

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 30-015-35225	² Pool Code	³ Pool Name Gopher Wolfcamp
⁴ Property Code	⁵ Property Name RED COMET FED COM	⁶ Well Number 1H
⁷ OGRID No. 5898	⁸ Operator Name DAVID H. ARRINGTON OIL & GAS	⁹ Elevation 3928'

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
N	35	17 SOUTH	23 EAST, N.M.P.M.		400'	SOUTH	1700'	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

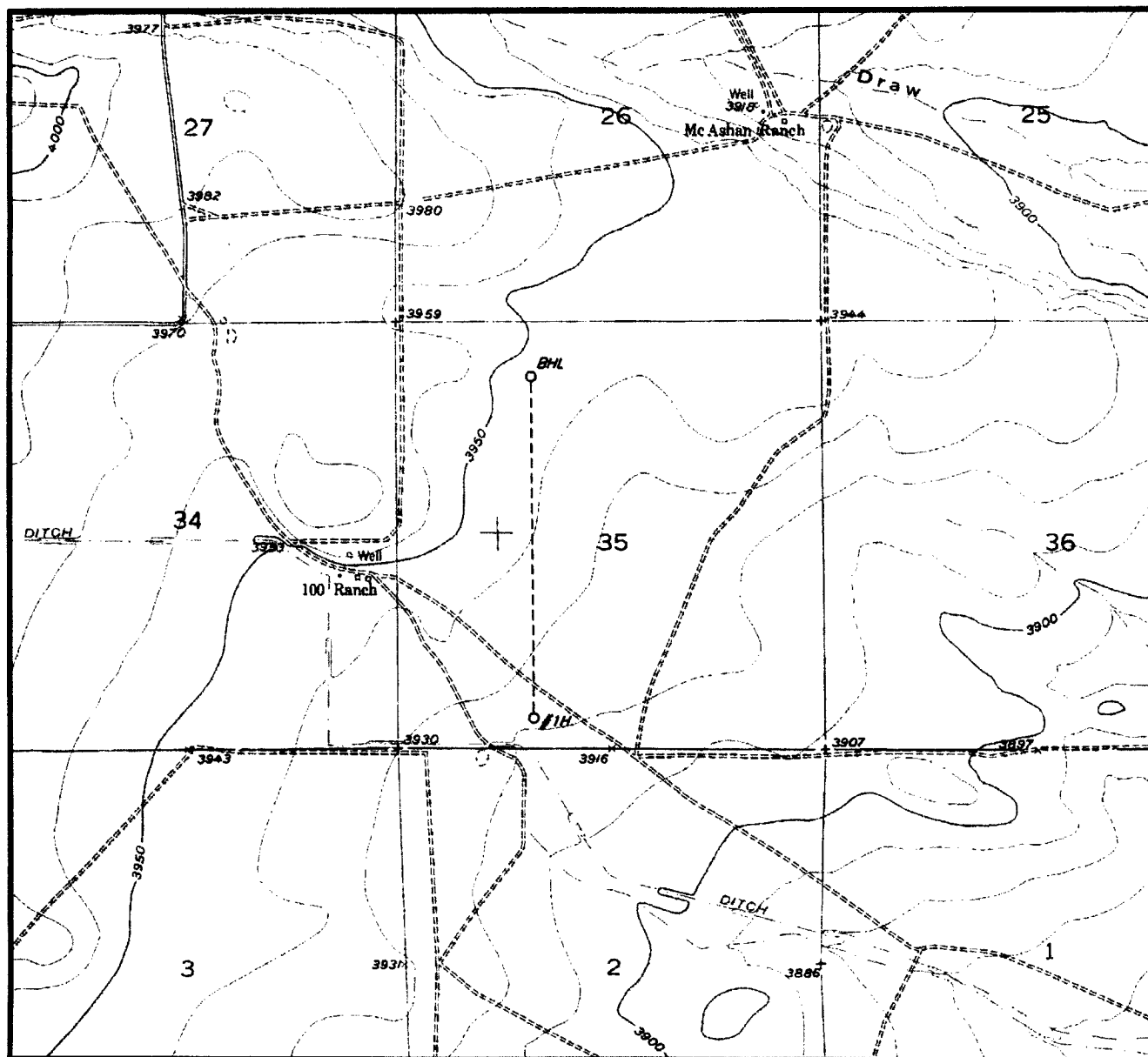
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	17 SOUTH	23 EAST, N.M.P.M.		660'	NORTH	1700'	WEST	EDDY
¹² Dedicated Acres 320	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.						

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

BOTTOM HOLE LOC. X = 397999 Y = 653813 LAT.: N 32.7969819 LONG.: W 104.6652760 POINT OF ENTRY X = 398032 Y = 649978 LAT.: N 32.7864399 LONG.: W 104.6651308 NAD 27 NME ZONE X = 398035 Y = 649598 LAT.: N 32.7853957 LONG.: W 104.6651158	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Debbie Freeman</i> Signature Debbie Freeman Printed Name Engineer Tech Title 10/31/06 Date ¹⁸ SURVEYOR CERTIFICATION 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. <i>V. L. Beznar</i> Signature and Seal of Professional Surveyor Date of Survey OCTOBER 2006 NEW MEXICO LICENSED LAND SURVEYOR <i>V. L. Beznar</i> Certificate Number V. L. BEZNER R.P.S. #7920 JOB #117595 / 101 SW / E.U.O.
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BOTTOMHOLE INFORMATION PROVIDED
BY DAVID H. ARRINGTON OIL & GAS

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 & 1700' FWL

ELEVATION 3928'

OPERATOR DAVID H. ARRINGTON OIL & GAS

LEASE RED COMET FED COM #1H

U.S.G.S. TOPOGRAPHIC MAP

HOPE, NEW MEXICO

SCALED LAT. LAT.: N 32.7853957

LONG. LONG.: W 104.6651158

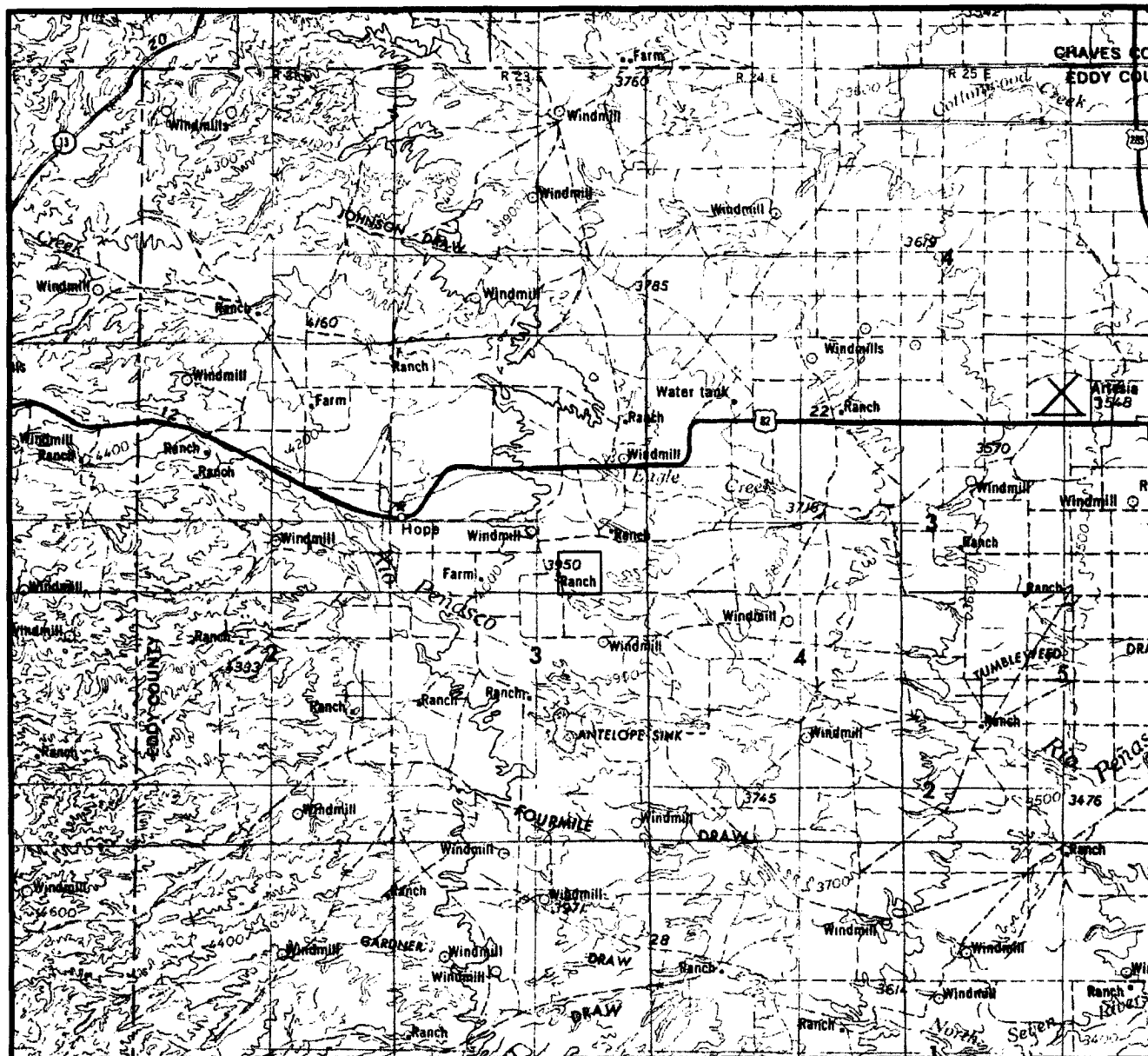


TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

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

VICINITY MAP



SECTION 35 TWP 17-S RGE 23-E
 SURVEY NEW MEXICO PRINCIPAL MERIDIAN
 COUNTY EDDY STATE NM
 DESCRIPTION 400' FSL & 1700' FWL

OPERATOR DAVID H. ARRINGTON OIL & GAS
 LEASE RED COMET FED COM #1H

DISTANCE & DIRECTION FROM INTERSECTION OF HWY. 82
AND CO. RD. 8 11.4 MILES WEST OF ARTESIA, GO SOUTH 2.0
MILES, THENCE EAST 1.2 MILES ON LEASE ROAD, CONT. SOUTH
0.9 MILES ON LEASE ROAD, THENCE WEST 0.2 MILES TO A
POINT ±120' SOUTH OF THE LOCATION.



TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

Review this plot and notify us immediately of any possible discrepancy.

1307 N. HOBART
 PAMPA, TX. 79065
 (800) 658-6382

6709 N. CLASSEN BLVD.
 OKLAHOMA CITY, OK. 73116
 (800) 654-3219

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



TOPOGRAPHIC

SURVEYING • MAPPING • GIS • GPS

Topographic Land Surveyors

2903 N. Big Spring

Midland, Texas 79705

(432) 682-1653 (800) 767-1653

Company: DAVID H. ARRINGTON OIL & GAS

County: EDDY COUNTY, NEW MEXICO

Area: SECTION 35, T-17-S, R-23-E

Scale: 1" = 1000'

USGS Quad: HOPE SE, NEW MEXICO

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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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 NMOC 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)682-6685 e-mail address: DEBBIE@ARRINGTONOIL.COM

Address: PO BOX 2071 MIDLAND, TX 79702

Facility or well name: Red Comet Fed Com #1H API#: 30-015-35225 U/l or Qtr/Qtr N Sec 35 T 17S R 23E

County: Eddy Latitude 32.7853957 Longitude 104.6651158 NAD: 1927 ☒ 1983 ☐ Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 20 mil Clay ☐

Pit Volume 6000 bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes ☐ If not, explain why not. _____

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

(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

(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

(0 points)

Ranking Score (Total Points)

10

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:

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 NMOC guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 10/12/2006

Printed Name/Title DEBBIE FREEMAN ENGINEER TECH

Signature [Signature]

Your certification and NMOC 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:

Printed Name/Title _____

Signature _____

Date: _____

David H. Arrington Oil & Gas Inc.
 Red Comet Fed Com 1H
 SHL - 400' FSL & 1700' FWL
 Point of Entry - 700' FSL & 1700' FWL
 BHL - 660' FNL & 1700' FWL
 S35, T17S, R23E
 Eddy County, NM

Drilling Plan

1. Ground elevation above sea level: 3928'
2. Proposed drilling depth: 4630' TVD, 8645' TMD
3. Estimated tops of geological markers:

San Andres	1330'
Tubb	3035'
Abo Shale	3600'
Abo Carbonate	3760'
Wolfcamp	4600'

4. Possible mineral bearing formations:

Abo/Wolfcamp	Gas/Oil
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5. Casing Program

Hole size	Interval	OD of Casing	Weight	Grade	Thread	TOC
12-1/4"	40' - 1300'	8-5/8"	24#	J55	STC	Surf
7-7/8"	1300' - 8645'	5-1/2"	17#	L80	LTC	Surf

Drill 12-1/4" surface hole to 1300'. Run and cement 8-5/8" casing to surface.

Drill 7-7/8" vertical hole to ~4166' and begin 12.34 ° BUR. Land curve @ ~ 4630' TVD and drill ahead to a total measured depth of ~ 8645'. 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	1300'	490	Lead: Light C (65:35:6) w/ 5 pps gilsonite (D24), 3% salt (D44) & 2% CaCl ₂ (S1) (12.4 / 2.06)
		200	Tail: C w/ 2% CaCl ₂ (14.8 / 1.34)

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

5-1/2" Production	8645'	590	Lead: 50:50:10 Poz:C:Gel w/ 1/4# pps flocele (D29) (11.9/2.32)
		350	Tail: TXI Lightweight w/ 100% calcium carbonate (D151), 2% FLA (D112), 2% expansion agent (D174), 0.2% antifoamer (D46), 0.2% dispersant (D65) & 0.1% extender (B159) (13.0 / 2.77)

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' - 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' - 8645'	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 and mud up by 3600' 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 ~4166' and build curve w/ 12.34°/100' BUR to ~90° inclination. Drill 7-7/8" lateral to ~8645'. Run 5-1/2" casing and cement to surface.

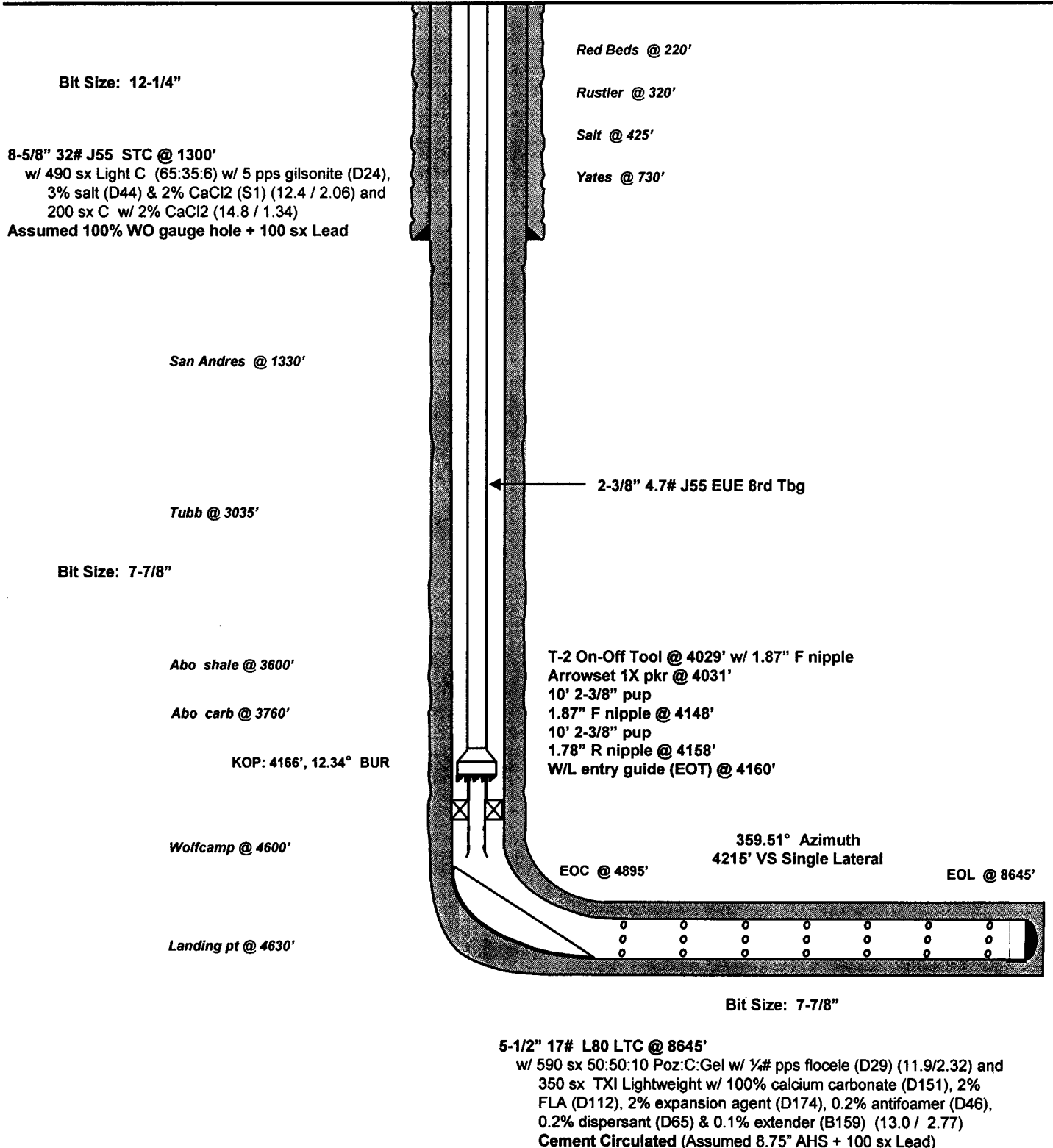
**Red Comet Fed Com 1H
Cottonwood Creek Field
Eddy County, New Mexico**

Surface **Lateral Terminus**
400' FSL **660' FNL**
1700' FWL **1700' FWL**
S-35
T17S, R23E

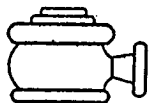
Proposed Wellbore

API: 30-015-

KB: 3947'
GL: 3928'

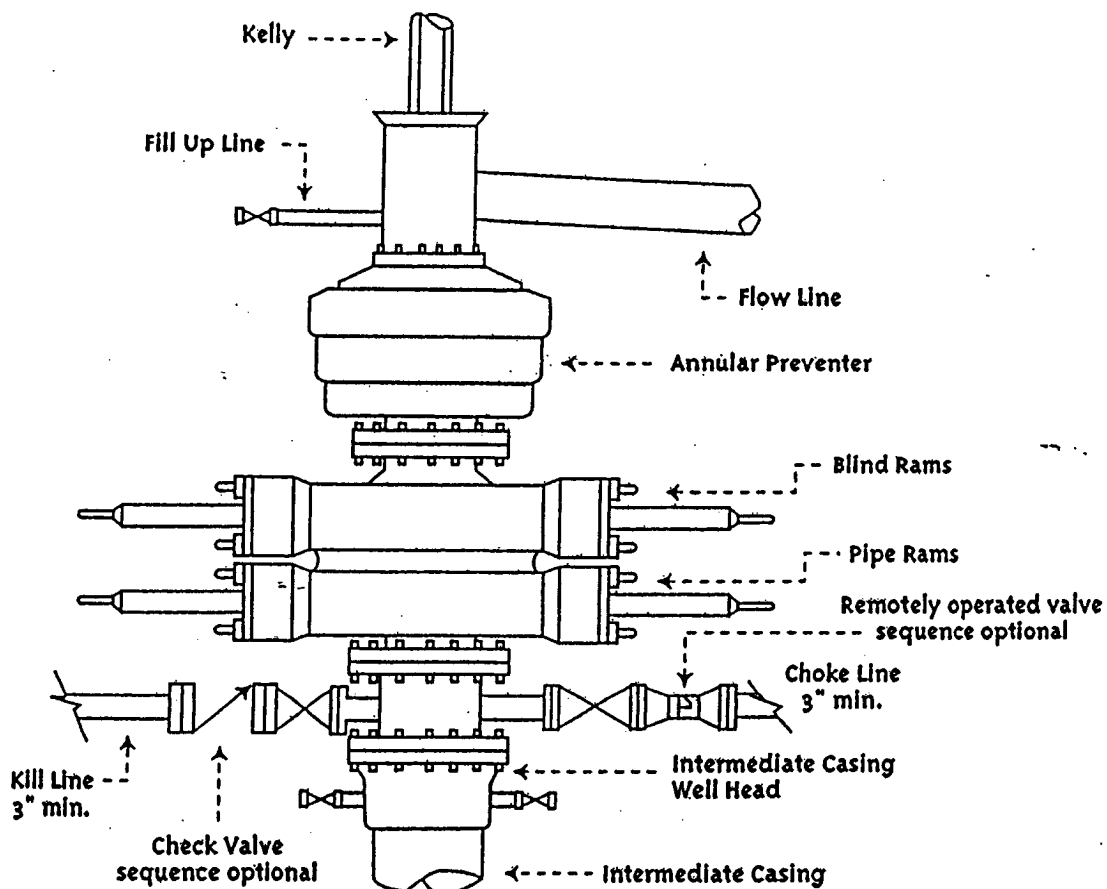


MEE: 10/10/06

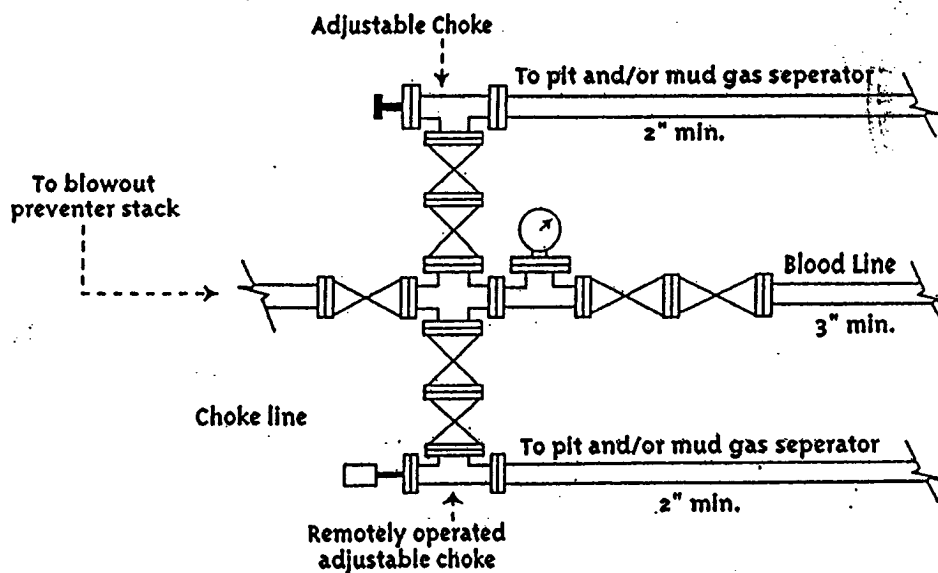


David H. Arrington Oil & Gas, Inc.

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



RIG 624

First wall on reserve @ back of cellar on pump side

6' x 6' Cellar

150'

170'

150'

45'

10'

40'

20'

124'

40'

20'

120'

20'

Rathole/Mousehole

S 5' 5" → M 20' @ 3 deg

8' 2" → 7' 8" → R 30' @ 6 deg

RIG 624

First wall on reserve @ back of cellar on pump side

120' 165' 150' 170'

45' 10' 40' 20' 124' 40' 20'

6' x 6' Cellar

Rathole/Mousehole

S 5' 5" M 20' @ 3 deg

8' 2" 7' 8" R 30' @ 6 deg

RIG 624

First wall on reserve @ back of cellar on pump side

120' 165' 150' 170'

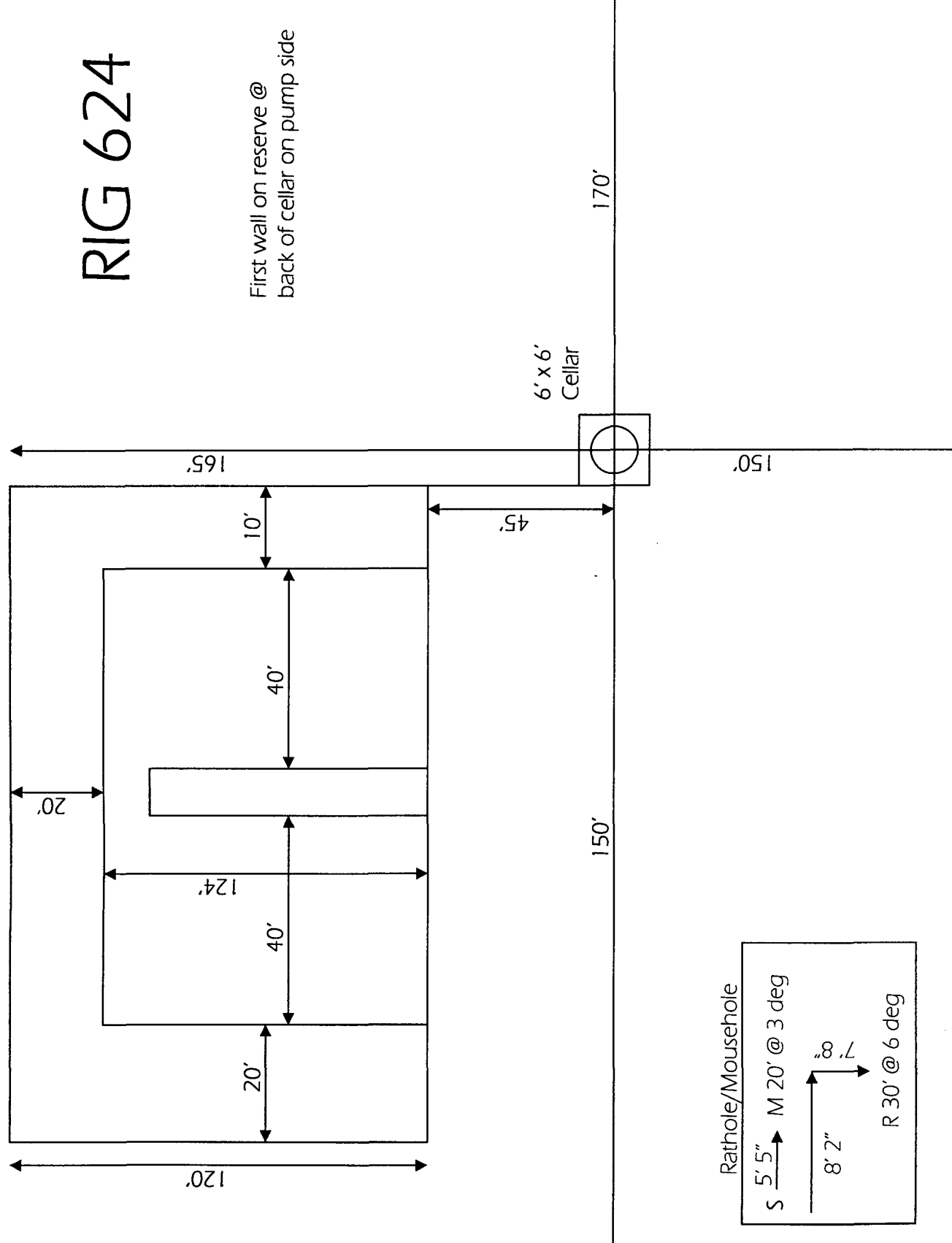
45' 10' 40' 20' 124' 40' 20'

6' x 6' Cellar

Rathole/Mousehole

S 5' 5" M 20' @ 3 deg

8' 2" 7' 8" R 30' @ 6 deg



RIG 624

First wall on reserve @ back of cellar on pump side

120' 165' 150' 170'

45' 10' 40' 20' 124' 40' 20'

6' x 6' Cellar

Rathole/Mousehole

S 5' 5" M 20' @ 3 deg

8' 2" 7' 8" R 30' @ 6 deg

RIG 624

First wall on reserve @ back of cellar on pump side

120' 165' 150' 170'

45' 10' 40' 20' 124' 40' 20'

6' x 6' Cellar

Rathole/Mousehole

S 5' 5" M 20' @ 3 deg

8' 2" 7' 8" R 30' @ 6 deg

RIG 624

First wall on reserve @ back of cellar on pump side

120' 165' 150' 170'

45' 10' 40' 20' 124' 40' 20'

6' x 6' Cellar

Rathole/Mousehole

S 5' 5" M 20' @ 3 deg

8' 2" 7' 8" R 30' @ 6 deg

RIG 624

First wall on reserve @ back of cellar on pump side

6' x 6' Cellar

150'

170'

150'

165'

45'

10'

40'

20'

124'

40'

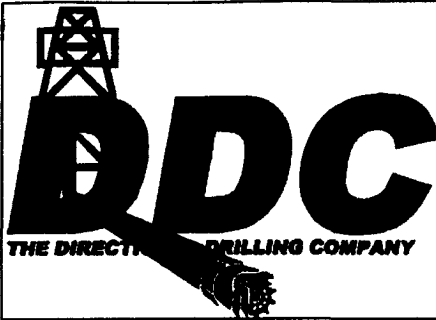
20'

120'

Rathole/Mousehole

S 5' 5" → M 20' @ 3 deg

8' 2" → 7' 8" → R 30' @ 6 deg



Job Number:
 Company: David H. Arrington Oil & Gas
 Lease/Well: Red Comet Fed. Com. #1H
 Location: Eddy County
 Rig Name:
 RKB: 3947'
 G.L. or M.S.L.: 3928'

State/Country: New Mexico
 Declination:
 Grid:
 File name: C:\PROPOS-1\ARRING-1\1HRED-2\PLAN.SVY
 Date/Time: 09-Oct-06 / 16:41
 Curve Name: Preliminary Plan

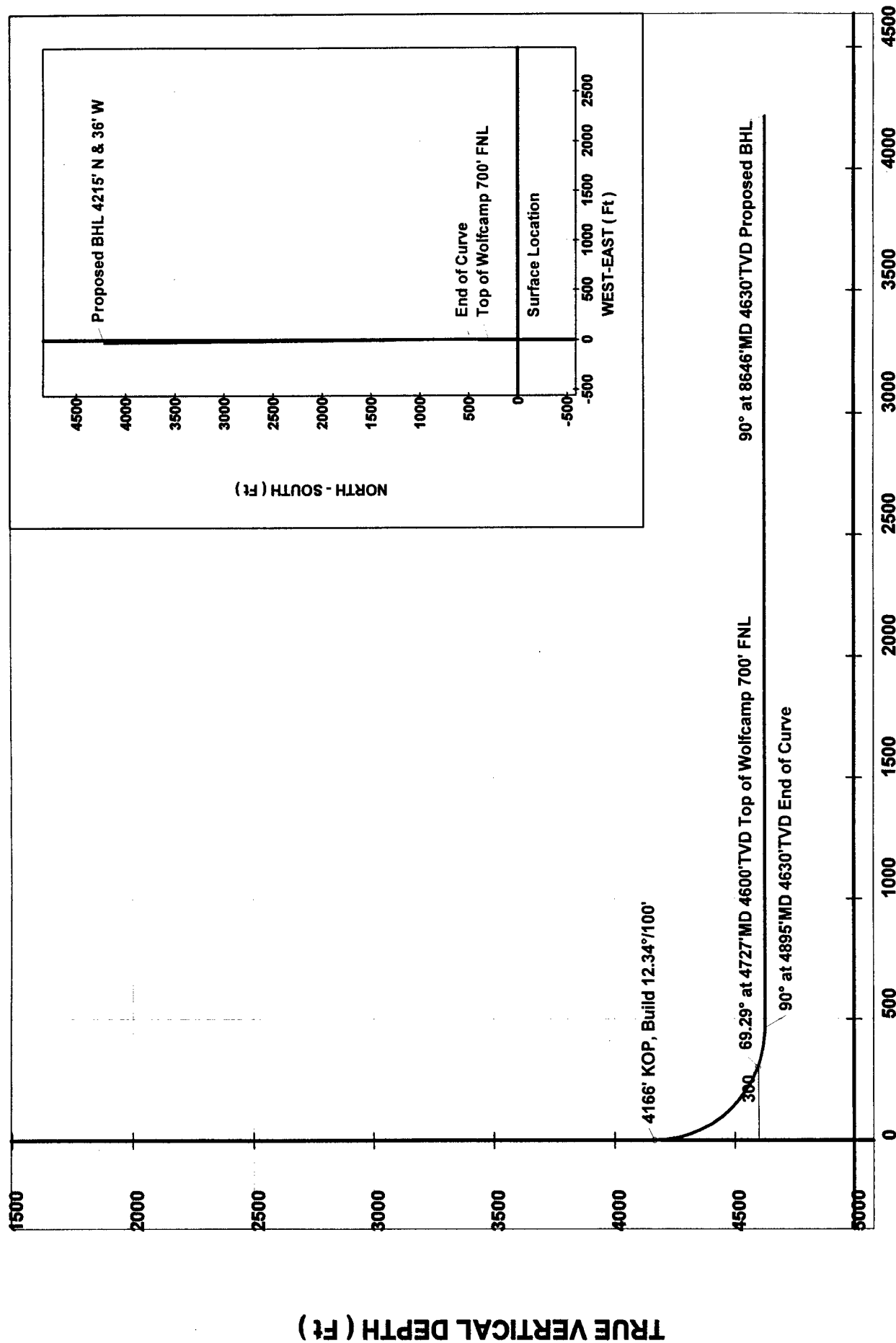
THE DIRECTIONAL DRILLING COMPANY

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	CLOSURE Distance FT	Direction Deg
KOP, Build 12.34°/100'									
4165.80	.00	359.51	4165.80	.00	.00	.00	.00	.00	.00
4215.80	6.17	359.51	4215.70	2.69	2.69	-.02	12.34	2.69	359.51
4265.80	12.34	359.51	4265.03	10.73	10.73	-.09	12.34	10.73	359.51
4315.80	18.51	359.51	4313.20	24.03	24.02	-.21	12.34	24.03	359.51
4365.80	24.69	359.51	4359.67	42.42	42.42	-.36	12.34	42.42	359.51
4415.80	30.86	359.51	4403.89	65.71	65.71	-.56	12.34	65.71	359.51
4465.80	37.03	359.51	4445.35	93.61	93.61	-.80	12.34	93.61	359.51
4515.80	43.20	359.51	4483.57	125.81	125.81	-1.08	12.34	125.81	359.51
4565.80	49.37	359.51	4518.10	161.94	161.93	-1.38	12.34	161.94	359.51
4615.80	55.54	359.51	4548.56	201.56	201.55	-1.72	12.34	201.56	359.51
4665.80	61.71	359.51	4574.57	244.23	244.22	-2.09	12.34	244.23	359.51
4715.80	67.89	359.51	4595.85	289.45	289.44	-2.48	12.34	289.45	359.51
Top of Wolfcamp 700' FNL									
4727.16	69.29	359.51	4600.00	300.03	300.02	-2.57	12.34	300.03	359.51
4765.80	74.06	359.51	4612.15	336.70	336.68	-2.88	12.34	336.70	359.51
4815.80	80.23	359.51	4623.27	385.42	385.41	-3.30	12.34	385.42	359.51
4865.80	86.40	359.51	4629.08	435.06	435.04	-3.72	12.34	435.06	359.51
End of Curve									
4894.96	90.00	359.51	4630.00	464.20	464.18	-3.97	12.34	464.20	359.51
5094.96	90.00	359.51	4630.00	664.20	664.18	-5.68	.00	664.20	359.51
5294.96	90.00	359.51	4630.00	864.20	864.17	-7.39	.00	864.20	359.51
5494.96	90.00	359.51	4630.00	1064.20	1064.16	-9.10	.00	1064.20	359.51
5694.96	90.00	359.51	4630.00	1264.20	1264.15	-10.81	.00	1264.20	359.51

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	CLOSURE Distance FT	Direction Deg
5894.96	90.00	359.51	4630.00	1464.20	1464.15	-12.52	.00	1464.20	359.51
6094.96	90.00	359.51	4630.00	1664.20	1664.14	-14.23	.00	1664.20	359.51
6294.96	90.00	359.51	4630.00	1864.20	1864.13	-15.94	.00	1864.20	359.51
6494.96	90.00	359.51	4630.00	2064.20	2064.12	-17.65	.00	2064.20	359.51
6694.96	90.00	359.51	4630.00	2264.20	2264.12	-19.36	.00	2264.20	359.51
6894.96	90.00	359.51	4630.00	2464.20	2464.11	-21.07	.00	2464.20	359.51
7094.96	90.00	359.51	4630.00	2664.20	2664.10	-22.78	.00	2664.20	359.51
7294.96	90.00	359.51	4630.00	2864.20	2864.10	-24.49	.00	2864.20	359.51
7494.96	90.00	359.51	4630.00	3064.20	3064.09	-26.21	.00	3064.20	359.51
7694.96	90.00	359.51	4630.00	3264.20	3264.08	-27.92	.00	3264.20	359.51
7894.96	90.00	359.51	4630.00	3464.20	3464.07	-29.63	.00	3464.20	359.51
8094.96	90.00	359.51	4630.00	3664.20	3664.07	-31.34	.00	3664.20	359.51
8294.96	90.00	359.51	4630.00	3864.20	3864.06	-33.05	.00	3864.20	359.51
8494.96	90.00	359.51	4630.00	4064.20	4064.05	-34.76	.00	4064.20	359.51
Proposed BHL									
8646.20	90.00	359.51	4630.00	4215.44	4215.29	-36.05	.00	4215.44	359.51

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



VERTICAL SECTION (Ft) @ 359.51°

October 10, 2006

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

Oil Conservation Division
Attn: Mr. Bryan Arrant
1301 Grand Ave.
Artesia, NM 88210

RE: David H. Arrington Oil & Gas, Inc., **Red Comet Fed Com #1H**; Cottonwood Creek;
Wolfcamp, UL N, Sec 35, 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.

We are respectfully requesting an exemption from H2S requirements as per NMOCD Rule 118. The anticipated TVD is 4630', the TMD is 8645' for this proposed horizontal well.

Thank you,

A handwritten signature in black ink, appearing to read "Debbie Freeman", with a long horizontal flourish extending to the right.

Debbie Freeman
David H. Arrington Oil & Gas
PO Box 2071
Midland, TX 79702
432-682-6685 ext 357

June 1, 2006

STATEMENT OF SURFACE USE

Operator	David H. Arrington Oil & Gas, Inc.
Well Name	Red Comet Fed Com
Well Number	1H
Location	Township 17 South, Range 23 East, N.M.P.M. Section 35: Lot N

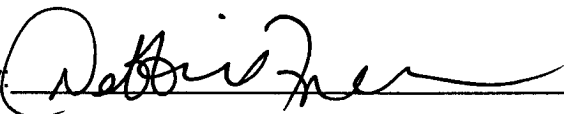
The surface for the ownership of the above described lands is a follows:

1. _____ owned by the United States of America.
2. _____ owned by the State of New Mexico.
3. ___X___ owned in fee by the following party(ies):

Name	J.J. Steele Testamentary Trust
Address	P.O. Box 58
City/State/Zip	Clovis, NM 88102
Phone Number	(505) 762-1928

The undersigned is an authorized agent, or employee, of David H. Arrington Oil & Gas, Inc., and hereby certifies that the described lands are owned, as indicated above, and a surface agreement has been obtained, if required, from the owner.

Certified this ___11th___ day of ___October___, 2006_____.

by: _____

Print Name: _____Debbie Freeman_____