

No allottee
223

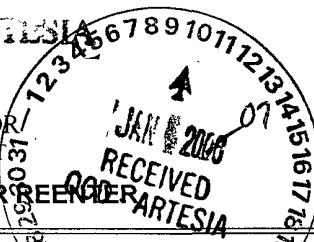
OCD-ARTESIA

ATS-07-144

FORM APPROVED
OMB No. 1004-0136
Expires March 31, 2007

UNITED 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. NMNM 116564	
1b. Type of Well. <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" 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 PO BOX 2071 MIDLAND, TX 79702		8. Lease Name and Well No. Green Butt Bomber 1H	
3b. Phone No. (include area code). (432)682-6685		9. API Well No. 30-015- 35703	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface Lot 16, Sec 3, T16S, R24E - 3600' FSL & 700' FEL At proposed prod. zone Lot 13, Sec 3, T16S, R24E - 3300' FSL & 660' FWL		10. Field and Pool, or Exploratory WEST Cottonwood Creek; Wolfcamp (Gas)	
14. Distance in miles and direction from nearest town or post office*		11. Sec., T., R., M., or Blk. and Survey or Area Sec 3, T 16S, R 24E Lots 13-16	
15. Distance from proposed* location to nearest property or lease line. ft (Also to nearest drig. unit line, if any) 700' FEL		12. County or Parish Eddy	
16. No. of Acres in lease 160		13. State NM	
17. Spacing Unit dedicated to this well 160		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	
19. Proposed Depth 4925' TVD 8380' MD		20. BLM/BLM Bond No on file BLM-104312789 NM2503	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3605' GL 3624 KB		22. Approximate date work will start* 03/15/2007	
23. Estimated duration 28-30 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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operation certification. |
| 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). | 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 12/05/2006
Title ENGINEER TECH		
Approved by (Signature) 	Name (Printed/Typed) CARLSBAD FIELD OFFICE	Date JAN -9 2007
Title ACTING FIELD MANAGER		

Application approval does not warrant or certify the 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 and 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

ROSWELL CONTROLLED WATER BASIN

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

If earthen pits are used in
association with the drilling of this
well, an OCD pit permit must be
obtained prior to pit construction.

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: Green Butt Bomber #1H

Lease No.: NM 116564

Legal Description of land: Lots 13-16 of Sec 3

Formation: WOLFCAMP

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

Authorized Signature: Mark Ellerbe

Printed Name: MARK ELLERBE

Title: SR. DRILLING ENGINEER

Date: 12/05/06

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

Type of Well

☐ Oil Well☒ Gas Well☐ Other

2. Name of Operator

DAVID H. ARRINGTON OIL & GAS INC

3a. Address

PO BOX 2071 MIDLAND TX 79702

3b. Phone No. (include area code)

(432) 682-6685

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 3, T16S, R24E, 3600' FSL & 700' FEL

5. Lease Serial No.

NMNM 116564

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Green Butt Bomber #1H

9. API Well No.

30-015-

10. Field and Pool, or Exploratory Area

Cottonwood Creek; Wolfcamp Gas

11. County or Parish, State

Eddy County

NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Change acres
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

We have changed the unit designation from 160 acres to 320 acres dedicated to this well.

Amended C102 included.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

DEBBIE FREEMAN

Title ENGINEER TECH

Signature

Date 05/24/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

ACCEPTED FOR RECORD

MAY 30 2007

Date

WESLEY W. INGRAM
PETROLEUM ENGINEER

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)

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 Gas
⁴ Property Code	⁵ Property Name GREEN BUTT BOMBER	
⁷ OGRID No. 5898	⁸ Operator Name DAVID H. ARRINGTON OIL & GAS	
		⁶ Well Number 1H
		⁹ Elevation 3605'

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
16	3	16 SOUTH	24 EAST, N.M.P.M.		3600'	SOUTH	700'	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
13	3	16 SOUTH	24 EAST, N.M.P.M.		3300'	SOUTH	660'	WEST	EDDY

¹² Dedicated Acres 160	¹³ Joint or Infill -	¹⁴ Consolidation Code	¹⁵ Order No.
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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

BOTTOMHOLE INFORMATION PROVIDED BY DAVID H. ARRINGTON OIL & GAS

SCALE: 1" = 2000'

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Debbie Freeman
Signature
Debbie Freeman
Printed Name
Engineer Technician
Title
12/6/06
Date

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes and measurements made by me or under my supervision, and that the same is true and correct to the best of my belief.

V. L. Bezner
Signature and Seal of Professional Surveyor
NEW MEXICO
AUGUST 14, 2006
7920
Date of Survey
V. L. BEZNER
Certificate Number
R.P.S. #7920
JOB # 115983 / 101 NE / E.U.O.

David H. Arrington Oil & Gas Inc.
 Green Butt Bomber 1H
 SHL - 3600' FSL & 700' FEL
 BHL - 3300' FSL & 660' FWL
 Penetration Point - 3300' FSL & 982' FEL
 S3, T16S, R24E
 Eddy County, NM

Drilling Plan

1. Ground elevation above sea level: 3605'
2. Proposed drilling depth: 4925' TVD, 8380' MD
3. Estimated tops of geological markers:

San Andres	400'
Yeso	1700'
Blaine	2230'
Tubb	3000'
Abo Shale	3650'
Abo Carbonate	3975'
Wolfcamp Pay	4575'
Wolfcamp Shale	4675'

4. Possible mineral bearing formations:

Abo/Wolfcamp Gas/Oil

5. Casing Program

Hole size	Interval	OD of Casing	Weight	Thread	Grade	TOC
12-1/4"	40' - 900'	8-5/8"	32#	LTC	J55	Surf
7-7/8"	900' - 8380'	5-1/2"	17#	LTC	I80	Surf

Drill 7-7/8" vertical pilot hole to ~4925'. (Will directionally drill pilot hole f/ 1267' MD to TD due to surface location constraints.) Plug back to ~ 4299' w/ open-hole whipstock and build 15° BUR curve section landing at ~ 4600' TVD. Drill ahead to a total measured depth of ~ 8380'. 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	900'	330	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	8380'	600	Lead: 50:50:10 Poz:C:Gel w/ 1/4# pps flocele (D29) (11.9/2.32)
		330	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' – 900'	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.
900' – 4925'	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 ~ 3,500' add brine and mud up utilizing starch/PAC system.
4299' – 8380'	8.8 - 9.3	32 – 50	15	XCD polymer system. Sweep as necessary for hole cleaning.

Proposed Drilling Plan:

Drill 12-1/4" surface hole to 900'. Run 8-5/8" and cement to surface.

Drill 7-7/8" vertical pilot hole to ~4925'. (Will directionally drill pilot hole f/ 1267' MD to TD due to surface location constraints.) Plug back to ~ 4299' w/ open-hole whipstock and build 15° BUR curve section landing at ~ 4600' TVD. Drill ahead to a total measured depth of ~ 8380'. Run 5-1/2" production string to TD and cement to surface.

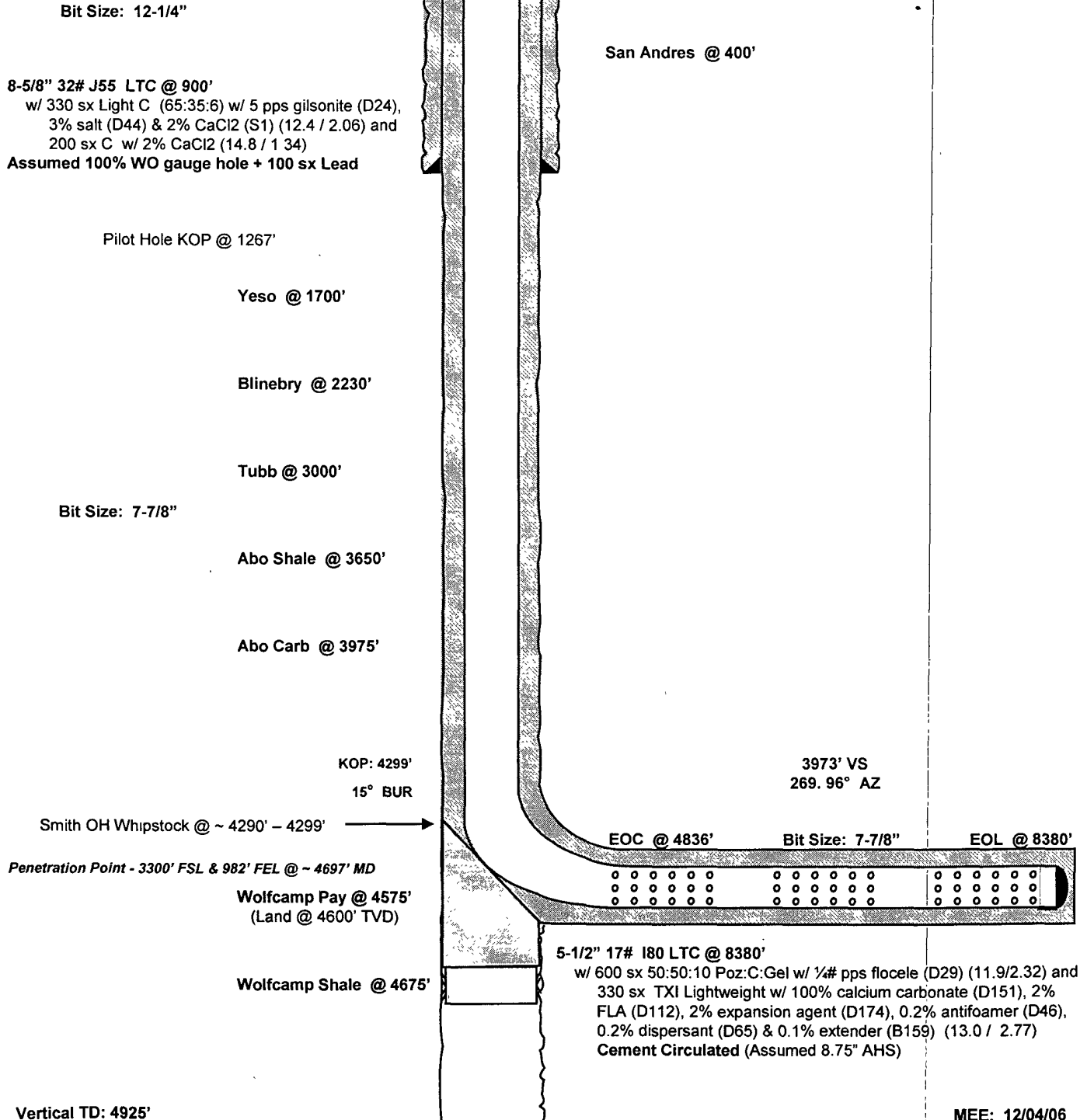
**Green Butt Bomber 1H
Cottonwood Creek Field
Eddy County, New Mexico**

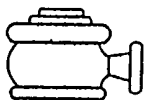
Surface **Lateral Terminus**
3600' FSL **3300' FSL**
700' FEL **660' FWL**
S-3
T16S, R24E

Proposed Wellbore

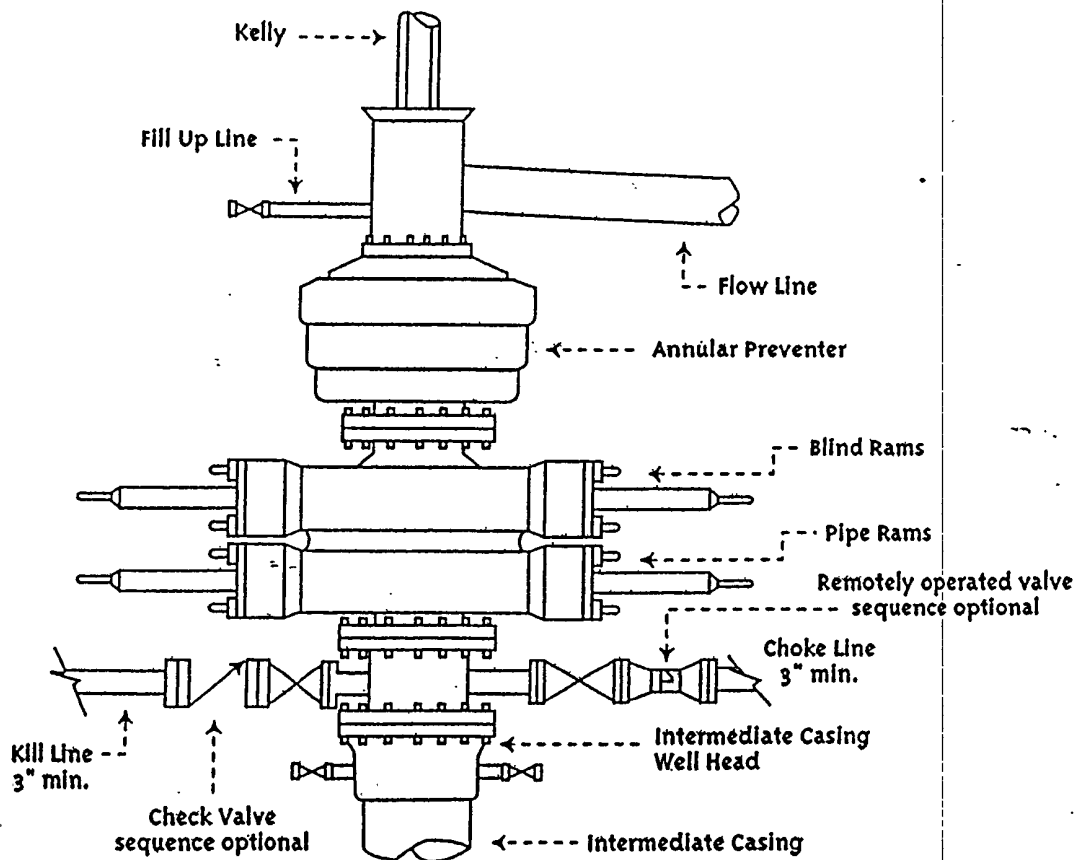
API: 30-015-?

KB: 3624'
GL: 3605'

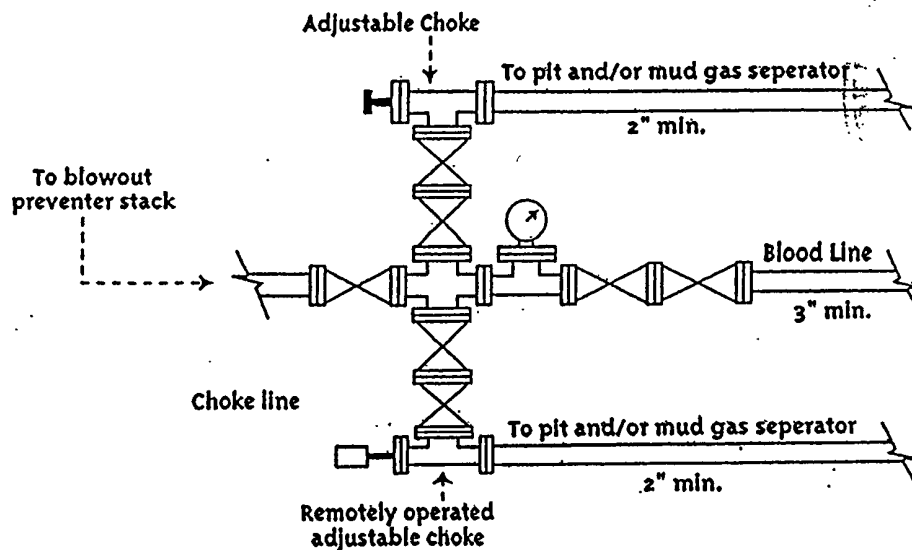


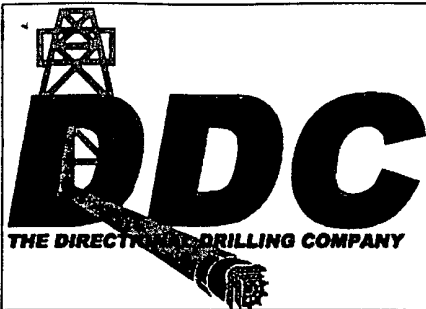


David H. Arrington Oil & Gas, Inc.
Typical 5,000 psi Pressure System
Schematic
Annular Double Ram Preventer Stack



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





Job Number: []
 Company: David H Arrington Oil & Gas
 Lease/Well: Green Butt Bomber #1H
 Location: Eddy County
 Rig Name: []
 RKB: []
 G.L. or M.S.L.: []

State/Country: New Mexico
 Declination: []
 Grid: []
 File name: C:\DOCUME~1\RIKMA~1\MYDOCU~1\PROPOS~1\A
 Date/Time: 04-Dec-06 / 14:38
 Curve Name: Pilot Hole Plan

The Directional Drilling Company

WINSERVE PROPOSAL REPORT
Minimum Curvature Method
Vertical Section Plane 265.63
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	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
KOP, Build 1.5°/100'									
1267.34	.00	180.00	1267.34	.00	.00	.00	.00	.00	.00
1367.34	1.50	180.00	1367.33	.10	-1.31	.00	1.31	180.00	1.50
1467.34	3.00	180.00	1467.25	.40	-5.23	.00	5.23	180.00	1.50
1567.34	4.50	180.00	1567.03	.90	-11.77	.00	11.77	180.00	1.50
1667.34	6.00	180.00	1666.61	1.59	-20.92	.00	20.92	180.00	1.50
End of Build									
1734.01	7.00	180.00	1732.85	2.17	-28.47	.00	28.47	180.00	1.50
1934.01	7.00	180.00	1931.36	4.03	-52.85	.00	52.85	180.00	.00
2134.01	7.00	180.00	2129.87	5.88	-77.22	.00	77.22	180.00	.00
2334.01	7.00	180.00	2328.37	7.74	-101.59	.00	101.59	180.00	.00
2534.01	7.00	180.00	2526.88	9.60	-125.97	.00	125.97	180.00	.00
2734.01	7.00	180.00	2725.39	11.46	-150.34	.00	150.34	180.00	.00
2934.01	7.00	180.00	2923.90	13.31	-174.71	.00	174.71	180.00	.00
3134.01	7.00	180.00	3122.41	15.17	-199.09	.00	199.09	180.00	.00
3334.01	7.00	180.00	3320.92	17.03	-223.46	.00	223.46	180.00	.00
3534.01	7.00	180.00	3519.43	18.88	-247.84	.00	247.84	180.00	.00
Begin 1.5°/100' Turn									
3631.85	7.00	180.00	3616.54	19.79	-259.76	.00	259.76	180.00	.00
3731.85	6.04	190.19	3715.90	21.58	-271.03	-.93	271.03	180.20	1.50
3831.85	5.33	203.61	3815.41	25.08	-280.46	-3.72	280.49	180.76	1.50
3931.85	4.98	219.94	3915.01	30.29	-288.05	-8.37	288.17	181.66	1.50
4031.85	5.08	237.09	4014.63	37.21	-293.78	-14.87	294.16	182.90	1.50

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
4131.85	5.59	252.35	4114.20	45.84	-297.66	-23.22	298.56	184.46	1.50
4231.85	6.41	264.39	4213.66	56.16	-299.68	-33.42	301.54	186.36	1.50
End of Turn									
4290.13	7.00	269.96	4271.54	62.95	-300.00	-40.21	302.69	187.63	1.50
4490.13	7.00	269.96	4470.05	87.26	-300.02	-64.59	306.89	192.15	.00
Top of Wolfcamp									
4595.87	7.00	269.96	4575.00	100.11	-300.03	-77.47	309.87	194.48	.00
4690.13	7.00	269.96	4668.56	111.56	-300.04	-88.96	312.95	196.51	.00
4890.13	7.00	269.96	4867.07	135.87	-300.06	-113.33	320.75	200.69	.00
Pilot Hole TD									
4923.31	7.00	269.96	4900.00	139.90	-300.06	-117.38	322.20	201.36	.00



Job Number: []
 Company: David H Arrington Oil & Gas
 Lease/Well: Green Butt Bomber #1H
 Location: Eddy County
 Rig Name: []
 RKB: []
 G.L. or M.S.L.: []

State/Country: New Mexico
 Declination: []
 Grid: []
 File name: C:\DOCUME~1\RICKMA~1\MYDOCU~1\PROPOS~1\A
 Date/Time: 04-Dec-06 / 15:01
 Curve Name: Lateral Plan

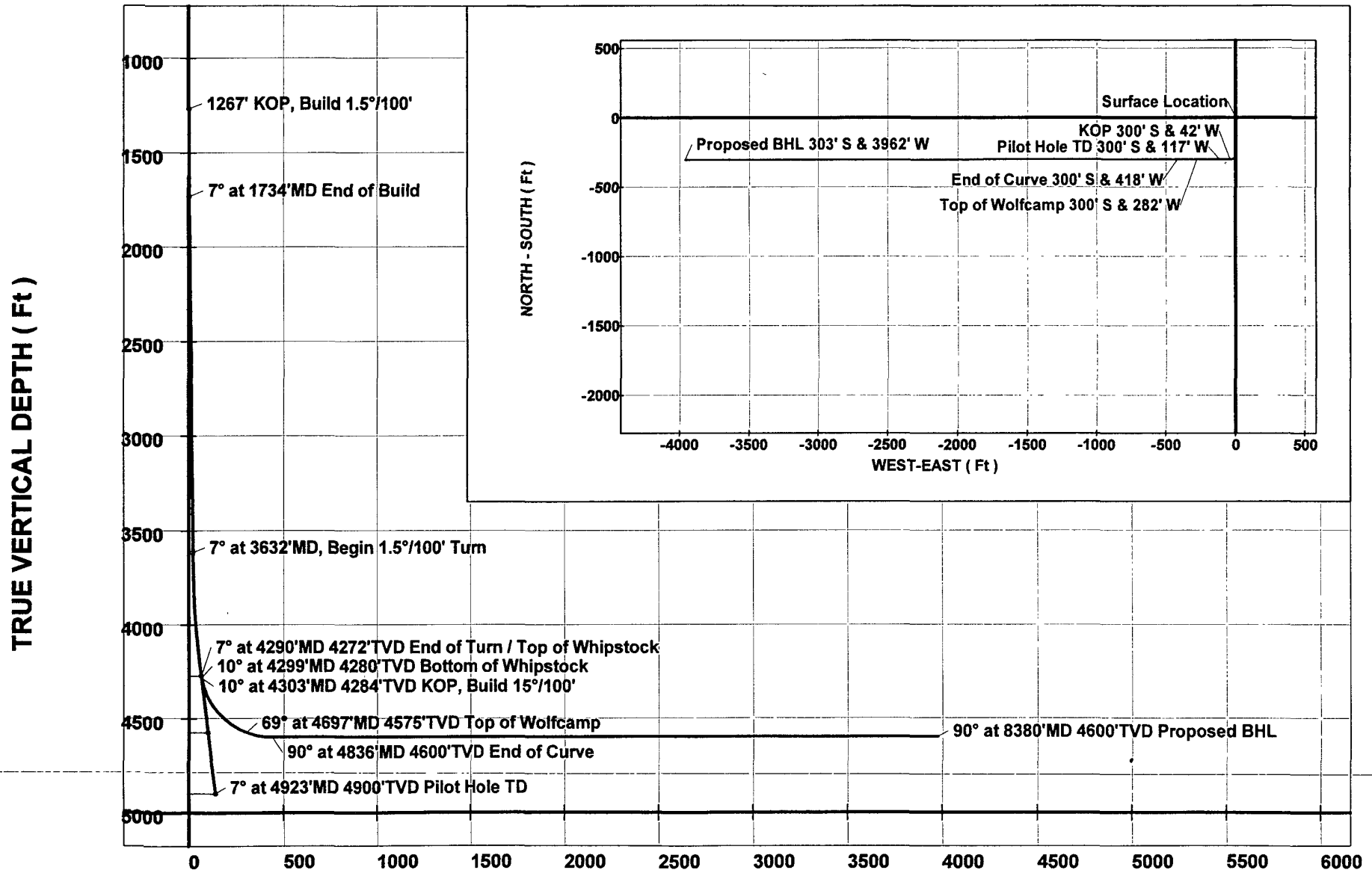
The Directional Drilling Company

WINSERVE PROPOSAL REPORT Minimum Curvature Method Vertical Section Plane 265.63 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	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
Tie-in / Top of Whipstock									
4290.13	7.00	269.96	4271.54	62.95	-300.00	-40.21	302.69	187.63	.00
Bottom of Whipstock									
4299.13	10.00	269.96	4280.44	64.28	-300.00	-41.54	302.87	187.88	33.33
KOP, Build 15°/100'									
4303.13	10.00	269.96	4284.38	64.97	-300.00	-42.24	302.96	188.01	.00
4353.13	17.50	269.96	4332.91	76.82	-300.01	-54.11	304.85	190.22	15.00
4403.13	25.00	269.96	4379.48	94.87	-300.03	-72.22	308.60	193.53	15.00
4453.13	32.50	269.96	4423.28	118.84	-300.04	-96.26	315.11	197.79	15.00
4503.13	40.00	269.96	4463.58	148.30	-300.07	-125.80	325.37	202.75	15.00
4553.13	47.50	269.96	4499.67	182.75	-300.09	-160.35	340.25	208.12	15.00
4603.13	55.00	269.96	4530.94	221.61	-300.12	-199.32	360.28	213.59	15.00
4653.13	62.50	269.96	4556.86	264.21	-300.15	-242.04	385.58	218.88	15.00
Top of Wolfcamp									
4697.46	69.15	269.96	4575.00	304.52	-300.18	-282.46	412.18	223.26	15.00
4703.13	70.00	269.96	4576.98	309.81	-300.19	-287.77	415.84	223.79	15.00
4753.13	77.51	269.96	4590.95	357.64	-300.22	-335.74	450.40	228.20	15.00
4803.13	85.01	269.96	4598.55	406.89	-300.26	-385.13	488.34	232.06	15.00
End of Curve									
4836.42	90.00	269.96	4600.00	440.04	-300.29	-418.38	514.99	234.33	15.00
5036.42	90.00	269.96	4600.00	639.47	-300.44	-618.38	687.50	244.09	.00
5236.42	90.00	269.96	4600.00	838.90	-300.59	-818.38	871.84	249.83	.00
5436.42	90.00	269.96	4600.00	1038.33	-300.75	-1018.38	1061.86	253.55	.00
5636.42	90.00	269.96	4600.00	1237.76	-300.90	-1218.38	1254.98	256.13	.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
5836.42	90.00	269.96	4600.00	1437.19	-301.05	-1418.38	1449.97	258.02	.00
6036.42	90.00	269.96	4600.00	1636.62	-301.21	-1618.38	1646.17	259.46	.00
6236.42	90.00	269.96	4600.00	1836.05	-301.36	-1818.38	1843.18	260.59	.00
6436.42	90.00	269.96	4600.00	2035.48	-301.51	-2018.38	2040.77	261.50	.00
6636.42	90.00	269.96	4600.00	2234.91	-301.67	-2218.38	2238.79	262.26	.00
6836.42	90.00	269.96	4600.00	2434.34	-301.82	-2418.38	2437.14	262.89	.00
7036.42	90.00	269.96	4600.00	2633.77	-301.97	-2618.38	2635.73	263.42	.00
7236.42	90.00	269.96	4600.00	2833.20	-302.12	-2818.38	2834.52	263.88	.00
7436.42	90.00	269.96	4600.00	3032.63	-302.28	-3018.38	3033.47	264.28	.00
7636.42	90.00	269.96	4600.00	3232.06	-302.43	-3218.38	3232.56	264.63	.00
7836.42	90.00	269.96	4600.00	3431.49	-302.58	-3418.38	3431.74	264.94	.00
8036.42	90.00	269.96	4600.00	3630.92	-302.74	-3618.38	3631.02	265.22	.00
8236.42	90.00	269.96	4600.00	3830.35	-302.89	-3818.38	3830.37	265.46	.00
Proposed BHL									
8380.05	90.00	269.96	4600.00	3973.57	-303.00	-3962.00	3973.57	265.63	.00

Company: David H Arrington Oil & Gas
 Lease/Well: Green Butt Bomber #1H
 Location: Eddy County
 State/Country: New Mexico



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

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

Green Butt Bomber #1H

3600' FSL and 700' FEL, Lot 16 of Sec 3, T16S, R24E in Eddy County, New Mexico

Abo/Wolfcamp

NMNM 116564 - 160 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 junction of Hwy 82 & Co. Rd. 95 6.2 miles West of Artesia, go North 8.1 miles on Co. Rd 95, thence West 0.6 miles on F.M. Rd., thence North 0.6 miles, thence Northwest 0.1 miles on trail road to a point +/- 750' East of the location.

2. PLANNED ACCESS ROAD – Existing road and approximately 70' of new N-S access road and 100' of new E-W access road. Proposed plats included.
3. LOCATION OF EXISTING WELLS –None
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 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. 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 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 lined with a 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:
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 archaeological surveyor in September 2006 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 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 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: 12-05-04

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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

December 5, 2006

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

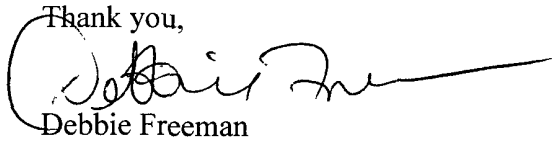
Oil Conservation Division
Attn: Mr. Bryan Arrant
1301 Grand Ave.
Artesia, NM 88210

RE: David H. Arrington Oil & Gas, Inc., **Green Butt Bomber #1H**; Cottonwood Creek;
Wolfcamp, Lot 16 of Sec 3, T16S, R24E, 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 4925', the TMD is 8380' for this proposed horizontal
well.

Thank you,

A handwritten signature in black ink, appearing to read 'Debbie Freeman', is written over a circular stamp or mark.

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

CONDITIONS OF APPROVAL - DRILLING

Well Name & No. **Green Butt Bomber # 1H**
Operator's Name: **David Arrington Oil & Gas Inc**
Location: SHL **3600' FSL & 700' FEL, sec. 3, T16S, R24E, Eddy County, NM**
Location: BHL **3300' FSL & 660' FWL, sec. 3, T. 16S., R. 24E.. Eddy County, NM**
Lease: **NM-116564**

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at 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: 8.625 inch 5.5 inch

C. BOP tests

2. A Hydrogen Sulfide (H₂S) Drilling Plan should be activated prior to drilling into the N/A Formation. A copy of the plan shall be posted at the drilling site.

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 NMOCDC shall be included on the subsequent report of setting the first casing string.

6. 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.

7. Gamma-Ray/Neutron logs shall be run from the base of the Surface Casing hole to the surface; cable speed not to exceed 30 feet per minute.

II. CASING:

1. The 8.625 inch surface casing shall be set @ APPROXIMATELY 900 FEET, below usable water and 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 cement shall CIRCULATE TO THE SURFACE.

3. Whenever a casing string is cemented in the R-111-P Potash Area, cement shall be allowed to stand a minimum of twelve (12) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating tests.

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 8.625 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) is 2000 psi.
3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
 - A variance to test the _____ to the reduced pressure of ____psi with the rig pumps is approved.
 - The tests 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 a safe workman-like manner. Hard line connections shall be required.

Engineers can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 12/22/06

