

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ 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, Inc. 214 W. Texas, Suite 400, P.O. Box 2071 Midland, TX 79702		² OGRID Number 5898
		³ API Number 30 - 021 - 20353
⁴ Property Code 34835	⁵ Property Name Seal State "16"	⁶ Well No. 1
⁹ Proposed Pool 1 San Andres - Wildcat		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from th	North/South lin	Feet from the	East/West line	County
F	16	14N	32E		523'	South	790'	East	Harding

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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R <input checked="" type="checkbox"/>	¹⁴ Lease Type Cod S	¹⁵ Ground Level Elevation 3900'
¹⁶ Multiple no	¹⁷ Proposed Depth 1200'	¹⁸ Formation San Andres	¹⁹ Contracto Dermison Drlg.	²⁰ Spud Date upon approval
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12" <input checked="" type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: 1200 bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> * (as per NMOCD guidelines.) Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	410' <input checked="" type="checkbox"/>	300 sx <input checked="" type="checkbox"/>	Surface
7 7/8"	5 1/2"	15.5#	1200'	400 sx	Surface

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.
New drill to test the San Andres formation. A 12 1/4" hole will be drilled to 410' and 8 5/8" casing will be set & cemented to surface, pressure tested and WOC. Will drill a 7 7/8" hole to approximately 1200' and set 5 1/2" casing, cemented to surface. BOP 5000 psi, DBL RAM.
Evaluate for completion.

OIL CONSERVATION COMMISSION TO BE NOTIFIED
WITHIN 24 HOURS OF BEGINNING OPERATIONS

²³ 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 X, a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Ann E. Ritchie		Approved by:	
Title: Regulatory Agent		Title: DISTRICT SUPERVISOR	
E-mail Address: ann.ritchie@wtor.net		Approval Date: 5/23/05 Expiration Date: 5/23/06	
Date: 5-16-05	Phone: 432 684-6381	Conditions of Approval Attached <input checked="" type="checkbox"/> NMOCD Rule 50 Applies	

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 30-0		² Pool Code		³ Pool Name San Andres - Wildcat	
⁴ Property Code		⁵ Property Name SEAL STATE "16"			⁶ Well Number 1
⁷ OGRID No.		⁸ Operator Name DAVID H. ARRINGTON OIL & GAS, INC.			⁹ Elevation 3900'

¹⁰ Surface Location

UL or lot no. P	Section 16	Township 14 NORTH	Range 32 EAST, N.M.P.M.	Lot Idn	Feet from the 523'	North/South line SOUTH	Feet from the 790'	East/West line EAST	County HARDING
--------------------	---------------	----------------------	----------------------------	---------	-----------------------	---------------------------	-----------------------	------------------------	-------------------

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
¹² Dedicated Acres 40		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

<div data-bbox="617 1816 844 1963"><p>NAD 27 NM E ZONE X = 735993 Y = 1614327 LAT.: N 35.4344554 LONG.: W 103.5411253</p></div> <div data-bbox="852 1774 1128 2037"></div>	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature: <i>Ann E. Ritchie</i> Printed Name: <u>Ann E. Ritchie</u> Title: <u>Regulatory Agent</u> Date: <u>5-16-05</u>	
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey: <u>APRIL 28, 2005</u> Signature and Seal of Professional Surveyor: Certificate Number: <u>5-12-05</u> V. L. BEZNER R.P.S. #7920 JOB #103123 / / J.C.P.	

New Mexico Oil Conservation Division
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED
"AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines. NOTE: If the United States government survey designates a Lot Number for this location use that number in the "UL or lot no." box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole,
12. The calculated acreage dedicated to this completion to nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:
C Communitization
U Unitization
F Forced pooling
O Other
P Consolidation pending

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!

15. Write in the OCD order(a) approving a non-standard location, non-standard spacing, or directional or horizontal drilling

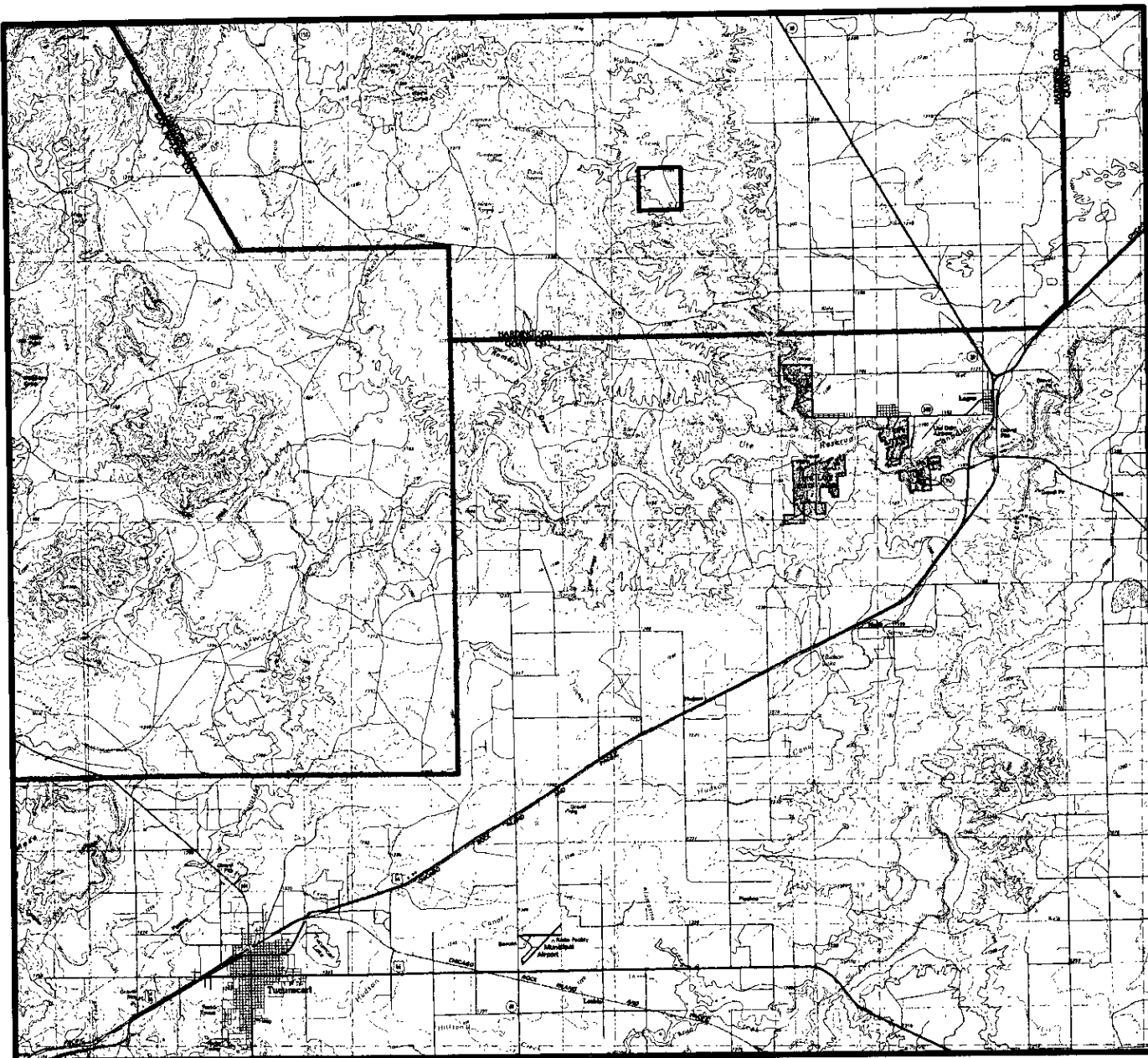
16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The Registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

VICINITY MAP



SECTION 16 TWP 14-S RGE 32-E
SURVEY NEW MEXICO PRINCIPAL MERIDIAN
COUNTY HARDING STATE NM
DESCRIPTION 523' FSL & 790' FEL

OPERATOR DAVID H. ARRINGTON OIL & GAS, INC.

LEASE SEAL STATE "16" #1

DISTANCE & DIRECTION FROM LOGAN, GO NORTH 2.0

MILES ON HWY. 39, THENCE EAST 9.0 MILES ON DIRT

ROAD, THENCE NORTHEAST 2.4 MILES ON TRAIL ROAD TO

A POINT $\pm 200'$ NORTH OF THE LOCATION.



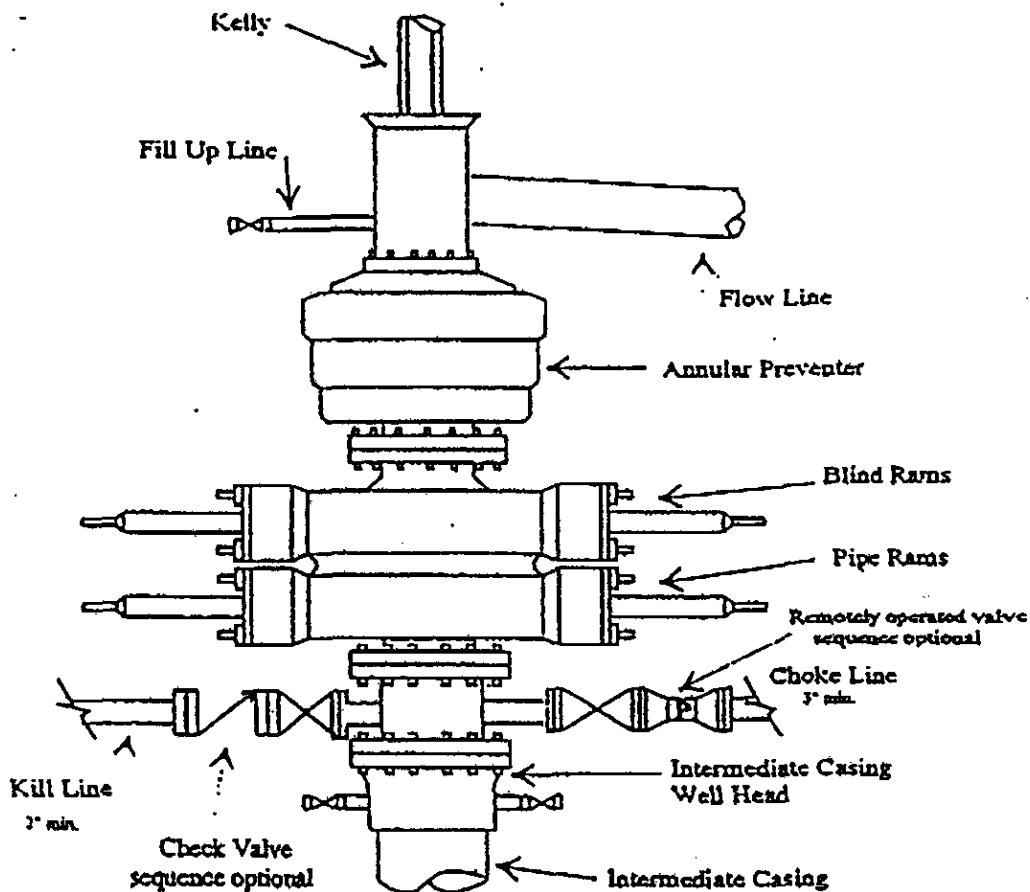
TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

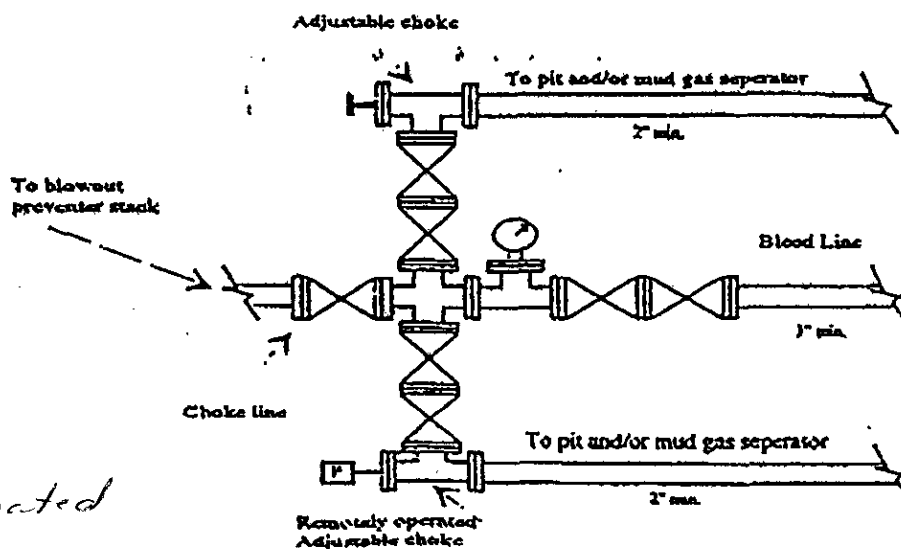
2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653



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



Typical 5,000 psi choke manifold assembly with at least these minimum features



No H₂S anticipated in this area.