

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 Proposed TD: \_\_\_\_\_  
Production

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
Sismic 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/Sever \$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
<b>TOTAL INTANGIBLE EXPENSE</b>	<b>0</b>	<b>40,950</b>	<b>40,950</b>

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
<b>TOTAL TANGIBLE EXPENSE</b>	<b>0</b>	<b>119,700</b>	<b>119,700</b>
<b>TOTAL WELL COST</b>	<b>0</b>	<b>160,650</b>	<b>160,650</b>

Partner Approval:

*Art Carrasco*  
 Art Carrasco, Senior Completion Engineer

Company: \_\_\_\_\_

*David H. Arrington*  
 David H. Arrington, President

Approved By: \_\_\_\_\_

*Keith Leacy*  
 Keith Leacy, General Manager

Title: \_\_\_\_\_

Date: \_\_\_\_\_

BEFORE THE OIL CONSERVATION COMMISSION  
 Santa Fe, New Mexico  
 Consolidated Case No.'s 14497 & 14538  
 Exhibit No. 6  
 Submitted by:  
**DAVID H. ARRINGTON OIL & GAS, INC.**  
 Hearing Date: December 8, 2011