

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., 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

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

May 27, 2004

WELL API NO. 30-025-37554
5. Indicate Type of Lease STATE [X] FEE [ ]
6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well [ ] Gas Well [X] Other

2. Name of Operator David H. Arrington Oil & Gas, In

3. Address of Operator PO Box 2071 Midland, TX 79702

4. Well Location Unit Letter A : 660 feet from the N line and 1244 feet from the E line Section 34 Township 18S Range 35E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3881' GR

Pit or Below-grade Tank Application [ ] or Closure [ ] Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ] TEMPORARILY ABANDON [ ] CHANGE PLANS [ ] PULL OR ALTER CASING [ ] MULTIPLE COMPL [ ] OTHER: [ ]

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [ ] ALTERING CASING [ ] COMMENCE DRILLING OPNS. [ ] P AND A [ ] CASING/CEMENT JOB [ ] OTHER: DRILLING [X]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

05-28-06 RU Ace Rathole Unit 14-16. Rigged up at 09:45 MT. Drilled 2'. T.D. 30'



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

SIGNATURE [Signature] TITLE Engineer Tech DATE 05/31/2006

Type or print name Debbie Freeman E-mail address: debbie@arringtonoil.com Telephone No. (432)682-6685

APPROVED BY: [Signature] TITLE FIELD REPRESENTATIVE H/STAFF MANAGER DATE JUN 08 2006

Conditions of Approval (if any):