

OCD-ARTESIA

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

APR 19 2006

## APPLICATION FOR PERMIT TO DRILL OR REENTER ARTESIA

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		35610	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone			
2. Name of Operator David H. Arrington Oil & Gas, Inc.		5898	
3a. Address c/o Box 953, Midland, TX 79702		3b. Phone No. (include area code) 432 6846381 96034 W	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 400' FSL & 760' FWL; PP is 760' FSL & 760' FEL At proposed prod. zone 660' FNL & 760' FWL		Subject to Like Approval By State	
14. Distance in miles and direction from nearest town or post office* 7 miles East of Hope, NM		10. Field and Pool, or Exploratory LDCAT Wolfcamp	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 400'/760' PP		16. No. of acres in lease 640	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2640'		17. Spacing Unit dedicated to this well 320	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3948'		19. Proposed Depth TVD: 4480'; MD: 8470'	
22. Approximate date work will start* 05/01/2006		20. BLM/BIA Bond No. on file Statewide Bond # 2503	
23. Estimated duration 14-20 days		12. County or Parish Eddy	
13. State NM			
24. Attachments Roswell Controlled Water Basin			

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 03/08/2006
Title Regulatory Agent		

Approved by (Signature) /s/ James Stovall	Name (Printed/Typed) /s/ James Stovall	Date APR 17 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.

APPROVAL FOR 1 YEAR

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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

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

WITNESS

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

15 MAR 15 PM 2:31

CARLSBAD FIELD OFFICE  
BUREAU OF LAND MGMT

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 96086	<sup>3</sup> Pool Name WILDCAT Wolfcamp
<sup>4</sup> Property Code	<sup>5</sup> Property Name ORANGE STEELHEAD SCUD 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 3948'

<sup>10</sup> Surface Location

U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	17 SOUTH	23 EAST, N.M.P.M.		400'	SOUTH	760'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	25	17 SOUTH	23 EAST, N.M.P.M.		660'	NORTH	760'	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

<p>BHL X = 402333 Y = 659088 LAT.: N 32.8115179 LONG.: W 104.6512239</p> <p>POINT OF ENTRY X = 402337 Y = 655128 LAT.: N 32.8006342 LONG.: W 104.6511740</p> <p>NAD 27 NME ZONE X = 402337 Y = 654869 LAT.: N 32.7999197 LONG.: W 104.6511713</p> <p>660' 760' 400' 2640' 1880' 660' # 1H</p> <p>AZ = 359.95; 4219.6' IN ALL</p>	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>Ann E. Ritchie</i></p> <p>Printed Name Ann E. Ritchie</p> <p>Title Regulatory Agent</p> <p>Date 2-21-06</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>FEBRUARY 1, 2006</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p>
	<p>Certificate Number V. L. BEZNER R.P.S. #7920</p>
	<p>JOB # 110359 / 101 SW / E.U.O.</p>

BOTTOMHOLE INFORMATION PROVIDED  
BY DAVID H. ARRINGTON OIL & GAS

David H. Arrington Oil & Gas Inc.  
 Orange Steelhead Scud Fed Com 2H  
 SHL - 400' FSL & 760' FWL  
 Point of Entry - 660' FSL & 760' FWL  
 BHL - 660' FNL & 760' FWL  
 S25, T17S, R23E  
 Eddy County, NM

- Drilling Plan -

1. Ground elevation above sea level: 3948'
2. Proposed drilling depth: 8470' TMD
3. Estimated tops of geological markers:

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

4. Possible mineral bearing formations:

Abo/Wolfcamp	Gas/Oil
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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' - 8470'	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 ~ 8470'. 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	8470'	440	Lead: Interfill C w/ 1/4 pps Flocele
		425	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' - 8470'	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 ~8470'. Run 5-1/2" casing and cement to surface.

**Orange Steelhead Scud Fed Com 2H  
Cottonwood Creek Field  
Eddy County, New Mexico**

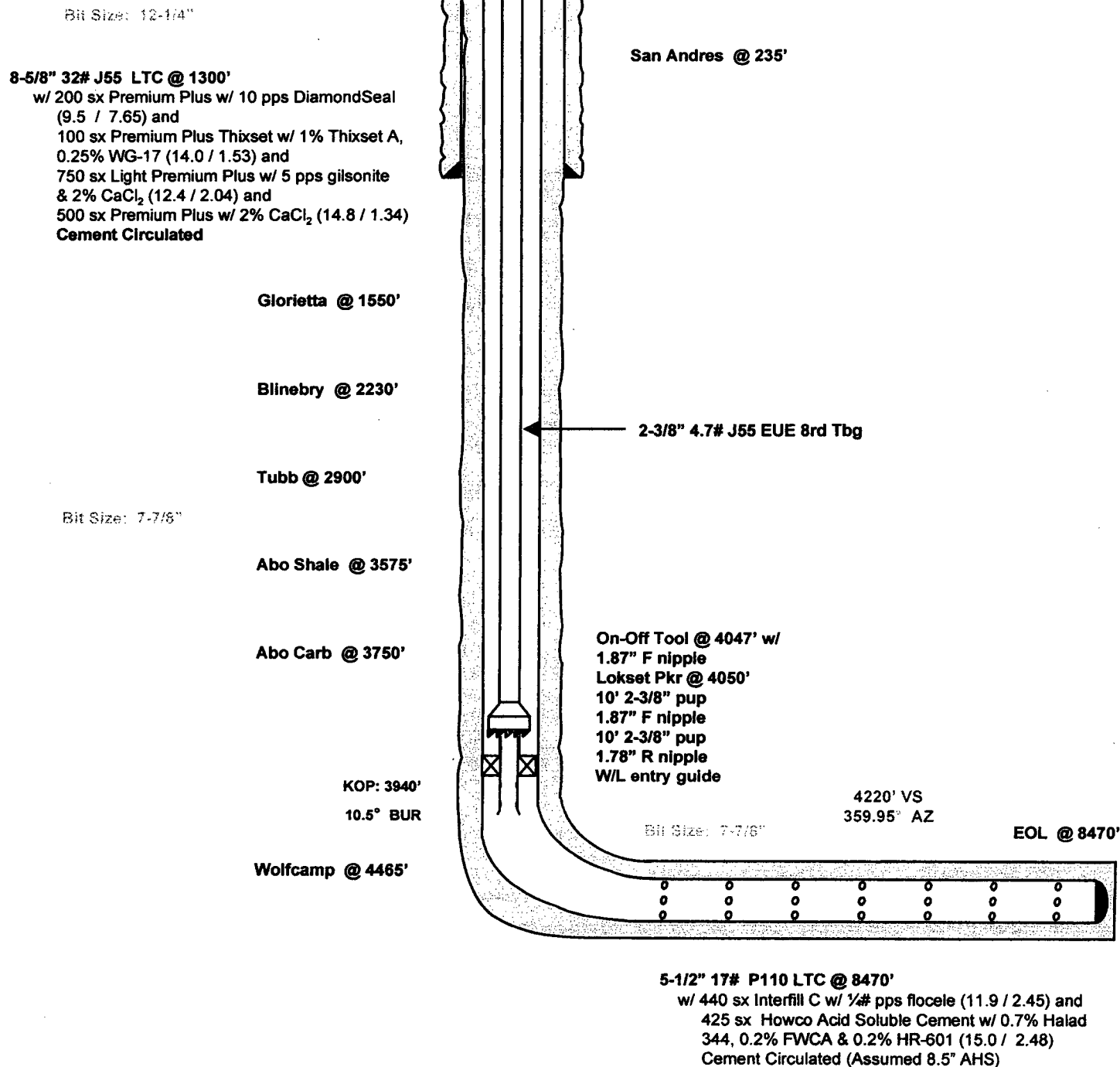
**Surface**  
**400' FSL**  
**760' FWL**  
**S-25**  
**T17S, R23E**

**Lateral Terminus**  
**660' FNL**  
**760' FWL**

**Proposed Wellbore**

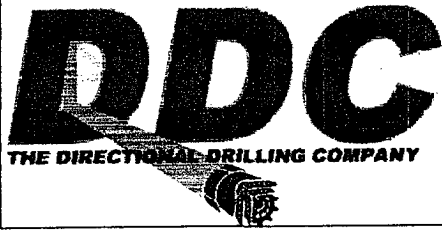
**API: 30-015-?**

**KB: 3967'**  
**GL: 3948'**



**TD: 8470'**

**MEE: 02/24/06**



Job Number: State/Country: New Mexico  
 Company: David H. Arrington Oil & Gas Declination:  
 Lease/Well: Orange Steelhead Scud Fed Com 2HGrid:  
 Location: Eddy County File name: C:\PROPOS~1\ARRING~1\#2HORA~1\PLAN.SVY  
 Rig Name: Date/Time: 26-Feb-06 / 11:08  
 RKB: Curve Name: Preliminary Plan  
 G.L. or M.S.L.:

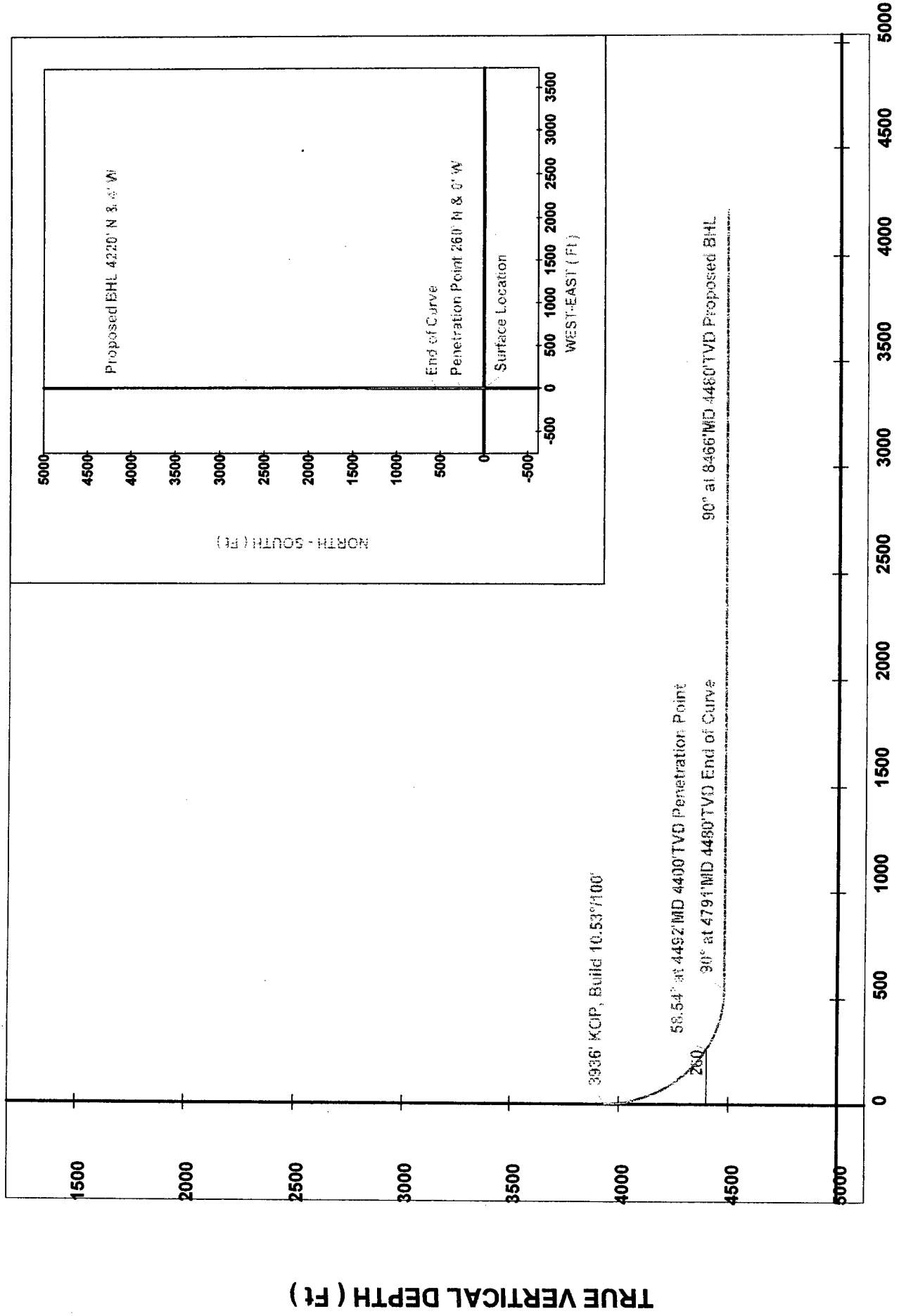
# THE DIRECTIONAL DRILLING COMPANY

## WINSERVE PROPOSAL REPORT Minimum Curvature Method Vertical Section Plane 359.95 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	359.95	3935.88	.00	.00	.00	.00
3985.88	5.26	359.95	3985.81	2.30	2.30	.00	10.53
4035.88	10.53	359.95	4035.32	9.16	9.16	-.01	10.53
4085.88	15.79	359.95	4083.99	20.54	20.54	-.02	10.53
4135.88	21.06	359.95	4131.41	36.34	36.34	-.03	10.53
4185.88	26.32	359.95	4177.18	56.43	56.43	-.05	10.53
4235.88	31.59	359.95	4220.91	80.63	80.63	-.07	10.53
4285.88	36.85	359.95	4262.24	108.74	108.74	-.09	10.53
4335.88	42.12	359.95	4300.81	140.52	140.52	-.12	10.53
4385.88	47.38	359.95	4336.31	175.71	175.71	-.15	10.53
4435.88	52.65	359.95	4368.42	214.01	214.01	-.19	10.53
4485.88	57.91	359.95	4396.89	255.10	255.10	-.22	10.53
<b>Penetration Point</b>							
4491.78	58.54	359.95	4400.00	260.11	260.11	-.23	10.53
4535.88	63.18	359.95	4421.47	298.62	298.62	-.26	10.53
4585.88	68.44	359.95	4441.95	344.21	344.21	-.30	10.53
4635.88	73.71	359.95	4458.16	391.49	391.49	-.34	10.53
4685.88	78.97	359.95	4469.96	440.06	440.06	-.38	10.53
4735.88	84.24	359.95	4477.25	489.51	489.51	-.43	10.53
4785.88	89.50	359.95	4479.98	539.42	539.42	-.47	10.53
<b>End of Curve</b>							
4790.58	90.00	359.95	4480.00	544.12	544.12	-.47	10.53

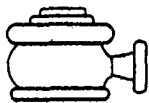
Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	Dogleg Severity Deg/100
4990.58	90.00	359.95	4480.00	744.12	744.12	-.65	.00
5190.58	90.00	359.95	4480.00	944.12	944.12	-.82	.00
5390.58	90.00	359.95	4480.00	1144.12	1144.12	-1.00	.00
5590.58	90.00	359.95	4480.00	1344.12	1344.12	-1.17	.00
5790.58	90.00	359.95	4480.00	1544.12	1544.12	-1.35	.00
5990.58	90.00	359.95	4480.00	1744.12	1744.12	-1.52	.00
6190.58	90.00	359.95	4480.00	1944.12	1944.12	-1.70	.00
6390.58	90.00	359.95	4480.00	2144.12	2144.12	-1.87	.00
6590.58	90.00	359.95	4480.00	2344.12	2344.12	-2.05	.00
6790.58	90.00	359.95	4480.00	2544.12	2544.12	-2.22	.00
6990.58	90.00	359.95	4480.00	2744.12	2744.12	-2.39	.00
7190.58	90.00	359.95	4480.00	2944.12	2944.12	-2.57	.00
7390.58	90.00	359.95	4480.00	3144.12	3144.12	-2.74	.00
7590.58	90.00	359.95	4480.00	3344.12	3344.12	-2.92	.00
7790.58	90.00	359.95	4480.00	3544.12	3544.12	-3.09	.00
7990.58	90.00	359.95	4480.00	3744.12	3744.12	-3.27	.00
8190.58	90.00	359.95	4480.00	3944.12	3944.12	-3.44	.00
8390.58	90.00	359.95	4480.00	4144.12	4144.12	-3.62	.00
<b>Proposed BHL</b>							
8466.06	90.00	359.95	4480.00	4219.60	4219.60	-3.68	.00

Company: David H. Arrington Oil & Gas  
 Lease/Well: Orange Steelhead Scout Fed Com 2H  
 Location: Eddy County  
 State/Country: New Mexico



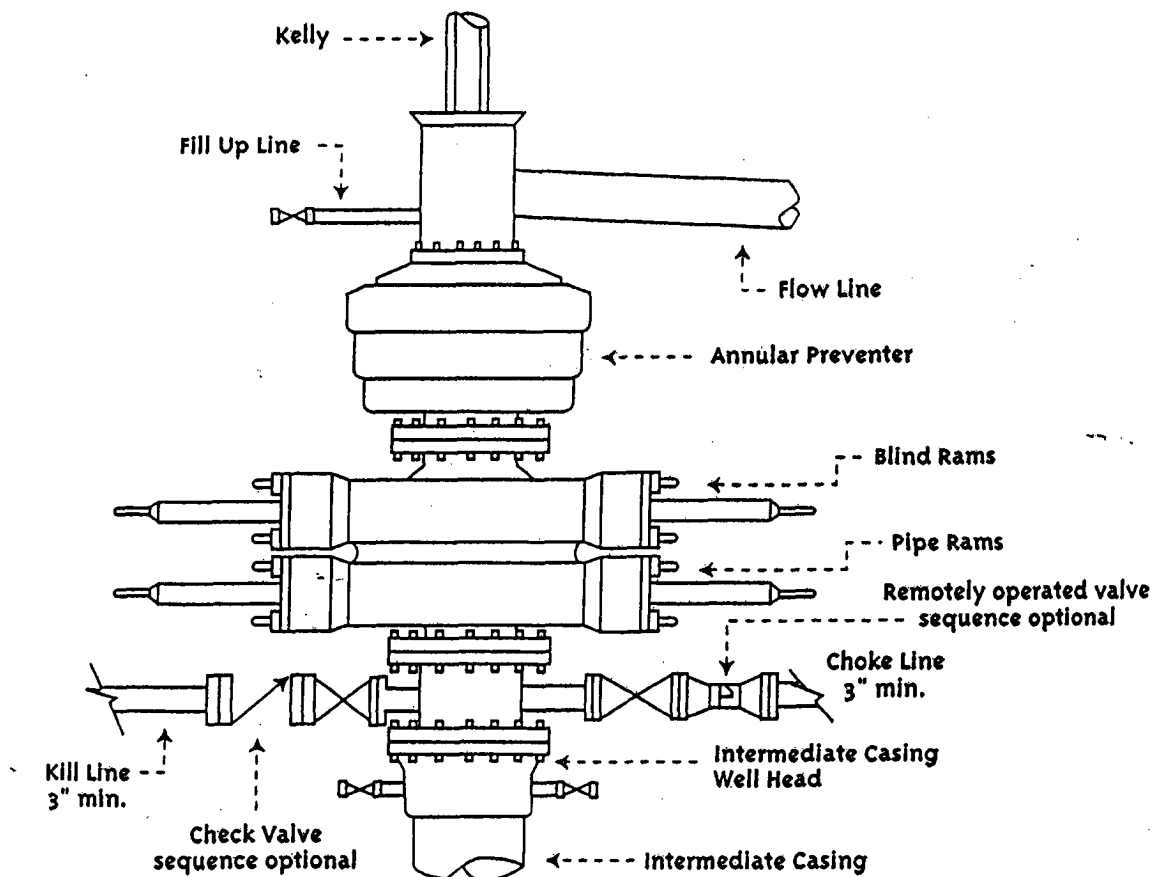
VERTICAL SECTION ( Ft ) @ 359.95°



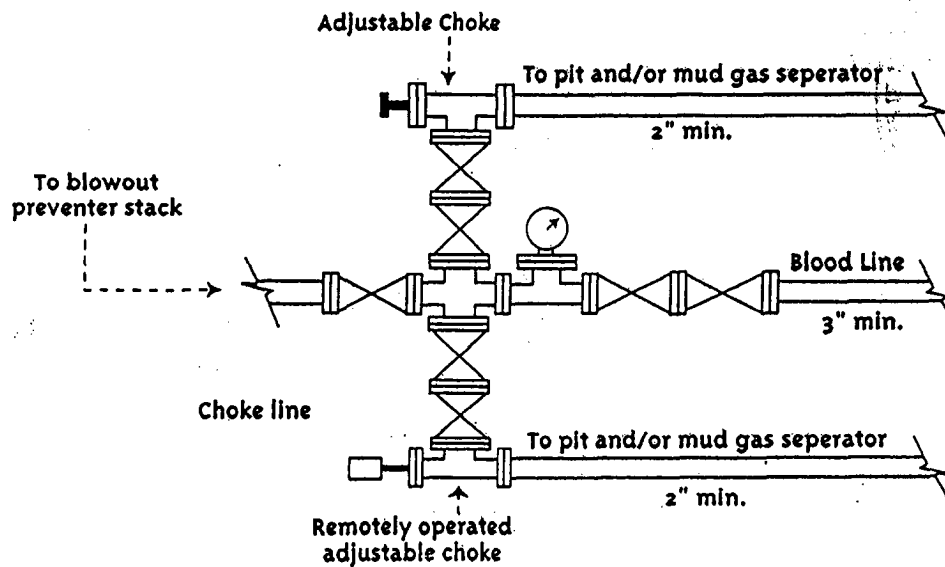


David H. Arrington Oil & Gas, Inc.

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



Typical 3,000 psi choke manifold assembly with at least these minimum features



March 8, 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 #1H; Cottonwood Creek; Wolfcamp, Sec 27, T17S, R23E, 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 the "McAshan" ranch house approximately 2200' to the northwest.

We are respectfully requesting an exemption from H2S requirements as per NMOCD Rule 118. In the event the BLM determines that the dwelling distance requires and H2S plan, we have enclosed our plan and will abide by the permit stipulations. The anticipated TVD is 4480', the MD is 8470' for this proposed horizontal well.

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.  
Orange Steelhead Scud Fed Com, Well #2H  
Section 25, T17S, R23E (M)  
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.

Orange Steelhead Fed Com, Well #2H

Sec. 25, T17S, R23E, 400' FSL & 760' FEL (SL); (PP=760' FSL & 760' FEL); 660' FNL & 760' FEL (BHL), Eddy County, NM

Cottonwood Creek; Wolfcamp

NMNM 100527

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 1.9 miles to a point +/- 1/4 mile east of the location.
2. **PLANNED ACCESS ROAD** —Approximately 735' of new N-S access road will be built from the existing road.
3. **LOCATION OF EXISTING WELLS** – As per the Location Verification Map & C-102.
4. **LOCATION OF EXISTING OR PROPOSED FACILITIES** – New facilities for the Orange Steelhead Scud Fed Com, Well #1 will be constructed in the SE /4 of Section 25.
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.
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 2200' to the NW designated on the Location & Elevation Verification Map as the "McAshan 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:

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.

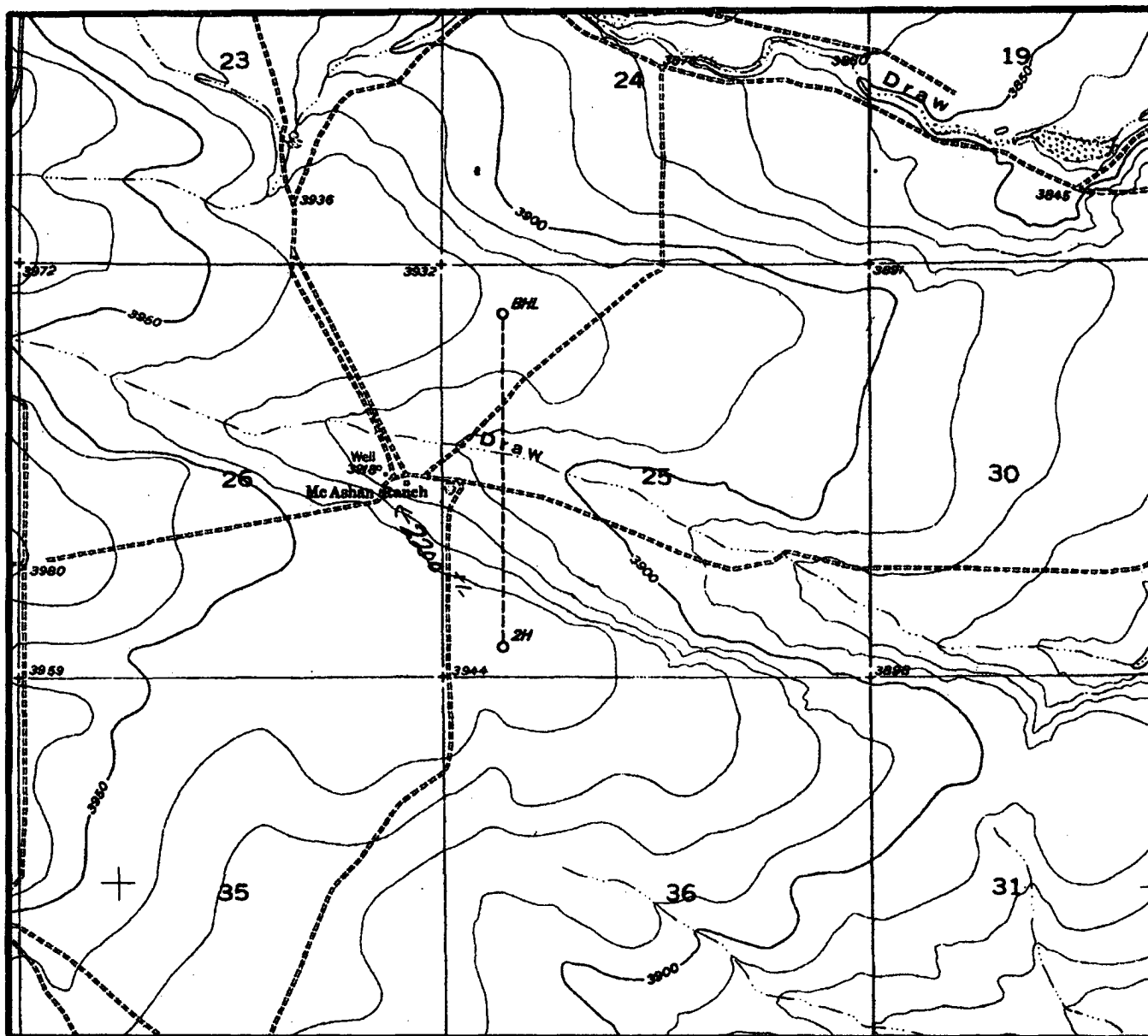
Name and title: Mark Ellerbe, Operations/Drilling Engineer,

Signature: Mark Ellerbe

Date: 3-1-06

.....  
.....

# LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 25 TWP 17-S RGE 23-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 400' FSL & 760' FWL

ELEVATION 3948'

OPERATOR DAVID H. ARRINGTON OIL & GAS

LEASE ORANGE STEELHEAD SCUD FED COM #2H

U.S.G.S. TOPOGRAPHIC MAP

HOPE, NEW MEXICO

SCALED LAT. LAT.: N 32.7999197

LONG. LONG.: W 104.6511713

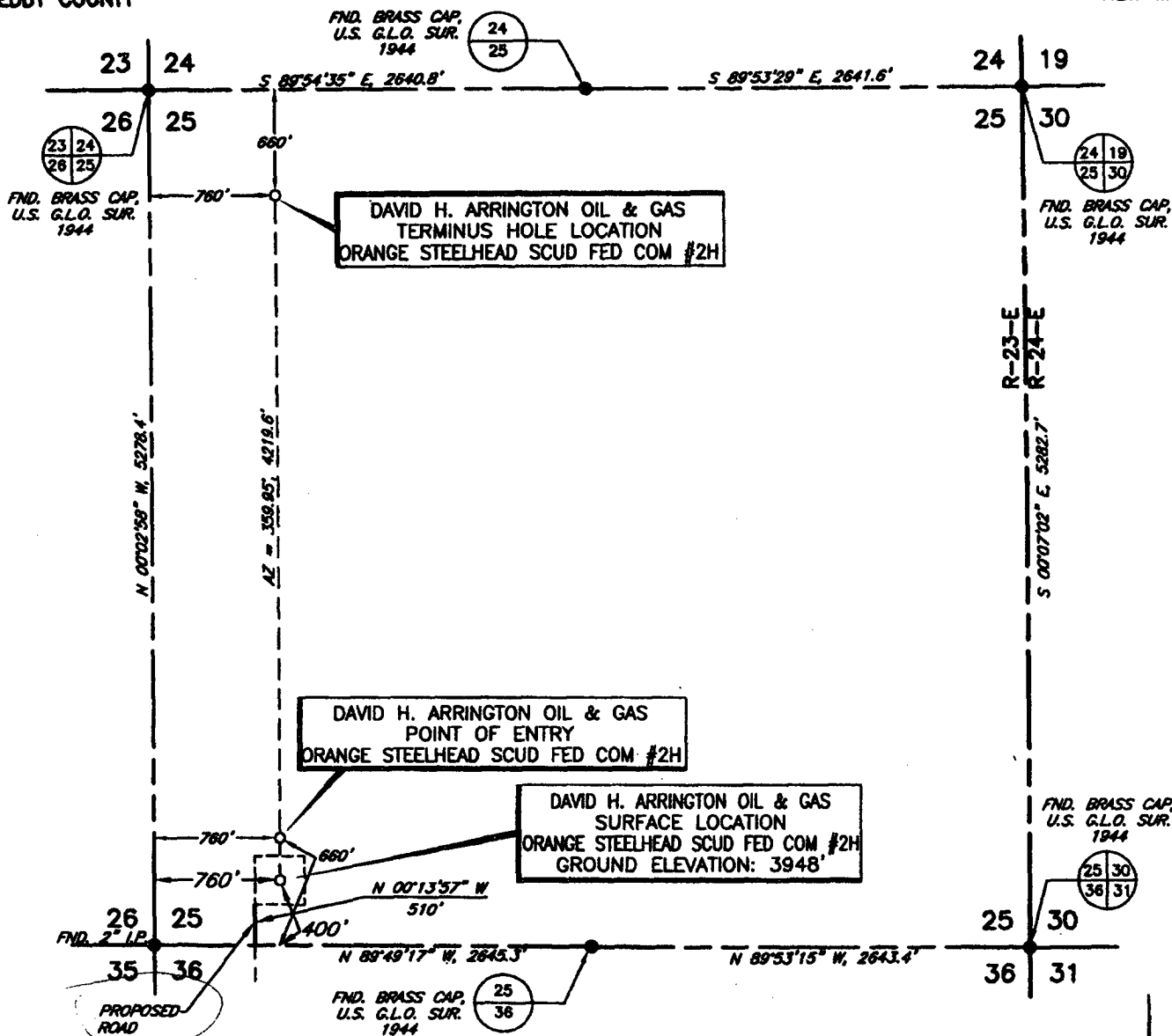


## TOPOGRAPHIC LAND SURVEYORS

*Surveying & Mapping for the Oil & Gas Industry*

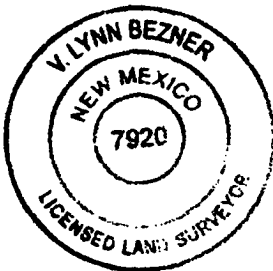
2903 N. BIG SPRING  
MIDLAND, TX. 79705  
(800) 767-1653

# SECTION 25, TOWNSHIP 17 SOUTH, RANGE 23 EAST, N.M.P.M. EDDY COUNTY NEW MEXICO



DATE OF FIELD WORK: FEBRUARY 1, 2006

I, V. L. BEZNER, A PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO AND AUTHORIZED AGENT OF TOPOGRAPHIC LAND SURVEYORS, HEREBY CERTIFY THIS PLAT TO BE A TRUE REPRESENTATION OF A SURVEY PERFORMED IN THE FIELD UNDER MY SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS PLAT AND FIELD SURVEY UPON WHICH IT IS BASED MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO. (RULE 500.6 EASEMENT SURVEYING)



*V. Lynn Bezner 2-9-06*  
V. L. BEZNER, P.S. NO. 7920

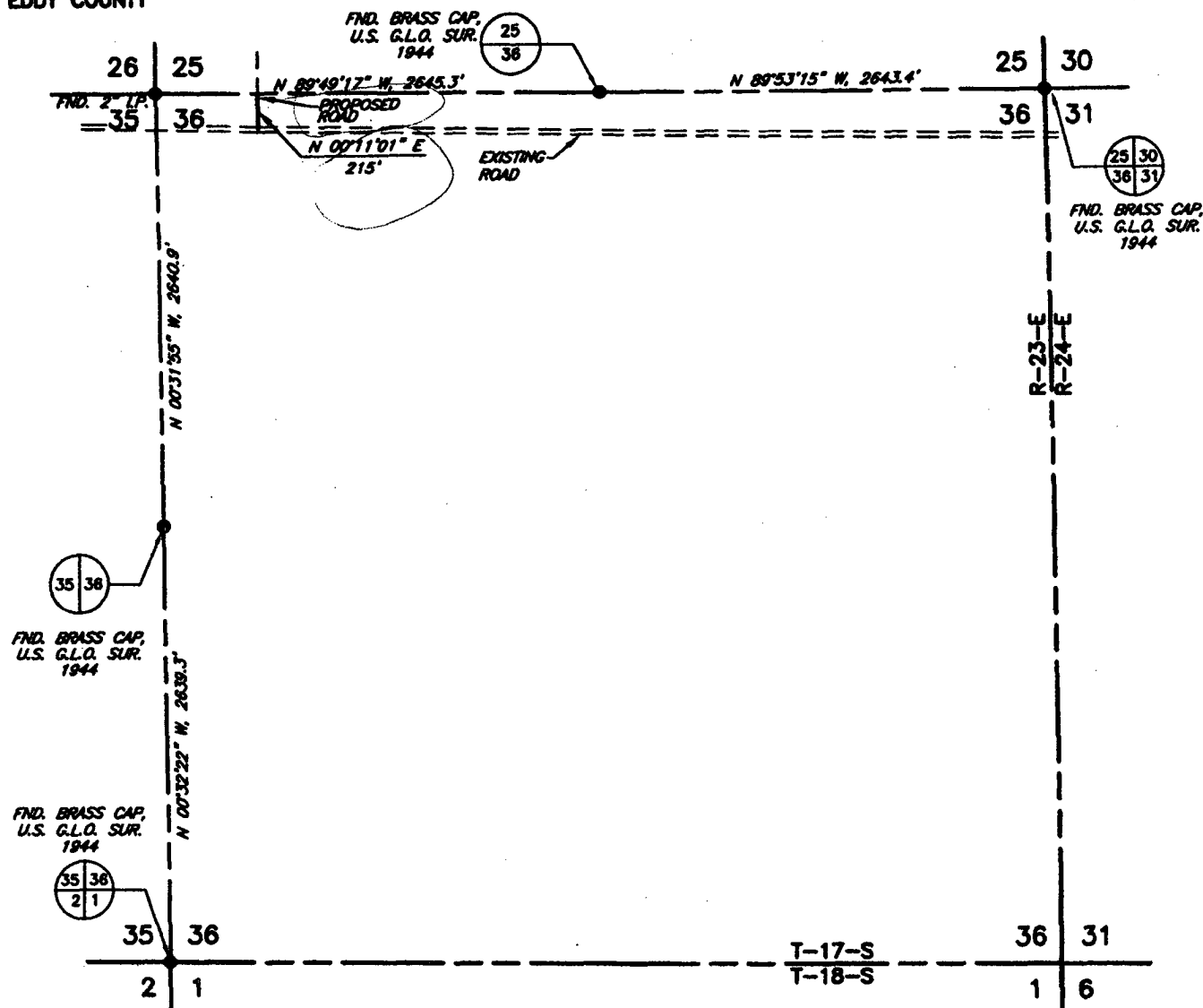


BEARINGS AND COORDINATES  
BASED ON NEW MEXICO  
STATE PLANE GRID - EAST  
ZONE, NAD 27

				DAVID H. ARRINGTON OIL & GAS, INC.	SCALE: 1" = 1000'
					DATE: FEBRUARY 1, 2006
NO.	REVISION	DATE	BY		JOB NO.: 110359-F2
SURVEYED BY: H.V.					QUAD NO.: 101 SE
DRAWN BY: E.U.O.					
APPROVED BY: V.L.B.					
				SURVEYING AND MAPPING BY TOPOGRAPHIC LAND SURVEYORS MIDLAND, TEXAS	SHEET : 2 OF 2

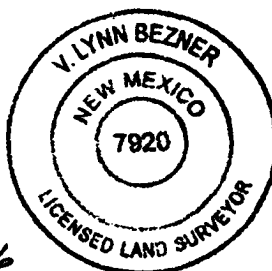


# SECTION 36, TOWNSHIP 17 SOUTH, RANGE 23 EAST, N.M.P.M. EDDY COUNTY NEW MEXICO

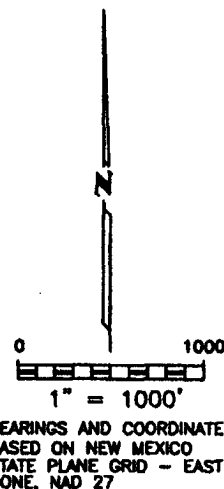


DATE OF FIELD WORK: FEBRUARY 1, 2006

I, V. L. BEZNER, A PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO AND AUTHORIZED AGENT OF TOPOGRAPHIC LAND SURVEYORS, HEREBY CERTIFY THIS PLAT TO BE A TRUE REPRESENTATION OF A SURVEY PERFORMED IN THE FIELD UNDER MY SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS PLAT AND FIELD SURVEY UPON WHICH IT IS BASED MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO. (RULE 500.6 EASEMENT SURVEYING)



*V. Lynn Bezner 2-9-06*  
V. L. BEZNER, S.S. NO. 7920



				DAVID H. ARRINGTON OIL & GAS, INC.	SCALE: 1" = 1000'
NO.	REVISION	DATE	BY		DATE: FEBRUARY 1, 2006
				SURVEYING AND MAPPING BY TOPOGRAPHIC LAND SURVEYORS MIDLAND, TEXAS	JOB NO.: 110359-F1
SURVEYED BY: H.V.					QUAD NO.: 101 SE
DRAWN BY: E.U.O.					SHEET : 1 OF 2
APPROVED BY: V.L.B.					

## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: David H. Arrington Oil & Gas, Inc. Well No. 2H – Orange Steelhead Scud Fed Com  
Location: SH: 400' FSL & 760' FWL BH: 660' FNL & 760' FWL sec. 25, T. 17 S., R. 23 E.  
Lease: NM-100527

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### I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at (505) 234-5972 in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 8-5/8 inch 5-1/2 inch

2. 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.

3. Include the API No. assigned to well by NMOCD on the subsequent report of setting the first casing string.

4. 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. 8-5/8 inch surface casing should be set at approximately 1300 feet, below usable water and circulate cement to the surface. If cement does not circulate to the surface, the BLM Carlsbad Field Office shall be notified at (505) 234-5972 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. Minimum required fill of cement behind the 5-1/2 inch production casing is sufficient to tie back 500 feet above the uppermost perforation in the pay zone.

### III. PRESSURE CONTROL:

1. Before drilling below the 8-5/8 inch surface casing, the blowout preventer assembly shall consist of a minimum of One Annular Preventer or Two Ram-Type Preventers and a Kelly Cock/Stabbing Valve.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi.

3. Before drilling below the 8-5/8 inch surface casing, the BOPE shall be tested as described in Onshore Order No.

2. Any equipment failing to test satisfactorily shall be repaired or replaced.

A. The results of the test will be reported to the BLM Carlsbad Field Office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292.

B. 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.

C. Testing must be done in a safe workman like manner. Hard line connections shall be required.

D. A variance to test the BOPE to the reduced pressure of 2000 psi prior to drilling below the 8-5/8 inch surface casing is approved.