

printer friendly chart



Production Hub Pages

Field EIDSON	Operator DAVID H ARRINGTON OIL & GAS INC	Location LEA County, New Mexico
Lease Name GREEN EYED SQUEALY WORM	Gas ID Number 030566	Cumulative (since 2004) 397 MMCF; 11,285 BO Explain
Wells 30-025-36013(1)		

Monthly Production Data Downloads Available:

- [Lease Production in a Table](#)
- [Lease Production, DRI Version 2 Format](#) (Compatible with PHDWin, Aries, and OGRE)
- [Lease Production, DRI Version 1 Format](#) (Older format with less data) false

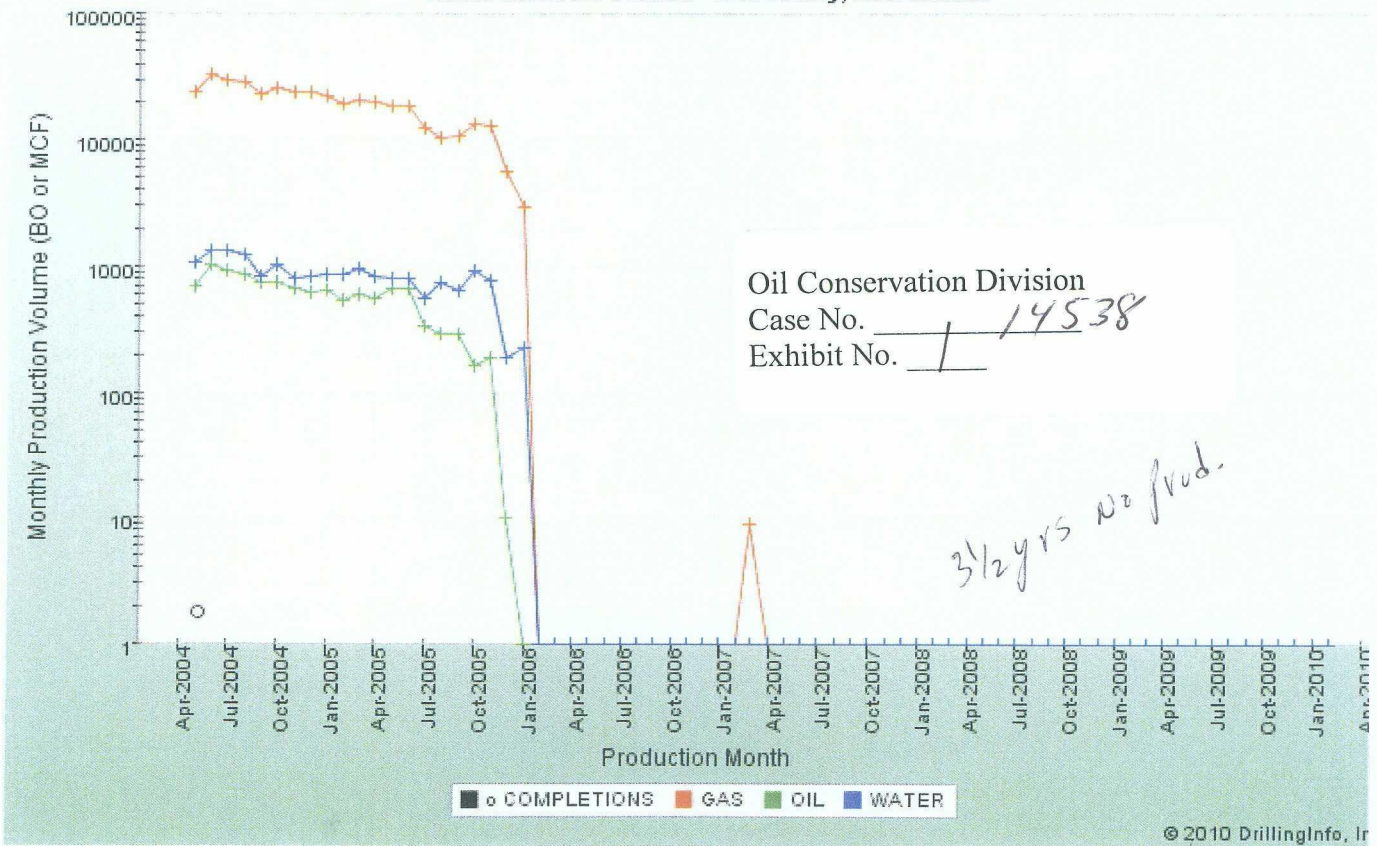
[help on downloading files](#)

[See Production Chart - BETA Version](#)

Gas and Condensate Production

Monthly Production Volume (Logarithmic) vs. Time

Lease Number: 030566 - LEA County, New Mexico



Redraw Chart

Decline Curve Analysis

- Monthly Values
 Daily Avg Values

DrillingInfo One-Page Production Summary


[Tag This Element](#)

API# 30-025-36013
 Well# 1
 Lease GREEN EYED SQUEALY WORM
 Field EIDSON
 Lease DAVID H ARRINGTON OIL & GAS INC
 Operator [Well Op History](#)
 County LEA
 State New Mexico
 Location 1974.0 S / 1129.0 E, S:26, T:15S, R:34E
 Elevation ---
 Date Spud --
 Date TD --
 Logs Run

Prod.	First Production	Most Recent Production	Cumulative (MCF & BBL)	Gravity (SG & API)	Gatherer
Oil	5/1/04	3/1/07	11,285	0.00	
Gas	5/1/04	3/1/07	397,210	0.00	

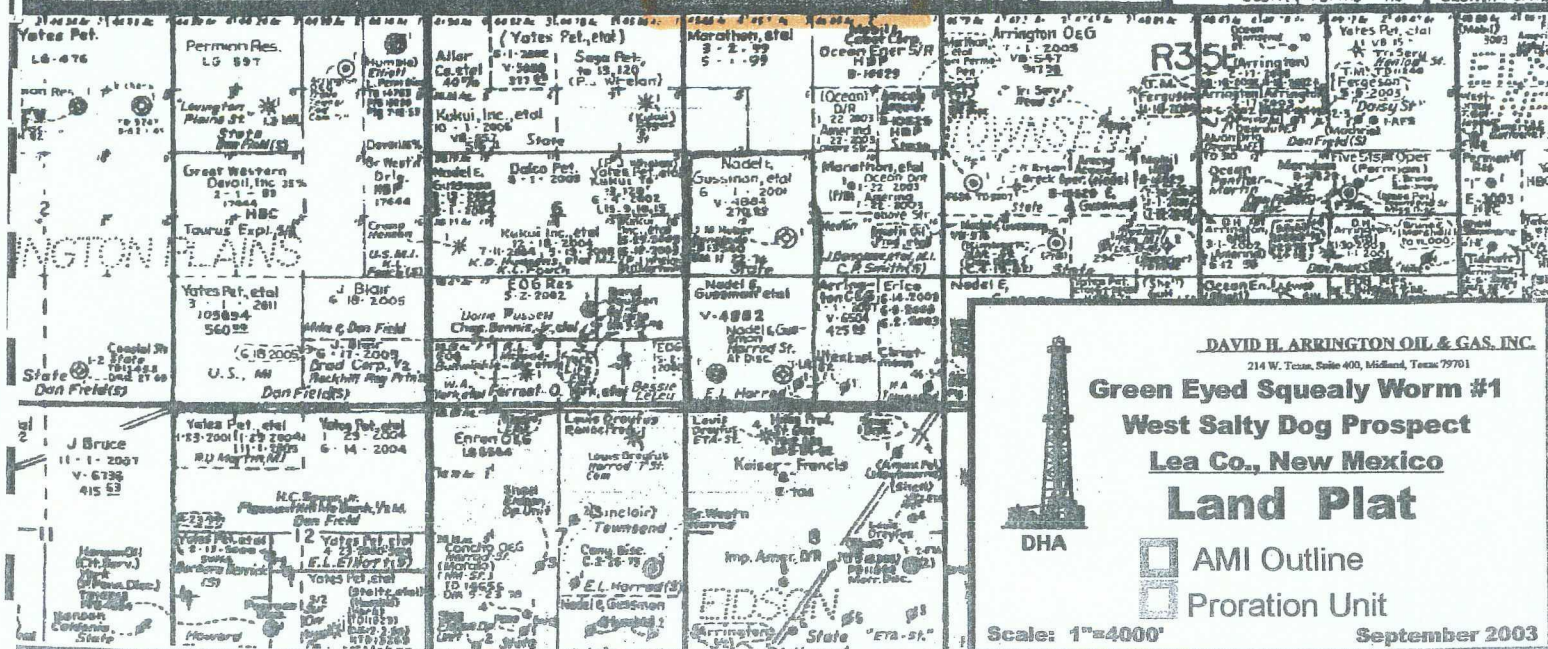
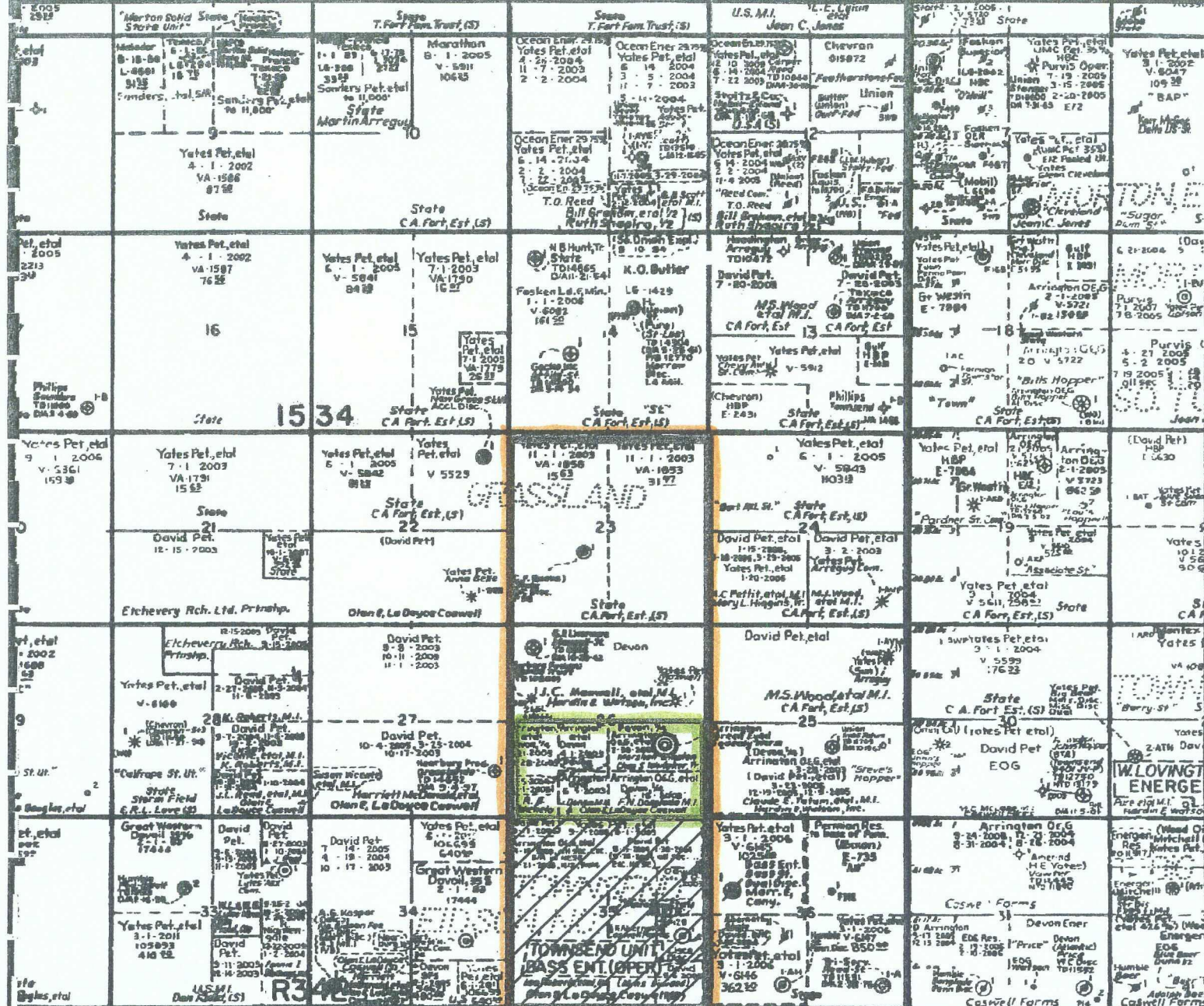
Most Recently Reported Monthly Production (12 Months)

Mo/Yr	Gas (MCF)				Oil (BBL)				Water (BW)	#Wells Flowing	#Wells Other	Avg Gas (MCF/D)	Avg Oil (BBL/D)	Avg Wtr (BW/D)
	Produced	Sold	Used	Other	Produced	Sold	Other	Closing						
3/2009	0	---	---	---	0	---	---	---	---	---	---	0.00	0.00	0.00
4/2009	0	---	---	---	0	---	---	---	---	---	---	0.00	0.00	0.00
5/2009	0	---	---	---	0	---	---	---	---	---	---	0.00	0.00	0.00
6/2009	0	---	---	---	0	---	---	---	---	---	---	0.00	0.00	0.00
7/2009	0	---	---	---	0	---	---	---	---	---	---	0.00	0.00	0.00
8/2009	0	---	---	---	0	---	---	---	---	---	---	0.00	0.00	0.00
9/2009	0	---	---	---	0	---	---	---	---	---	---	0.00	0.00	0.00
10/2009	0	---	---	---	0	---	---	---	---	---	---	0.00	0.00	0.00
11/2009	0	---	---	---	0	---	---	---	---	---	---	0.00	0.00	0.00
12/2009	0	---	---	---	0	---	---	---	---	---	---	0.00	0.00	0.00
1/2010	0	---	---	---	0	---	---	---	---	---	---	0.00	0.00	0.00
2/2010	0	---	---	---	0	---	---	---	---	---	---	0.00	0.00	0.00
Totals	0	---	---	---	0	---	---	---	---	---	---	---	---	---

Annual Production

Year	Gas (MCF)	Oil (BBL)	Water (BW)	#Wells Flowing	#Wells Other	Avg Gas (MCF/D)	Avg Oil (BBL/D)	Avg Wtr (BW/D)	Annual Dec. Gas	Annual Dec. Oil
2004	210,423	6,296	8,543	---	---	865.23	25.89	35.13	---	---
2005	183,820	4,989	8,986	---	---	503.89	13.68	24.63	12.6%	20.8%
2006	2,958	0	225	---	---	8.11	0.00	0.62	98.4%	100.0%
2007	9	0	---	---	---	0.02	0.00	0.00	99.7%	---
2008	0	0	---	---	---	0.00	0.00	0.00	100.0%	---
2009	0	0	---	---	---	0.00	0.00	0.00	---	---
2010	0	0	---	---	---	0.00	0.00	0.00	---	---
Totals	397,210	11,285	17,754	---	---	---	---	---	---	---

[Back](#)



DAVID H. ARRINGTON OIL & GAS, INC.
214 W. Texas, Suite 400, Midland, Texas 79701

Green Eyed Squealy Worm #1
West Salty Dog Prospect
Lea Co., New Mexico
Land Plat

AMI Outline
Proration Unit

Scale: 1"=4000'

September 2003

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

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

¹ Operator Name and Address David H. Arrington Oil & Gas P.O. Box 2071 Midland, TX 79702		² OGRID Number 05898	
		³ API Number 30-025-36013	
³ Property Code 30566	⁵ Property Name GREEN EYED SQUEALY WORM		⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	26	15 SOUTH	34 EAST, NMPM		1974'	SOUTH	1129'	EAST	LEA

⁸ Proposed 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
⁹ Proposed Pool 1 Mississippian Wildcat					¹⁰ Proposed Pool 231-123456789				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code FEE	¹⁵ Ground Level Elevation 4055'
¹⁶ Multiple No	¹⁷ Proposed Depth 13,800'	¹⁸ Formation Mississippian	¹⁹ Contractor Patterson	²⁰ Spdd/Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	54 1/2#	470'	500 sxs	Circulate
11"	8 5/8"	32#	6200'	1300 sxs	Circulate
7 7/8"	5 1/2"	17#	13,800'	1200 sxs	500' above uppermost pay

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.
Set surface casing at 470'. Circulate cement to surface. Drill 11" hole to 6200'. Set 8 5/8" intermediate casing at 6200'. Circulate cement to surface. Install and test BOP's to 5000 psi. Drill 7 7/8" hole to 13,800'. DST any prospective pays encountered during drilling. Run 5 1/2" casing through Mississippian if justified.

Waived by Paul Kautz 10/9/02
Permit Expires 1 Year From Approval Date Unless Drilling Underway
IT MUST TIE BACK 100' INTO 8 5/8 CASING

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Danny H. Ledford</i>		ORIGINAL SIGNED BY PAUL F. KAUTZ	
Printed name: <i>DANNY H. LEDFORD</i>		Title: PETROLEUM ENGINEER	
Title: <i>Geologist - Operations & Development</i>		Approval Date: <i>OCT 07 2002</i>	Expiration Date:
Date: <i>9-30-02</i>	Phone: <i>915.682.6685</i>	Conditions of Approval: Attached <input type="checkbox"/>	

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised March 17, 1999

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
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¹ Operator Name and Address David H. Arrington Oil & Gas P.O. Box 2071 Midland, TX 79702		² OGRID Number 05898
		³ API Number 30-025-36013
³ Property Code 30566	⁵ Property Name GREEN EYED SQUEALY WORM	⁶ Well No. I

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	26	15 SOUTH	34 EAST, NMPM		1974'	SOUTH	1129'	EAST	LEA

⁸ Proposed 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
⁹ Proposed Pool 1 Mississippian Wildcat					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code FEE	¹⁵ Ground Level Elevation 4055'
¹⁶ Multiple No	¹⁷ Proposed Depth 13,800'	¹⁸ Formation Mississippian	¹⁹ Contractor Patterson	REC'D Spud Date HOBAP DCD

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	54 1/2#	470'	500 sxs	Circulate
11"	8 5/8"	32#	6200'	1300 sxs	Circulate
7 7/8"	5 1/2"	17#	13,800'	1200 sxs	500' above uppermost pay

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Permit Expires 1 Year From Approval
Date Unless Drilling Underway

*MUST TIE BACK 100' INTO 8 5/8" Casing

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Danny A. Ledford*
Printed name: DANNY A. LEDFORD
Title: Geologist - Operations & Development
Date: 9.30.02
Phone: 915.682.6685

OIL CONSERVATION DIVISION

Approved by: *[Signature]*
Title: PETROLEUM ENGINEER
Approval Date: OCT 07 2002
Expiration Date:
Conditions of Approval:
Attached

DAVID H. ARRINGTON OIL & GAS, INC.

P.O. BOX 2071, MIDLAND, TEXAS 79702
OFF (432) 682-6685
FAX (432) 682-4139

March 17, 2004

TO: Mr. Kevin Hamit
Marshall & Winston, Inc.
Fax #432-682-1316

Re: COMPLETION ELECTION
Our West Salty Dog Prospect
Green Eyed Squealy Worm "26" #1
T15S-R34E, Lea Co., N.M.
Section 26: S/2

FAXED

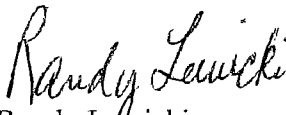
Gentlemen:

David H. Arrington Oil & Gas, Inc. ("Arrington") is recommending to run 5 ½ production casing in the captioned well to a total depth of 13,300'. Based on the mudlog shows, DST results in the Cisco formation, and the electric logs, Arrington believes we have commercial oil pay in the Cisco formation from a logged depth of 11148-11218' and commercial gas pay in the Morrow formation from sand intervals 12993-13004', 13054-13060', and 13077-13106'.

Pursuant to the terms and conditions of our operating agreement, you have forty-eight (48) hours exclusive of Saturday, Sunday and legal holidays in which to make your election to either (i) participate in the setting of casing and the completion attempt, or (ii) not participate and be subject to the non-consent penalty. Please timely indicate your election in the space provided below and fax said election to Arrington at your earliest convenience. Failure to timely respond shall constitute an election not to participate.

Should you have any questions or comments, please contact either geology at X336 or land at X320.

Your sincerely,


Randy Lewicki
Land Consultant

Join in the completion

Not join in the completion


_____, March 18, 2004

CLARENCE CHANDLER
Print Name

FAXED @ 8:24
03/18/04
SN

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 811 South First, Artesia, NM 87210
 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

Form C-103
 Revised March 25, 1999

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

WELL API NO.
 30 025 36013

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:
 Green Eyed Squealy Worm

8. Well No.
 1

9. Pool name or Wildcat
 Townsend, Morrow *Edison North*

10. Elevation (Show whether DR, RKB, RT GR, etc.)
 3664' GR

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 Other injection

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

3. Address of Operator
 P.O. Box 2071, Midland, TX 79702

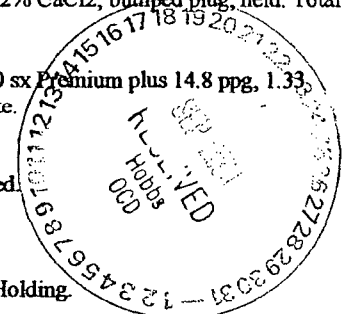
4. Well Location
 Unit Letter 1974' feet from the South line and 1129' feet from the East line
 Section 26 Township 15S Range 34E NMPM Lea County

I 1. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENTJOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Spud, surface & production casing, TD <input checked="" type="checkbox"/>	

12. 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.

- 1-29-04: Spud 17 1/2" hole.
- 1-30-04: Ran 13 3/8", J-55, 54.5# Surface Casing @ 498', cemented with lead slurry - 515 sx Premium Plus w/2% CaCl2, bumped plug, held. Total slurry 123 bbls 14.8 ppg, 1.34 yield water mix 6.34 gal/sx cement circulated to surface - 29 sx. WOC.
- 1-31-04: Pressure tested, drill plug & cement.
- 2-16-04: Ran 8 5/8", 32#, J-55, ST & C to 6192', cemented w/1225 sx Cl C 11.9 ppg, 2.45 yield, tailed with 250 sx Premium plus 14.8 ppg, 1.33 yield. Bumped plug. Pressure tested casing to 1500#. Test OK. WOC. Nipple up BOP. Cement did not circulate.
- 3-8-04: Rigged up Gyro/Data wireline unit. Ran Gyro - copy attached.
- 3-10-04: Slide drilling/rotate drilling to 12,555'.
- 3-12-04: Survey @ 12,803' - TVD: 12,850' - N-S ft. -33.60, e-W ft 118.25. Vertical section ft. -33.60. circulated.
- 3-13-04: Rotate from 12,936 to 13,037'. 3-14-04: Rotate from 13,142-13,296'.
- 3-15-04: MD @ 13,255', TVD @ 13,252'. Circulated for logs.
- 3-16-04: Ran logs & cored.
- 3-18-04: Ran 5 1/2", 17#, LT & C, to 13,297', cemented with lead 415 sx H, tailed w/530 sx H, bumped plug. Holding.
- 3-19-04: Tested to 1500 psi. Rig released.



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

SIGNATURE *Ann E. Ritchie* TITLE Regulatory Agent DATE 9-14-04

Type or print name Ann E. Ritchie Telephone No. 432 684-6381

(This space for State use)

APPROVED BY *Ann E. Ritchie* TITLE PETROLEUM ENGINEER DATE SEP 19 2005

Conditions of approval, if any:

Submit To Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
 District
 1625 N. French Dr., Hobbs, NM 88240
 District II
 81 I South First, Artesia, NM 88210
 District III
 1 000 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

Form C-105
 Revised March 25, 1999

Oil Conservation Division
 1220 S. St. Francis Dr.
 Santa Fe, NM 87504

WELL API NO.
 30 025 36013

5. Indicate Type of Lease
 STATE FEE

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____

b. Type of Completion:
 NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESVR. OTHER _____

7 Lease Name or Agreement Name
 Green Eyed Squealy Worm

2. Name of Operator
 David H. Arrington Oil & Gas (432) 682-6685

8. Well No.
 1

3. Address of Operator
 P.O. Box 2071, Midland, TX 79702

9. Pool name or Wildcat
 Edison Townsend, Morrow North

4. Well Location
 Unit Letter I 1974' Feet From The South Line and 1129' Feet From The East Line
 Section 26 Township 15S Range 34E NMPM Lea County

10. Date Spudded 1-29-04 11. Date T.D. Reached 3-15-04 12. Date Compl. (Ready to Prod) 5-10-04 13. Elevations (DF& RKB, RT, GR, etc.) 4055' 14. Elev. Casinghead

15. Total Depth MD 13,255' 16. Plug Back T.D. TD 12,850' 17. If Multiple Compl. How Many Zones? N/A 18. Intervals Drilled By _____ Rotary Tools X Cable Tools _____

19. Producing Interval(s), of this completion - Top, Bottom, Name
13,084-13,100'; 13,055-13,059'; 12,993-13,004' - Morrow

20. Was Directional, Survey Made? yes

21. Type Electric and Other Logs Run
GR/CBL/CCL

22. Was Well Cased? yes

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	54.5#	498'	17 1/2"	515 SX	circulated to surface
8 5/8"	32#	6192'	11"	1225 SX	Calc. to surface
5 1/2"	17#	13,297'	7 7/8"	945 SX	GR & CBL

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 3/8"	12,911'	12,911'

26. Perforation record (interval, size, and number)
2 spf 13,084-13,100'; 13,055-13,059'; 6 spf 12,993-13,004 Morrow

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
<u>13,055-13,100'</u>	<u>2000 gals acid; 154,00 scf N2</u>
<u>12,993-13,004'</u>	<u>48 bbls 7 1/2" HCL/175,000 N2 scf</u>
<u>12,993-13,100'</u>	<u>91 tons CO2.30.200# 20/40 sd:250 bbls 4%</u>

28. PRODUCTION KCL

Date First Production 5-10-04 Well Status (Prod. or Shut-in) flowing

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
<u>7-7-04</u>	<u>24</u>	<u>32/64"</u>		<u>36</u>	<u>1347</u>	<u>58</u>	<u>37.417</u>

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
<u>385#</u>	<u>packer</u>					

29. Disposition of Gas (Sold used for fuel, vented, etc.), Sales _____ Test Witnessed By _____

30. List Attachments
C-104, log, inclination

I hereby certify that the information shown on both sides of this form are true and complete to the best of my knowledge and belief.

Signature [Signature] Printed Name Ann E. Ritchie Title Regulatory Agent (432) 684-6381 Date 9-17-04

CO: GINA
 [Signature]

DAVID H. ARRINGTON OIL AND GAS, INC.

AUTHORITY FOR EXPENDITURE (AFE)

AFE #: _____ Date: 09/20/03 Original
 Supplemental
 Lease: Green Eyed Squealy Worm #1 Well #: 1 Well Type: Exploratory/Gas
 Location: 1,129' FEL & 1,974' FSL of Sec 26 County: Lea State: New Mexico
T15S-R35E
 Prospect: West Salty Dog Objective: Mississippian Proposed TD: 13,600
 Purpose of Expenditure: Drill a "Necessary Well" to Test Atoka, Morrow & Mississippian Intervals

CODE	INTANGIBLE EXPENSE	DRILLING	COMPLETION	TOTAL
	Surveying	800	0	800
	Staking & Permitting	200	0	200
	Location, Roads & Damages	20,000	2,000	22,000
	Lease Restoration	6,000	0	6,000
	Mobilization/Demobilization	25,000	0	25,000
	Drilling - Footage @ /Ft	0	0	0
	Drilling - Daywork 50 @ \$7,800 /Day	390,000	0	390,000
	Drilling - Directional @	0	0	0
	Completion Rig 13 @ \$2,000 /Day	0	26,000	26,000
	Fuel, Power & Lubricants	39,200	0	39,200
	Bits, Reamers & Stabilizers	45,000	0	45,000
	Drilling & Completion Fluids	45,000	2,000	47,000
	Water	18,000	2,000	20,000
	Mud Logging 33 @ \$650 /Day	21,450	0	21,450
	Drill Stem Tests (2 tests)	15,000	0	15,000
	Coring Services	0	0	0
	Logging - Open Hole & Sidewall Cores	35,000	0	35,000
	Cement & Services - Surface	7,400	0	7,400
	Cement & Services - Intermediate	16,000	0	16,000
	Cement & Services - Production	0	21,500	21,500
	Casing Crews/Laydown Machine	4,500	5,500	10,000
	Perforating & Cased Hole Logs	0	10,000	10,000
	Acidizing, Fracturing & Stimulation	0	95,000	95,000
	Rental Equipment	14,000	15,000	29,000
	Installation - Production Facilities/Electrical	0	8,500	8,500
	Inspection & Testing	5,000	1,000	6,000
	Transportation	4,000	3,500	7,500
	Miscellaneous Labor	2,000	3,000	5,000
	Engineering & Geological Services	4,000	2,000	6,000
	Overhead	7,600	1,700	9,300
	Supervision	36,750	6,000	42,750
	Sand Blast & Coat Casing	0	5,000	5,000
	Contingencies	53,200	12,000	65,200
	Gross Receipts Tax	45,600	10,200	55,800
	TOTAL INTANGIBLE EXPENSE	860,700	231,900	1,092,600

CODE	TANGIBLE EXPENSE	DRILLING	COMPLETION	TOTAL
	Casing - Conductor of @ /Ft		0	0
	Casing - Surface 470 of 13 3/8" @ \$14.48 /Ft	8,600	0	8,600
	Casing - Intermediate 2000 of 8 5/8" @ \$13.41 /Ft	26,820	0	26,820
	Casing - Intermediate 3,600 of 8 5/8" @ \$10.15 /Ft	36,540	0	36,540
	Casing - Production 9,000 of 5 1/2" @ \$6.43 /Ft	0	57,870	57,870
	Casing - Production 4,200 of 5 1/2" @ \$6.82 /Ft	0	28,644	28,644
	Tubing 12,900 of 2 3/8" @ \$2.58 /Ft	0	33,282	33,282
	Float & Other Equipment	3,500	2,500	6,000
	Wellhead Equipment, Tree	6,500	22,000	28,500
	Sucker Rods	0	0	0
	Down Hole Pump	0	0	0
	Packer/TAC/Misc Downhole	0	15,000	15,000
	Pumping Unit & Prime Mover	0	0	0
	Tank Battery & Storage Facilities	0	17,000	17,000
	Separator/Heater Treater/Dehydrator	0	10,000	10,000
	Meters & Flowlines	0	1,000	1,000
	Miscellaneous Valves & Fittings	0	5,000	5,000
	Contingencies	4,350	4,500	8,850
	TOTAL TANGIBLE EXPENSE	86,310	201,296	287,606
	TOTAL WELL COST	947,010	433,196	1,380,206

NOTE: THIS AFE IS ONLY AN ESTIMATE. BY RETURNING ONE APPROVED COPY, YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

David H. Arrington Oil & Gas, Inc. Approval:

Partner Approval:

Prepared By:

Anthony J. Belmont
Anthony J. Belmont, PE

Company:

MARSHALL & WINSTON, INC.

Approved By:

David H. Arrington
David H. Arrington, President

Approved By:

Clarence R. Chandler

Title:

Title:

Clarence R. Chandler, President

Date:

Date:

2/25/04

BILLY
WSM
GINA

Terri M. Farris
P.O. Box 2071
Midland, TX 79702
Phone: (432) 682-6685/Ext. 341
Fax: (432) 682-4139
Email: terri@arringtonoil.com



Fax

Attn: Marshall & Winston, Inc.	From: Terri Farris
Fax: 432-682-1316	Date: March 26, 2007
Phone:	Pages: 4 after Cover Sheet
Subj: Green Eyed Squeally Worm	CC:

✓ High Importance

•Comments: Many thanks,

Chris R. Tipton
Contract Landman
432-770-4176
crtipton@sbcglobal.net

Terri M. Farris
David H. Arrington Oil & Gas, Inc.
214 W. Texas - Ste. 400
Midland, Tx. 79701

Tele: 432.682.6685 Ext 341
Fax: 432.682.4139
terri@arringtonoil.com

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DAVID H. ARRINGTON OIL & GAS, INC.

P.O. BOX 2071, MIDLAND, TEXAS 79702
OFF (432) 682-6685
FAX (432) 682-4139

March 23, 2007

Marshall & Winston, Inc.
P.O. Box 50880
Midland, Tx. 79710

Re: Green Eyed Squacally Worm
Section 26, T-15-S, R-34-E
Lea County, New Mexico

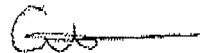
Gentlemen:

It is recommended that the subject well be re-fraced to re-establish gas production from the Morrow formation. The well was recently worked over to clean out obstructions in the tubing and the casing and was acidized after completing the cleanout. The well is unable to flow and appears to have formation damage. This procedure provides for foam fracing the Morrow and flowing back for a total of 3 days of operations. It is expected that production can be restored to approximately 400 MCFD as it was producing prior to the tubing blockage. We appreciate you expediting your review of this proposal. Should you elect to participate, please return your ballot and executed AFE by Monday, April 2. We kindly ask for a quick response because we have a rig that is currently available for the recommended operations.

Should you have any questions, or wish to discuss this further, do not hesitate to contact the undersigned at (432) 770-4176, or by email at crtipton@sbcglobal.net. I sincerely appreciate your cooperation in this matter.

Very truly yours,

David H. Arrington Oil & Gas, Inc.



Chris R. Tipton
Contract Landman

/Enclosures

BALLOT

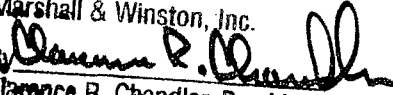
- I/We elect to participate in the required operations on the Green Eyed Squeally Worm well and have attached my/our executed AFE.
- I/We elect to **NOT** participate in the required operations on the Green Eyed Squeally Worm well and elect to go non-consent pursuant to the Joint Operating Agreement dated August 1, 1993.

MARSHALL & WINSTON, INC.

by: _____

Name: _____

Title: _____

Marshall & Winston, Inc.
By: 
Clarence R. Chandler, President
3/26/07

**DAVID H. ARRINGTON OIL GAS, INC.
AUTHORITY FOR EXPENDITURE (AFE)**

AFE #: NM34 Date: 3/19/2007 Original Supplement

Lease: Green Eyed Squally Worm Well #: 1 Well Type: Gas

Location: 1179' FEL & 1974' FSL County: Lea State: NM
S-26, T15S, R34E

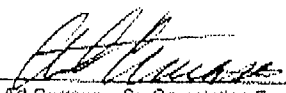
Prospect: _____ Objective: Morrow Proposed PBD: 13006'

Project Description: Re-frac Morrow perms to re-establish production.

INTANGIBLE EXPENSE	BCP	ACP	Compl	Total
Title Opinion				
Abstract				
Legal Fees				
Permits, Bonds & Fees				
Location			1,000	1,000
Pulling Unit @ /Day				
Reverse Unit @ /Day				
Completion Fluids			2,500	2,500
Water - Other				
Bits				
Reamers, Stabilizers				
Casing Crews				
Laydown Machine				
BOP & Wellhead Test				
Rental Equipment - General			20,000	20,000
Rental Equipment - Solids Control				
Rental Equipment - BOP/Well Control				
Rental Equipment - Drill String				
Tubular Inspection				
Drill String Inspection				
Fishing				
Water - Well, Pump & Lines				
Water - Completion				
Cement Squeeze				
Cased Hole Logging				
Perforating				
Miscellaneous Surveys				
Coil Tbg & Nitrogen			20,000	20,000
Flow test			10,000	10,000
Acidizing				
Fracturing			74,000	74,000
Pump Truck				
Water Transfer				
Transportation				
Contract Labor				
Welding				
Supervision - Other				
Wellsite Consultant 3 @ \$850 /Day			2,600	2,600
Abandonment				
Environmental				
Safety Eqpt \$ /Day				
Disposal				
Frac Fluid Disposal			4,000	4,000
Restoration				
Overhead 3 \$ \$250 /Day			800	800
Insurance				
Trash Trailer \$ /Day			500	500
Mobile Home \$ /Day				
Communications \$ /Day				
Parts & Supplies			1,600	1,600
Equipment Installation				
Miscellaneous Service			3,000	3,000
Contingencies				
TOTAL INTANGIBLE EXPENSE			140,000	140,000

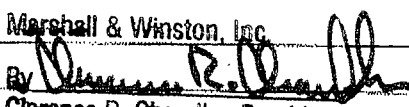
TANGIBLE EXPENSE	BCP	ACP	Compl	Total
Tubing of @ /Ft				
Wellhead Equipment				
Tubing Head				
Tree / Tee				
Down Hole Pump				
Packer/TAC				
Misc Downhole				
Pump Jack w/ Base				
Motor				
Rods				
Steel Tanks				
FG Tanks				
Separator/Line Heater/Dehydrator				
Meter Run				
Meters & Flowlines				
Miscellaneous Valves & Fittings				
Contingencies				
TOTAL TANGIBLE EXPENSE				
TOTAL WELL COST			140,000	140,000

Re Comp Costs


Art Carrasco, Sr. Completion Engineer

Partner Approval
Company: _____

David H. Arrington, President

Approved By: Marshall & Winston, Inc
By: 
Title: Clarence R. Chandler, President
Date: _____

3/26/07

42 FAA 1 434 002 4100 DAVID H. ARRINGTON OIL & GAS 004/010

David H Arrington Oil & Gas
Green Eyed Squealy Worm #1

WELL STATUS AND WORKOVER RECOMMENDATION TO CISCO

July 3, 2007

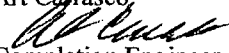
LOCATION: 1974 FSL & 1129 FEL Section 26, T15S, R34E Lea County, NM

PROPERTY NUMBER: 01250-001

This well is currently perforated in the upper Morrow (12,993' to 13,004'). This well has not produced in commercial quantities since January 2006. The coil tubing cleanout and Foam Frac performed on the Morrow interval was not successful in regaining production. The well fraced at a high frac gradient (1.08 psi/ft) and communicated with the Lower Morrow wet interval at \pm 13,055' to 13,100'. It would be uneconomical to remediate the communication and restimulate the Upper Morrow interval. The high frac gradient would make it too difficult to re frac the Upper Morrow without treating out of zone.

We are proposing to abandon the Upper Morrow and recomplete two intervals (11,416' to 11,491' & 11,148' to 11,216') in the Cisco interval. A DST was run on this interval which tested 47° API oil with a BHP of 3800 psi. The intervals will be stimulated separately with acid breakdowns and acid fracs.

Art Carrasco


Completion Engineer

David H Arrington Oil & Gas

P.O. Box 2071
Midland, TX 79702
Phone: (432) 682-6685/Ext. 341 (Land)
Fax: (432) 682-4139

David H. Arrington Oil & Gas, Inc.

Fax

Attn: Marshall & Winston, Inc.	From: Chris R. Tipton
Fax: 432.682-1316	Date: July 23, 2007
Phone:	Pages: 10 (including cover page)
Subj: Green Eyed Squealy Worm # 1	CC:

✓ High Importance

Chris R. Tipton
Mobile Phone: (432) 770-4176
Email: christipton@arringtonoil.com

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DAVID H. ARRINGTON OIL & GAS, INC.

P.O. BOX 2071, MIDLAND, TEXAS 79702
OFF (432) 682-6685
FAX (432) 682-4139

July 23, 2007

Working Interest Owners

Re: Green Eyed Squealy Worm # 1
Section 26, T-15-S, R-34-E
Lea County, New Mexico

Gentlemen:

The coil tubing cleanout and Foam Frac performed on the Morrow was not successful in regaining the desired production levels from the captioned well. The well fraced at a high frac gradient (1.08 psi/ft) and communicated with the Lower Morrow wet interval. It would be uneconomical to remediate the communication and restimulate the Upper Morrow.

Therefore, we are proposing to plug and abandon the Upper Morrow and recomplete two intervals in the Cisco formation. The two intervals will be stimulated separately with acid breakdowns and acid fracs. A drill stem test has been run on the Cisco interval which yielded 47° API oil with a BHP of 3800 psi.

We ask that you please return your executed ballot and, if participating, an executed copy of the AFE to our offices within thirty days of receiving this proposal. Should you have any questions, or wish to discuss this proposal further, do not hesitate to contact the undersigned at (432) 682-6685 extension 303 or by email at christipton@arringtonoil.com. We sincerely appreciate your cooperation in this matter.

Regards,

David H. Arrington Oil & Gas, Inc.



Chris R. Tipton

enclosures

BALLOT

- Please indicate your election in the appropriate space below.
- Sign and date this ballot and return to: David H. Arrington Oil & Gas, Inc.
P.O. Box 2071
Midland, TX 79702

I/we elect to participate in the abandonment of the Morrow and the recompletion of two Cisco intervals and have enclosed our executed copy of the AFE.

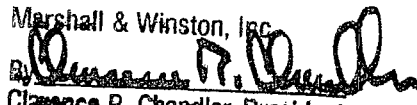
I/we elect to go under the non-consent penalty in paragraph VI.B of the operating . . . agreement.

Name/Company: _____

Signature: _____

Date: 7/24/07

Title: _____

Marshall & Winston, Inc.

Clarence R. Chandler, President

David H Arrington Oil & Gas
Green Eyed Squealy Worm #1

WELL STATUS AND WORKOVER RECOMMENDATION TO CISCO

July 3, 2007

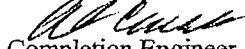
LOCATION: 1974 FSL & 1129 FEL Section 26, T15S, R34E Lea County, NM

PROPERTY NUMBER: 01250-001

This well is currently perforated in the upper Morrow (12,993' to 13,004'). This well has not produced in commercial quantities since January 2006. The coil tubing cleanout and Foam Frac performed on the Morrow interval was not successful in regaining production. The well fraced at a high frac gradient (1.08 psi/ft) and communicated with the Lower Morrow wet interval at \pm 13,055' to 13,100'. It would be uneconomical to remediate the communication and restimulate the Upper Morrow interval. The high frac gradient would make it too difficult to re frac the Upper Morrow without treating out of zone.

We are proposing to abandon the Upper Morrow and recomplete two intervals (11,416' to 11,491' & 11,148' to 11,216') in the Cisco interval. A DST was run on this interval which tested 47° API oil with a BHP of 3800 psi. The intervals will be stimulated separately with acid breakdowns and acid fracs.

Art Carrasco


Completion Engineer
David H Arrington Oil & Gas

**David H Arrington Oil & Gas
Green Eyed Squealy Worm #1
Sec 26-15S-34E
Lea County, New Mexico**

RECOMPLETION PROGNOSIS

WELL: Green Eyed Squealy Worm #1

LOCATION: 1974 FSL & 1129 FEL Section 26, T15S, R34E Lea County, NM

ELEVATION: GL: 4,055' KB: 4,075'

PROPERTY NUMBER: 01250-001

OBJECTIVE: Recomplete to Cisco

DIRECTIONS: From the center of Lovington, turn West on Hwy 83 and go to Lovington Inn, turn right (North) on 17th Street, go North to "T" @ Gum Street. Turn left (West) on Gum and go 7.2 miles to cattle guard. Turn right (North) @ cattle guard, go through locked gate – combination 6685, then go north about 1 mile to well. It is the only well in the area (as of April 2006) and there is a barn and pond nearby.

OPERATOR: David H Arrington Oil & Gas, Inc. Office: (432) 682-6685
Midland, Texas 79701 Fax: (432) 682-4139

Engineer: Art Carrasco Home: (432) 683-3753
Mobile: (432) 559-0042

Wellsite Supervision: David Burgen Mobile: (432) 208-3170

Geology: Bill Baker Home: (432) 694-7066
Mobile: (432) 638-0182

CASING: **SURFACE:** 17 1/2" hole, 13 3/8" @ 498', Cmt'd w/ 515 sxs. TOC @ surf.
INTEMEDATE: 11" 8 5/8" @ 6196'. Cmt'd with 1225/250 sx. TOC @ not circ.
PRODUCTION- 7 7/8" hole, 5 1/2" @ 13200'. Cmt'd with 415/250 sx TOC @ 9500'
TUBING HEAD: 11" 5,000# x 7 1/16" 5M w/ 2 - 2" outlets
TREE: Entire Tree above tag hanger is 5,000 psig rated

SEE ATTACHED WELLBORE DIAGRAMS FOR DETAILS

PROCEDURE

1. MIRU DDPU.
2. Unset production packer
3. POH with production equipment
4. Lay down 2 3/8" tubing
5. GIH with CIBP on wireline
6. Set CIBP @ ± 12,800'
7. Dump 2 sx cement on top of CIBP
8. Perforate Lower Cisco as follows:

11,487' to 11,491'
11,470' to 11,474'
11,458' to 11,462'
11,416' to 11,430'

.42" hole @ 2 shots per foot @ 60° phasing
9. GIH w/packer and RBP on 2 7/8" workstring to ± 11,550'
10. Set And test RBP
11. Pull packer to ± 11,495'
12. Spot 200 gallons 15% HCL across perforations
13. Pull packer to ± 11,400'
14. Reverse excess acid back into tubing
15. Set packer
16. Breakdown perforations
17. Open by-pass and spot acid and ball sealers to within 2 bbls from end of tubing
18. Close bypass and acidize perforations with 5,000 gallons 20% acid and 75 "Bio" ballsealers evenly distributed throughout the acid.
19. Swab test
20. Evaluate for additional stimulation
21. If further stimulation is required, acidize with 14,000 gallons gelled 20% acid, 14,000 gallons gelled water, and 2,000 gallons 20% NEFE acid at 20 bpm as follows:
 - Pump 4,000 gallons gelled water
 - Pump 4,000 gallons gelled acid
 - Drop 20 "Bio" ballsealers
 - Pump 4,000 gallons gelled water
 - Pump 4,000 gallons gelled acid
 - Drop 20 "Bio" ballsealers
 - Pump 3,000 gallons gelled water
 - Pump 3,000 gallons gelled acid
 - Drop 15 "Bio" ballsealers
 - Pump 3,000 gallons gelled water
 - Pump 3,000 gallons gelled acid
 - Pump 2,000 gallons 20% NEFE acid
 - Flush neat acid to perforations and allow fracture to close
 - Displace neat acid into perforations at below frac pressure
 - Pump 2,000 gallons treated water overflush
22. Test well for production

23. If productive, set and test RBP at $\pm 11,350'$
24. Perforate Upper Cisco as follows:

11,192' to 11,216'
11,148' to 11,162'

.42" hole @ 2 shots per foot @ 60° phasing
25. GIH w/packer on 2 7/8" tubing to $\pm 11,218'$
26. Spot 200 gallons 15% HCL across perforations
27. Pull packer to $\pm 11,100'$
28. Reverse excess acid back into tubing
29. Set packer
30. Breakdown perforations
31. Open by-pass and spot acid and ball sealers to within 2 bbls from end of tubing
32. Close bypass and acidize perforations with 4,000 gallons 20% acid and 75 "Bio" ballsealers evenly distributed throughout the acid.
33. Swab test
34. Evaluate for additional stimulation
35. If further stimulation is required, acidize with 10,000 gallons gelled 20% acid, 10,000 gallons gelled water, and 2,000 gallons 20% NEFE acid at 20 bpm as follows:
 - Pump 4,000 gallons gelled water
 - Pump 4,000 gallons gelled acid
 - Drop 25 "Bio" ballsealers
 - Pump 4,000 gallons gelled water
 - Pump 4,000 gallons gelled acid
 - Drop 25 "Bio" ballsealers
 - Pump 2,000 gallons gelled water
 - Pump 2,000 gallons gelled acid
 - Pump 2,000 gallons 20% NEFE acid
 - Flush neat acid to perforations and allow fracture to close
 - Displace neat acid into perforations at below frac pressure
 - Pump 2,000 gallons treated water overflush
36. Test well for production
37. POH w/ workstring
38. RIH w/ production string and packer
39. Set Packer @ $\pm 11,100'$
40. Put well on production.

Existing

WELL NAME:	Green Eyed Squealy Worm #1	FIELD: W/C	LSE#: 030566
STATE:	NM27	COUNTY: Lea	LOCATION: 1975' FSL & 1129' FEL of 26-15S-34E
API NO:	30-025-36013	SPUD DATE: 5/28/2000	FORMATION: Morrow
TD:	13200'	PBTD: 12800'	ELEVATION: 4055' GL

CSG	OD	GRADE	THD	WT/FT	TOP	BTM	# JTS	CEMENT & HOLE DATA				
								BIT SIZE	DEPTH	SX	WT.	TOC
Surf	13.375"	K55	BTC	54.50#	0'	498		17.500"		515		Surf
Inter	8.625"	J55	LT&C	32.00#	0'	6,196		11.000"		1475		unk
Prod	5.500"		LT&C	17.00#	0'	13,200		7.875"		945		9500'
Tbg	2.875"	N80	EUE	6.500#								
Tbg	2.375"	N80	EUE	4.700#								

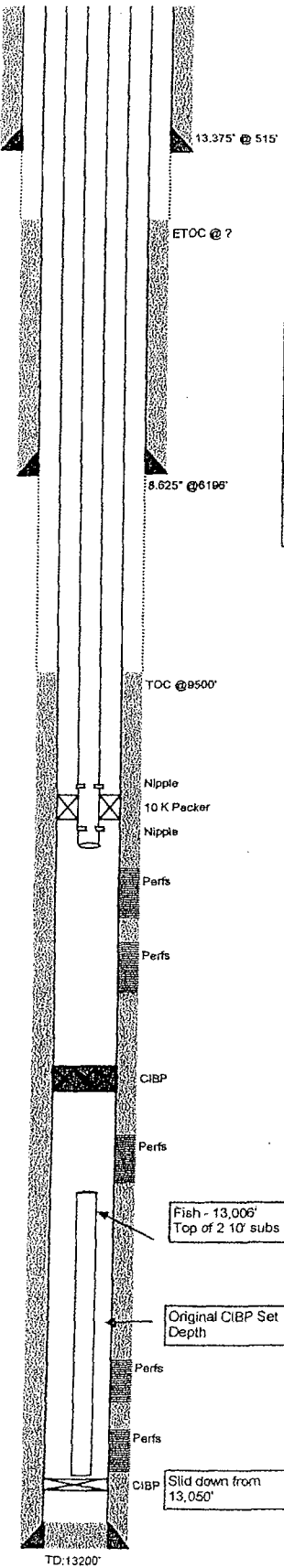
Remarks:
Short Joint @ 12,600'

CAPACITY	(wt)	(bbl/ft)	(ft/bbl)	(cf/ft)
Tubing	2.375	4.70	.00387	258.65
Tubing	2.875	6.50	.00579	172.76
Casing	5.500	17.00	.02320	43.01

VOLUME BETWEEN	(bbl/ft)	(ft/bbl)	(cf/ft)
TBGxCSG: 2.375 5.500	.01780	56.28	.09980
TBGxCSG: 2.875 5.500	.01520	65.71	.08540

PERFORATION RECORD					
DATE	TOP	BTM	ZONE	STATUS	SPF
4/15/2004	13084'	13100'	Morrow	Abandoned	2
4/15/2004	13055'	13059'	Morrow	Abandoned	2
4/15/2004	12993'	13004'	U Morrow	Abandoned	6
TBA	11416'	11491'	Cisco	Proposed	2
TBA	11148'	11216'	Cisco	Proposed	2

GEOLOGIST: Bill Baker



PREPARED BY: Art Carrasco
DATE: 6/13/2007
Updated:

OFFICE: 432.682.668
FAX: 432.682.413

DAVID H. ARRINGTON OIL AND GAS, INC.

AUTHORITY FOR EXPENDITURE (AFE)

AFE #: NM38 Date: 06/26/07 Lease: Green Eyed Squeally Worm #1 Well #: 1 Well Type: Gas Location: Section 26 T15-S R34E API # 30-025-36013 County: Lea State: New Mexico Prospect: Objective: Cisco Proposed TD: 12,800'

Original Supplemental

Purpose of Expenditure: Abandon Morrow & Recomplete to Cisco This AFE supports Testing two Cisco intervals with an acid job and an acid frac.

Table with columns: INTANGIBLE EXPENSE, DRILLING, COMPLETION, TOTAL. Lists various costs like Surveying, Permits, Snubbing Unit, etc.

Table with columns: TANGIBLE EXPENSE, DRILLING, COMPLETION, TOTAL. Lists various costs like Casing - Conductor, Casing - Surface, etc.

Partner Approval:

Art Carrasco, Senior Completion Engineer David H. Arrington, President

Company: Approved By: Title:

Handwritten initials and date 7/20/07

DAVID H. ARRINGTON OIL & GAS, INC.

P.O. BOX 2071, MIDLAND, TEXAS 79702
OFF (432) 682-6685
FAX (432) 682-4139

May 20, 2010

Marshall & Winston, Inc.,
PO Box 50880
Midland, Texas 79710-0880

RE: Re-establish Morrow Production
Green Eyed Squeally Worm
API 30-025-36013
Lea County, New Mexico

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc, (DHA) as operator of record for the subject well proposes to restore production from the existing perforations in the subject well. We invite you to participate in the operation, based on your interest in the original designated Pooled Unit (S1/2 of Section 26, T15S, R34E) and the terms of the original JOA. Enclosed is an Authority for Expenditure (AFE) for this project. Please indicate your election below and return one executed copy to the undersigned.

Please feel free to call or email me at monty@arringtonoil.com with your questions. Thank you for your cooperation.

Best Regards,



Monty W. Kastner
Vice President, Land & Legal

___ I/we elect to participate in the Proposed Operations pursuant to the attached AFE

___ I/we elect not to participate in the Proposed Operations pursuant to the attached AFE.

By: _____

Name: _____

Date: _____

**David H Arrington Oil & Gas
Green Eyed Squealy Worm #1
Sec 26-15S-34E
Lea County, New Mexico**

WORKOVER PROGNOSIS

WELL: Green Eyed Squealy Worm #1

LOCATION: 1974 FSL & 1129 FEL Section 26, T15S, R34E Lea County, NM

ELEVATION: GL: 4,055' KB: 4,075'

API #: 30-025-36013

PROPERTY NUMBER: 01250-001

OBJECTIVE: Re Establish Morrow Production

DIRECTIONS: From the center of Lovington, turn West on Hwy 83 and go to Lovington Inn, turn right (North) on 17th Street, go North to "T" @ Gum Street. Turn left (West) on Gum and go 7.2 miles to cattleguard. Turn right (North) @ cattleguard, go through locked gate – combination 6685, then go north about 1 mile to well.

OPERATOR: David H Arrington Oil & Gas, Inc. Office: (432) 682-6685
Midland, Texas 79701 Fax: (432) 682-4139

Engineer: Art Carrasco Home: (432) 683-3753
Mobile: (432) 559-0042

Wellsite Supervision: David Burgen Mobile: (432) 208-3170

Geology: Brian Ball Home: (432) 699-8037
Mobile: (432) 528-2393

CASING: **SURFACE:** 17 1/2" hole, 13 3/8" @ 498', Cmt'd w/ 515 sxs. TOC @ surf.
INTEMEDIATE: 11" 8 5/8" @ 6196'. Cmt'd with 1225/250 sx. TOC @ not circ.
PRODUCTION-TUBING HEAD: 7 7/8" hole, 5 1/2" @ 13200'. Cmt'd with 415/250 sx TOC @ 9500'
TREE: 11" 5,000# x 7 1/16" 5M w/ 2 - 2" outlets
Entire Tree above tag hanger is 5,000 psig rated

SEE ATTACHED WELLBORE DIAGRAMS FOR DETAILS

PROCEDURE

1. Rig up workover unit.
2. NU BOP's
3. Open wellhead and release any pressure.
4. Load hole and insure well is dead.
5. Release packer.
6. POH w/production tubing and packer.
7. GIH w/production tubing, tubing anchor, and downhole production equipment.
8. GIH w/rods and pump
9. Put well on production.
10. Rig down workover unit.

DAVID H. ARRINGTON OIL AND GAS, INC.

AUTHORITY FOR EXPENDITURE (AFE)

AFE #: NM48 Date: 05/19/10 Original
 Supplemental
 Lease: Green Eyed Squealy Worm Well #: 1 Well Type: Morrow
 Location: 1974' FSL & 1129' FEL County: Lea State: New Mexico
Section 26, T15S, R34E
 API #: 30-025-36013 Objective: Re Establish Production Proposed TD: _____

Purpose of Expenditure: Re Establish Morrow production
 This AFE supports putting the Morrow zone back in production by pumping the produced water off the formation

CONVENTIONAL DRILLING

	INTANGIBLE EXPENSE	DRILLING	COMPLETION	TOTAL
Surveying				0
Damages				0
Sesimic Acquisition				0
Title Opinion				0
Staking & Permitting				0
Location, (drilling location & Frac Pond)				0
road				0
Conductor & Rathole				0
directional gyro				0
Mobilization/Demobilization				0
Drilling - motors 0 @ \$0 /Day				0
Drilling - Daywork 0 @ \$0 /Day				0
Drilling - Directional 0 @ \$0				0
Completion Rig 3 @ \$7,000 /Day			21,000	21,000
Fuel/pwr/lubs 0 @ \$0 /day				0
Drill Bits				0
Drilling & Completion Fluids			2,000	2,000
Air Package + Hammer Bit 0 @ 0				0
Mud Logging 0 @ \$0 /Day				0
snubbing unit 0 @ \$0				0
well tractor @ \$0				0
Logging - Cased Hole				0
Cement & Services - Surface				0
Cement & Services - Plugback				0
Cement & Services - Production /liner				0
Cement & Services - P & A				0
Casing Crews/Laydown Machine				0
Wireline Services, Set Plug @			0	0
Acidizing, Fracturing & Stimulation:				0
water transfer				0
Rental Equipment amount #			3,000	3,000
Coiled Tbg				0
Drill Out Motors \$0 0 daily \$0				0
Nitrogen \$0 0 daily \$0				0
Bond Log				0
Misc Drig Tools \$0 0 daily \$0				0
Communications \$0 0 daily \$0				0
Generator \$0 0 daily \$0				0
Trailer/Housing/Trash/Sewer \$0 0 daily \$0				0
Epoch \$0 0 daily \$0				0
Restoration				0
Installation - Production Facilities				0
Inspection (casing)				0
Water Well				0
Flow test 0 \$0				0
Transportation & water hauling (includes hauling waste)			2,000	2,000
Miscellaneous Labor			5,000	5,000
Engineering & Geological Services				0
Overhead				0
Supervision			6,000	6,000
Sand Blast & Coat Casing				0
Contingencies 5%		0	1,950	1,950
TOTAL INTANGIBLE EXPENSE		0	40,950	40,950

	TANGIBLE EXPENSE	DRILLING	COMPLETION	TOTAL
Casing - Conductor of @ /Ft				0
Casing - Surface of @ /Ft				0
Casing - Intermediate of @ /Ft				0
Casing - Intermediate of @ /Ft				0
Casing - Production of @ /Ft				0
Rods of @ /Ft			40,000	40,000
Tubing of @ /Ft				0
Prime Mover C-640-305-144			60,000	60,000
Wellhead Equipment, Tree				0
Down Hole Pump/gas lift valves			4,000	4,000
Packer/TAC/Misc Downhole				0
Tank Battery & Storage Facilities			10,000	10,000
Separator/Heater Treater/Dehydrator				0
Meters & Flowlines				0
Miscellaneous Valves & Fittings				0
Contingencies 5%			5,700	5,700
TOTAL TANGIBLE EXPENSE		0	119,700	119,700
TOTAL WELL COST		0	160,650	160,650

Partner Approval:

Art Carrasco
 Art Carrasco, Senior Completion Engineer
David H. Arrington
 David H. Arrington, President
Keith Bucy
 Keith Bucy, General Manager

Company: _____
 Approved By: _____
 Title: _____
 Date: _____



May 5, 2010

Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: David H. Arrington Oil & Gas,
Inc. - Green Eyed Squealy Worm #1
N/2 SE/4 of Section 26, Township
15 South, Range 34 East, Lea
County, New Mexico

Ladies and Gentlemen:

The above captioned well was drilled and completed as a Morrow well on a surface location in the above described lands. The well produced economically until January of 2006. The well has not produced since then, other than a small 9 MCF amount of production in March of 2007. It has remained temporarily abandoned ever since.

Marshall & Winston, Inc. owns 75% of the minerals in the N/2 SE/4 of Section 26 and has a tentative agreement on the leasing of the remaining 25%. It is our intent to re-enter the well and attempt a completion in one or more formations that appear prospective as oil-bearing zones.

We have been in contact with a representative of David H. Arrington Oil & Gas, Inc. as to our plans with the wellbore. We are willing to accept the responsibility of properly plugging and abandoning the well at cessation of activities.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Kevin Hammit', is written over a horizontal line.

Kevin Hammit
Vice President - Land

KH/glb

Submit 1 Copy To Appropriate District
 Office
 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

Form C-103
 October 13, 2009

RECEIVED CONSERVATION DIVISION
 MAY 12 2010
 HOBBSOCD
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.	30-025-36013
5. Indicate Type of Lease	STATE FEE X
6. State Oil & Gas Lease No.	N/A (Fee)
7. Lease Name or Unit Agreement Name	M&W Fee 01
8. Well Number	01
9. OGRID Number	014187
10. Pool name or Wildcat	Townsend Perma - Cisco

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 X** Gas Well Other:

2. Name of Operator
 Marshall and Winston Incorporated

3. Address of Operator
 P. O. Box 50880, Midland, TX 79710-0880

4. Well Location
 Unit Letter I, 1974 feet from the South line and 1129 feet from the East line
 Section 26 Township 15 S Range 34 E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 4055' GR

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

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/> Come up hole and test Cisco</p> <p>OTHER: Perforate and test the Cisco at (11,405 to 11,490)' <input checked="" type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

MIRU, Open well, release pressure, pump 10# Brine, rig down tree, NU BOP, release packer, pump 10# brine if needed, if not pump 2% KCL, pressure test 5 1/2" casing to 1,000 psi and hold for 30 minutes, pull 2 3/8" tubing (13,000 Ft.), RIH w/ 5 1/2" CIBP, set at 12,800 ft. RU WSI and run correlation Log, Perf Cisco b/t 11,405 and 11,490. RIH w/ 2 3/8" tubing and packer, Spot 500 gallons NEFE acid, set packer at 11,200 ft., pressure test back side from packer up to 1000 psi, pump acid away, establish pump rate, pump small acid frac 2500 gallons of NEFE and displace the 2 % KCL. RD pump trucks, WO acid to break, swab well.

Attached: Copy of Completion Prognosis

Planning to start work upon Sundry approval by the NMOCD.

Spud Date: Rig Release Date:

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

SIGNATURE Vernon D. Dyer TITLE Agent DATE 05/11/2010

Type or print name Vernon D. Dyer E-mail address: vdyeroil@cableone.com PHONE: (575) 420-0355

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

MARSHALL & WINSTON
M & W FEE 1
COMPLETION PROGNOSIS
1974/S & 1129/E
N/2 SE/4 Sec 26-I, T 15 S., R 345 E
Lea County NM
API: 30-025-36013

1. MIRU Work-over Rig.
2. Open well to release pressure until well dies.
3. Pump 10# brine to kill the well.
4. Rig down tree and NU BOP.
5. Release packer and Pump 10# Brine if needed.
6. If 10# Brine is not needed pump 2% KCL and displace enter wellbore.
7. Pressure test 5-1/2" casing to 1000 psi for 30 minutes.
8. Pull 2-3/8" tubing approx 13,000'.
9. Run in hole with 5-1/2" CIBP and set at 12800'
10. RU WSI and run Correlation Log.
11. Run in hole with wireline.
12. We will selectively perforate the Cisco at interval 11405'- 11490'.
13. Run in hole with 2-3/8" tubing and packer.
14. Spot 500 gallons NEFE acid.
15. Set packer at about 11200'
16. Pressure test backside of tubing from the packer up to 1000 psi.
17. Pump acid away and establish a pump rate.
18. Pump small acid frac 2500 gallons of NEFE and displace with 2% KCL.
19. Rig Down pump trucks.
20. Wait for acid to break.
21. Swab well.

Venders:

Cavalos Well Service: Roger Garcia 575-369-5094 Work-over Rig, Pipe Racks, BOP

Tarpon Pipe: John 432-683-8777 Tubing

Pumper: Travis Flemmons 575-631-0906

VMJ Well Service: Frank 575-631-0439 Water Hauler, Kill Truck (knows which tank has brine water)

Production Specialties: Carlos 575-420-0908 Pump and pump supplies

Denny Snelson: 432-556-5590 Pumping Unit

Equipment Specialty Company: Tate Brandt (817) 692-4000 Sucker Rods

BJ Services: Mike Surabia.

Directions: In Lovington, NM take 17th Street (next to Lovington Inn) north to 'T' which is Gum Road. Turn left on Gum Road and go west for 7.5 miles. Turn right onto lease road at the cattle guard. Go north and east on the lease road for about 3 miles and road will end at the location.

Submit 1 Copy To Appropriate District Office
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
Minerals and Natural Resources

Form C-103
October 13, 2009

RECEIVED

MINERAL CONSERVATION DIVISION

HOBBS

WELL API NO. 30-02536013
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. N / A
7. Lease Name or Unit Agreement Name M&W Fee 01
8. Well Number 01
9. OGRID Number 014187
10. Pool name or Wildcat Townsend Perma Cisco

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 Other

2. Name of Operator Marshall & Winston Inc.

3. Address of Operator P.O. Box 50880, Midland, TX 79710-0880

4. Well Location
Unit Letter I: 1974 feet from the South line and 1129 feet from the East line
Section 26 Township 15 S Range 34 E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4055' GR

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
DOWNHOLE COMMINGLE

OTHER: Operator Change and Well Name Change

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
COMMENCE DRILLING OPNS. P AND A
CASING/CEMENT JOB

OTHER:

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Marshall & Winston Inc. plans to take over this well from Arrington, David H Oil & Gas due to lease expiration and is changing the well name from the Green Eyed Squealy Worm # 1 to the M & W Fee # 1.

Marshall & Winston intends to re-enter this well and attempt to complete one or more formations that appear to be potential oil bearing zones. Marshall & Winston accepts responsibility of properly plugging and abandoning the well upon cessation of activities.

Spud Date:

Rig Release Date:

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

SIGNATURE Vernon D. Dyer TITLE Agent DATE May, 11, 2010
Type or print name Vernon D. Dyer E-mail address: vdveroil@cableone.com PHONE: (575) 420-0355

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

Mineral & Leasehold Takeoff

August 27, 2010

Township 15 South, Range 34 East, NMPM, Lea County, New Mexico

Section 26: S/2

Last Instrument: 1688/273 Recorded: 7/16/2010

**N/2SE/4
All Depths**

Mineral Owner	MI	Net Acres	Leasehold Owner
Winston Partners, Ltd C/O Sargent Management 4800 First Bank Place Minneapolis, MN 55402	0.25000000	20.00	Winston & Marshall, Inc. OGL 1682/219, dtd 5/3/2010 6 months, 1/4 roy., Pugh SEE NOTE BELOW
Marshall & Winston, Inc. P.O. Box 50880 Midland, TX 79710	0.75000000	60.00	SEE NOTE BELOW
TOTAL	1.00000000	80.00	

**S/2SE/4
All Depths**

Mineral Owner	MI	Net Acres	Leasehold Owner
Danglade/Speight Family Oil and Gas I, L.P. 777 Main Street, Ste. 3250 Fort Worth, TX 76102	1.00000000	80.00	David Arrington Oil & Gas, Inc. 100% OGL dated 9/2/2009, to David Arrington Oil & Gas, Inc. for 3 yrs at 1/4 roy. SEE NOTE BELOW
TOTAL	1.00000000	80.00	

**W/2SW/4
All Depths**

Mineral Owner	MI	Net Acres	Leasehold Owner
H-D Mineral Properties P.O. Box 3061 Midland, TX 79702	0.50000000	40.00	David Arrington Oil & Gas, Inc. OGL 1682/843, dtd 6/1/2010 1 year, 1/4 royalty, Pugh 6 months after end of primary term
Bobby V. Bell & wf. Christine J. Bell 2525 Ridgeview Road Camden, AR 71701	0.50000000	40.00	David Arrington Oil & Gas, Inc. 100% OGL dtd. 10/27/2008, to David Arrington Oil & Gas, Inc. for 3 yrs at 1/4 roy. SEE NOTE BELOW
TOTAL	1.00000000	80.00	

**NE/4SW/4
All Depths**

Mineral Owner	MI	Net Acres	Leasehold Owner
Bank of America, Trustee of the Lawrence E. Karger Trust P.O. Box 830308 Dallas, TX 75283	0.17500000	7.00	SEE NOTE BELOW
Bank of America, Trustee of the Gay Crab Karger Trust P.O. Box 830308 Dallas, TX 75283	0.32500000	13.00	SEE NOTE BELOW

Bank of America, Trustee of the Billy Easley Trust P.O. Box 830308 Dallas, TX 75283	0.50000000	20.00	SEE NOTE BELOW
TOTAL	1.00000000	40.00	

**SE/4SW/4
All Depths**

Mineral Owner	MI	Net Acres	Leasehold Owner
Jessie A. Dennis, DSSP 231 Middleberry San Antonio, TX 78217	0.02083333	0.83	SEE NOTE BELOW
Don C. Dennis, DSSP P.O. Box 1738 Lubbock, TX 79408	0.02083333	0.83	SEE NOTE BELOW
JoAnn Denito, DSSP 2036 Mustang Drive Levelland, TX 79336	0.02083334	0.83	SEE NOTE BELOW
Don C. Dennis, Trustee of the J.M. Dennis Trust P.O. Box 1738 Lubbock, TX 79408	0.06250000	2.50	SEE NOTE BELOW
Bert Ronald Wright, DSSP 4630 S. Kirkman #216 Orlando, FL 32811	0.12500000	5.00	SEE NOTE BELOW
Paul D. Seward & Barbara J. Seward Trustees of the Seward Family Trust dated 06/26/2003 9604 Marion Circle, NE Albuquerque, NM 87111	0.12500000	5.00	David Arrington Oil & Gas OGL 1685/693, dtd 5/24/10 3 years, 1/4 royalty
Western Commerce Bank, Trustee of the Frances J. Freeman Revocable Living Trust, U/T/A dtd 9/1/92 P.O. Box 1687 Lovington, NM 88260	0.12500000	5.00	David Arrington Oil & Gas OGL 1688/273, dtd 5/11/2010 3 years, 1/4 royalty, Pugh
Sandra Lee Ponder Joy, DSSP 17421 East State HWY 22 Cranfills Gap, TX 76637	0.12500000	5.00	David Arrington Oil & Gas OGL 1682/841, dtd 5/11/2010 3 years, 1/4 royalty
G.G. Gore & wf. Carol J. Gore 2020 S. Columbus Road Deming, NM 88030	0.12500000	5.00	SEE NOTE BELOW
McAlpin Minerals Partnership, Ltd. P.O. Box 178 Wellborn, TX 77881	0.12500000	5.00	SEE NOTE BELOW
Charlsie E. Savage, DSSP P.O. Box 7 Deming, NM 88030	0.12500000	5.00	David Arrington Oil & Gas, Inc. 100% OGL dtd 11/3/2008, to David Arrington Oil & Gas, Inc. for 3 yrs at 1/4 roy. SEE NOTE BELOW
TOTAL	1.00000000	40.00	

NOTE: The Green Eyed Squealy Worm #1 (1974' FSL & 1129' FEL, Sec. 26, T15S, R34E) was spudded 01/29/2004 Arrington Oil & Gas, Inc. and completed in the Morrow formation (S/2 spacing unit). According to production reports, it has not produced since March 2007 (9 MCF GAS) and is listed in the OCD Inactive Well List. The well does not appear to have been plugged and it is unclear if operations are on going. Recent Oil & Gas Leases executed in favor of David Arrington Oil & Gas, Inc., as shown above, may indicate the other mineral owners acreage is OPEN. Leases, working interest owners can be provided on the well if needed.

NOTE 2: Chesapeake Exploration assigned all interest in Green Eyed Squealy Worm #1 and Maxwell 26 #1 to Three Acquisitions in GAS 1676/867.