Form 3160-3
(April 2004)

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUN 20 2007
OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: [X] DRILL [ ] REENTER	5. Lease Serial No. NM 103262
	6. If Indian, Allotee or Tribe Name
1b. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other [X] Single Zone [ ] Multiple Zone	7. If Unit or CA Agreement, Name and No.
	8. Lease Name and Well No. Girdle Bug Bobo Fed Com #1H 36559
2. Name of Operator DAVID H. ARRINGTON OIL & GAS INC 5898	9. API Well No. 30-005- 63951
3a. Address PO BOX 2071 MIDLAND, TX 79702 / 3b. Phone No (include area code) (432)682-6685	10. Field and Pool, or Exploratory Wildcat; Wolfcamp Gas
4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface 760' FNL & 200' FEL - Point of entry 660' FEL. At proposed prod. zone 760' FNL & 660' FWL ROSWELL CONTROLLED WATER BASIN	11. Sec., T. R. M. or Blk. and Survey or Area Sec 14, T15S, R24E
14. Distance in miles and direction from nearest town or post office* 9 miles West from Lake Arthur	12. County or Parish Chaves / 13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 200'	16. No. of acres in lease 320 / 17. Spacing Unit dedicated to this well 320
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 3700'	19. Proposed Depth 4900' TVD 8833' TMD / 20. BLM/BIA Bond No. on file NM 2503
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3607' GL	22. Approximate date work will start* 07/15/2007 / 23. Estimated duration 15-21 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name (Printed/Typed) DEBBIE FREEMAN	Date 05/10/2007
Title ENGINEER TECH		
Approved by (Signature) /S/ JOHN S. SIMITZ	Name (Printed/Typed) /S/ JOHN S. SIMITZ	Date JUN 18 2007
Title Acting Assistant Field Manager, Lands And Minerals	Office ROSWELL FIELD OFFICE	APPROVED FOR 2 YEARS

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.

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)

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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name	
30-005-	97489	Wildcat; Wolfcamp Gas	
[4] Property Code	[5] Property Name		[6] Well Number
	GIRDLE BUG BOBO FED COM		1H
[7] OGRID No.	[8] Operator Name		[9] Elevation
5898	DAVID H. ARRINGTON OIL & GAS, INC.		3607'

[10] Surface Location

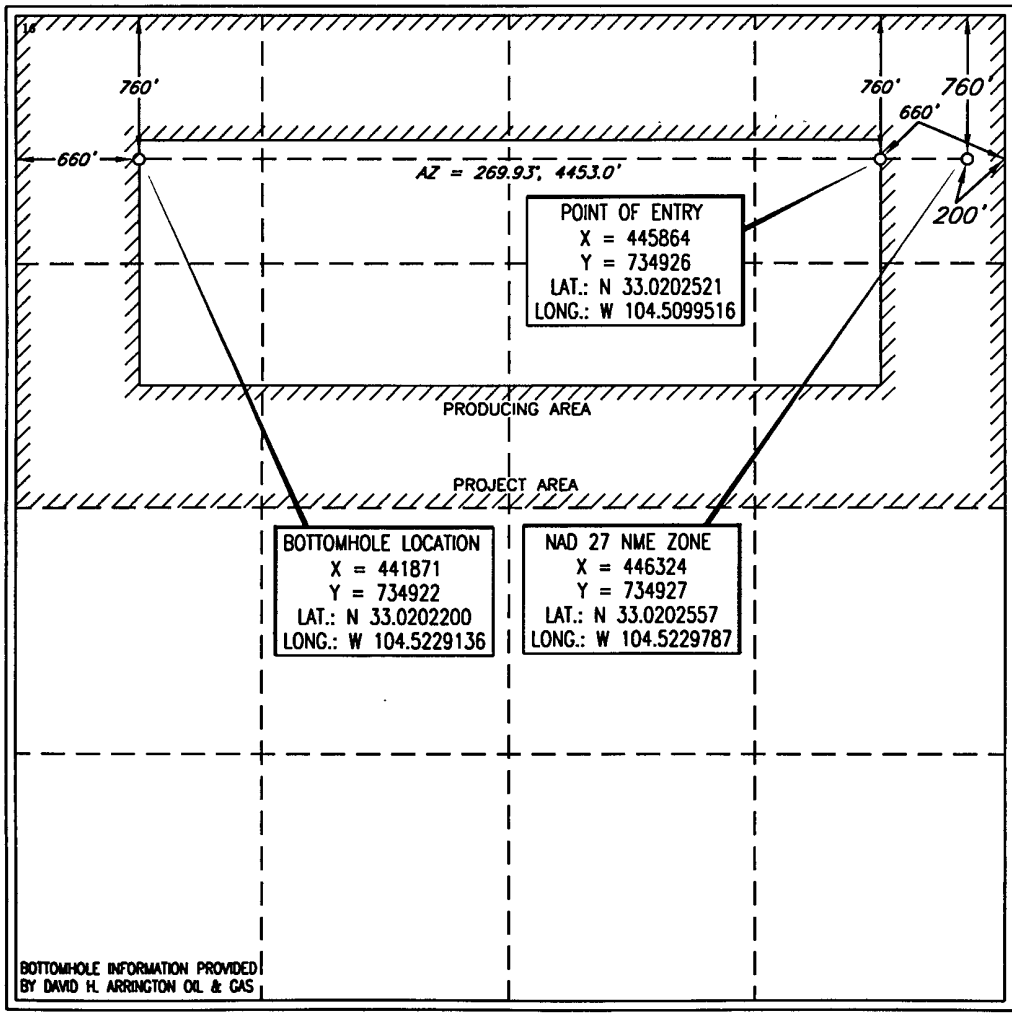
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	14	15 SOUTH	24 EAST, N.M.P.M.		760'	NORTH	200'	EAST	CHAVES

[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
D	14	15 SOUTH	24 EAST, N.M.P.M.		760'	NORTH	660'	WEST	CHAVES

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320	—		

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



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature — Date: 3/8/07

Printed Name: Debbie Freeman

[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.

DECEMBER 27, 2006

Date of Survey

Signature and Seal of Professional Surveyor

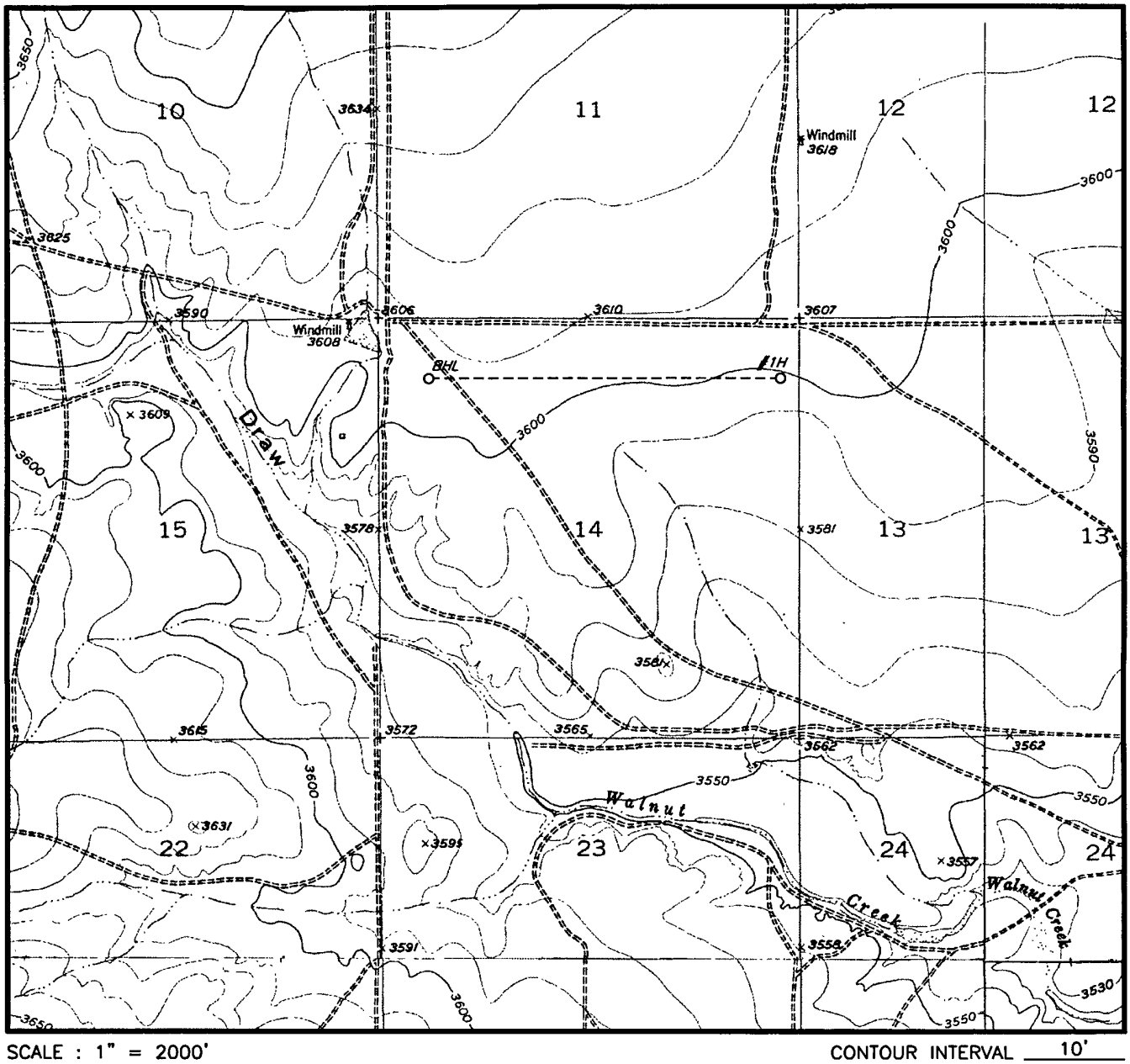
V. L. BEZNER NEW MEXICO 7920 LICENSED LAND SURVEYOR

Certificate Number

V. L. BEZNER R.P.S. #7920

JOB # 119986 / 125 SW / E.U.O.

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 14 TWP 15-S RGE 24-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY CHAVES STATE NM

DESCRIPTION 760' FNL & 200' FEL

ELEVATION 3607'

OPERATOR DAVID H. ARRINGTON OIL & GAS

LEASE GIRDLE BUG BOBO Fed Com #1H

U.S.G.S. TOPOGRAPHIC MAP

HAGERMAN SW, NEW MEXICO

SCALED LAT. LAT.: N 33.0202557

LONG. LONG.: W 104.5229787

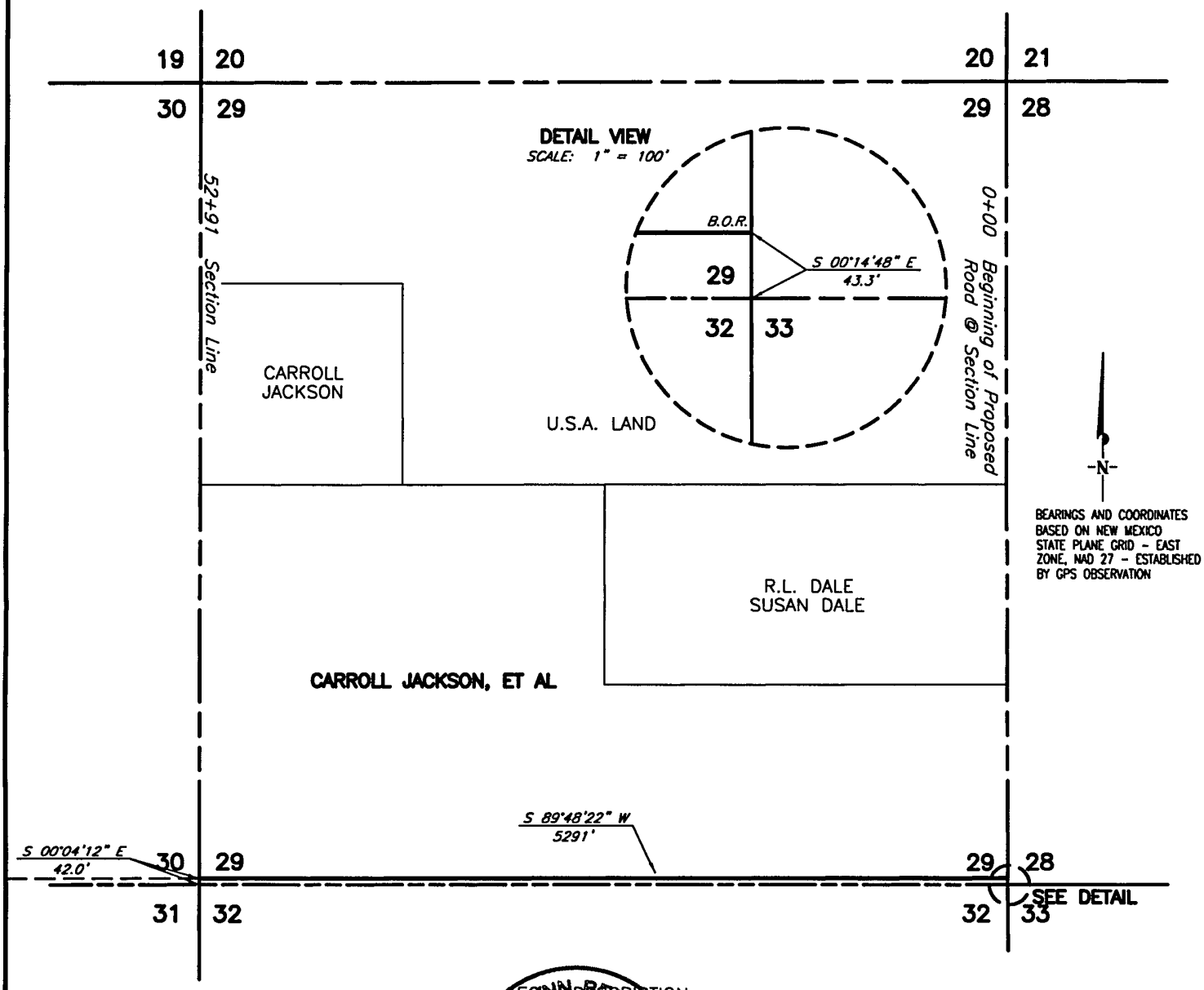
-N-

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

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

SECTION 29, TOWNSHIP 15 SOUTH, RANGE 25 EAST, N.M.P.M.,
CHAVES COUNTY NEW MEXICO



LEGAL DESCRIPTION

A strip of land in Section 29, Township 15 South, Range 25 East, N.M.P.M., Chaves County, New Mexico, and the centerline being described as follows:

BEGINNING at a point on the East line of said Section 29 from which the Southeast corner of said Section 29 bears S 00°14'48" E, a distance of 43.3 feet; Thence S 89°48'22" W, a distance of 5291.0 feet to the End of this DESCRIPTION, a point on the West line of said Section 29 from whence its Southwest corner bears S 00°04'12" E, a distance of 42.0 feet and containing 5291 feet and 320.67 Rods.

I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUN STANDARDS FOR SURVEYING IN NEW MEXICO.

V. Lynn Bezner

V. LYNN BEZNER NEW MEXICO 9320 LICENSED LAND SURVEYOR

NO.	REVISION	DATE	BY

DAVID H. ARRINGTON OIL & GAS

SCALE: 1" = 1000'
DATE: FEBRUARY 2, 2007
JOB NO.: 121563-1

SURVEYED BY:	A.T.M.
DRAWN BY:	E.U.O.
APPROVED BY:	V.L.B.

SURVEYING AND MAPPING BY
TOPOGRAPHIC LAND SURVEYORS
MIDLAND, TEXAS

125SW

SHEET : 1 OF 13

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

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

Girdle Bug Bobo Fed Com #1H

760' FNL & 200' FEL of sec 14, T15S, R24E in Chaves County, NM
Abo/Wolfcamp
NMNM 103262

1. EXISITNG 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. 285 & hwy. 82, go north +/- 11.2 miles on hwy. 285, thence west +/- 1.0 mile on Jackson Road, thence north 0.2 miles, thence northwest 1.6 miles, thence east 1.0 mile to a point +/- 650' north of the location.

2. PLANNED ACCESS ROAD – Approximately 5000' of new N-S access road will be built from the existing Damsel Bobo Fed Com #1H road as per the Topographic Land Surveyors map of April 27, 2007.

3. LOCATION OF EXISTING WELLS – Applied for new drill approximately 3700' south of location.

4. LOCATION OF EXISTING OR PROPOSED FACILITIES – New facilities will be located just SW of the surface location.

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 roads. 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 on site or from a local source. 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 and proposed roads.

7. METHODS FOR HANDLING WASTE DISPOSAL –

   a. Drill cuttings will be disposed into drilling pits after fluids have evaporated.

b. The drilling pits will be lines with a 20 mil biodegradable plastic liner, and buried as per regulatory requirements.
c. 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.
d. 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.
e. 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 rig and the pad. The drill site area has been surveyed and flagged. 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:
Coleman F. Jackson
72 W. Jackson Rd.
Lake Arthur, NM 88253
505-365-2342

The site has been archaeologically surveyed by a registered archaeological surveyor in April 2007 and submitted to the BLM, Carlsbad, NM.

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 Operation & Drilling Engineer 432-559-1216.

13. OPERATORS CERTIFICAION

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 Ellerbe

Date: 5/10/07

.....

.....

APD, Nine Point & Thirteen Point Drilling Plans prepared & submitted to the Bureau of Land Management by Debbie Freeman, Engineer Technician for David H. Arrington Oil & Gas, Inc. P.O. Box 2071, Midland, Texas 79702

Statement Accepting Responsibility for Operations

David H. Arrington Oil & Gas, Inc.
PO Box 2071
Midland, TX 79702

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease Name & Well Number: Girdle Bug Bobo Fed Com. #1H

Lease No.: NM 103262

Legal Description of land: Sec 14, T15S, R24E (NE/NE)

Formation: WOLFCAMP

Bond Coverage: $25,000 - NM-2503, BLM 104312789

Authorized Signature: _____

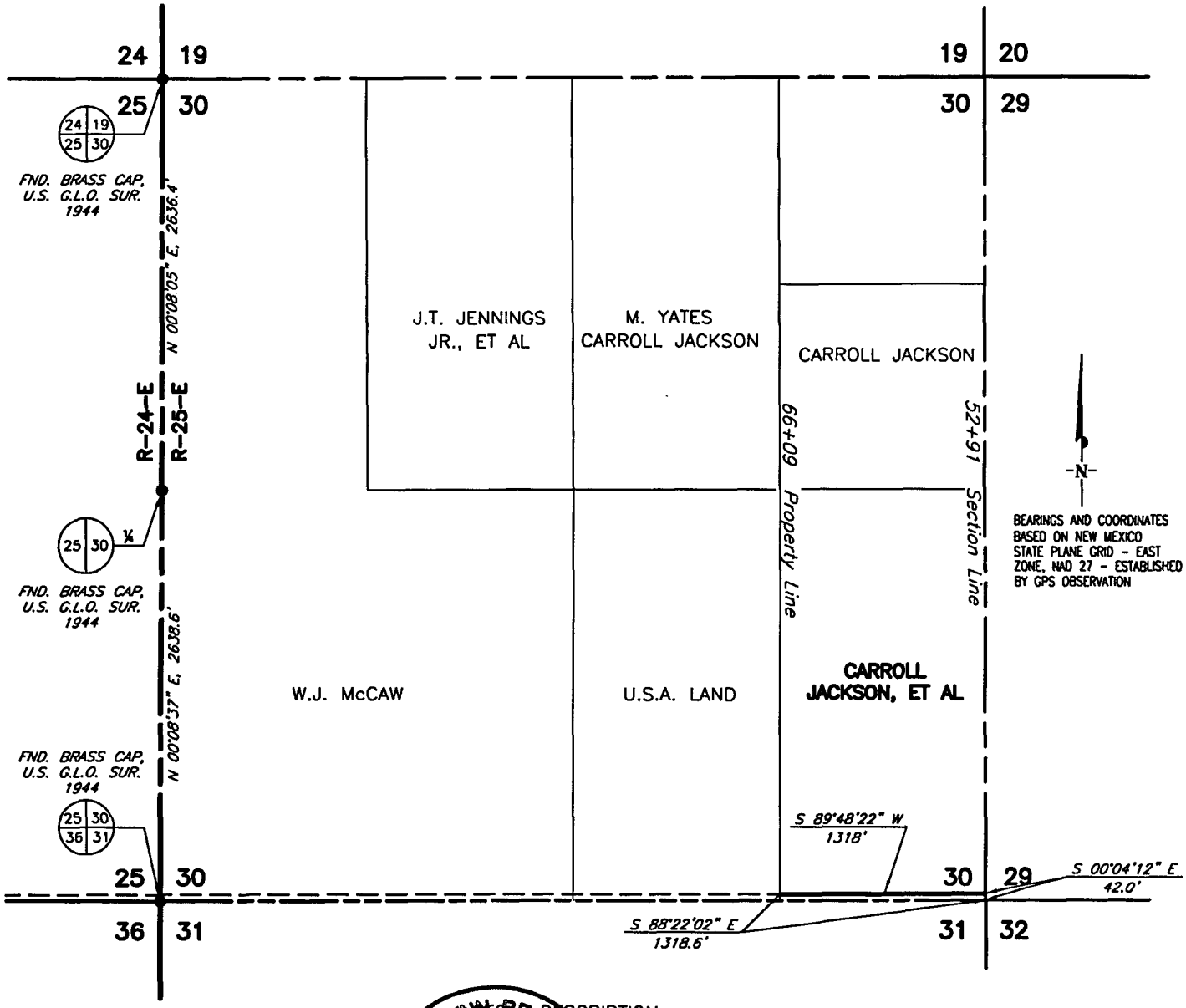
Printed Name: MARK ELLERBE

Title: SR. DRILLING ENGINEER

Date: 05/10/2007

SECTION 30, TOWNSHIP 15 SOUTH, RANGE 25 EAST, N.M.P.M.,

CHAVES COUNTY — NEW MEXICO



LEGAL DESCRIPTION

A strip of land in Section 30, Township 15 South, Range 25 East, N.M.P.M., Chaves County, New Mexico, and the centerline being described as follows:

BEGINNING at a point on the East line of said Section 30 from whence the Southeast corner of said Section 30 bears S 00°04'12" E, a distance of 42.0 feet; Thence S 89°48'22" W, a distance of 1318.0 feet to the End of this DESCRIPTION, a point in said Section 30 from whence its Southeast corner bears S 88°22'02" E, a distance of 1318.6 feet and containing 7820 feet and 79.88 Rods.

I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

V. LYNN BEZNER — NEW MEXICO — 7820 — LICENSED LAND SURVEYOR

V. Lynn Bezner

NO.	REVISION	DATE	BY

DAVID H. ARRINGTON OIL & GAS

SURVEYED BY: A.T.M.
DRAWN BY: E.U.O.
APPROVED BY: V.L.B.

SURVEYING AND MAPPING BY
TOPOGRAPHIC LAND SURVEYORS
MIDLAND, TEXAS

SCALE: 1" = 1000'
DATE: FEBRUARY 2, 2007
JOB NO.: 121563-2
125SW
SHEET : 2 OF 13

David H. Arrington Oil & Gas Inc.
Girdle Bug Bobo Fed Com 1H
SHL - 760' FNL & 200' FEL
Penetration Point - 760' FNL & 660' FEL
BHL - 760' FNL & 660' FWL
S14, T15S, R24E
Chaves County, NM

- Drilling Plan -

1. Ground elevation above sea level: 3607'

2. Proposed drilling depth: 8833' TMD

3. Estimated tops of geological markers:

Red Beds	100'
San Andres	400'
Glorietta	1690'
Tubb	3010'
Abo Shale	3700'
Abo Carbonate	4000'
Wolfcamp	4625'

4. Possible mineral bearing formations:

Abo/Wolfcamp Gas/Oil

5. Casing Program

Hole size	Interval	OD of Casing	Weight	Grade	Thread	TOC
12-1/4"	40' - 1100'	8-5/8"	32#	J55	LTC	Surf
7-7/8"	1100' - 8833'	5-1/2"	17#	I80	LTC	Surf

Drill 7-7/8" vertical hole to ~4025' and begin 9.22 BUR to 4838'. Change out assembly for a BUR of 6.56 and land curve @ 5067' MD (4655' TVD). Drill ahead to a total measured depth of ~ 8833'. 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	1100'	410	Lead:	Light C (65:35:6) w/ 5 pps gilsonite, 3% salt & 2% $CaCl_2$ (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% $CaCl_2$.

5-1/2" Production	8833'	590	Lead:	Interfill C w/ 1/8# pps Poly-E-Flake (11.9 / 2.45)
		360	Tail:	Howco Acid Soluble Cement w/ 10# silicalite 50/50 blend, 0.5% Halad 344, 0.2% HR-601 & 0.25 pps D-Air 3000 (14.8 / 2.68)

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 11" 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' - 1100'	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.
1100' - 8833'	8.4 - 9.3	28 -38	NC-12	Fresh water-cut brine. Drill out w/ cut brine using paper and high viscosity sweeps for seepage and hole cleaning. At ~ 3,500' mud up utilizing starch/PAC system. Add XCD polymer for viscosity and white starch for fluid loss control. Sweep as necessary for hole cleaning.

Proposed Drilling Plan:

Drill 12-1/4" surface hole to 1100'. Run 8-5/8" and cement to surface.

Drill 7-7/8" vertical hole to ~4025' and begin 9.22 BUR to 4838'. Change out assembly for a BUR of 6.56 and land curve @ 5067' MD (4655' TVD). Drill ahead to a total measured depth of ~ 8833'. Run 5-1/2" production string to TD and cement to surface.

OPERATOR:	David H. Arrington Oil & Gas Inc.			TARGET N-S	Directional
WELL:	Girdle Bug Bobo Fed Com 1H	Chaves County		TARGET E-W	
LOCATION: SURF	760' FNL & 200' FEL, S14, T15S, R24E			TARGET RADIUS	
LOCATION: BHL	760' FNL & 660' FWL, S14, T15S, R24E			TARGET DISPLACEMENT	
COMMENTS:				TARGET CLOSURE	
Preliminary Directional Plan		MAG DEC.(-/+)		TARGET TVD	Horizontal 4655.00
		GRID CORR.(-/+)		DIP AZ	0.00
		TOTAL CORR.(-/+)		DIP DEG UP+/DN-	0.00
DATE:	TIME:			TARGET INCLINATION	90.00

MINIMUM CURVATURE CALCULATIONS(SPE-3362) PROPOSED DIRECTION 269.93

SVY NUM	MD	INC	TRUE AZM	TVD	SECT	N-S	E-W	DLS/ 100	TARGET TRACKING TO CENTER ABOVE(+) BELOW(-)	TARGET TRACKING TO CENTER RIGHT(+) LEFT(-)	CLOSURE DIR (DEG AZ)	CLOSURE DISTANCE (FEET)	BUILD RATE/ °/100'	WALK RATE/ °/100'
1	0.00	0.00	269.93	0.0	0.0	0.0	0.0	0.0						
KOP	**4024.90**	**0.00**	**269.93**	**4024.9**	**0.0**	**0.0**	**0.0**	**0.0**	**630.1**	**0.0**	**63.43**	**0.00**	**0.00**	**0.00**
3	4124.90	9.22	269.93	4124.5	8.0	0.0	-8.0	9.2	530.5	0.0	269 93	8.03	9.22	0.00
4	4224.90	18.44	269.93	4221.5	31.9	0.0	-31.9	9.2	433.5	0.0	269.93	31.91	9.22	0.00
5	4324.90	27.66	269.93	4313.4	71.0	-0.1	-71.0	9.2	341.6	0.0	269.93	71.02	9.22	0.00
6	4424.90	36.88	269.93	4397.8	124.4	-0.2	-124.4	9.2	257.2	0.0	269.93	124.35	9.22	0.00
7	4524.90	46.10	269.93	4472.7	190.5	-0.2	-190.5	9.2	182.3	0.0	269.93	190.53	9.22	0.00
8	4624.90	55.32	269.93	4535.9	267.8	-0.3	-267.8	9.2	119.1	0.0	269.93	267.84	9.22	0.00
9	4724.90	64.54	269.93	4586.0	354.3	-0.4	-354.3	9.2	69.0	0.0	269.93	354.29	9.22	0.00
10	4824.90	73.76	269.93	4621.5	447.6	-0.5	-447.6	9.2	33.5	0.0	269.93	447.64	9.22	0.00
HL	**4837.70**	**74.94**	**269.93**	**4625.0**	**460.0**	**-0.6**	**-460.0**	**9.2**	**30.0**	**0.0**	**269.93**	**459.96**	**9.22**	**0.00**
12	4937.70	81.50	269.93	4645.4	557.8	-0.7	-557.8	6.6	9.6	0.0	269.93	557.81	6.56	0.00
EOC	**5067.27**	**90.00**	**269.93**	**4655.0**	**686.9**	**-0.8**	**-686.9**	**6.6**	**0.0**	**0.0**	**269.93**	**686.90**	**0.00**	**0.00**
14	5167.27	90.00	269.93	4655.0	786.9	-1.0	-786.9	0.0	0.0	0.0	269.93	786.90	0.00	0.00
15	5500.00	90.00	269.93	4655.0	1119.6	-1.4	-1119.6	0.0	0.0	0.0	269.93	1119.63	0.00	0.00
16	6000.00	90.00	269.93	4655.0	1619.6	-2.0	-1619.6	0.0	0.0	0.0	269.93	1619.63	0.00	0.00
17	6500.00	90.00	269.93	4655.0	2119.6	-2.6	-2119.6	0.0	0.0	0.0	269.93	2119.63	0.00	0.00
18	7000.00	90.00	269.93	4655.0	2619.6	-3.2	-2619.6	0.0	0.0	0.0	269.93	2619.63	0.00	0.00
19	7500.00	90.00	269.93	4655.0	3119.6	-3.8	-3119.6	0.0	0.0	0.0	269.93	3119.63	0.00	0.00
20	8000.00	90.00	269.93	4655.0	3619.6	-4.4	-3619.6	0.0	0.0	0.0	269.93	3619.63	0.00	0.00
21	8500.00	90.00	269.93	4655.0	4119.6	-5.0	-4119.6	0.0	0.0	0.0	269.93	4119.63	0.00	0.00
BHL	**8833.40**	**90.00**	**269.93**	**4655.0**	**4453.0**	**-5.4**	**-4453.0**	**0.0**	**0.0**	**0.0**	**269.93**	**4453.03**	**0.00**	**0.00**

Girdle Bug Bobo Fed Com 1H
Cottonwood Creek Field
Chaves County, New Mexico

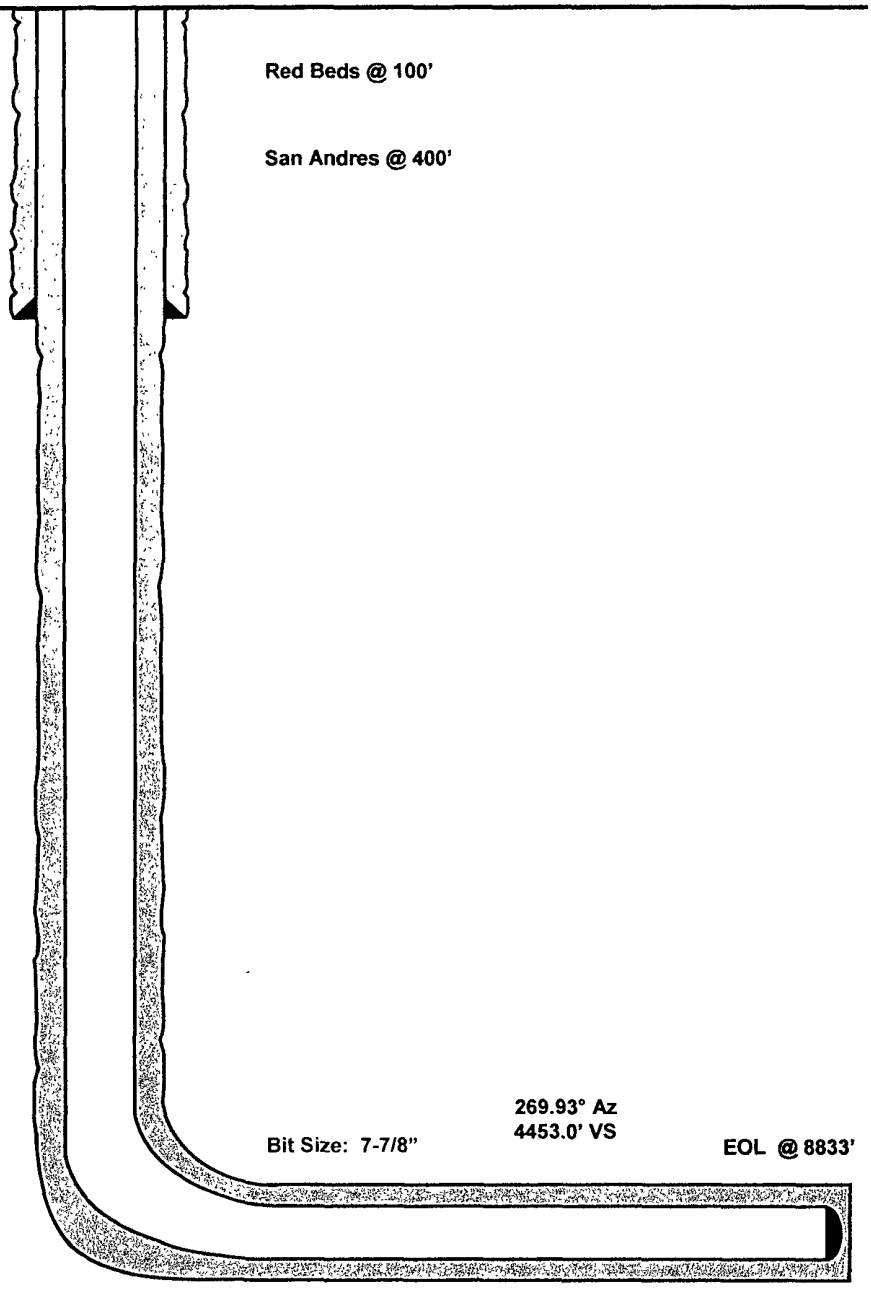
Surface
760' FNL
200' FEL
S-14
T15S, R24E

Lateral Terminus
760' FNL
660' FWL

Proposed Wellbore

API: 30-005-

KB: 3626'
GL: 3607'



Red Beds @ 100'

Bit Size: 12-1/4"

San Andres @ 400'

8-5/8" 32# J55 LTC @ 1100'
w/ 410 sx Light C (65:35:6) w/ 5 pps gilsonite, 3% salt & 2% CaCl2 (12.4 / 2.06) and
200 sx C w/ 2% CaCl2 (14.8 / 1.34)
Assumed 100% WO gauge hole + 100 sx Lead

Glorietta @ 1690'

Tubb @ 3010'

Bit Size: 7-7/8"

Abo Shale @ 3700'

Abo Carb @ 4000'

KOP: 4024.9'
9.22° BUR to 4837.7' MD / 4625' TVD
6.56° BUR to 5067.3' MD / 4655' TVD

269.93° Az
4453.0' VS

Bit Size: 7-7/8"

EOL @ 8833'

Wolfcamp @ 4625'
Land @ 4655' TVD

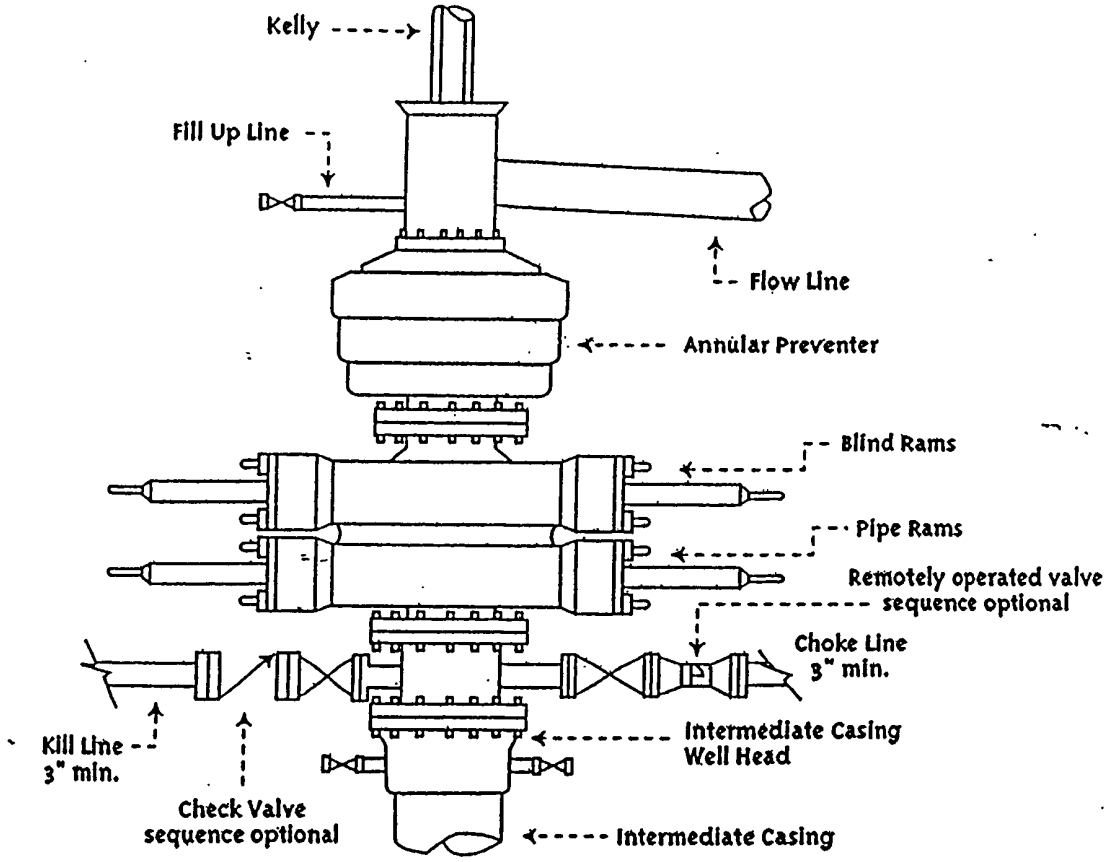
5-1/2" 17# I80 LTC @ 8833'
w/ 590 sx Interfill C w/ 1/8# pps Poly-E-Flake (11.9 / 2.45) and
360 sx Howco Acid Soluble Cement w/ 10# silicalite 50/50 blend, 0.5% Halad 344, 0.2% HR-601 & 0.25 pps D-Air 3000 (14.8 / 2.68)
Cement Circulated (Assumed 8.75" AHS + 100 sx lead)

TD: 8833'

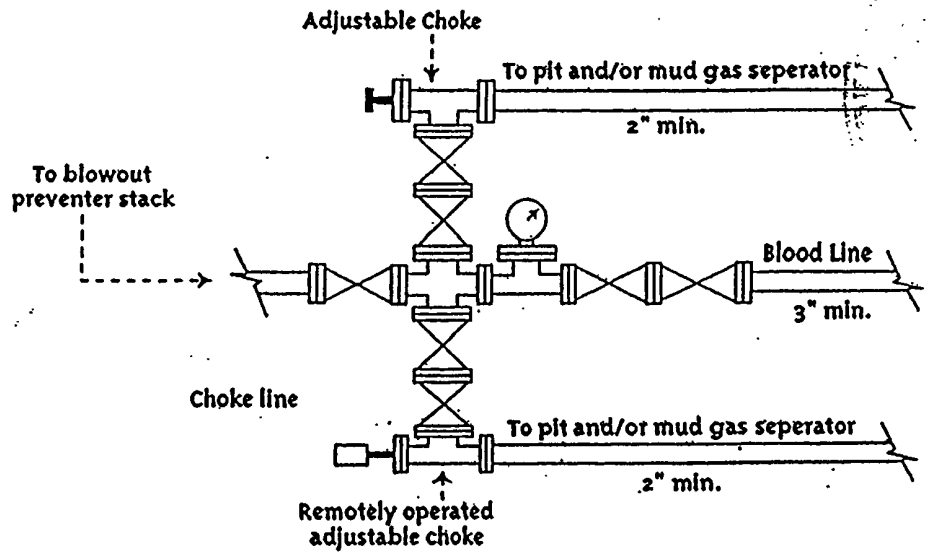
MEE: 05/07/07

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



May 10, 2007

Bureau of Land Management
2909 W. Second Street
Roswell, NM 88201-2019

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

RE: David H. Arrington Oil & Gas, Inc., **Girdle Bug Bobo Fed Com #1H**; Cottonwood Creek; Wolfcamp, Sec 14, T15S, R24E, Chaves 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 4900' and TMD is 8833' for this proposed horizontal well. In the event the BLM determines a contingency plan is needed, please see the attached DHAO&G plan.

Thank you,

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

Hydrogen Sulfide Drilling Operations Plan

for

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

Girdle Bug Bobo Fed com #1H

ONE - Hydrogen Sulfide Training:

All personnel, whether regularly assigned, contracted or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

- The hazards and characteristics of hydrogen sulfide (H2S);
- The proper use and maintenance of personal protective equipment and life support systems;
- The proper use of H2S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds; and,
- The proper techniques of first aid and rescue procedures.

In addition, the supervisory personnel will be trained in the following areas;

- The effects of H2S 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 H2S Drilling Operations Plan.

There will be an initial training session just prior to encountering a known or probable H2S zone (within 3 days or 500') and weekly H2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H2S Drilling Operations Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

TWO - H2S Safety Equipment and Systems:

NOTE: All H2S 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 the first zone containing, or reasonably expected to contain, H2S.

1. **Well Control Equipment:**

- Flare line with flare igniter;
- Choke manifold with one remote hydraulic choke installed;
- Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit;
- Auxiliary equipment to include an Annular Preventer.

2. **Protective equipment for essential personnel:**

- The designated safety expert will provide 5-minute escape units located in the doghouse, and 30-minute air units at briefing areas.

3. **H2S detection and monitoring equipment:**

- Three portable H2S monitors will be positioned on location for the best coverage and response. These units have warning lights and audible sirens when triggered by H2S levels > 20 PPM.
- One portable SO2 monitor will be positioned near flare line during H2S flaring operations.

4. **Visual warning systems:**

- Wind direction indicators will be placed in accordance with the directives issued by the designated H2S expert.
- Caution/Danger signs shall be posted on roads providing direct access to the location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be legible from the immediate location.

5. **Mud Program:**

- The mud program will minimize the volume of H2S circulated to the surface. Proper mud weight safe drilling practices, and, if necessary, the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

6. **Metallurgy:**

- All drill strings, casing, tubing, wellhead, blowout preventers, drilling spools kill lines, choke manifold and line valves shall be suitable for H2S service.
- All elastomers used for packing and seals shall be H2S trimmed.

7. **Communications:**

- Radio and telephone communications will be available in company vehicles and rig doghouse.

8. **Well Testing:**

- Drill stem testing will be performed with a minimum number of personnel necessary to safely and adequately conduct the test. The drill stem testing of any known formation that contains H2S will be conducted during daylight hours.

May 10, 2007

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

RE: ARC Survey: David H. Arrington Oil & Gas, Inc., **Girdle Bug Bobo Fed Com well #1H, in Chaves County, NM.**

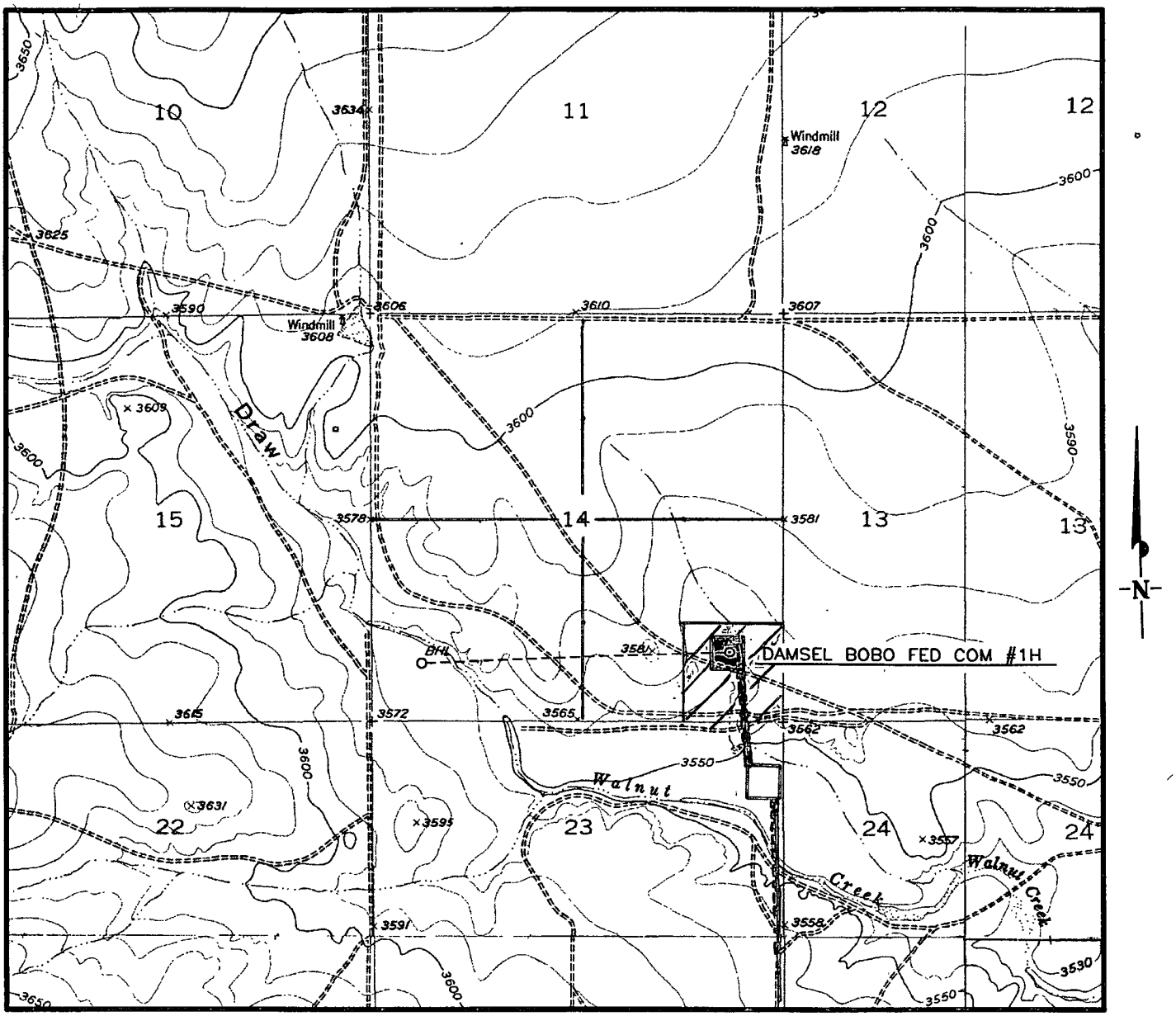
Concerning the above referenced well, the ARC Survey has been submitted by the survey company by separate mailing – Advanced Archaeological Solutions, Las Cruces, NM.

Thank you,

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

EXHIBIT A

OPERATORS NAME: **David H. Arrington Oil & Gas, Inc.** LEASE NO.: **NM-103262**
WELL NAME & NO: **Damsel Bobo Federal Com. #1H**
¼¼ & FOOTAGE: **SE¼SE¼ - SL; 900' FSL & 660' FEL & BHL; 760' FSL & 660' FWL**
LOCATION: **Section 14, T. 15 S., R. 24 E.**
COUNTY: **Chaves County, New Mexico, NMPM**



4. The reserve pit shall be fenced on three (3) sides during drilling operations. The fourth side shall be fenced immediately upon rig release.

5. The reserve pit shall be constructed so as not to leak, break, or allow discharge of drilling muds. Under no circumstances will the reserve pit be cut to drain drilling muds on the well location.

6. The reserve pit shall not be located in any natural drainage.

7. The reserve pit shall be equipped to deter entry by birds, bats, other wildlife and livestock, if the reserve pit contains any oil and/or toxic fluids.

8. Drilling muds shall be properly disposed of before the reserve pit is reclaimed. Drilling muds can be allowed to evaporate in the reserve pit or be removed and transported to an authorized disposal site. The reserve pit shall be backfilled when dry.

9. Dumping of junk or trash into the reserve pit is not allowed. Junk or trash shall be removed from within the reserve pit before the reserve pit is reclaimed. **Junk or trash shall not be buried in the reserve pit.**

E. Federal Mineral Materials Pit Requirements:

1. Caliche, gravel, or other related materials from new or existing pits on Federal mineral estate shall not be taken without prior approval from the authorized officer. Contact Jerry Dutchover at (505) 627 -0236.

2. Payment for any Federal mineral materials that will be used to surface the access road and the well pad is required prior to removal of the mineral materials.

3. Mineral Materials extracted during construction of the reserve pit may be used for development of the pad and access road as needed, for the **Damsel Bobo Federal Com. #1H** gas well only. Removal of any additional material on location must be purchased from BLM prior to removal of any material.

a. An optional mineral material pit may be constructed within the archaeologically cleared area. The mineral material removed in the process can be used for pad and access road construction. However, a mineral material sales contract must be purchased from the BLM prior to removal of any material.

F. **Well Pad Surfacing Requirement:**

The well pad shall be surfaced with **6** inches of compacted caliche, gravel, or other approved surfacing material. The well pad shall be surfaced prior to drilling operations. **See Permanent Resource Road Requirements - EXHIBIT D - requirement #4, for road surfacing.**

G. **Cave Requirements:**

1. If, during any construction activities any sinkholes or cave openings are discovered, all construction activities shall immediately cease. Contact Bill Murry at (505) 627-0220.

2. The BLM Authorized Officer will, within 24 hours of notification in "A" above, conduct an on-the-ground field inspection for karst. At the field inspection the authorized field inspector will authorize or suggest mitigating measures to lessen the damage to the karst environment. A verbal order to proceed or stop the operation will be issued at that time.

III. WELL SUBSURFACE REQUIREMENTS:

A. GENERAL DRILLING 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, in sufficient time for a representative to witness:

A. Spudding B. Cementing casing: 8 5/8 inch; 5 1/2 inch; C. BOP Tests

2. A Hydrogen Sulfide (H2S) Drilling Plan is not required for 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 approved by this office prior to any sales from this well.

B. CASING:

1. The 8 5/8 inch shall be set at **1100 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 Intermediate casing is to **circulate to surface.**

C. 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 5/8 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.**

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.
   -Both low pressure and high pressure testing of BOPE is required.