

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address DAVID H ARRINGTON OIL & GAS INC PO BOX 2071 MIDLAND, TX 79702		2. OGRID Number 5898
		3. API Number 30-05-63825
4. Property Code 35584	5. Property Name RUSTY NAIL	6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	12	15S	25E	M	660	S	760	W	CHAVES

8. Pool Information

WILDCAT; WOLFCAMP GAS	97489
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3448
14. Multiple N	15. Proposed Depth 8720	16. Formation Wolfcamp	17. Contractor	18. Spud Date 8/15/2006
Depth to Ground water 71		Distance from nearest fresh water well 850		Distance to nearest surface water 400
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 6000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input checked="" type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	32	1300	1550	0
Prod	7.875	5.5	17	8720	1060	0

Casing/Cement Program: Additional Comments

8 5/8 32#@ 1300' w/ 200 sx premium plus 2/ 10 pps DiamonSeal (9.5/7.65) and 100 sx premium plus Thixset w/ 1% Thixset A, 0.25% WG-17 (14.0/1.53) and 750 sx light premium plus w/ pps glisonite @ 2% CaCl2 (12.4/2.04) and 500 sx premium plus w/ 2% CaCl2 (14.8/1.34). 5 1/2 17# @ 8720' w/ 630 sx Interfil C w/ 1/4 pps Flocele (11.9/2.45) and 430 sx Howco Acid soluble cmt w/ 0.7% Halad 344, .02% FWCA & 0.2% HR-601.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Weatherford

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Debbie Freeman	Approved By: Bryan Arrant	
Title: Agent	Title: Geologist	
Email Address: debbie@arringtonoil.com	Approved Date: 5/8/2006	Expiration Date: 5/8/2007
Date: 4/7/2006	Phone: 432-685-6685	Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 26798

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-05-63825	2. Pool Code 97489	3. Pool Name WILDCAT; WOLFCAMP GAS
4. Property Code 35584	5. Property Name RUSTY NAIL	6. Well No. 001H
7. OGRID No. 5898	8. Operator Name DAVID H ARRINGTON OIL & GAS INC	9. Elevation 3448

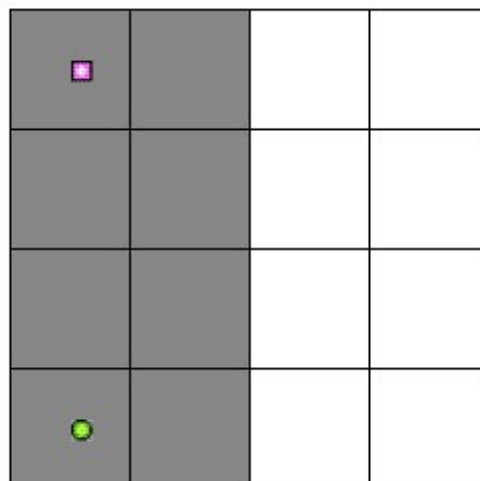
10. Surface Location

UL - Lot M	Section 12	Township 15S	Range 25E	Lot Idn	Feet From 660	N/S Line S	Feet From 760	E/W Line W	County CHAVES
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 12	Township 15S	Range 25E	Lot Idn D	Feet From 660	N/S Line N	Feet From 760	E/W Line W	County CHAVES
12. Dedicated Acres 320.00		13. Joint or Infill		14. Consolidation Code N/A		15. Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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(s) 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.

E-Signed By: Debbie Freeman

Title: Agent

Date: 4/7/2006

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.

Surveyed By: V. Lynn Bezner

Date of Survey: 3/14/2006

Certificate Number: 7920

Permit Comments

Operator: DAVID H ARRINGTON OIL & GAS INC , 5898

Well: RUSTY NAIL #001H

API: 30-05-63825

Created By	Comment	Comment Date
DFreeman	Hi Bryan, per our conversation I am mailing hard copies today. Thanks	4/7/2006

Permit Conditions of Approval

Operator: DAVID HARRINGTON OIL & GAS INC , 5898

Well: RUSTY NAIL #001H

API: 30-05-63825

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	Will require a directional survey with the C-104
BArrant	As noted, operator to drill surface hole with 'fresh water mud'.
BArrant	Please notify OCD time of spud and time to witness the cementing to surface of all casing strings.