## ARRINGTON DIL & GAS OPERATING LLC

RECEIVED OCD

P.O. BOX 2071, MIDLAND, TEXAS 79702 OFF (432) 682-6685 FAX (432) 682-4139

2017 FEB 13 P 12: 41.4

February 9, 2012

Marshall & Winston, Inc. PO Box 50880 Midland, Texas 79710

RE:

**WO/ Recompletion** 

Green Eyed Squeally Worm API 30-025-36013 Lea County, New Mexico

Dear Interest Owner:

Pursuant to Order No. R-13372-D David H. Arrington Oil & Gas, Inc, (DHA) as operator of record for the subject well proposes to restore production in the Morrow Formation in the subject well. We invite you to participate in the operation. Enclosed is an Authority for Expenditure (AFE) for this project. Please indicate your election below and return one executed copy of this Letter and an executed AFE to the undersigned.

Please feel free to call me (432) 682-6685 ext 366 or email me at Kahlina.valadez@arringtonoil.com with your questions. Thank you for your cooperation.

Best Regards,

Kahlina A. Valadez
Senior Landman

\_\_\_\_\_ I/we elect to participate in the Proposed Operations pursuant to the attached AFE

\_\_\_\_\_ I/we elect not to participate in the Proposed Operations pursuant to the attached AFE.

By:\_\_\_\_\_

Name:\_\_\_\_\_

Date:\_\_\_\_\_

Cc: Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

## DAVID H. ARRINGTON OIL GAS, INC. AUTHORITY FOR EXPENDITURE (AFE) WO / RECOMPLETION

AFE#:	NM49	. Dato:	1/29/2012	Į	X Original Supplement
Loaso:	Green Eyed Squealy Worm	Well #:	1	Well Type:	Gas
API#	30-025-36013	County:	Loa	State:	New Mexico
Location:	1,974' FSL & 1,129' FEL Section 26 T-11S R-34E			Proposed TD:	13,005

Objective / Project Description: This AFE supports the work involved to repair the casing (squeeze Cisco perforations) and re-establishing production in the Morrow formation utilizing artificial let equipment.

INTANGIBLE EXPENSE

David H. Arrington - President

BO=E	10 days		400 (Day	1 1		7					4,000
ridge Plugs / Retainers	1	(0)	1000 each	$\neg$		1				_	1,000
ased Hole Logging						1		-		_	1
asing Crew				-		-				_	<del></del>
asing Recovery (Wireline)	<del></del>					-		-		_	<del></del>
ement Plugs						-		$\vdash$		-	<del></del>
	1		20000 each	$\rightarrow$		1-		-		-	
ement Squeeze		<u>m</u>	20000 each			1-		-		_	20,000
hemicals						١_		_			1
oll Tbg & Nitrogen				_ _		-		_		_	
ompletion Fluids											5.000
onsultant	days	@	/Day			[ ]					
ontract Labor / Roustabouts						7					2,000
sposal						1					5,000
uipment Repairs						-				_	500
shing						-		-		-	
ac Valve Rental						<del> </del>		-		-	<del></del>
ac Valve Rental						4_		_		_	
ac Tanks										_	2.000
rac Tanks racturing						Т.					
ydown Machine										_	
cation Reclamation						-		*****			
cation Repair						1		-		_	1,000
						-		-		_	1,000
scellaneous Servico						4—				_	
d						_					
cker Rental											5.000
rforating						1		_			1
mits, Bonds & Fees				-		1-		_		-	
pe Racks / Catwalk	<del></del>			-(						-	1,000
to & Lining						-	i	$\vdash$			
s & Lining				_		-	-	_		_	2,000
ort-A-Pots						_		_			500
illing Unit	10 dnys	(II)	GCOO /Day			L					60,000
mp Truck	5 days	(B)	1500 /Day					$\neg$			7,500
ntal Tools				-[		1-		_			1
verse Unit	4 days	an	2000 /Day	-		1		-		-	8,000
	10 days	æ	200 /Day					-		-	
fety Eqpt	10 days		200 10119			1		-		-	2,000
ckline						-		_		_	ļ
pervison - Other						1_		_			
veyor						$I^{-}$					
nsportation				_][				_			2,000
sh Trailer											500
pular Inspection						-		_		-	
								_			
stchman / Security	days	(0)	/Day			_		_		_	
ster - Completion											500
ter Transfer						1					
ding						1		_			
II Tester / Flowback	1 days	(0)	1500 /Day	$\neg$		-	<del></del>				1,500
reline	1 0073		1000 1011			-		_		_	1,500
						+-		_		_	
orkstring Rental & Repairs						1		_		_	
						1					1
	, , , , , , , , , , , , , , , , , , , ,										
				_		1-		_			
ntingencies						-		-	5%	-	6,625
						-		-		_	
TAL INTANGIBLE EXPENSE						1	1	١ ١	0.		139,125
THE THE MINISTER CALLETTOE								-		-	
THE THINGS OF THE PARTY OF THE						A-morph		_			
	VSE		**Y			·			1014		
TANGIBLE EXPER	NSE	TI								_	Total
TANGIBLE EXPEN	NSE										Total
TANGIBLE EXPEN	NSE										
TANGIBLE EXPENTING Production and states the states of the	NSE										Total 45,000
TANGIBLE EXPER	NSE										Total 45,000
TANGIBLE EXPEN using - Production ds bing me Mover C-640-305-144 wm Hole Pumprjas Lift volves	NSE										Total 45,000
TANGIBLE EXPEN sing - Production ds bing me Mover C-640-305-144 wm Hole Pump/gas Mt valves	NSE										Total 45,000
TANGIBLE EXPEN sing - Production ds bing me Mover C-640-305-144 wm Holle Pump/gas lift valves nk Batiery 8 Storage Facilities	NSE										Total 45,000
TANGIBLE EXPEN using - Production ods bing ime Mover C-640-305-144 own Hole Pumprgas MI valves nok Battery & Storage Facilities eithead Equipment	NSE										Total 45,000
TANGIBLE EXPER sing - Production ds bing me Mover C-640-305-144 war Hole Pump/gas lift valves nk Battery & Storage Facilities silnead Equipment bing Head	NSE										45,000 60,000 4,000
TANGIBLE EXPEN sing - Production ds bing me Mover C-640-305-144 mm Hole Pumpras lift valves nk Baitery & Storage Facilities ethead Equipment bing Head et / Tee	NSE										45,000 60,000 4,000
TANGIBLE EXPEN sing - Production ds bing me Mover C-640-305-144 wm Hole Purmpras hit valves nk Baitery & Storage Facilities siftlead Equipment bing Head te / Tee cke/TAC	NSÉ										45,000 45,000 4,000 4,000 500 1,500
TANGIBLE EXPER sing - Production ds sing - Production ds sing me Mover C-640-305-144 with Hole Pumpingas lift valves it Battery & Storage Facilities dinead Equipment sing Head de / Tee ker/TAC c Downhole	NSE										Total 45,000 60,000 4,000 500 1,500
TANGIBLE EXPERING PRODUCTION TO THE PRODUCTION OF THE PRODUCTION OF THE PRODUCT OF T	NSE										Total 45,000 60,000 4,000 500 1,500
TANGIBLE EXPENING - Production s ing the Mover C-640-305-144 m Hole Pumprigas lit valves k Battery & Storage Facilities head Equipment ing Head to Tee ker/TAC Downhole stric Service	NSE										500 50,000 4,000 500 1,500 2,000 25,000
TANGIBLE EXPERING - Production Is ining Ing Mover C-840-305-144 with Hole Pumpigas tift valves it Bailery & Storage Facilities there dequipment in the Hole Facilities in Head of Tee ker/TAC - Downhole tirls Service arater/Line Heater/Dehydrator	NSE										500 50,000 4,000 500 1,500 2,000 25,000
TANGIBLE EXPENING - Production Is ining - Mover C-840-305-144 with Hole Pump/gas Int valves it Ballery & Storage Facilities intend Equipment ing Head of Tee ker/TAC pownhole ciric Service analoxii, in e Heater/Dehydrator or Run	NSE										500 50,000 4,000 500 1,500 2,000 25,000
TANGIBLE EXPERING - Production  Is in page 1. The page	NSE										500 50,000 4,000 500 1,500 2,000 25,000
TANGIBLE EXPERING - Production sing ne Mover C-640-305-144 m Hole Pumbrigas lift valves k Baitery & Storage Facilities nead Equipment ng Head / Tee kerfTAC Downhole tric Service arater/Line Heater/Dehydrator or Run st & Flowlines	NSE										500 1,000 25,000 1,000 1,000 2,000 1,000
TANGIBLE EXPERING - Production s ing - Production s ing - Production s te Mover C-840-305-144 with Hole Pumprigas lift varives k Bailery & Storage Facilities head Equipment ing Head p. / Tee ler/TAC Downhole rinc Service arrater/Line Heater/Dehydrator er Run sis & Flowlines	NSE								5%		500 1,000 25,000 1,000 1,000 2,000 1,000
TANGIBLE EXPENING Production  Is  Ining  ne Mover C-840-305-144  with Hole Pumpings Int valves is  Battery & Storage Facilities  Illead Equipment  Ining Head  e / Tee  ker/TAC  e Downhole  Etric Service  araterizine Heater/Dehydrator  er Run  ers & Flowlines  etallaneous Valves & Fittings  ktorgencies	NSE										500 4,000 4,000 500 1,500 2,000 1,000 6,950
TANGIBLE EXPENSE sing - Production ss st Battery & Storage Facilities sing - Head sing - Head so / Tee cker/TAC c Downhole cric Service cric Run strandard-run strandard-r	NSE				Walker of the control				0		5000 4,000 4,000 1,500 2,000 1,000 1,000 1,500 1
TANGIBLE EXPER asing - Production (1905) (1905) (1905) (1907) (19									0		500 1,500 2,500 1,500 2,500 1,000 1,000
TANGIBLE EXPER asing - Production ods withing - Production ods withing time Mover C-640-305-144 town Hole Pumpras Infl valves ank Bailery & Storage Facilities veitinead Equipment ubing Head ree / Tee acker/TAC iss Downhole teatric Service eagrater/Line Heater/Dehydrator teter Run leters & Flowlines liscellaneous Valves & Fittings ontingencies OTAL TANGIBLE EXPENSE OTAL WELL GOST							Partne	r Ar	0		500 45,000 4,000 4,000 1,500 2,000 1,000 1,000 1,000
TANGIBLE EXPER asing - Production odds Juliang - Production odds Juliang - Production of the Production of the Production of the Production of the Pumpings lift valves and Battery & Storage Facilities (eithead Equipment Juliang Head of Tee acker/TAC ass Downhole earlie Service paratter/Line Heater/Dehydrator citer Run cers & Flowlines assellaneous Valves & Fittings and production of the				Dany			Parine	r Ar	0		5000 4,000 4,000 1,500 2,000 1,000 1,000 1,500 1
TANGIBLE EXPER asing - Production and subting - Production and subting time Mover C-640-305-144 again to the pumpigas lift valves and Battery & Storage Facilities elimend Equipment bising Head additional Head and bearing Action and the production of the production			Com	ipany:			Partne	r Ar	0		5000 4,000 4,000 1,500 2,000 1,000 1,000 1,500 1
TANGIBLE EXPER  asing - Production  ads  bing - Production  do  bing  ime Mover C-840-305-144  bown Hole Pumpigas lift valves  ank Battery & Storage Facilities  eithead Equipment  bing Head  bing Head  bing Head  ce / Tee  bicker/TAC  iss Downhole  earis Service  gerater/i.me Heater/Dehydrator  citer Run  cers & Flowlines  social anneous Valves & Fittings  bintingencies  TAL TANGIBLE EXPENSE			Сот					r Ar	0		500 4.000 4.000 1.500 2.000 1.

2/1/2012