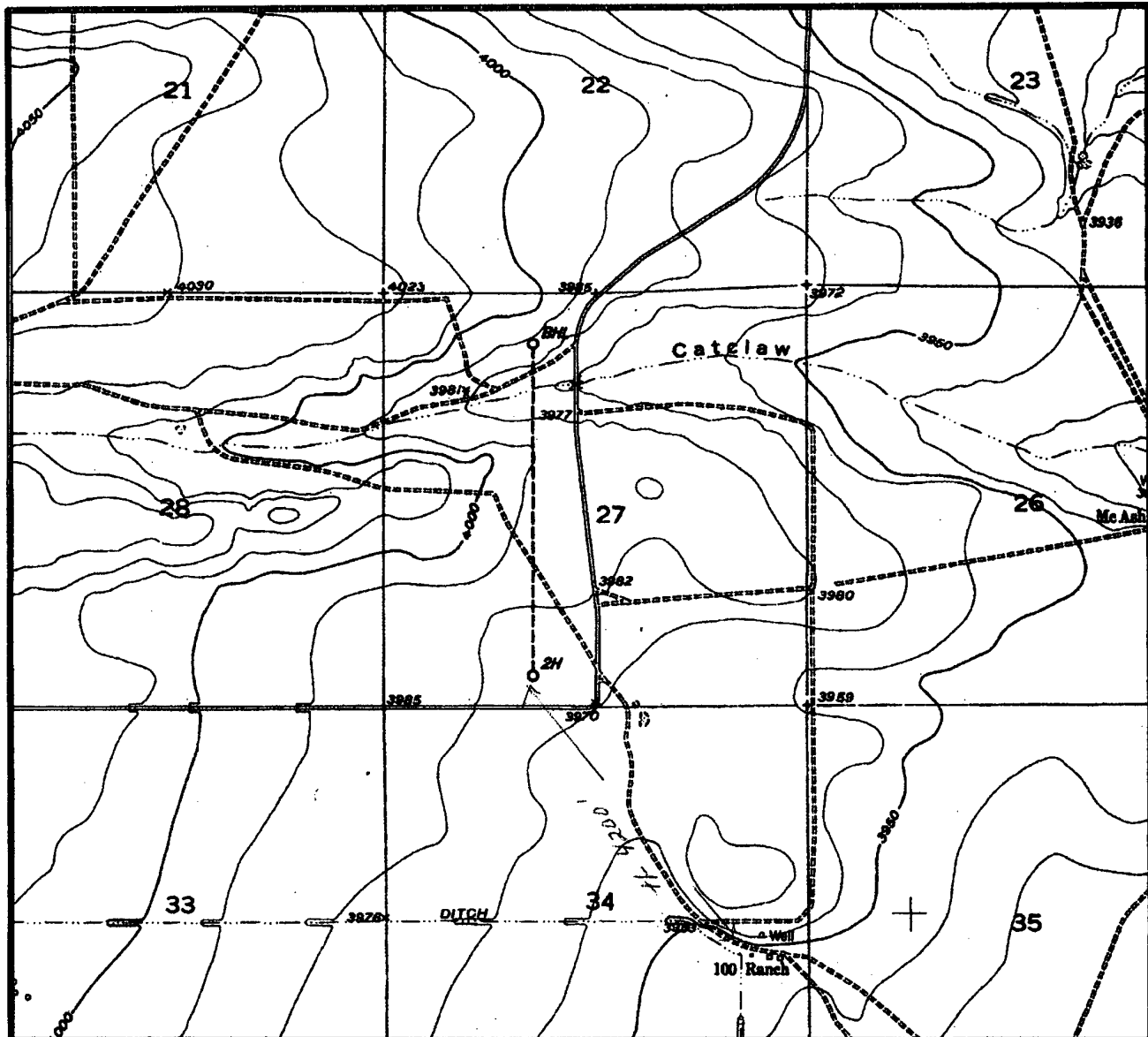
Signature: *Mark Ellerbe*

Date: 3-1-06

.....  
.....

# LOCATION & ELEVATION VERIFICATION MAP

7 1/2 miles SE Hope NM



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 27 TWP 17-S RGE 23-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 400' FSL & 1880' FWL

ELEVATION 3975'

OPERATOR DAVID H. ARRINGTON OIL & GAS

LEASE BROWN STEELIE STONE FED COM #2H

U.S.G.S. TOPOGRAPHIC MAP

HOPE, NEW MEXICO

SCALED LAT. LAT.: N 32.7998115

LONG. LONG.: W 104.6818637



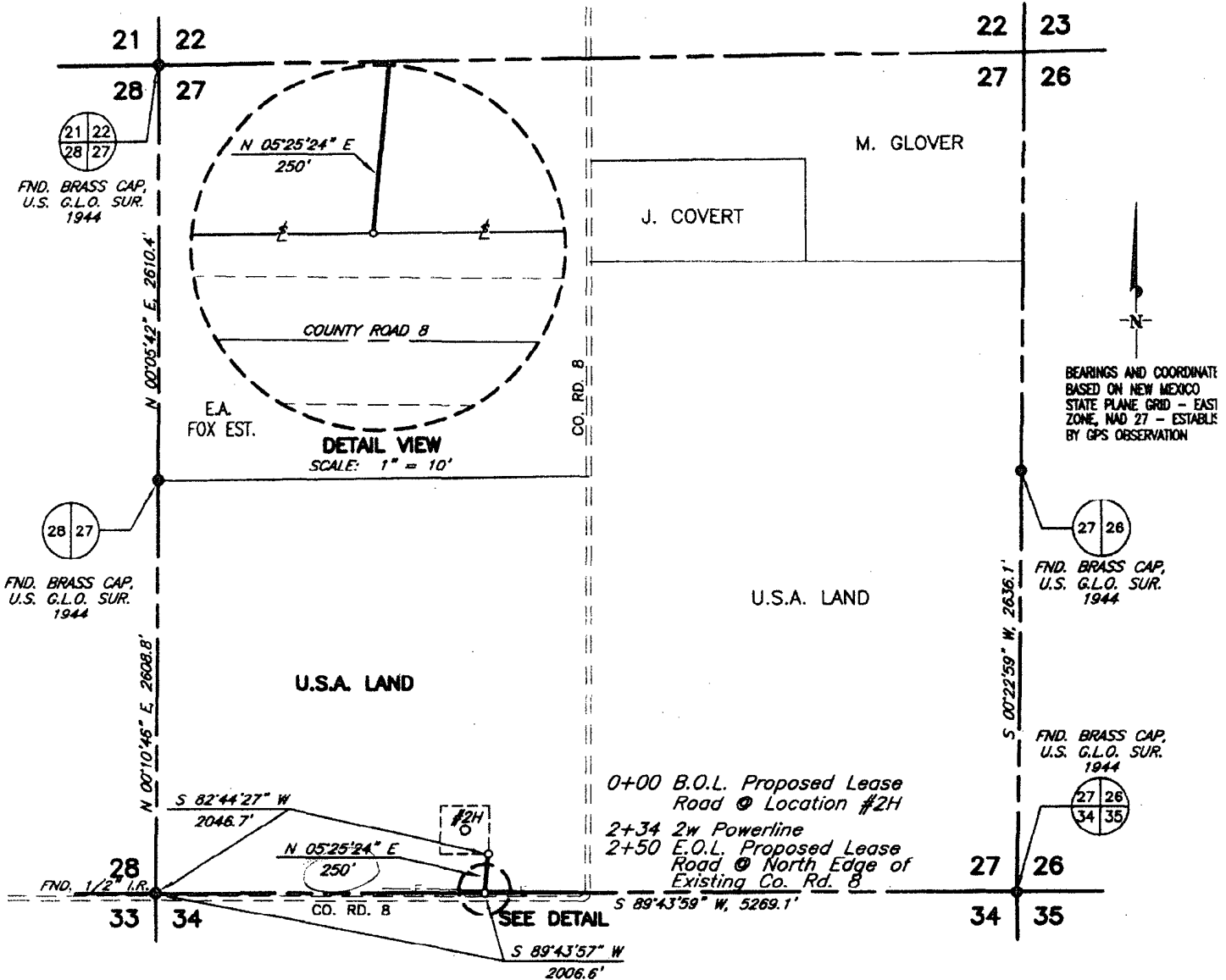
(25 miles E of Hope, NM)

## TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

2903 N. BIG SPRING  
MIDLAND, TX. 79705  
(800) 767-1653

SECTION 27, TOWNSHIP 17 SOUTH, RANGE 23 EAST, N.M.P.M.,  
EDDY COUNTY NEW MEXICO

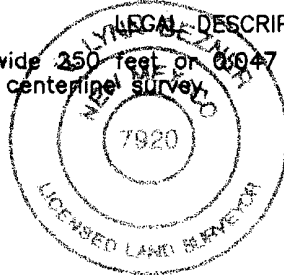


### LEGAL DESCRIPTION

A strip of land 30.0 feet wide 250 feet or 0.047 miles in length and being 15.0 feet Left and 15.0 feet Right of the above centerline survey.

$$250' + 171' + 331' = 752' \text{ roads}$$

Also see east road  
on survey plat 4  
Sec 34 road/plat.



I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO

V. Lynn Bezner

				<b>DAVID H. ARRINGTON OIL &amp; GAS, INC.</b>	SCALE: 1" = 1000'
					DATE: FEBRUARY 14, 2006
NO.	REVISION	DATE	BY		JOB NO.: 110772-B1
SURVEYED BY: R.M.					QUAD NO.: 101 SW
DRAWN BY: E.U.O.					
APPROVED BY: V.L.B.					
				<i>SURVEYING AND MAPPING BY</i> <b>TOPOGRAPHIC LAND SURVEYORS</b> <i>MIDLAND, TEXAS</i>	SHEET : 1 OF 1



Statement Accepting Responsibility for Operations

Operator Name: David H. Arrington Oil & Gas Inc  
Street or Box: P. O. Box 2071  
City, State: Midland, TX  
Zip Code: 79701

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

Lease No.: NMNM 100527 and 100528  
Legal Description of Land: E/2 of W/2 of section 27, TSP 17S, RGE 23E, Eddy County, NM  
Formation(s): Wolfcamp  
Bond Coverage: \$25,000  
BLM Bond File No.: RLB0006254

Authorized Signature:

7/10/06 [Signature]

Title: Senior Drilling and Completions Engineer

Date: 03/07/2006

March 13, 2006

Bureau of Land Management  
620 E. Greene St.  
Carlsbad, NM 88220

RE: ARC Survey: David H. Arrington Oil & Gas, Inc.,  
Brown Steelie Stone Fed Com, Well #2H  
Sec 27, T17S, R23E, Eddy County, NM

Concerning the above referenced well, the ARC Survey was performed in February 2006 and has been submitted directly to the Bureau of Land Management by the survey company under separate mailing.

Thank you,

A handwritten signature in black ink, appearing to read "Ann E. Ritchie", is positioned above the typed name.

Ann E. Ritchie, Regulatory Agent  
David H. Arrington Oil & Gas, Inc.  
c/o P.O. Box 953  
Midland, TX 79702  
432 684-6381