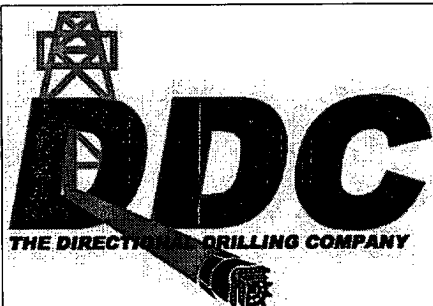




Job Number:
 Company: David H. Arrington Oil & Gas
 Lease/Well: Orange Comet #1H
 Location: Eddy County
 Rig Name:
 RKB:
 G.L. or M.S.L.: 3916'

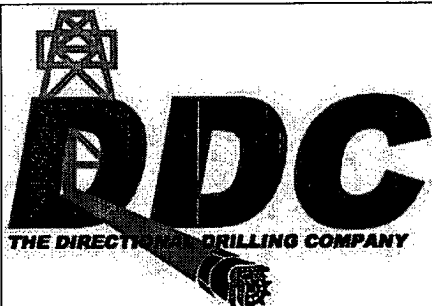
State/Country: New Mexico
 Declination:
 Grid:
 File name: C:\PROPOS~1\ARRING~1\ORANGE~1\PLAN.SVY
 Date/Time: 31-Jan-06 / 17:35
 Curve Name: Pilot Hole Plan B

30-015-34607

THE DIRECTIONAL DRILLING COMPANY

WINSERVE PROPOSAL REPORT
 Minimum Curvature Method
 Vertical Section Plane 359.47
 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
KOP, Build 5°/100'							
3545.91	.00	359.47	3545.91	.00	.00	.00	.00
3645.91	5.00	359.47	3645.79	4.36	4.36	-.04	5.00
3745.91	10.00	359.47	3744.90	17.41	17.41	-.16	5.00
3845.91	15.00	359.47	3842.50	39.05	39.04	-.36	5.00
End of Build							
3945.91	20.00	359.47	3937.84	69.11	69.10	-.64	5.00
4145.91	20.00	359.47	4125.78	137.51	137.51	-1.27	.00
4345.91	20.00	359.47	4313.72	205.92	205.91	-1.90	.00
4437.73	20.00	359.47	4400.00	237.32	237.31	-2.20	.00
4637.73	20.00	359.47	4587.94	305.72	305.71	-2.83	.00
4837.73	20.00	359.47	4775.88	374.13	374.11	-3.46	.00
5037.73	20.00	359.47	4963.82	442.53	442.51	-4.09	.00
Pilot Hole TD							
5076.24	20.00	359.47	5000.00	455.70	455.68	-4.22	.00



Job Number:
 Company: David H. Arrington Oil & Gas
 Lease/Well: Orange Comet #1H
 Location: Eddy County
 Rig Name:
 RKB:
 G.L. or M.S.L.: 3916'

State/Country: New Mexico
 Declination:
 Grid:
 File name: C:\PROPOS~1\ARRING~1\ORANGE~1\PLAN.SVY
 Date/Time: 31-Jan-06 / 17:38
 Curve Name: Lateral Plan B

THE DIRECTIONAL DRILLING COMPANY

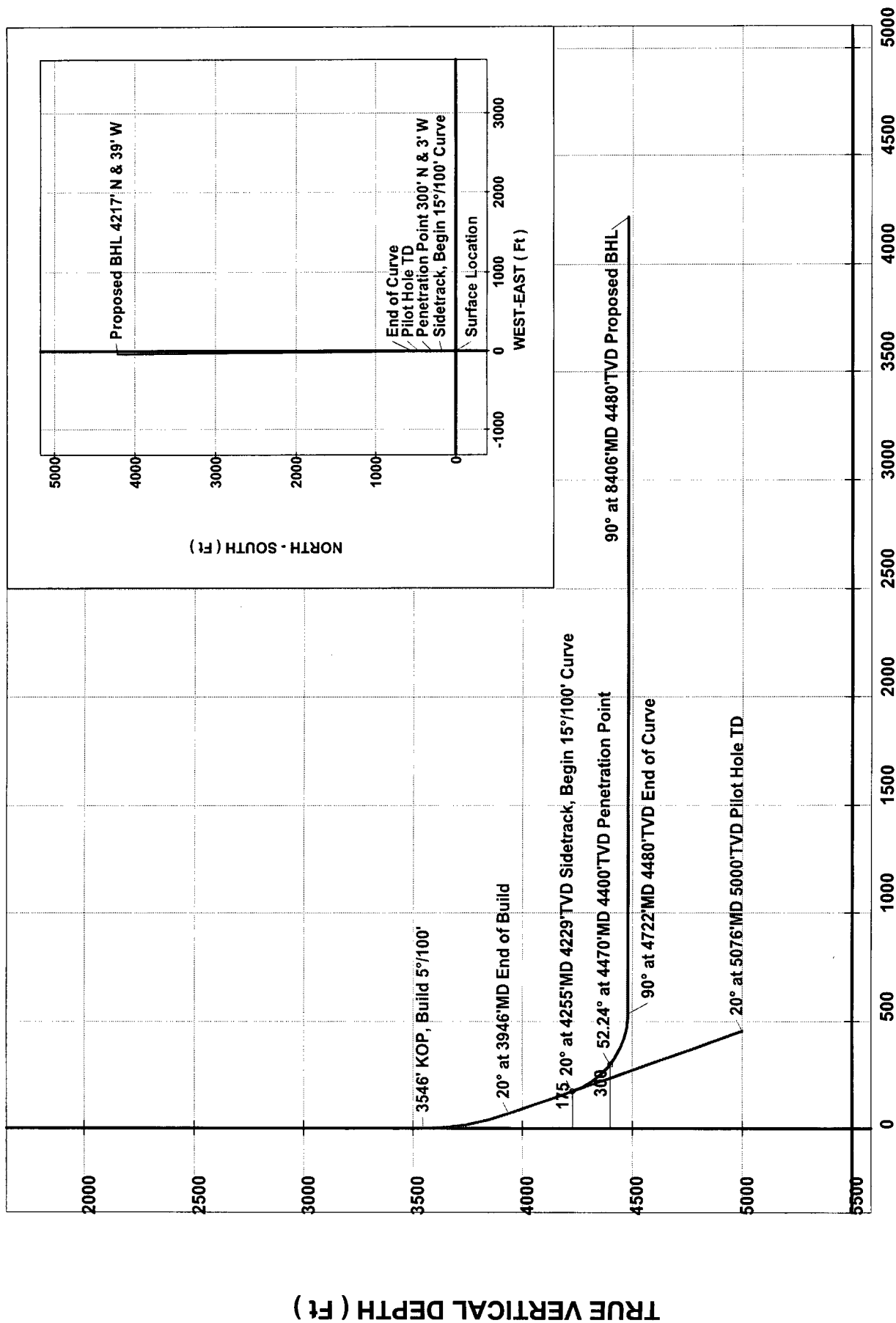
WINSERVE PROPOSAL REPORT
 Minimum Curvature Method
 Vertical Section Plane 359.47
 Vertical Section Referenced to Wellhead
 Rectangular Coordinates Referenced to Wellhead

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
Sidetrack, Begin 15°/100' Curve							
4255.38	20.00	359.47	4228.64	174.95	174.94	-1.62	.00
4305.38	27.50	359.47	4274.37	195.07	195.06	-1.81	15.00
4355.38	35.00	359.47	4317.09	220.99	220.98	-2.05	15.00
4405.38	42.50	359.47	4356.06	252.26	252.25	-2.34	15.00
4455.38	50.00	359.47	4390.61	288.35	288.34	-2.67	15.00
Penetration Point							
4470.34	52.24	359.47	4400.00	300.00	299.99	-2.78	15.00
4505.38	57.50	359.47	4420.16	328.64	328.63	-3.04	15.00
4555.38	64.99	359.47	4444.19	372.45	372.43	-3.45	15.00
4605.38	72.49	359.47	4462.31	419.01	418.99	-3.88	15.00
4655.38	79.99	359.47	4474.19	467.54	467.52	-4.33	15.00
4705.38	87.49	359.47	4479.63	517.21	517.19	-4.79	15.00
End of Curve							
4722.10	90.00	359.47	4480.00	533.93	533.90	-4.94	15.00
4922.10	90.00	359.47	4480.00	733.93	733.90	-6.79	.00
5122.10	90.00	359.47	4480.00	933.93	933.89	-8.64	.00
5322.10	90.00	359.47	4480.00	1133.93	1133.88	-10.49	.00
5522.10	90.00	359.47	4480.00	1333.93	1333.87	-12.34	.00
5722.10	90.00	359.47	4480.00	1533.93	1533.86	-14.19	.00
5922.10	90.00	359.47	4480.00	1733.93	1733.85	-16.04	.00
6122.10	90.00	359.47	4480.00	1933.93	1933.84	-17.89	.00
6322.10	90.00	359.47	4480.00	2133.93	2133.84	-19.74	.00

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
6522.10	90.00	359.47	4480.00	2333.93	2333.83	-21.59	.00
6722.10	90.00	359.47	4480.00	2533.93	2533.82	-23.44	.00
6922.10	90.00	359.47	4480.00	2733.93	2733.81	-25.29	.00
7122.10	90.00	359.47	4480.00	2933.93	2933.80	-27.14	.00
7322.10	90.00	359.47	4480.00	3133.93	3133.79	-28.99	.00
7522.10	90.00	359.47	4480.00	3333.93	3333.78	-30.84	.00
7722.10	90.00	359.47	4480.00	3533.93	3533.78	-32.69	.00
7922.10	90.00	359.47	4480.00	3733.93	3733.77	-34.54	.00
8122.10	90.00	359.47	4480.00	3933.93	3933.76	-36.39	.00
8322.10	90.00	359.47	4480.00	4133.93	4133.75	-38.24	.00
Proposed BHL							
8405.72	90.00	359.47	4480.00	4217.54	4217.36	-39.01	.00



Company: David H. Arrington Oil & Gas
Lease/Well: Orange Comet #1H
Location: Eddy County
State/Country: New Mexico



VERTICAL SECTION (Ft) @ 359.47°

David H. Arrington Oil & Gas Inc.
Orange Comet 1H
SHL - 400' FSL & 1880' FEL
Penetration Point – 660' FSL & 1880' FEL
BHL - 660' FNL & 1880' FEL
S35, T17S, R23E
Eddy County, NM

1. Ground elevation above sea level: 3916'
2. Proposed drilling depth: 5100' TVD
3. Estimated tops of geological markers:

San Andres	235'
Glorietta	1550'
Blinberry	2230'
Tubb	2900'
Abo Shale	3575'
Abo Carbonate	3750'
Wolfcamp Pay	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' – 900'	8-5/8"	32#	LTC	J55	Surf
*7-7/8"	900' – 5100'					
*7-7/8"	4255' – 8410'	5-1/2"	17#	LTC	P110	Surf

*Drill 7-7/8" vertical hole to 5100', plug back to ~ 4255' with an open-hole whipstock and drill lateral to ~ 8410' (~4480' TVD). Run and cement 5-1/2" production string from surface to TD.

6. Cementing and Setting Depth

<u>String</u>	<u>Depths</u>	<u>Sks</u>	<u>Slurry</u>	
8-5/8" Surface	900'	200	Lead-1:	Premium Premium Plus w/ 10 pps DiamondSeal
		100	Lead-2:	Premium Plus Thixset w/ 1% Thixset A & 0.25% WG-17
		650	Lead-3:	Light Premium Plus w/ 5 pps gilsonite & 2% CaCl ₂
		500	Tail:	Premium Plus w/ 2% CaCl ₂
5-1/2" Production	8410'	610	Lead:	Interfill C w/ ¼ pps Flocele
		430	Tail:	Howco Acid Soluble Cement w/ 0.7% Halad 344, 0.2% FWCA & 0.2% HR-601

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 3rd party testers.

8. Proposed Mud Circulating System

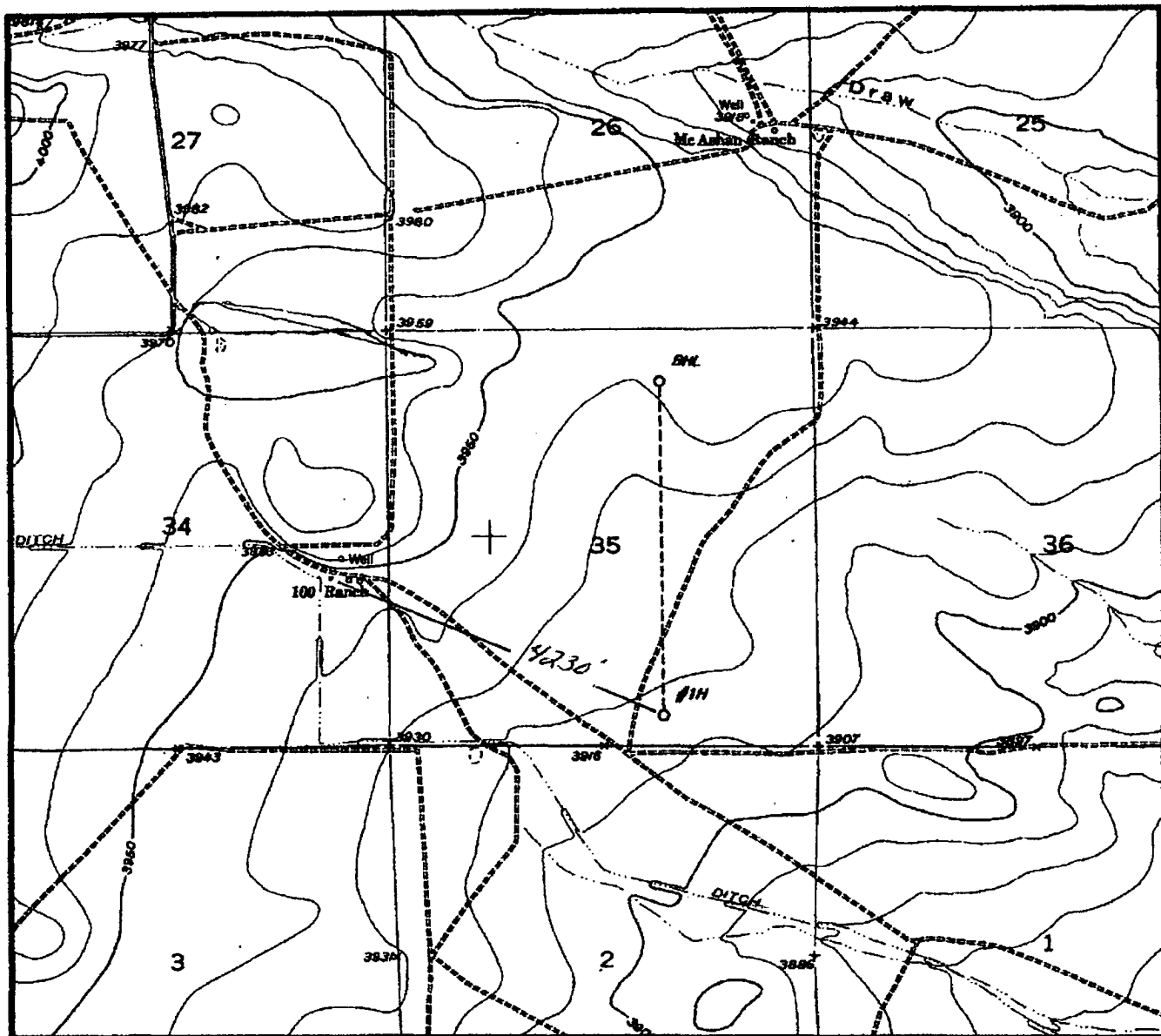
Interval	Mud Wt.	Visc.	FL	Type Mud System
40' – 900'	8.5 - 8.6	32 – 34	NC	Fresh water gel/lime slurry. Add paper for seepage. If losses occur, utilize 15-25 lb/bbl LCM. If necessary, spot LCM pill for losses. If not regained, dry drill to depth.
900' – 5100'	8.4 - 9.3	28 -34	NC-15	Fresh water-cut brine. 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 ~4,300' utilizing starch/PAC system.
4255' – 8410'	8.8 - 9.3	32 – 50	15	Utilize existing cut brine system adding XCD polymer for viscosity and white starch for fluid loss control. Sweep as necessary for hole cleaning.

Proposed Drilling Plan:

Drill 7-7/8" pilot hole to ~5100' and log well. Plug back with open-hole whipstock to ~4255'. Drill curve w/ 15°/100' BUR to ~90° inclination. Drill 7-7/8" lateral to ~8410'. Run and cement 5-1/2" production string from surface to TD.

Pilot hole to be deviated @ ~3545' so that the point of entry into the Wolfcamp will be at least 660' FSL.

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 35 TWP 17-S RGE 23-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 400' FSL & 1880' FEL

ELEVATION 3916'

OPERATOR DAVID H. ARRINGTON OIL & GAS

LEASE ORANGE COMET #1H

U.S.G.S. TOPOGRAPHIC MAP

HOPE, NEW MEXICO

SCALED LAT. LAT.: N 32.7854008

LONG. LONG.: W 104.6595806



TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

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

Arrant, Bryan, EMNRD

To: Mark Ellerbe

Subject: RE: Orange Comet 1H - Possible Change in Procedure

Thanks Mark for this information.

I'll slap it in the well file and you can get on with your business.

Thanks, Bryan

From: Mark Ellerbe [mailto:marke@arringtonoil.com]

Sent: Thursday, March 09, 2006 10:01 AM

To: Arrant, Bryan, EMNRD

Cc: 'Ann Ritchie'

Subject: RE: Orange Comet 1H - Possible Change in Procedure

Importance: High

Bryan,

Per our conversation this morning, I am sending you copies of our directional plan, general well plan (with cement and mud detail) and a plat showing the distance to the nearest dwelling.

I have edited the general well plan to show our use of the open hole whipstock instead of plugging back the pilot hole with cement as originally submitted. Please note that the well path will be deviated in the vertical portion to ensure that the point of entry into the Wolfcamp will be at least 660' FSL.

Also note that the distance to the nearest dwelling is 4230'. This distance exceeds rule 118's requirements for dwellings within ¼ mile. That, and the lack of H2S detected from these depths in this area, justifies our exemption from the requirement of H2S monitoring equipment and contingency plan.

We are planning to spud the well sometimes tonight or tomorrow morning. Please advise if any more information is required.

Thanks,

Mark Ellerbe

Mark E. Ellerbe
Drilling Engineer

(432) 682-6685 X-351
(432) 559-1216 (Mobile)
(432) 687-6275 (Home)
marke@arringtonoil.com
ellerbeast@grandecom.net

Arrington Oil & Gas
214 West Texas Avenue
Suite 400
Midland, TX 79701

From: Arrant, Bryan, EMNRD [mailto:bryan.arrant@state.nm.us]

Sent: Thursday, March 09, 2006 8:59 AM

To: Mark Ellerbe

Cc: Sanchez, Daniel J., EMNRD; Macquesten, Gail, EMNRD; Gum, Tim, EMNRD

Subject: RE: Orange Comet 1H - Possible Change in Procedure

3/9/2006