

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-05-63812	² Pool Code 97489	³ Pool Name Wildcat; Wolfcamp Gas
⁴ Property Code 35466	⁵ Property Name NEW MEXICO NAIL	⁶ Well Number 1H
⁷ OGRID No. 5898	⁸ Operator Name DAVID H. ARRINGTON OIL & GAS, INC.	⁹ Elevation 3404'

¹⁰ Surface Location

UL or lot no. P	Section 13	Township 15 SOUTH	Range 25 EAST, N.M.P.M.	Lot Idn	Feet from the 660'	North/South line SOUTH	Feet from the 760'	East/West line EAST	County CHAVES
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¹¹ Bottom Hole Location If Different From Surface

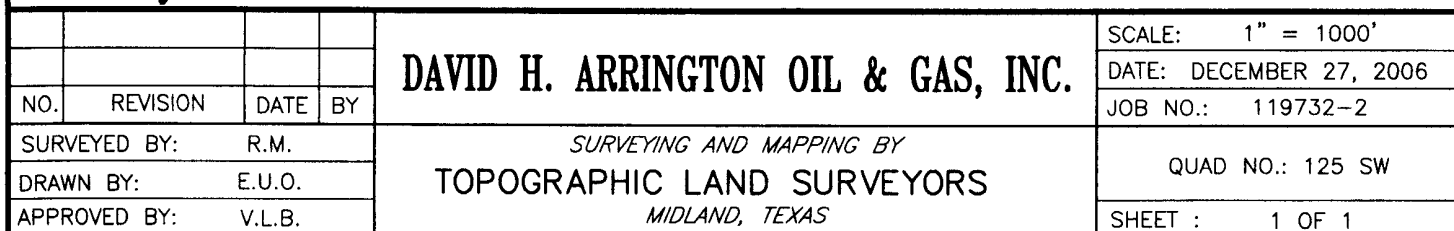
UL or lot no. M	Section 13	Township 15 SOUTH	Range 25 EAST, N.M.P.M.	Lot Idn	Feet from the 760'	North/South line SOUTH	Feet from the 660'	East/West line WEST	County CHAVES
¹² Dedicated Acres 320	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.						

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

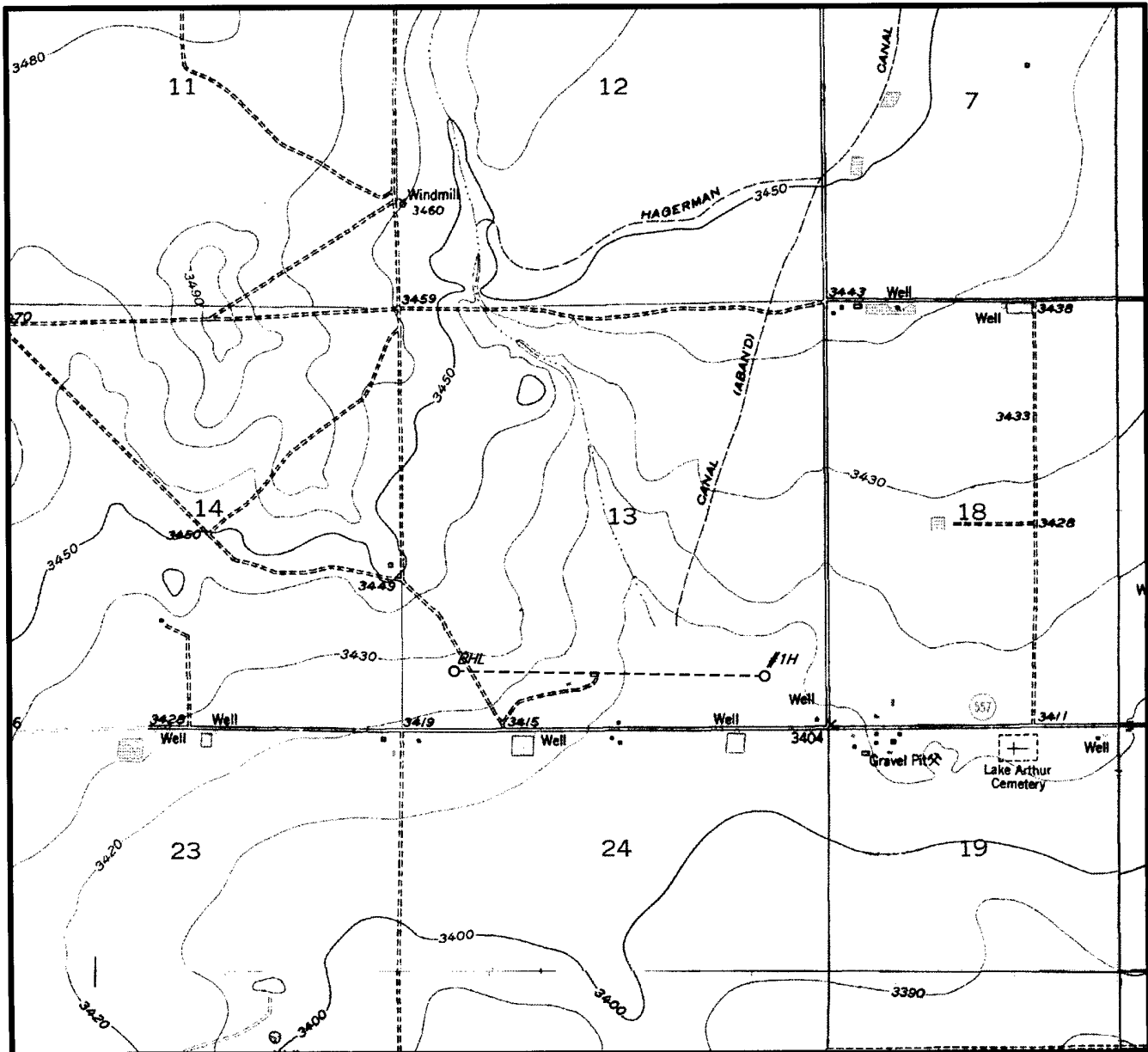
16 BOTTOMHOLE LOCATION X = 478970 Y = 731274 LAT.: N 33.0103204 LONG.: W 104.4019356 NAD 27 NME ZONE X = 482825 Y = 731179 LAT.: N 33.0100652 LONG.: W 104.3893611 660' 760' 660' AZ = 271.25°, 3855.8' PRODUCING AREA PROJECT AREA	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>Debbie Freeman</i> Date: 1/23/07 Printed Name: Debbie Freeman 18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from first hand survey made by me or under my supervision, and that the same is true and correct to the best of my belief. 7920 DECEMBER 27, 2006 Date of Survey: <i>12/27/06</i> Signature and Seal of Professional Surveyor: <i>V. L. Bezner</i> Certificate Number: V. L. BEZNER R.P.S. #7920 JOB # 119732 / 125 SW / E.U.O.
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CHAVES COUNTY

NEW MEXICO



LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 13 TWP 15-S RGE 25-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY CHAVES STATE NM

DESCRIPTION 660' FSL & 760' FEL

ELEVATION 3404'

OPERATOR DAVID H. ARRINGTON OIL & GAS

LEASE NEW MEXICO NAIL #1H

U.S.G.S. TOPOGRAPHIC MAP

ESPUELA, NEW MEXICO

SCALED LAT. LAT.: N 33.0100652

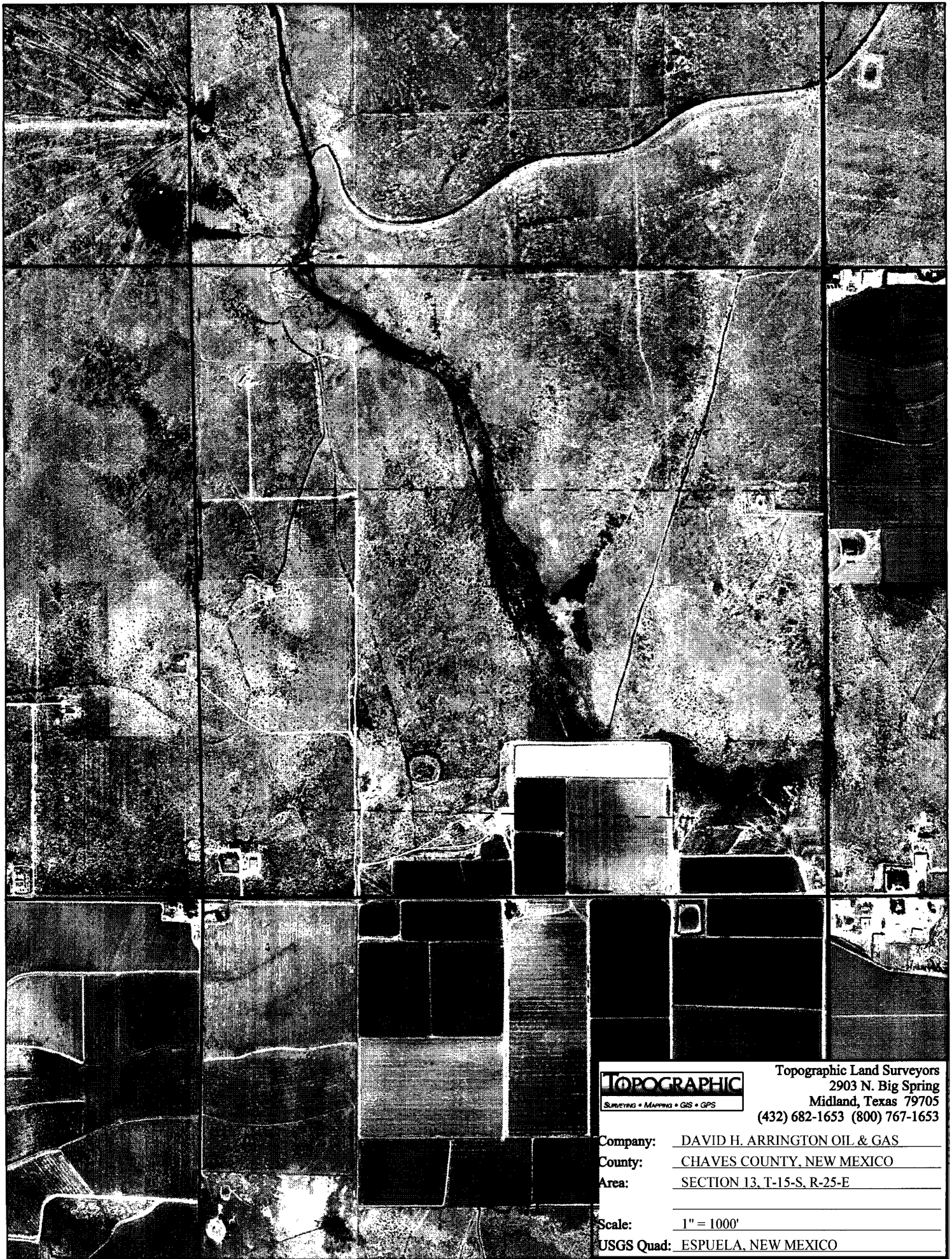
LONG. LONG.: W 104.3893611



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Midland, Texas 79705
(432) 682-1653 (800) 767-1653

Company: DAVID H. ARRINGTON OIL & GAS
County: CHAVES COUNTY, NEW MEXICO
Area: SECTION 13, T-15-S, R-25-E

Scale: 1" = 1000'

USGS Quad: ESPUELA, NEW MEXICO

**New Mexico Nail 1H
Cottonwood Creek Field
Chaves County, New Mexico**

Surface	<u>Lateral Terminus</u>
660' FSL	760' FSL
760' FEL	660' FWL
S-13	
T15S, R25E	

Proposed Wellbore

API: 30-005-63812

**KB: 3423'
GL: 3404'**

8-5/8" 32# J55 LTC @ 1100'
w/ 410 sx Light C (65:35:6) w/ 5 pps gilsonite, 3% salt
& 2% CaCl₂ (12.4 / 2.06) and
200 sx C w/ 2% CaCl₂ (14.8 / 1.34)
Assumed 100% WO gauge hole + 100 sx Lead

Tubb @ 3250'

Abo Shale @ 3950'

Abo Reef @ 4240'

KOP: 4498'

15° BUR

Smith OH Whipstock @ ~ 4490' - 4505'
Window: 4490' - 4498'

Wolfcamp @ 4850'
Land @ 4880' TVD

Wolfcamp Shale @ 5050'

271.41° Az
3855.8' VS

EOC @ 5100'

EOL @ 8570'

Bit Size: 7-7/8"

5-1/2" 17# 180 LTC @ 8570'
w/ 580 sx Interfill C w/ 1/8# pps Poly-E-Flake (11.9 / 2.45) and
350 sx Howco Acid Soluble Cement w/ 10# silicalite 50/50 blend,
0.5% Halad 344, 0.2% HR-601 & 0.25 pps D-Air 3000 (14.8 / 2.68)
Cement Circulated (Assumed 8.75" AHS + 100 sx lead)

Vertical TD: 5300'

MEE: 01/23/07

David H. Arrington Oil & Gas Inc.
 New Mexico Nail 1H
 SHL - 660' FSL & 760' FEL
 BHL - 760' FSL & 660' FWL
 S13, T15S, R25E
 Chaves County, NM

Drilling Plan

1. Ground elevation above sea level: 3404'
2. Proposed drilling depth: 5300' TVD
3. Estimated tops of geological markers:

Tubb	3250'
Abo Shale	3950'
Abo Reef	4240'
Wolfcamp	4850'
Wolfcamp Shale	5050'

4. Possible mineral bearing formations:

Abo/Wolfcamp Gas/Oil

5. Casing Program

Hole size	Interval	OD of Casing	Weight	Thread	Grade	TOC
12-1/4"	40' - 1100'	8-5/8"	32#	LTC	J55	Surf
7-7/8"	1100' - 8570'	5-1/2"	17#	LTC	I80	Surf

Drill 7-7/8" vertical pilot hole to ~5300'. Plug back to ~4498' w/ open hole whipstock and build 15° BUR curve section landing at ~4580' TVD. Drill ahead to a total measured depth of ~8570'. Run 5-1/2" production string to TD and cement to surface.

6. Cementing and Setting Depth

String	Depth	Sks	Slurry	
8-5/8" Surface	1100'	410	Lead:	Light C (65:35:6) w/ 5 pps gilsonite, 3% salt & 2% CaCl ₂ (12.4 / 2.06)
		200	Tail:	C w/ 2% CaCl ₂ (14.8 / 1.34)
5-1/2" Production	8570'	580	Lead:	Interfill C w/ 1/8# pps Poly-E-Flake (11.9 / 2.45)
		350	Tail:	Howco Acid Soluble Cement w/ 10# silicalite 50/50 blend, 0.5% Halad 344, 0.2% HR-601 & 0.25 pps D-Air 3000 (14.8 / 2.68)

If necessary, will run a temperature survey and 1" to surface with C w/ 2% CaCl₂.

Both casing strings will be cemented to surface.

7. Pressure Control Equipment: After setting 8-5/8" casing and installing 3000 psi casing head, NU 13-5/8" 5000 psi double ram BOP and 3000 psi annular BOP, and test with clear fluid to 3000 psi using 3rd party testers.

8. Proposed Mud Circulating System

Interval	Mud Wt.	Visc.	FL	Type Mud System
40' - 1100'	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.
1100' - 8570'	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 ~ 3,750' add brine and mud up utilizing starch/PAC system. Add XCD polymer for viscosity and white starch for fluid loss control. Sweep as necessary for hole cleaning.

Proposed Drilling Plan:

Drill 12-1/4" surface hole to 1100'. Run 8-5/8" and cement to surface.

Drill 7-7/8" vertical pilot hole to ~5300'. Plug back to ~ 4498' w/ open hole whipstock and build 15° BUR curve section landing at ~ 4580' TVD. Drill ahead to a total measured depth of ~ 8570'. Run 5-1/2" production string to TD and cement to surface.

OPERATOR:		David H. Arrington Oil & Gas									TARGET N-S		Directional																
WELL:		New Mexico Nail 1H									Chaves County		TARGET E-W																
LOCATION: SURF		660' FSL & 760' FEL, S13, T15S, R25E											TARGET RADIUS																
LOCATION: BHL		760' FSL & 660' FWL, S13, T15S, R25E											TARGET DISPLACEMENT																
COMMENTS:											TARGET CLOSURE																		
Preliminary Directional Plan											MAG DEC. (-/+)				TARGET TVD		Horizontal		4880.00										
											GRID CORR. (-/+)				DIP AZ				0.00										
											TOTAL CORR. (-/+)				DIP DEG UP+DN-				0.00										
DATE:				TIME:								▼		TARGET INCLINATION		90.00													
MINIMUM CURVATURE CALCULATIONS(SPE-3362)									PROPOSED DIRECTION		271.41			TARGET TRACKING															
SVY				TRUE						TO CENTER		CLOSURE		CLOSURE		BUILD		WALK											
NUM		MD		INC		AZM		TVD		SECT		N-S		E-W		DLS/		ABOVE(+)		RIGHT(+)		DIR		DISTANCE		RATE/		RATE/	
																100		BELOW(-)		LEFT(-)		(DEG AZ)		(FEET)		%/100'		%/100'	
1		0.00		0.00		271.41		0.0		0.0		0.0		0.0		0.0													
KOP		4498.00		0.00		271.41		4498.0		0.0		0.0		0.0		0.0		382.0		0.0		63.43		0.00		0.00		0.00	
3		4598.00		15.00		271.41		4596.9		13.0		0.3		-13.0		15.0		283.1		0.0		271.41		13.02		15.00		0.00	
4		4698.00		30.00		271.41		4689.0		51.2		1.3		-51.2		15.0		191.0		0.0		271.41		51.17		15.00		0.00	
5		4798.00		45.00		271.41		4768.1		111.9		2.8		-111.8		15.0		111.9		0.0		271.41		111.88		15.00		0.00	
6		4898.00		60.00		271.41		4828.8		191.0		4.7		-190.9		15.0		51.2		0.0		271.41		190.99		15.00		0.00	
7		4998.00		75.00		271.41		4867.0		283.1		7.0		-283.0		15.0		13.0		0.0		271.41		283.11		15.00		0.00	
8		5098.00		90.00		271.41		4880.0		382.0		9.4		-381.9		15.0		0.0		0.0		271.41		381.97		15.00		0.00	
9		5598.00		90.00		271.41		4880.0		882.0		21.7		-881.7		0.0		0.0		0.0		271.41		881.97		0.00		0.00	
10		6098.00		90.00		271.41		4880.0		1382.0		34.0		-1381.6		0.0		0.0		0.0		271.41		1381.97		0.00		0.00	
11		6598.00		90.00		271.41		4880.0		1882.0		46.3		-1881.4		0.0		0.0		0.0		271.41		1881.97		0.00		0.00	
12		7098.00		90.00		271.41		4880.0		2382.0		58.6		-2381.3		0.0		0.0		0.0		271.41		2381.97		0.00		0.00	
13		7598.00		90.00		271.41		4880.0		2882.0		70.9		-2881.1		0.0		0.0		0.0		271.41		2881.97		0.00		0.00	
14		8098.00		90.00		271.41		4880.0		3382.0		83.2		-3380.9		0.0		0.0		0.0		271.41		3381.97		0.00		0.00	
BHL		8571.80		90.00		271.41		4880.0		3855.8		94.9		-3854.6		0.0		0.0		0.0		271.41		3855.77		0.00		0.00	