

OCD-ARTESIA

Form 3160-3
(April 2004)FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-100528
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input 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.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 953 c/o Midland, Texas 79702		8. Lease Name and Well No. Chartreuse Spanker Fed Com #1H
3b. Phone No. (include area code) 432-684-6381		9. API Well No. 30-015-34834
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 400' FSL & 1880' FEL At proposed prod. zone 660' FNL & 1880' FEL		10. Field and Pool, or Exploratory Cottonwood Creek (Wolfcamp)
14. Distance in miles and direction from nearest town or post office* 4 miles East Southeast of Hope N.M.		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 34, T-17S, R-23E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of acres in lease 320 acres	17. Spacing Unit dedicated to this well 320 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. only well	19. Proposed Depth, TVD 4900	20. BLM/BIA Bond No. on file NM-2503
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3944' GL	22. Approximate date work will start* 03/01/2006	23. Estimated duration 14-20 days

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 01/26/2006
-------------------	---	---------------------------

Title
Regulatory Agent

Approved by (Signature) /s/ Tony J. Herrell	Name (Printed/Typed) /s/ Tony J. Herrell	Date APR 28 2006
---	--	----------------------------

Title 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)

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

Witness Surface Casing

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**

¹ API Number 30-015-	² Pool Code 75250	³ Pool Name Cottonwood Creek; Wolfcamp
⁴ Property Code	⁵ Property Name CHARTREUSE SPANKER	⁶ Well Number 1H
⁷ OGRID No. 5898	⁸ Operator Name DAVID H. ARRINGTON OIL & GAS	⁹ Elevation 3944'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	34	17 SOUTH	23 EAST, N.M.P.M.		400'	SOUTH	1880'	EAST	EDDY

¹¹ 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
B	34	17 SOUTH	23 EAST, N.M.P.M.		660'	NORTH	1880'	EAST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	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

<p>BHL X = 394419 Y = 653806 LAT.: N 32.7969317 LONG.: W 104.6769265</p> <p>POINT OF ENTRY X = 399740 Y = 649854 LAT.: N 32.7861155 LONG.: W 104.6595708</p> <p>NAD 27 NME ZONE X = 394455 Y = 649590 LAT.: N 32.7853437 LONG.: W 104.6767657</p> <p><i>Project Area</i> <i>Producing Area</i></p> <p>A2 = 359.51', 4216.1' IN ALL</p> <p>660' 1880' 400' 660'</p>	<p>¹⁷ 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> Printed Name: Ann E. Ritchie Title: Regulatory Agent Date: 2-10-06</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JANUARY 11, 2006</p> <p>Date of Survey: 7920 Signature and Seal of Professional Surveyor: <i>V. L. Bezner</i> Certificate Number: V. L. BEZNER R.P.S. #7920 JOB #109675 / 101 SW / E.U.O.</p>
---	--

BOTTOMHOLE INFORMATION PROVIDED
BY DAVID H. ARRINGTON OIL & GAS

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: David H. Arrington Oil & Gas, Inc. Telephone: 432 684-6381/432 684-7481 e-mail address: ann.ritchie@wtor.net
Address: c/o P.O. Box 953, Midland, TX 79702
Facility or well name: Chartreuse Spanker Fed Com #1H API #: 30-015-pending U/L or Qtr/Qtr: SW of SE Sec 34 T 17S R 23E
County: Eddy Latitude N 32.46'33.34" Longitude W 104.09'33.93" NAD: 1927 X 1983 ☐
Surface Owner: Federal X State Private Indian

Pit

Type: Drilling X Production ☐ Disposal ☐
Workover ☐ Emergency ☐
Lined X Unlined ☐
Liner type: Synthetic X Thickness 20 mil Clay ☐
Pit Volume 5500 bbl

Below-grade tank

Volume: bbl Type of fluid:
Construction material:
Double-walled, with leak detection? Yes ☐ If not, explain why not.

RECEIVED

APR 26 2006

OCD-ARTESIA

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	100 feet or more XX	(0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)
	No XX	(0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	1000 feet or more XX	(0 points)
Ranking Score (Total Points)		0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

Drilling well. TD: 4900', will comply with all NMOCD pit closure rules.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Date: 1-30-06

Printed Name/Title Ann E. Ritchie, Regulatory Agent

Signature [Signature]

Subm. Hcd to
BEM w/ APDU

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Gerry Guye
Deputy Field Inspector
District II - Artesia

Printed Name/Title

Signature [Signature]

Date:

David H. Arrington Oil & Gas Inc.
 Chartreuse Spanker 1H - *Fed Corn*
 SHL - 400' FSL & 1880' FEL
 BHL - 660' FNL & 1880' FEL
 S34, T17S, R23E
 Eddy County, NM

Drilling Plan

1. Ground elevation above sea level: 3944'
2. Proposed drilling depth: 4900' 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

Hole size	Interval	OD of Casing	Weight	Thread	Grade	TOC
11 1/2 12 1/4"	40' - 900 1300'	8-5/8"	32#	LTC	J55	Surf
*7-7/8"	1300' - 900' - 4900'	5-1/2"	17#	LTC	P110	Surf
*7-7/8"	4100' - 8280'	5-1/2"	17#	LTC	P110	Surf

*Drill 7-7/8" vertical hole to 4900', plug back to ~ 4100' and drill lateral to ~ 8280' (~4480' TVD) and run 5-1/2" production string to TD.

6. Cementing and Setting Depth

8-5/8" Surface	1300' 900'	Lead-1:	Premium Premium Plus w/ 10 pps DiamondSeal
		Lead-2:	Premium Plus Thixset w/ 1% Thixset A & 0.25% WG-17
		Lead-3:	Light Premium Plus w/ 5 pps gilsonite & 2% CaCl ₂
		Tail:	Premium Plus w/ 2% CaCl ₂
5-1/2" Production	8280'	Lead:	Interfill C w/ 1/4 pps Flocele
		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 rig pumps.

8. Proposed Mud Circulating System

<u>Interval</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>FL</u>	<u>Type Mud System</u>
40' - 900' 1300'	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.
1300' 900' - 4900'	8.4 - 9.3	28 - 34	NC-12	Fresh water-cut brine. Drill out w/ fresh water using paper and high viscosity sweeps for seepage and hole cleaning. At ~ 3,400' add brine to mud. Mud up at ~4,300' utilizing starch/PAC system.
4100' - 8280'	8.8 - 9.3	32 - 50	15	XCD polymer system. Sweep as necessary for hole cleaning.

Proposed Drilling Plan:

Drill 7-7/8" pilot hole to ~4900' and log well. Plug back and dress off to KOP ~4100'. Drill curve w/ 15°/100' BUR to ~90° inclination. Drill 7-7/8" lateral to ~8280'. Run and cement 5-1/2" casing.

Fed Com

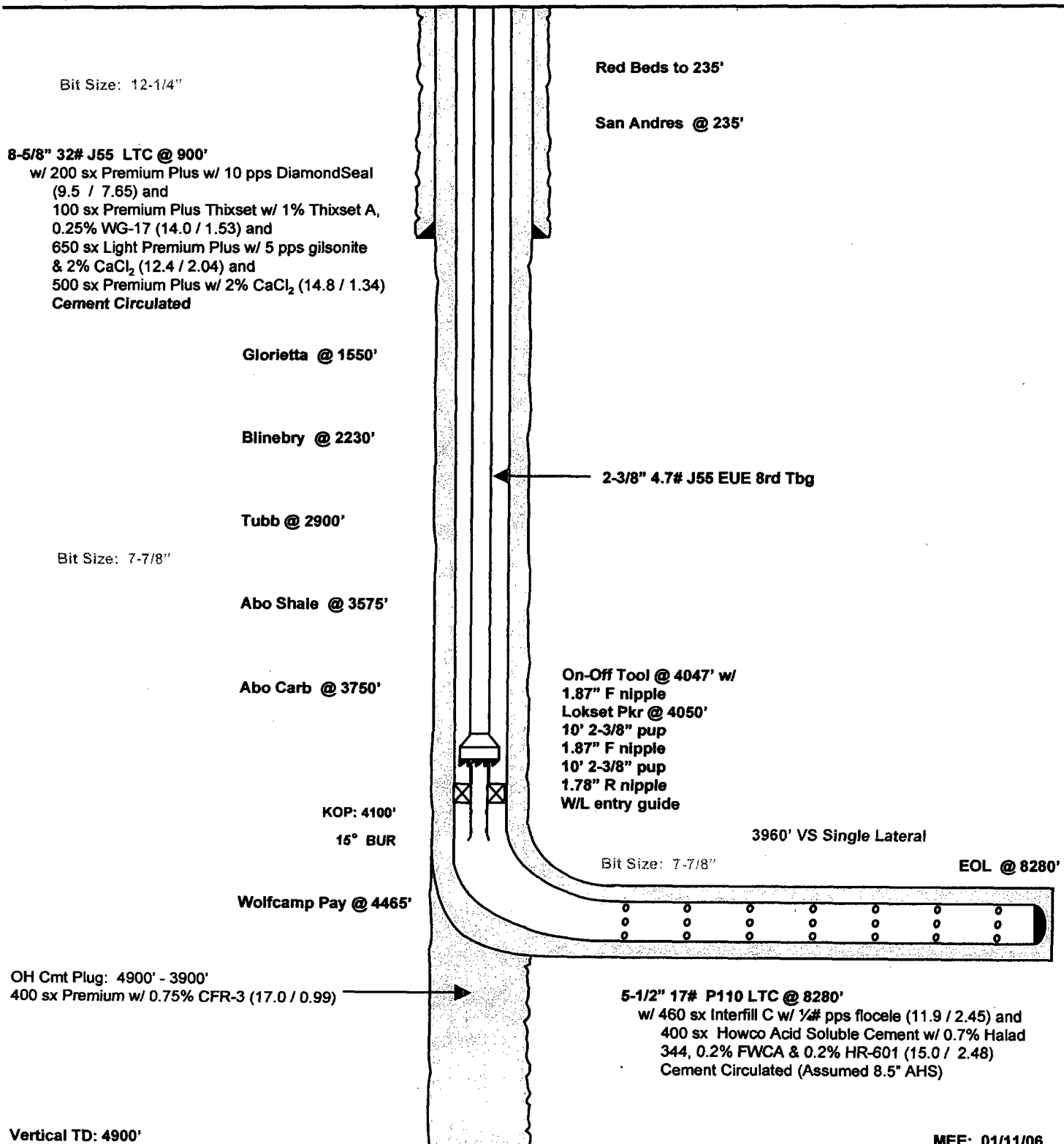
**Chartreuse Spanker 1H
Cottonwood Creek Field
Eddy County, New Mexico**

<u>Surface</u>	<u>Lateral Terminus</u>
400' FSL	660' FNL
1880' FEL	1880' FEL
S-34	
T17S, R23E	

Proposed Wellbore

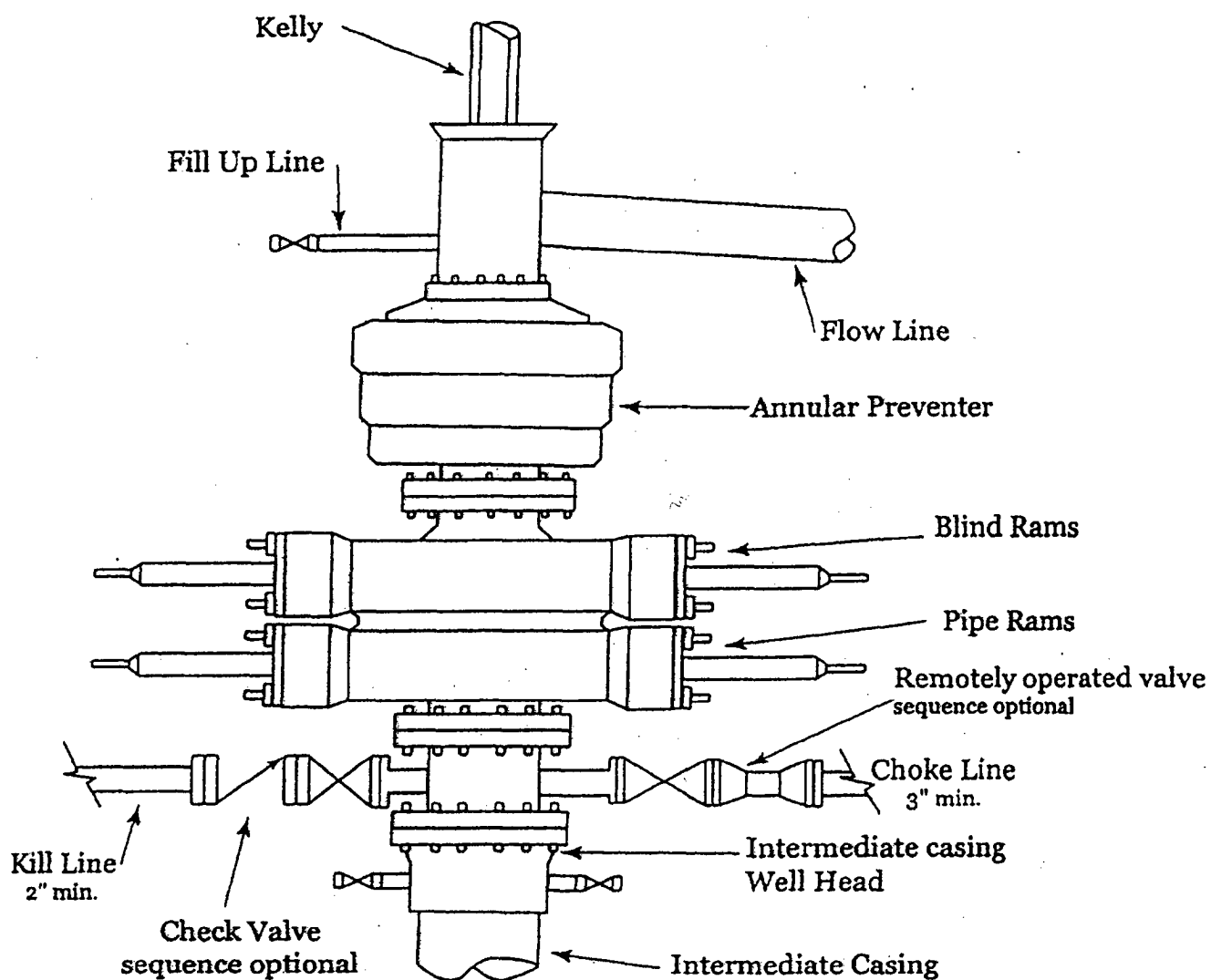
API: 30-015-?

**KB: 3963'
GL: 3944'**



MEE: 01/11/06

David H. Arrington Oil & Gas, Inc.
Typical 5,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack



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

David H. Arrington Oil & Gas Inc., P.O. Box 2071, Midland, Texas 79702

Chartreuse Spanker Fed Com # 1H

400'FSL & 1880' FEL of Sec. 34, T-17S, R-23E, Eddy County, New Mexico

Abo/ Wolfcamp

NM-100528 – 320 acres

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 in of Hwy. 82 & Co. Rd. 95, go west on Hwy. 82 5.0 miles, thence south on Co. Rd. 8 2.0 miles, continue south on lease road 0.5 mile. A new access road will be constructed into the location.
2. **PLANNED ACCESS ROAD** —Approximately 2000' of new N-S access road will be built from the existing N-S road to the north.
3. **LOCATION OF EXISTING WELLS** – This is first well on lease.
4. **LOCATION OF EXISTING OR PROPOSED FACILITIES** – This production well will be tied into a proposed facility located on access road.
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: Jeff Raines w/Sweatt, Artesia, NM 505 631-7366.. 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 biodegradable plastic liner, and buried as per regulatory requirements.
 - 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 no ancillary facilities.
9. **WELLSITE LAYOUT -** Attached is a plat showing the anticipated orientation of the drilling rig and the pad. 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 with the report on file with the BLM.

12. OPERATORS REPRESENTATIVE – David H. Arrington Oil & Gas, Inc. is covered by BLM Bond No. 104312789. David H. Arrington Oil & Gas, Inc. is represented by:

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

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 it's 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 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 for David H. Arrington Oil & Gas, Inc.

Signature: Mark E. Ellerbe

Date: 1-27-06

.....
.....
APD, Nine Point & Thirteen Point Drilling Plans prepared & submitted to the Bureau of Land Management by Ann E. Ritchie, Regulatory Agent, P.O. Box 953, Midland, TX 79702, 432 684-6381, ann.ritchie@wtor.net.

[illegible]

CONTOUR INTERVAL 10'

ELEVATION 3944'

LEASE CHARTREUSE SPANKER #1H

HOPE, NEW MEXICO

LONG. LONG.: W 104.6767657



Surveying & Mapping for the Oil & Gas Industry

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

January 27, 2006

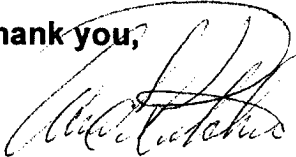
**Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220**

**Oil Conservation Division
Attn: Bryan Arrant
1301 Grand Avenue
Artesia, New Mexico**

**RE: David H. Arrington Oil & Gas, Inc., Chartreuse Spanker Fed Com # 1H
Wildcat Wolfcamp, Section 34, T17S, R23E, NM-, Eddy County,
NM**

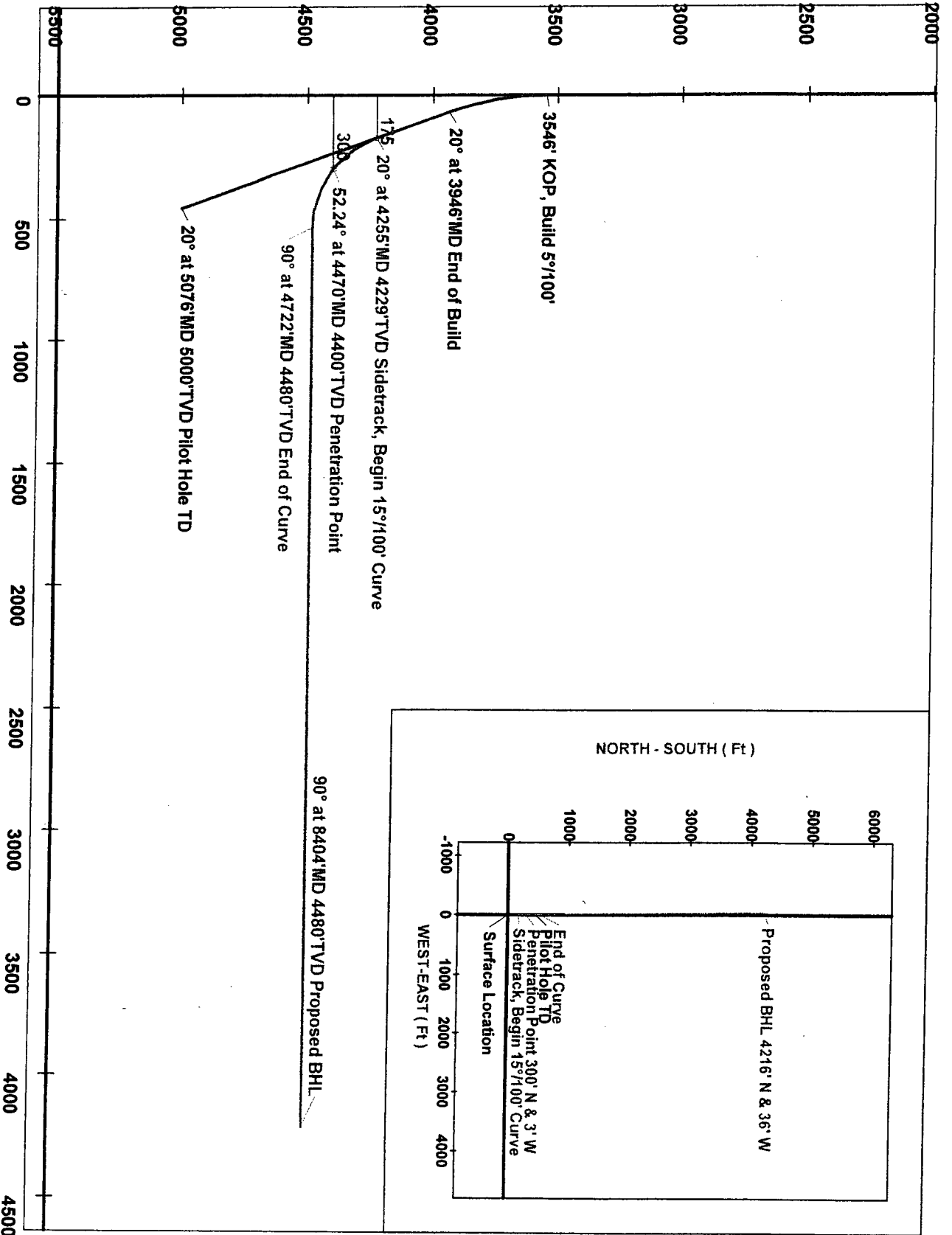
It is not anticipated that we will encounter any H₂S in the process of drilling this well, therefore we respectfully request an exemption from H₂S requirements due to there being no evidence of H₂S in prior drilling and offset drilling. The anticipated total depth is 4900' to test the Abo/Wolfcamp formations.

Thank you,

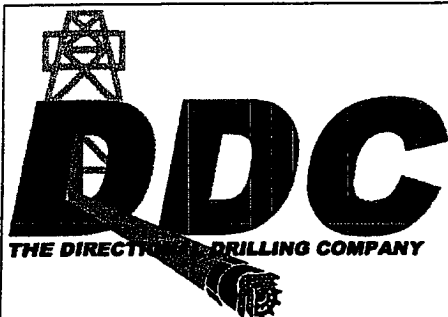


**Ann E. Ritchie, Regulatory Agent
David H. Arrington Oil & Gas, Inc.
c/o P.O. Box 953
Midland, TX 79702
432 684-6381
432 682-1458-fax
ann.ritchie@wtor.net**

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



VERTICAL SECTION (Ft) @ 359.51°



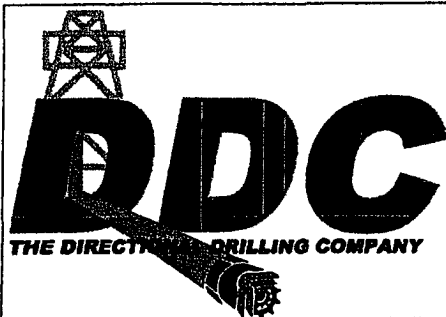
Job Number:
 Company: David H. Arrington Oil & Gas
 Lease/Well: Chartreuse Spanker #1H
 Location: Eddy County
 Rig Name:
 RKB:
 G.L. or M.S.L.:

State/Country: New Mexico
 Declination:
 Grid:
 File name: C:\PROPOS~1\ARRING~1\CHARTR~1\PLAN.SVY
 Date/Time: 15-Feb-06 / 15:24
 Curve Name: Pilot Hole Plan

THE DIRECTIONAL DRILLING COMPANY

WINSERVE PROPOSAL REPORT Minimum Curvature Method Vertical Section Plane 359.51 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	359.51	3545.91	.00	.00	.00	.00
3645.91	5.00	359.51	3645.78	4.36	4.36	-.04	5.00
3745.91	10.00	359.51	3744.90	17.41	17.41	-.15	5.00
3845.91	15.00	359.51	3842.49	39.05	39.04	-.33	5.00
End of Build							
3945.92	20.00	359.51	3937.84	69.11	69.11	-.59	5.00
4145.92	20.00	359.51	4125.78	137.51	137.51	-1.18	.00
4345.92	20.00	359.51	4313.72	205.92	205.91	-1.76	.00
4437.73	20.00	359.51	4400.00	237.32	237.31	-2.03	.00
4637.73	20.00	359.51	4587.94	305.72	305.71	-2.61	.00
4837.73	20.00	359.51	4775.88	374.13	374.11	-3.20	.00
5037.73	20.00	359.51	4963.82	442.53	442.52	-3.78	.00
Pilot Hole TD							
5076.24	20.00	359.51	5000.00	455.70	455.69	-3.90	.00



Job Number:
 Company: David H. Arrington Oil & Gas
 Lease/Well: Chartreuse Spanker #1H
 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\CHARTR~1\PLAN.SVY
 Date/Time: 15-Feb-06 / 15:38
 Curve Name: Lateral Plan

THE DIRECTIONAL DRILLING COMPANY

WINSERVE PROPOSAL REPORT Minimum Curvature Method Vertical Section Plane 359.51 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	359.51	4228.64	174.95	174.94	-1.50	.00
4355.38	35.00	359.51	4317.09	220.99	220.98	-1.89	15.00
4455.38	50.00	359.51	4390.61	288.35	288.34	-2.47	15.00
Penetration Point							
4470.34	52.24	359.51	4400.00	300.00	299.98	-2.57	15.00
4555.38	64.99	359.51	4444.19	372.45	372.43	-3.19	15.00
4655.38	79.99	359.51	4474.19	467.54	467.52	-4.00	15.00
End of Curve							
4722.10	90.00	359.51	4480.00	533.93	533.91	-4.57	15.00
4922.10	90.00	359.51	4480.00	733.93	733.90	-6.28	.00
5122.10	90.00	359.51	4480.00	933.93	933.89	-7.99	.00
5322.10	90.00	359.51	4480.00	1133.93	1133.88	-9.70	.00
5522.10	90.00	359.51	4480.00	1333.93	1333.88	-11.41	.00
5722.10	90.00	359.51	4480.00	1533.93	1533.87	-13.12	.00
5922.10	90.00	359.51	4480.00	1733.93	1733.86	-14.83	.00
6122.10	90.00	359.51	4480.00	1933.93	1933.86	-16.54	.00
6322.10	90.00	359.51	4480.00	2133.93	2133.85	-18.25	.00
6522.10	90.00	359.51	4480.00	2333.93	2333.84	-19.96	.00
6722.10	90.00	359.51	4480.00	2533.93	2533.83	-21.67	.00
6922.10	90.00	359.51	4480.00	2733.93	2733.83	-23.38	.00
7122.10	90.00	359.51	4480.00	2933.93	2933.82	-25.09	.00
7322.10	90.00	359.51	4480.00	3133.93	3133.81	-26.80	.00
7522.10	90.00	359.51	4480.00	3333.93	3333.80	-28.51	.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
7722.10	90.00	359.51	4480.00	3533.93	3533.80	-30.22	.00
7922.10	90.00	359.51	4480.00	3733.93	3733.79	-31.93	.00
8122.10	90.00	359.51	4480.00	3933.93	3933.78	-33.64	.00
8322.10	90.00	359.51	4480.00	4133.93	4133.77	-35.35	.00
Proposed BHL							
8404.28	90.00	359.51	4480.00	4216.10	4215.95	-36.06	.00

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 100528

Legal Description of Land: W/2 of E/2 of section 34, TSP 17S, RGE^{23E}, Eddy County, NM

Formation(s): Wolfcamp

Bond Coverage: \$25,000

BLM Bond File No.: RLB0006254

Authorized Signature:

Mark E Ellerbe


Title: Senior Drilling and Completions Engineer

Date: 03/06/2006

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: David Arrington Oil & Gas Incorporated

Well Name & No: Chartreuse Spanker Fed Com # 1 H

Location: Surface: 400' FSL & 1880' FEL Sec. 34, T. 17 S., R. ²³~~28~~ E. 

BHL: 660' FNL & 1880' FEL Sec. 34, T. 17 S., R. ²³~~28~~ E.

Lease: NMNM 100528

Eddy County, New Mexico

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell, NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 8 7/8 inch 5 1/2 inch

C. BOP Tests

2. A Hydrogen Sulfide (H2S) Drilling Plan shall not be required on this wellbore.

3. 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.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

6. A Communitization Agreement shall be filed and approved in this office prior to any sales form this well.

II. CASING:

1. The 8 7/8 inch shall be set at 1300 Feet with cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified 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. The minimum required fill of cement behind the 5 1/2 inch Production casing is to circulate to surface.

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 8 7/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

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

III. Pressure Control (continued):

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the test.

- The test shall be done by an independent service company
- The results of the test shall be reported to the appropriate BLM office.
- 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.
- Testing must be done in safe workman-like manner. Hard line connections shall be required.

Ggourley BLM Roswell Field Office 02/13/06