

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 30-015-34668	² Pool Code 75250	³ Pool Name Wildcat Cottonwood Creek (Wolfcamp)
⁴ Property Code	⁵ Property Name CHARTRUESE HOSE	⁶ Well Number 1H
⁷ OGRID No. 5898	⁸ Operator Name DAVID H. ARRINGTON OIL & GAS	⁹ Elevation 3894'

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
0	15	18 SOUTH	23 EAST, N.M.P.M.		660'	SOUTH	1880'	EAST	EDDY

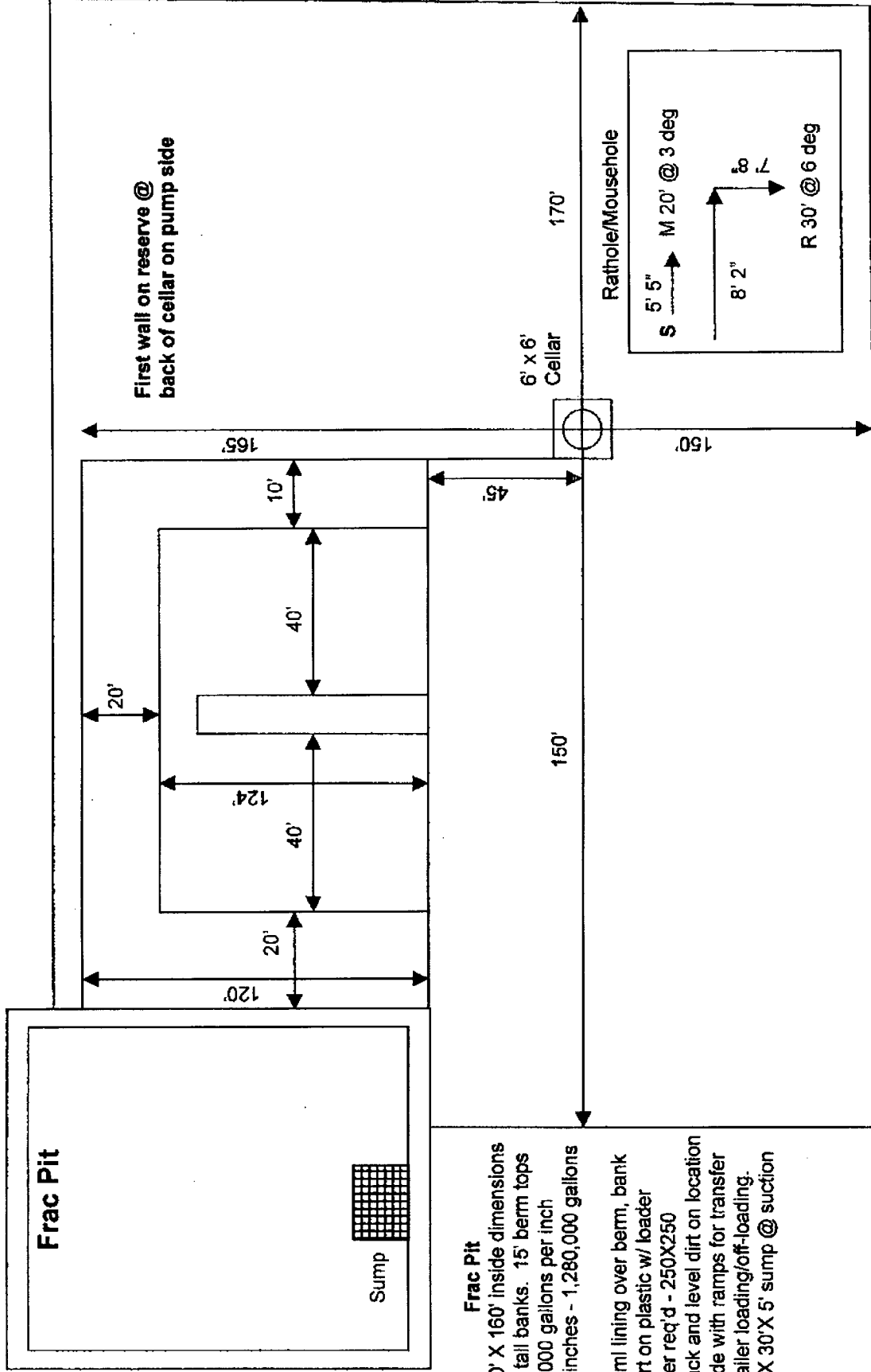
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	15	18 SOUTH	23 EAST, N.M.P.M.		660'	NORTH	1880'	EAST	EDDY
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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

RECEIVED MAR 13 2006 OCC-ARTESIA BHL X = 394595 Y = 637926 LAT.: N 32.7532832 LONG.: W 104.6761856 NAD 27 NME ZONE X = 394572 Y = 633958 LAT.: N 32.7423758 LONG.: W 104.6762211	660' 1880' AZ = 00.34°, 3968.2' 660' 1880' BOTTOMHOLE INFORMATION PROVIDED BY DAVID H. ARRINGTON OIL & GAS	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <i>Ann E. Ritchie</i> Printed Name Ann E. Ritchie Title Regulatory Agent Date 2-28-06 ¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. FEBRUARY 23, 2006 Date of Survey Signature and Seal of Professional Surveyor V. LYNN BEZNER NEW MEXICO 7920 2-27-06 V. L. BEZNER R.P.S. #7920 JOB # 111004 / 101 SW / E.U.O.
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Patterson Rig 624 Location Layout w/ Frac Pit



Submit 3 Copies To Appropriate District
Office
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87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised June 10, 2003

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

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.)		WELL API NO. 30 015 34668
1. Type of Well: Oil Well Gas Well ☒ Other (Injection) ☐		5. Indicate Type of Lease STATE ☒ FEE ☐
2. Name of Operator David H. Arrington Oil & Gas, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator c/o P.O. Box 953, Midland, TX 79702		7. Lease Name or Unit Agreement Name Chartreuse Hose
4. Well Location Unit Letter <u>O</u> <u>660</u> feet from the <u>South</u> line and <u>1880</u> feet from the <u>East</u> line Section <u>15</u> Township <u>18S</u> Range <u>23E</u> NMPM <u>Eddy</u> County		8. Well Number Well # <u>1H</u>
11. Elevation (Show whether DR. RKB. RT. GR. etc.): <u>3894'</u>		9. OGRID Number <u>5898</u>
		10. Pool name or Wildcat <u>Wildcat, Wolfcamp</u>

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☒	COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPLETION ☐	CASING TEST AND CEMENT JOB ☐	
OTHER: ☐		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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see attached the amended drilling plan, specifically the Surface Casing depth setting as per requirement by NMOCD.

RECEIVED

MAR 13 2006

OCU-MITTELM

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 3-9-06

Type or print name Ann E. Ritchie E-mail address: ann.ritchie@wtor.net Telephone No. 432 684-6381

(This space for State use)

APPROVED BY Jim W. Green TITLE District II Supervisor

Conditions of approval, if any.

MAR 13 2006
DATE

David H. Arrington Oil & Gas Inc.
 Chartreuse Hose 1H
 SHL - 660' FSL & 1880' FEL
 BHL - 660' FNL & 1880' FEL
 S15, T18S, R23E
 Eddy County, NM

1. Ground elevation above sea level: 3894'

2. Proposed drilling depth: 5000' TVD

3. Estimated tops of geological markers:

Tubb	2910'
Abo Shale	3560'
Abo Carbonate	3710'
Wolfcamp	4570'
Wolfcamp Shale	4710'

4. Possible mineral bearing formations:

Abo/Wolfcamp	Gas/Oil
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5. Casing Program

Hole size	Interval	OD of Casing	Weight	Thread	Grade	TOC
12-1/4"	40' - 1300'	8-5/8"	32#	LTC	J55	Surf
*7-7/8"	1300' - 5000'					
*7-7/8"	4220' - 8410'	5-1/2"	17#	LTC	P110	Surf

*Drill 7-7/8" vertical hole to 5000', plug back to ~ 4220' with an open-hole whipstock and drill lateral to ~ 8410' (~4600' TVD). Run and cement 5-1/2" production string from TD to surface.

6. Cementing and Setting Depth

String	Depths	Sks	Slurry
8-5/8" Surface	1300'	200	Lead-1: Premium Premium Plus w/ 10 pps DiamondSeal
		100	Lead-2: Premium Plus Thixset w/ 1% Thixset A & 0.25% WG-17
		750	Lead-3: Light Premium Plus w/ 5 pps gilsonite & 2% CaCl ₂
		500	Tail: Premium Plus w/ 2% CaCl ₂
5-1/2" Production	8410'	590	Lead: Interfill C w/ ¼ pps Flocele
		440	Tail: Howco Acid Soluble Cement w/ 0.7% Halad 344, 0.2% FWCA & 0.2% HR-601

Both casing strings will be cemented to surface.

7. Pressure Control Equipment: After setting 8-5/8" casing and installing 5000 psi casing head, NU 11" 5000 psi double ram BOP and 5000 psi annular BOP, and test with clear fluid to 3000 psi using 3rd party testers.

8. Proposed Mud Circulating System

<u>Interval</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>FL</u>	<u>Type Mud System</u>
40' - 1300'	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.
1300' - 5000'	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 ~ 3,300' add brine to mud. Mud up at ~4,400' utilizing starch/PAC system.
4220' - 8410'	8.8 - 9.3	32 - 50	15	Utilize existing cut brine system adding XCD polymer for viscosity and white starch for fluid loss control. Sweep as necessary for hole cleaning.

Proposed Drilling Plan:

Drill 12-1/4" surface hole to 1300'. Run 8-5/8" and cement to surface.

Drill 7-7/8" pilot hole to ~5000' and log well. Plug back with open-hole whipstock to ~4220'. Drill curve w/ 15°/100' BUR to ~90° inclination. Drill 7-7/8" lateral to ~8410'. Run and cement 5-1/2" production string from TD to surface.

March 1, 2006

New Mexico Oil Conservation Division
Attn: Bryan Arrant
1301 W. Grand Ave.
Artesia, NM 88210

RE: David H. Arrington Oil & Gas, Inc., Chartreuse Hose, Well #1H,
Section 14, T18S, R23E, Eddy County, New Mexico

Dear Bryan,

Please see enclosed the maps, wellbore and drilling program for the above referenced well. We do not anticipate encountering any H2S during the drilling or completion of this well.

This application was submitted online on March 1, 2006. Please let me know if you need any further information or documentation concerning this application to drill. Thank you.

Yours truly,



Ann E. Ritchie, Regulatory Agent
David H. Arrington Oil & Gas, Inc.
c/o Box 953
Midland, TX 79702
432 684-6381/682-1458-fax
ann.ritchie@wtor.net

RECEIVED
MAR 07 2006
OCC-ARTESIA

35487

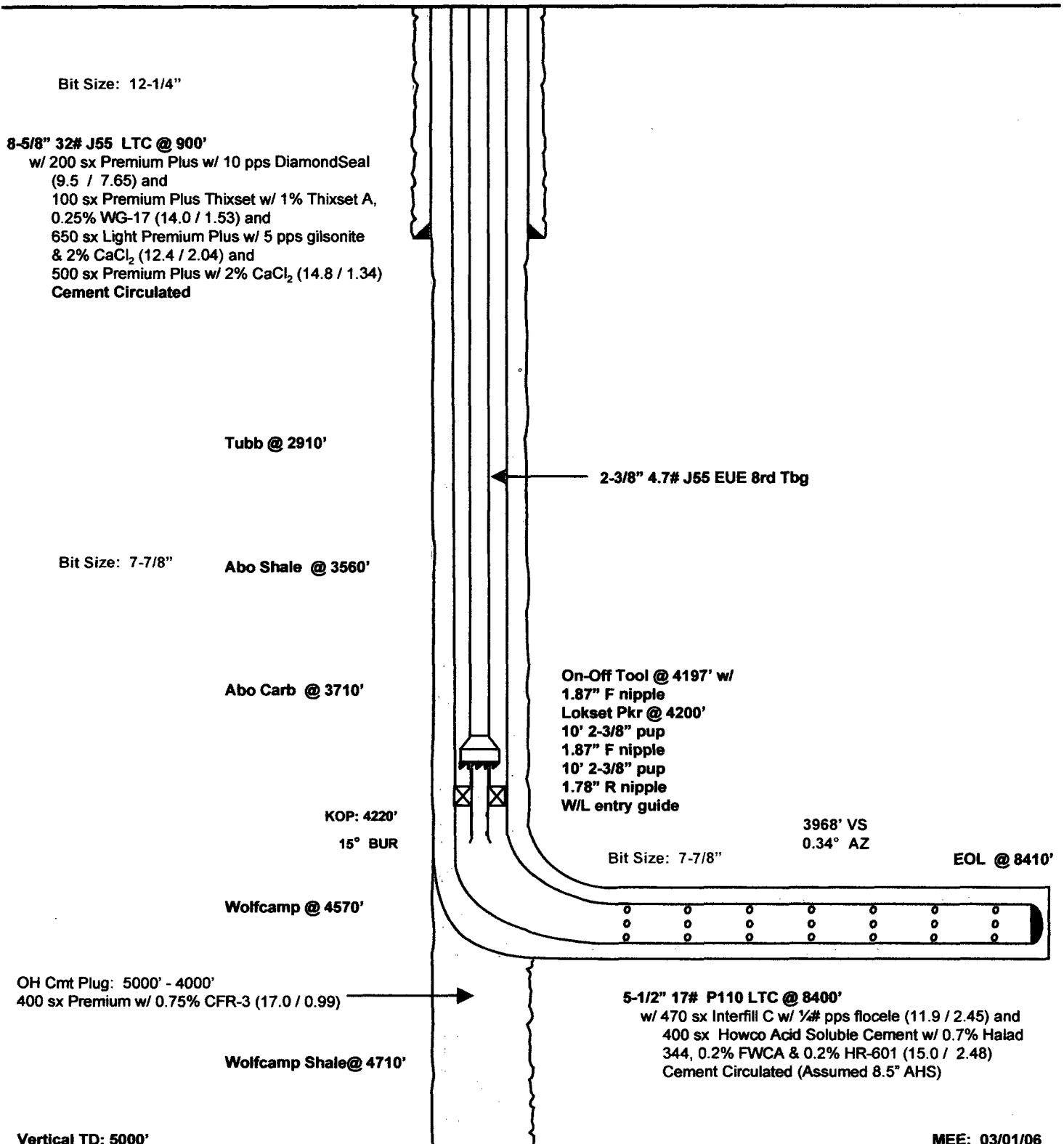
**Chartreuse Hose 1H
Cottonwood Creek Field
Eddy County, New Mexico**

Surface	Lateral Terminus
660' FSL	660' FNL
1880' FEL	1880' FEL
S-15	
T18S, R23E	

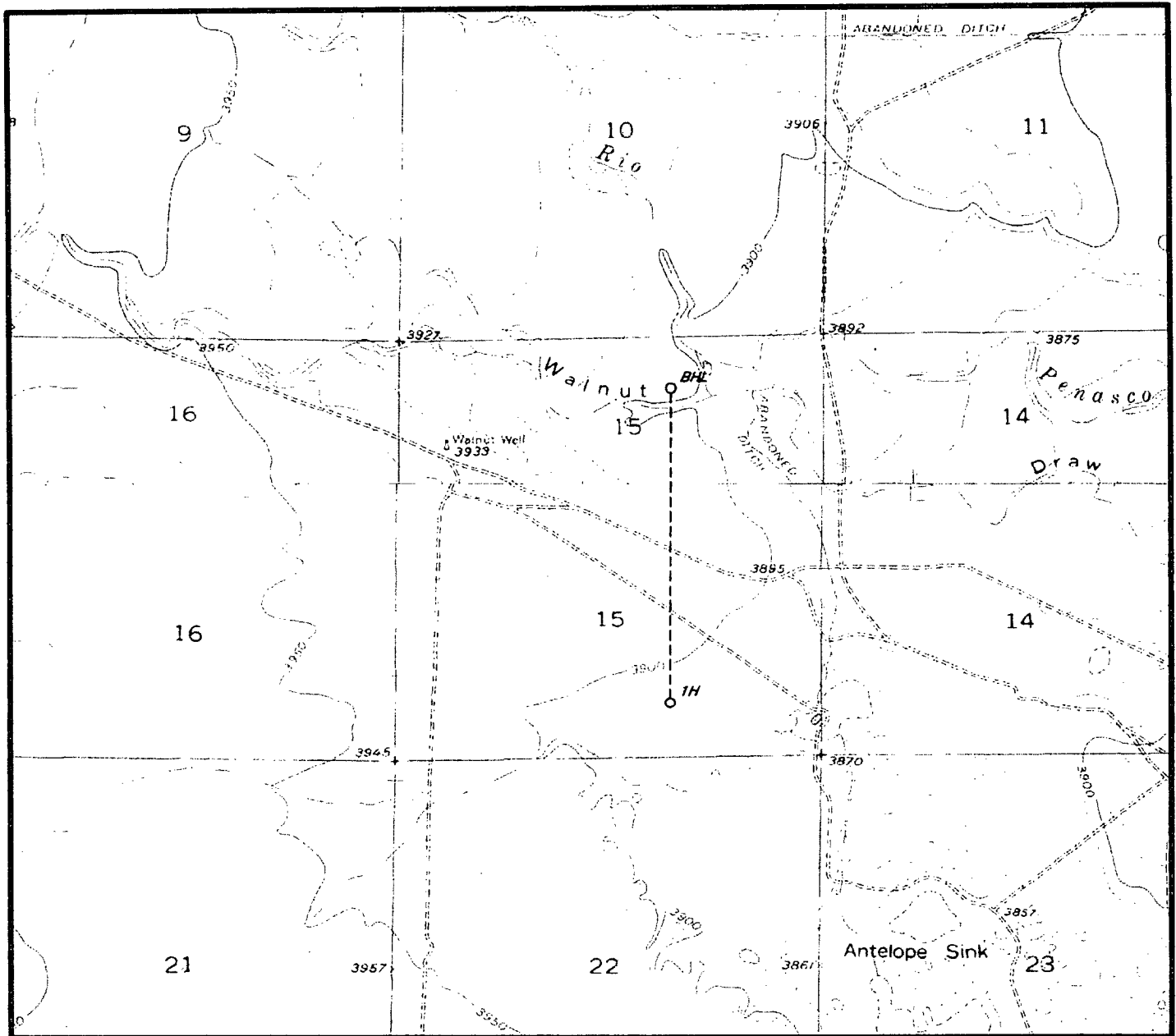
Proposed Wellbore

API: 30-015-?

**KB: 3913'
GL: 3894'**



LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 15 TWP 18-S RGE 23-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 400' FSL & 1880' FEL

ELEVATION 3894'

OPERATOR DAVID H. ARRINGTON OIL & GAS

LEASE CHARTRUESE HOSE #1H

U.S.G.S. TOPOGRAPHIC MAP

HOPE, NEW MEXICO

SCALED LAT. LAT.: N 32.7423758

LONG. LONG.: W 104.6762211

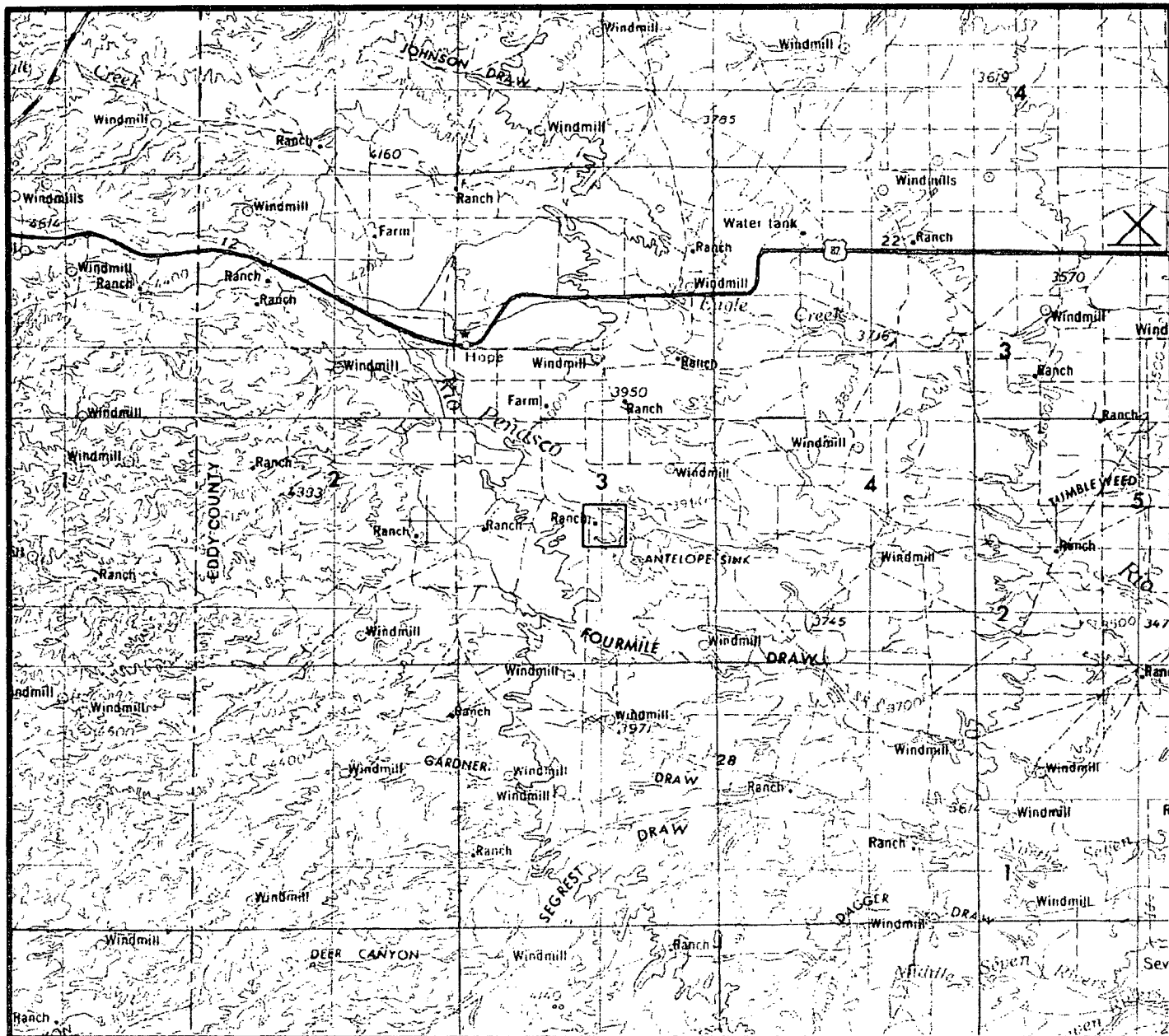


TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

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

VICINITY MAP



SECTION 15 TWP 18-S RGE 23-E
 SURVEY NEW MEXICO PRINCIPAL MERIDIAN
 COUNTY EDDY STATE NM
 DESCRIPTION 660' FSL & 1880' FEL

OPERATOR DAVID H. ARRINGTON OIL & GAS
 LEASE CHARTRUESE HOSE #1H

DISTANCE & DIRECTION FROM INTERSECTION OF CO. RD. 8
AND HIGHWAY 82, GO SOUTH ON CO. RD. 8 2.0 MILES, THENCE
WEST 1.5 MILES, THENCE SOUTH 2.5 MILES, CONT. SOUTH ON
TRAIL ROAD 0.3 MILES, THENCE SOUTHEAST 2.4 MILES TO A
POINT ±1000' NORTH OF THE LOCATION.



TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

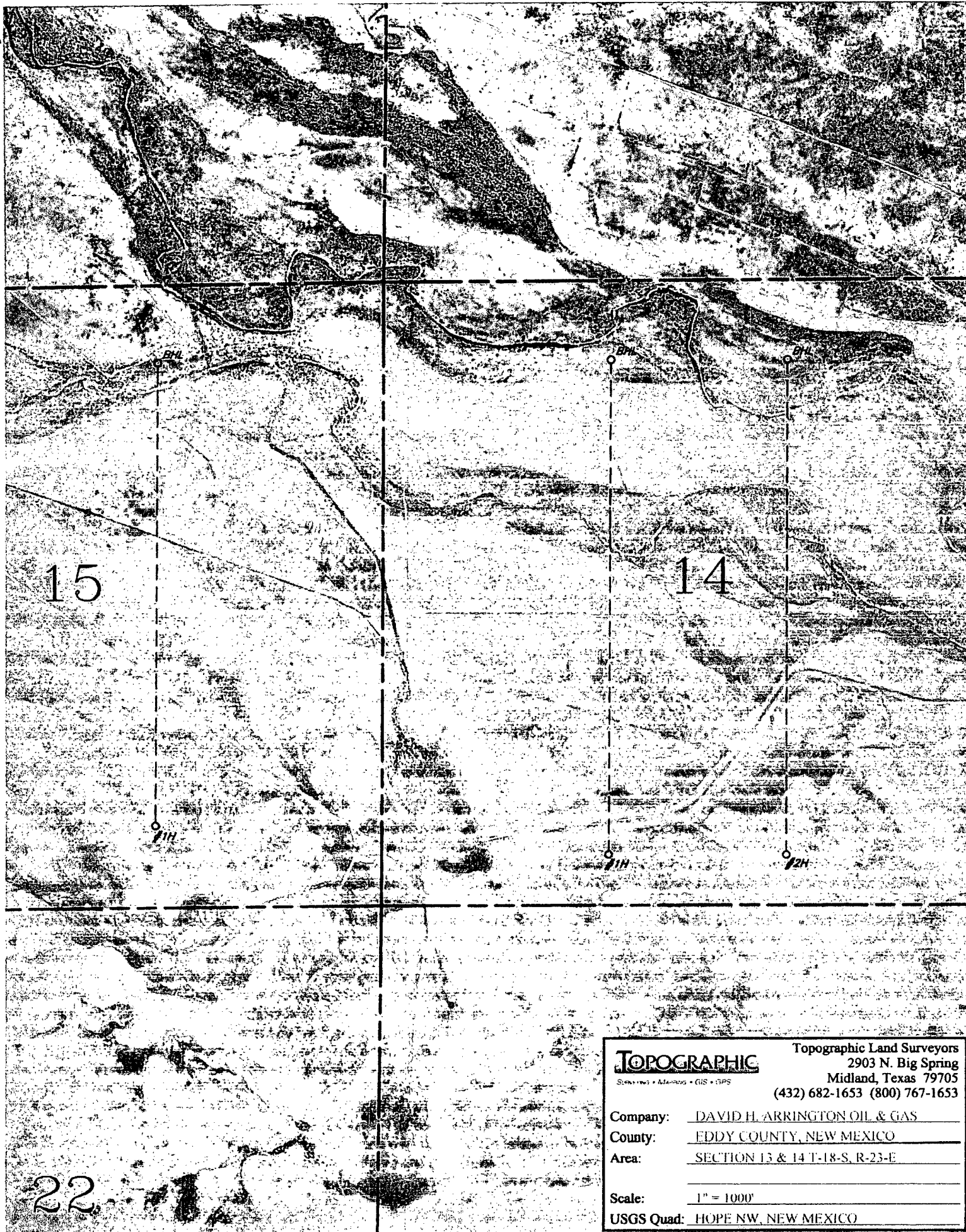
This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

Review this plat and notify us immediately of any possible discrepancy.

1307 N. HOBART
 PAMPA, TX. 79065
 (800) 658-6382

6709 N. CLASSEN BLVD.
 OKLAHOMA CITY, OK. 73116
 (800) 654-3219

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



TOPOGRAPHIC

Surveyors • Mapmakers • GIS • GPS

Topographic Land Surveyors

2903 N. Big Spring

Midland, Texas 79705

(432) 682-1653 (800) 767-1653

Company: DAVID H. ARRINGTON OIL & GAS

County: EDDY COUNTY, NEW MEXICO

Area: SECTION 13 & 14 T-18-S, R-23-E

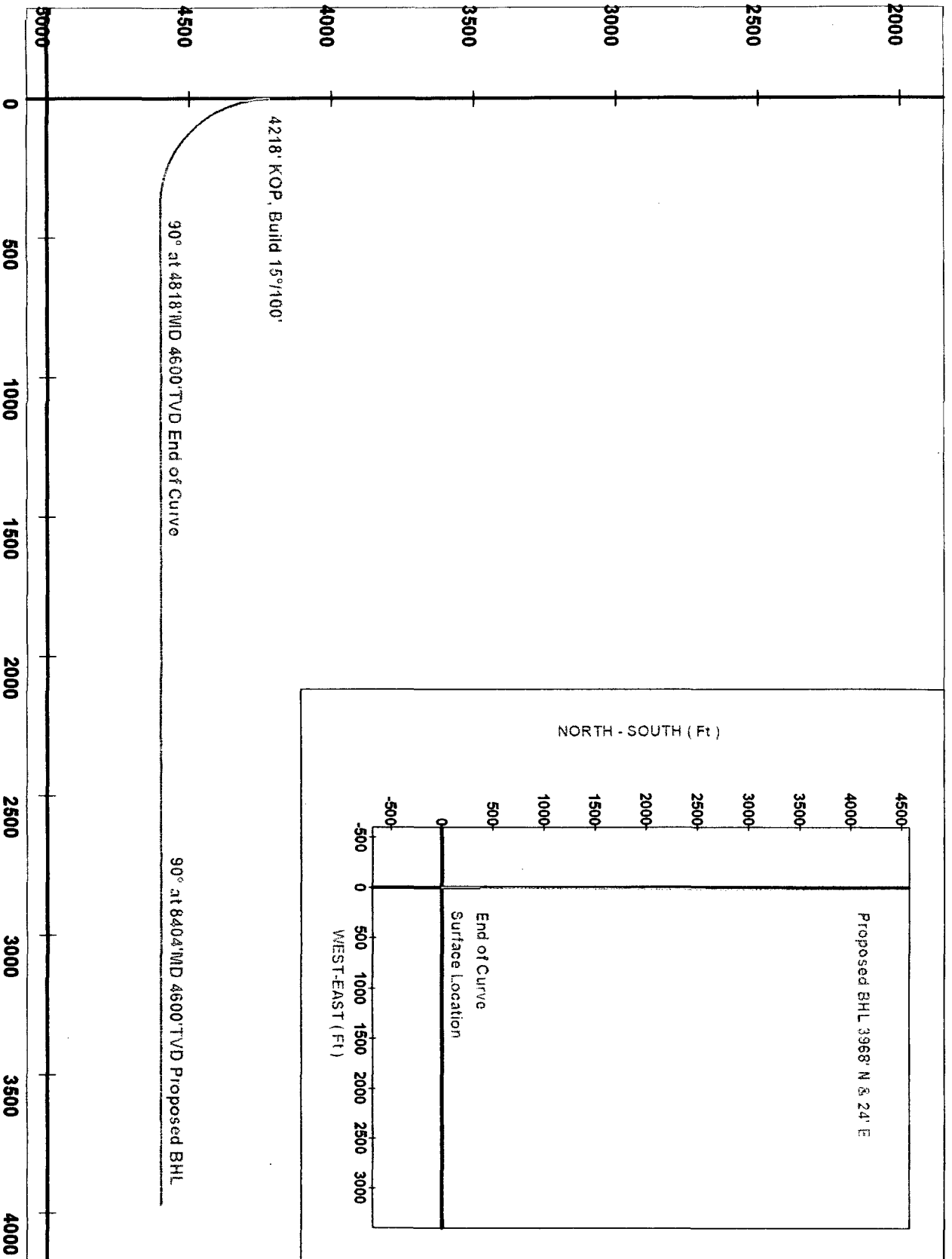
Scale: 1" = 1000'

USGS Quad: HOPE NW, NEW MEXICO

Company: David H. Arrington Oil & Gas
Lease/Well: Chantreuse Hose #1H
Location: Eddy County
State/Country: New Mexico

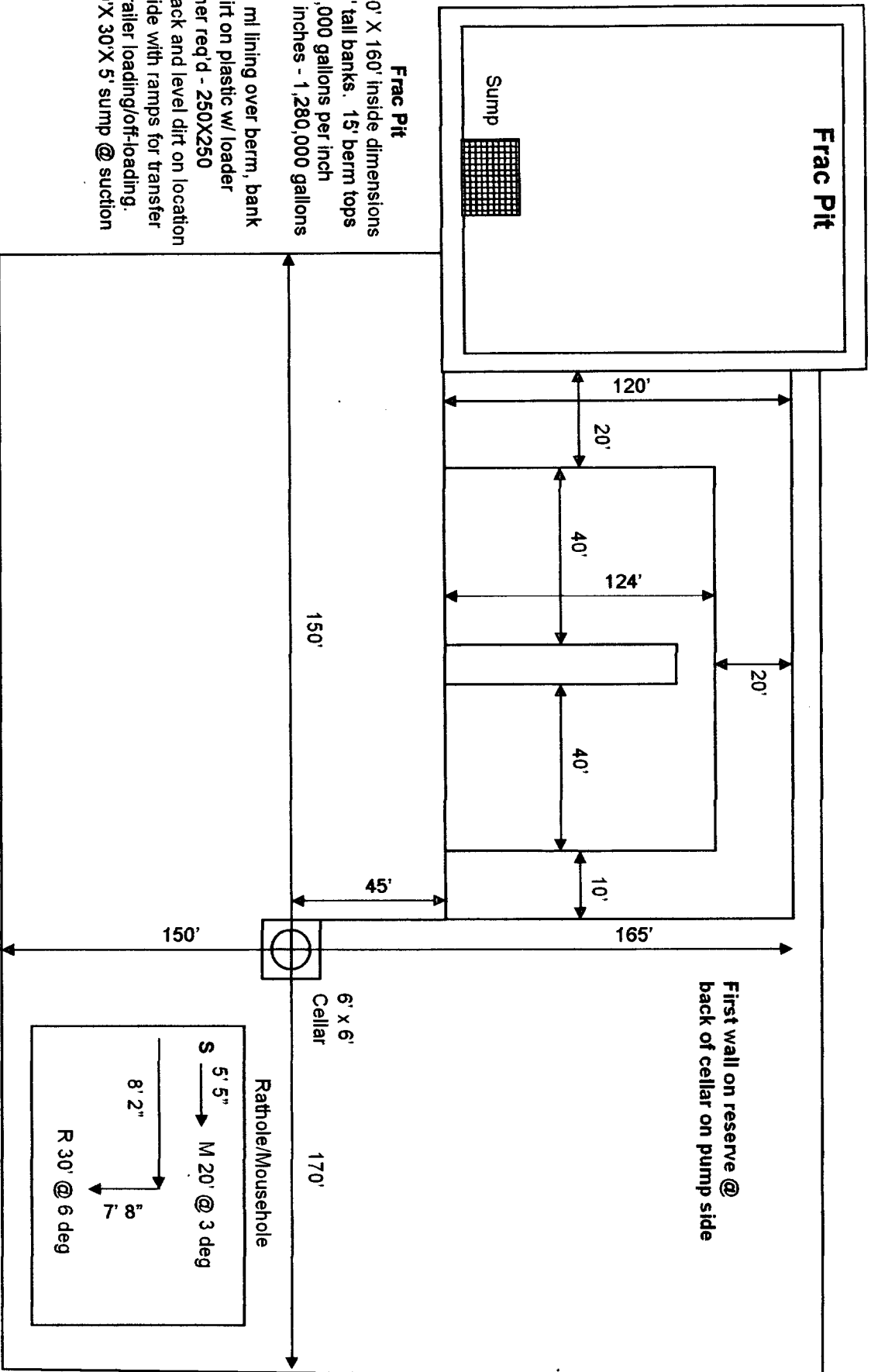


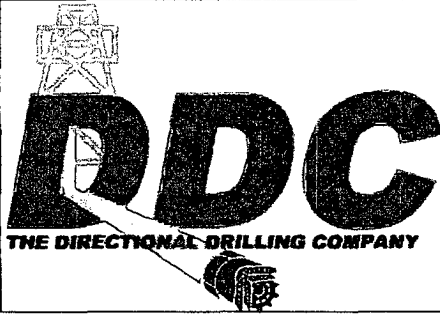
TRUE VERTICAL DEPTH (Ft)



VERTICAL SECTION (Ft) @ .34°

Patterson Rig 624 Location Layout w/ Frac Pit





Job Number:
 Company: David H. Arrington Oil & Gas
 Lease/Well: Chartreuse Hose #1H
 Location: Eddy County
 Rig Name:
 RKB:
 G.L. or M.S.L.:

State/Country: New Mexico
 Declination:
 Grid:
 File name: C:\PROPOS~1\ARRING~1\HCHA~1\PLAN.SVY
 Date/Time: 01-Mar-06 / 11:22
 Curve Name: Preliminary Plan

THE DIRECTIONAL DRILLING COMPANY

WINSERVE PROPOSAL REPORT Minimum Curvature Method Vertical Section Plane .34 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	Dogleg Severity Deg/100
KOP, Build 15°/100'							
4218.03	.00	.34	4218.03	.00	.00	.00	.00
4268.03	7.50	.34	4267.89	3.27	3.27	.02	15.00
4318.03	15.00	.34	4316.89	13.02	13.02	.08	15.00
4368.03	22.50	.34	4364.20	29.08	29.08	.17	15.00
4418.03	30.00	.34	4409.01	51.17	51.17	.30	15.00
4468.03	37.50	.34	4450.56	78.93	78.93	.47	15.00
4518.03	45.00	.34	4488.12	111.88	111.88	.66	15.00
4568.03	52.50	.34	4521.07	149.44	149.44	.89	15.00
4618.03	60.00	.34	4548.83	190.99	190.98	1.13	15.00
4668.03	67.50	.34	4570.92	235.80	235.79	1.40	15.00
4718.03	75.00	.34	4586.98	283.11	283.11	1.68	15.00
4768.03	82.50	.34	4596.73	332.11	332.11	1.97	15.00
End of Curve							
4818.03	90.00	.34	4600.00	381.97	381.97	2.27	15.00
5018.03	90.00	.34	4600.00	581.97	581.96	3.45	.00
5218.03	90.00	.34	4600.00	781.97	781.96	4.64	.00
5418.03	90.00	.34	4600.00	981.97	981.95	5.83	.00
5618.03	90.00	.34	4600.00	1181.97	1181.95	7.01	.00
5818.03	90.00	.34	4600.00	1381.97	1381.95	8.20	.00
6018.03	90.00	.34	4600.00	1581.97	1581.94	9.39	.00
6218.03	90.00	.34	4600.00	1781.97	1781.94	10.57	.00
6418.03	90.00	.34	4600.00	1981.97	1981.94	11.76	.00
6618.03	90.00	.34	4600.00	2181.97	2181.93	12.95	.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	Dogleg Severity Deg/100
6818.03	90.00	.34	4600.00	2381.97	2381.93	14.13	.00
7018.03	90.00	.34	4600.00	2581.97	2581.93	15.32	.00
7218.03	90.00	.34	4600.00	2781.97	2781.92	16.51	.00
7418.03	90.00	.34	4600.00	2981.97	2981.92	17.70	.00
7618.03	90.00	.34	4600.00	3181.97	3181.92	18.88	.00
7818.03	90.00	.34	4600.00	3381.97	3381.91	20.07	.00
8018.03	90.00	.34	4600.00	3581.97	3581.91	21.26	.00
8218.03	90.00	.34	4600.00	3781.97	3781.91	22.44	.00
Proposed BHL							
8404.26	90.00	.34	4600.00	3968.20	3968.13	23.55	.00