

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
DAVID H. ARRINGTON OIL & GAS INC3a. Address
PO BOX 2071 MIDLAND TX 797023b. Phone No. (include area code)
(432) 682-66854. Location of Well (Footage, Sec., T., R., M., or Survey Description)
700' FSL & 660' FEL, SEC 34, T17S, R23E

5. Lease Serial No.

NM-100528

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

CHARTREUSE SPANKER FED COM #17

9. API Well No.

30-015-34834

10. Field and Pool, or Exploratory Area

COTTONWOOD CREEK; WOLFCAMP

11. County or Parish, State

EDDY COUNTY

NEW MEXICO

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture/Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CHANGE LOCATION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

DUE TO GEOLOGICAL REASONS, PLAN TO MOVE SURFACE LOCATION FROM 400' FSL & 1880' FEL TO 700' FSL & 660' FWL, AND MOVE BOTTOM HOLE LOCATION FROM N-S LATERAL TO E-W LATERAL - FROM 660' FNL & 1880' FEL TO 700' FSL & 660' FWL

OLD LOCATION HAS BEEN BUILT WITH CONDUCTOR WET, RATHOLE & MOUSEHOLD DRILLED. WE PLAN ON RECLAIMING OLD LOCATION AND UTILIZING AS MUCH MATERIAL AS POSSIBLE ON THE NEW LOCATION.

NEW PLATS, DRILLING PLAN, AND DIRECTIONAL PLAN ATTACHED.
NEW ARC SURVEY SENT UNDER SEPARATE MAILING FROM ADVANCED ARCHAEOLOGICAL SOLUTIONS.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Title ENGINEER TECH

Signature

Date 10/02/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico

Form C-10;

Energy, Minerals, and Natural Resources Department, Revised August 15, 2

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210 OIL CONSERVATION DIVISION

Submit to Appropriate District (

State Lease - 4 c

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

1220 South St. Francis Dr.

Fee Lease - 3 c

Santa Fe, New Mexico 87505

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-34834	² Pool Code 75250	³ Pool Name Cottonwood Creek; wolfcamp
⁴ Property Code 35638	⁵ Property Name CHARTREUSE SPANKER	⁶ Well Number 1H
⁷ OGRID No. 05898	⁸ Operator Name DAVID H. ARRINGTON OIL & GAS, Inc.	⁹ Elevation 3938'

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
P	34	17 SOUTH	23 EAST, N.M.P.M.		700'	SOUTH	660'	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
M	34	17 SOUTH	23 EAST, N.M.P.M.		700'	SOUTH	700'	WEST	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 NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

BOTTOMHOLE INFORMATION PROVIDED BY DAVID H. ARRINGTON OIL & GAS		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true or complete to the best of my knowledge and belief. Signature Debbie Freeman Printed Name Engineer Tech Title 10/2/06 Date
		¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under supervision, and that the same is true and correct to the best of my belief. SEPTEMBER 25, 2006 Date of Survey Signature and Seal of Professional Surveyor Certificate Number V. L. BEZNER R.P.S. #7920 JOB #117117 / 101 SW / J.M.S.

DISTANCE & DIRECTION FROM INT. OF HWY. 82 & CO. RD. 8
GO SOUTH 2.0 MILES ON HWY. 82, THENCE EAST 1.2 MILES
ON LEASE RD., CONT. SOUTH 0.9 MILES ON LEASE ROAD
THENCE WEST 0.7 MILES TO A POINT ±660' SOUTH OF
THE LOCATION.

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

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

This topographic map depicts the 100 Ranch area, situated within the Black Hills National Forest. The map features several numbered sections (26, 27, 28, 33, 34, 35, 3, 4) and various contour lines indicating elevation. Key landmarks include the 100 Ranch, a well, and a ditch. The map also shows a network of roads and trails, with some areas marked as 'Wells' or 'Ditch'. The map is oriented with North at the top, and the scale is indicated by a bar at the bottom.

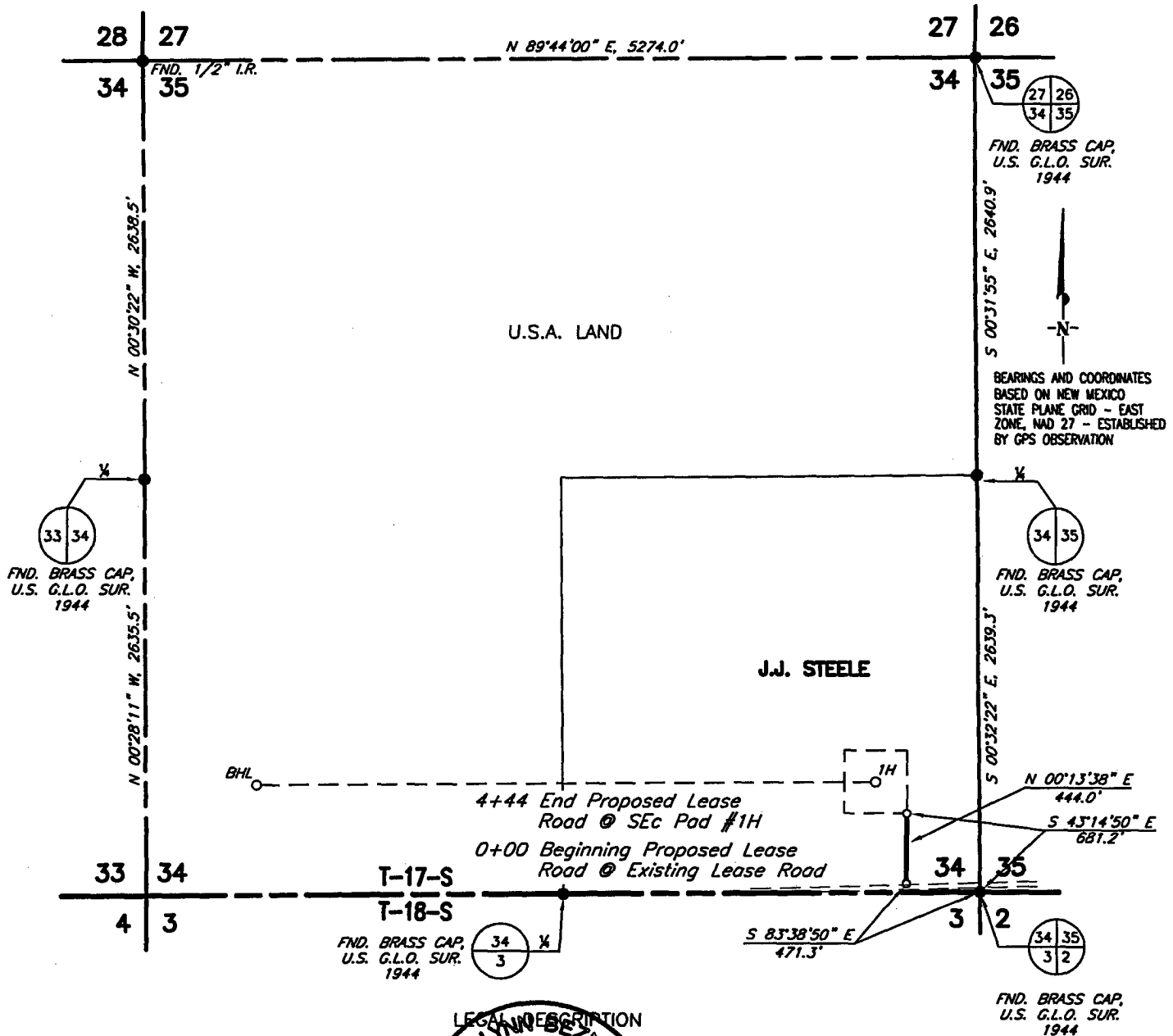
CONTOUR INTERVAL 10'

LONG. LONG.: W 104.6728066



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

SECTION 34, TOWNSHIP 17 SOUTH, RANGE 23 EAST, N.M.P.M.,
EDDY COUNTY NEW MEXICO



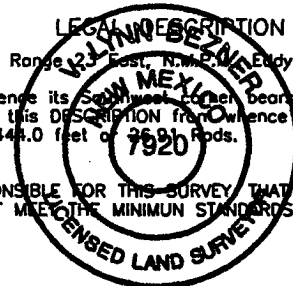
LEGAL DESCRIPTION

A strip of land in Section 35, Township 17 South, Range 23 East, N.M.P.M., Eddy County, New Mexico, and the centerline being described as follows:

BEGINNING at a point in said Section 35 from whence its Southwest corner bears S 43°14'15" E, a distance of 681.2 feet; Thence N 00°13'38" E, a distance of 444.0 feet to the END of this DESCRIPTION from whence the Southwest corner of said Section 35 bears S 83°38'50" E, a distance of 471.3 feet and containing 444.0 feet of 36.5 ft. Rods.

I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

V. Lynn Beizer



ARRINGTON OIL & GAS

NO. REVISION DATE BY

SURVEYED BY: R.M.

DRAWN BY: J.W.W.

APPROVED BY: V.L.B.

SURVEYING AND MAPPING BY

TOPOGRAPHIC LAND SURVEYORS

MIDLAND, TEXAS

SCALE: 1" = 1000'

DATE: SEPTEMBER 25, 2006

JOB NO.: 117117-RD

QUAD NO.: 101 SW

SHEET : 1 OF 1

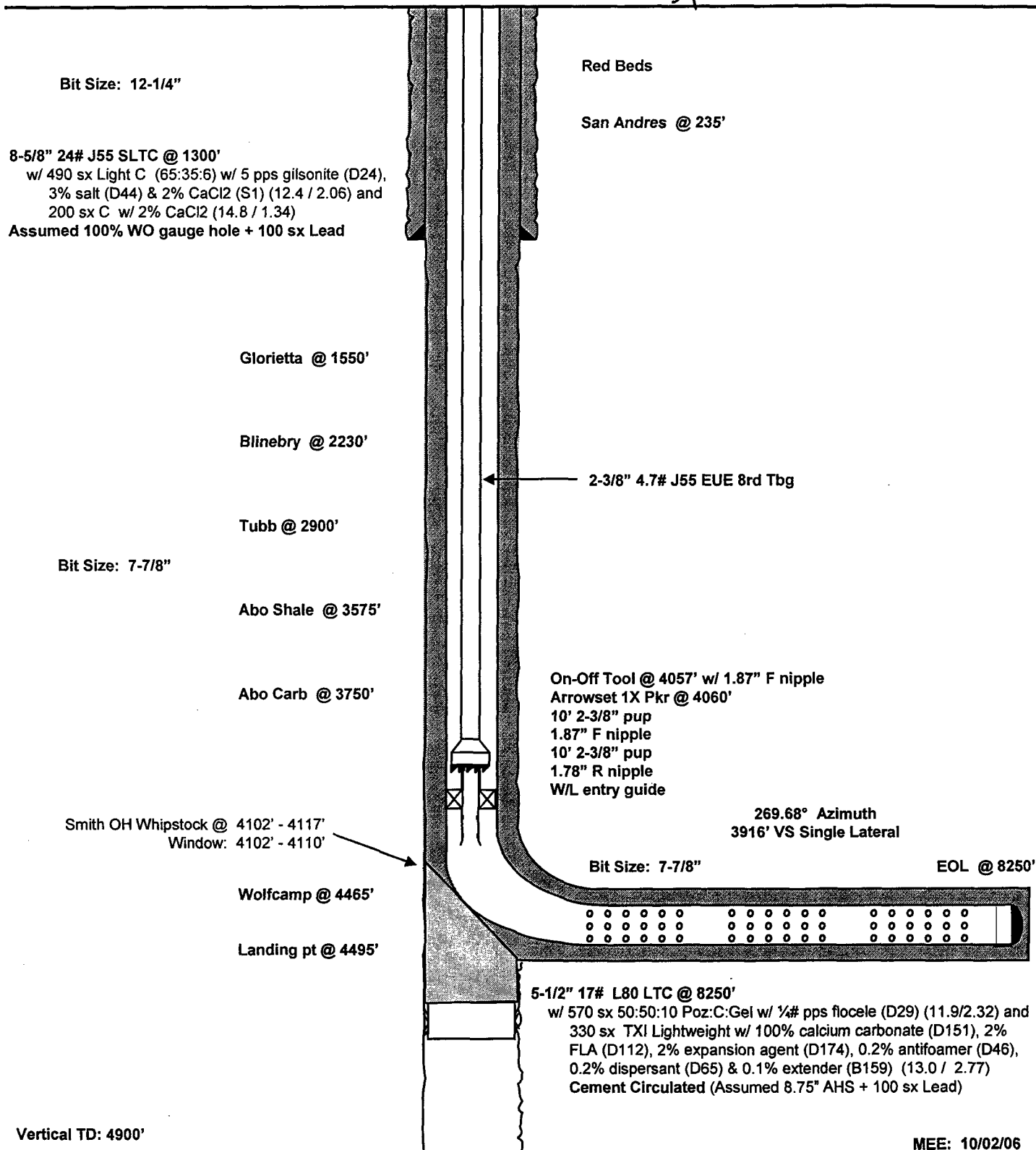
Chartreuse Spanker 1H
Cottonwood Creek Field
Eddy County, New Mexico

Surface Lateral Terminus
700' FSL 700' FSL
660' FEL 700' FWL
S-34
T17S, R23E

Proposed Wellbore

KB: 3957'
GL: 3938'

API: 30-015-34834



MEE: 10/02/06

David H. Arrington Oil & Gas Inc.
 Chartreuse Spanker 1H
 SHL - 700' FSL & 660' FEL
 BHL - 700' FSL & 700' FWL
 S34, T17S, R23E
 Eddy County, NM

1. Ground elevation above sea level: 3938'
2. Proposed drilling depth: 4900' TVD; 8250' TMD
3. Estimated tops of geological markers:

San Andres	235'
Glorietta	1550'
Blinbry	2230'
Tubb	2900'
Abo Shale	3575'
Abo Carbonate	3750'
Wolfcamp Pay	4465'

4. Possible mineral bearing formations:

Abo/Wolfcamp	Gas/Oil
--------------	---------

5. Casing Program

<u>Hole size</u>	<u>Interval</u>	<u>OD of Casing</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>	<u>TOC</u>
12-1/4"	40' - 1300'	8-5/8"	24#	J55	STC	Surf
7-7/8"	1300' - 8250'	5-1/2"	17#	L80	LTC	Surf

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

Drill 7-7/8" vertical pilot hole to ~4900'. Plug back to ~4110' w/ open hole whipstock and build 15° BUR curve section landing at ~4495' TVD. Drill ahead to a total measured depth of ~8250'. Run 5-1/2" production string to TD and cement to surface.

6. Cementing and Setting Depth

<u>String</u>	<u>Depth</u>	<u>Sks</u>	<u>Slurry</u>
8-5/8" Surface	1300'	490	Lead: Light C (65:35:6) w/ 5 pps gilsonite (D24), 3% salt (D44) & 2% CaCl ₂ (S1) (12.4 / 2.06)
		200	Tail: C w/ 2% CaCl ₂ (14.8 / 1.34)

If necessary, will run a temperature survey and 1" to surface with C w/ 2% CaCl₂.

5-1/2" Production	8250'	570	Lead: 50:50:10 Poz:C:Gel w/ 1/4# pps flocele (D29) (11.9/2.32)
		330	Tail: TXI Lightweight w/ 100% calcium carbonate (D151), 2% FLA (D112), 2% expansion agent (D174), 0.2% antifoamer (D46), 0.2% dispersant (D65) & 0.1% extender (B159) (13.0 / 2.77)

Both casing strings will be cemented to surface.

7. Pressure Control Equipment: After setting 8-5/8" casing and installing 3000 psi casing head, NU 13-5/8" 5000 psi double ram BOP and 3000 psi annular BOP, and test with clear fluid to 3000 psi using 3rd party testers.

8. Proposed Mud Circulating System

Interval	Mud Wt.	Visc.	FL	Type Mud System
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' - 8250'	8.4 - 9.3	28 - 38	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 and mud up by 3575' utilizing starch/PAC system. Add XCD polymer as necessary in lateral portion for hole stability and cleaning.

Proposed Drilling Plan:

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

Drill 7-7/8" vertical pilot hole to ~4900'. Plug back to ~ 4110' w/ open hole whipstock and build 15° BUR curve section landing at ~ 4495' TVD. Drill ahead to a total measured depth of ~ 8250'. Run 5-1/2" production string to TD and cement to surface.



Job Number:
 Company: David H. Arrington Oil & Gas
 Lease/Well: Chartreuse Spanker #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\CHARTR~1\PLAN.SVY
 Date/Time: 02-Oct-06 / 16:32
 Curve Name: Revised Plan

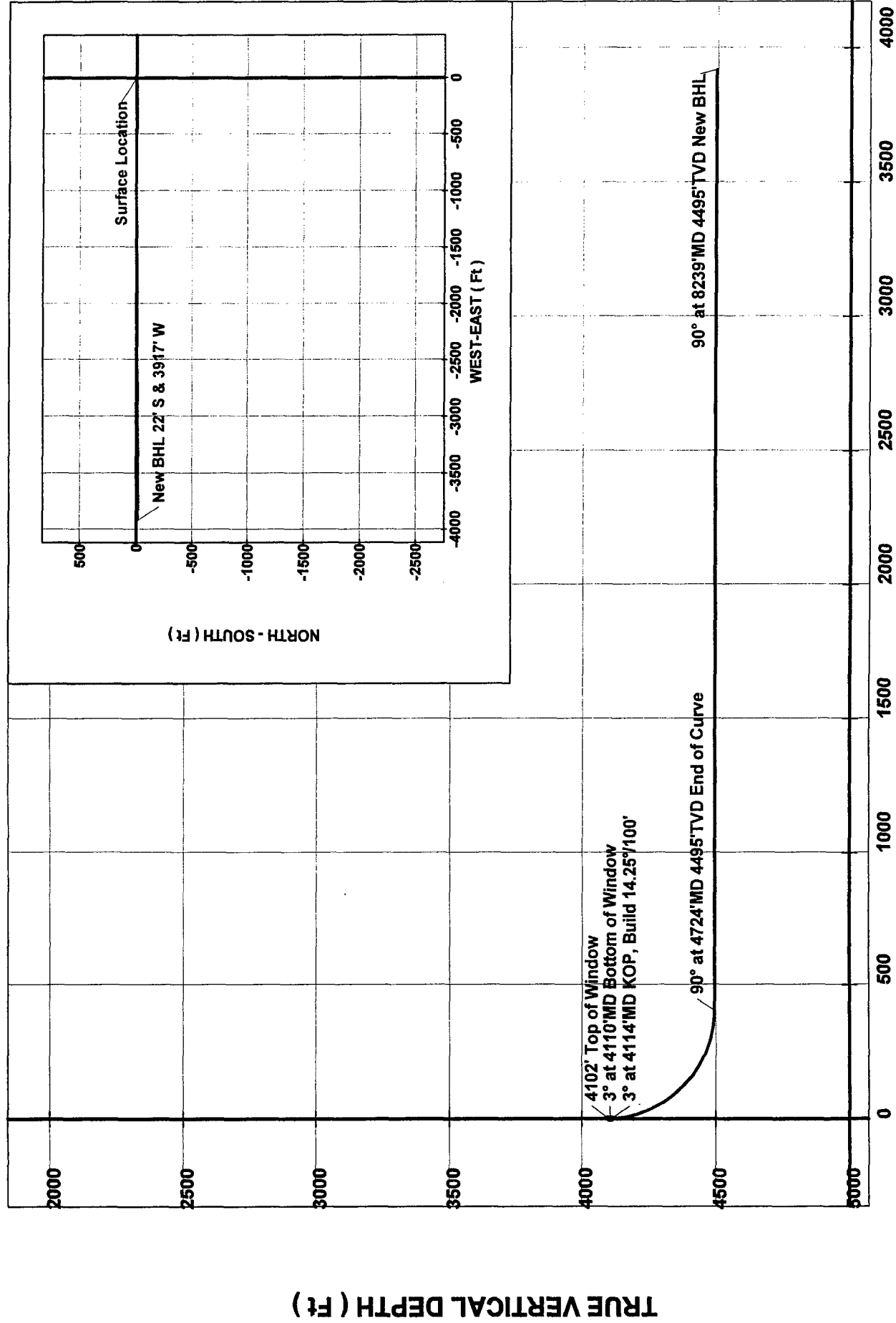
THE DIRECTIONAL DRILLING COMPANY

WINSERVE PROPOSAL REPORT Minimum Curvature Method Vertical Section Plane 269.68 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
Top of Window							
4102.00	.00	.00	4102.00	.00	.00	.00	.00
Bottom of Window							
4110.00	3.00	269.68	4110.00	.21	.00	-.21	37.50
KOP, Build 14.25°/100'							
4114.00	3.00	269.68	4113.99	.42	.00	-.42	.00
4164.00	10.13	269.68	4163.63	6.13	-.03	-6.13	14.25
4214.00	17.25	269.68	4212.18	17.95	-.10	-17.95	14.25
4264.00	24.38	269.68	4258.89	35.71	-.20	-35.71	14.25
4314.00	31.50	269.68	4303.03	59.12	-.33	-59.12	14.25
4364.00	38.63	269.68	4343.93	87.83	-.49	-87.83	14.25
4414.00	45.75	269.68	4380.95	121.38	-.68	-121.38	14.25
4464.00	52.88	269.68	4413.53	159.28	-.89	-159.27	14.25
4514.00	60.00	269.68	4441.15	200.91	-1.12	-200.91	14.25
4564.00	67.13	269.68	4463.39	245.66	-1.37	-245.65	14.25
4614.00	74.25	269.68	4479.91	292.82	-1.64	-292.81	14.25
4664.00	81.38	269.68	4490.46	341.66	-1.91	-341.65	14.25
4714.00	88.51	269.68	4494.86	391.43	-2.19	-391.42	14.25
End of Curve							
4724.49	90.00	269.68	4495.00	401.92	-2.24	-401.91	14.25
4924.49	90.00	269.68	4495.00	601.92	-3.36	-601.91	.00
5124.49	90.00	269.68	4495.00	801.92	-4.48	-801.91	.00
5324.49	90.00	269.68	4495.00	1001.92	-5.60	-1001.90	.00
5524.49	90.00	269.68	4495.00	1201.92	-6.71	-1201.90	.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
5724.49	90.00	269.68	4495.00	1401.92	-7.83	-1401.90	.00
5924.49	90.00	269.68	4495.00	1601.92	-8.95	-1601.89	.00
6124.49	90.00	269.68	4495.00	1801.92	-10.06	-1801.89	.00
6324.49	90.00	269.68	4495.00	2001.92	-11.18	-2001.89	.00
6524.49	90.00	269.68	4495.00	2201.92	-12.30	-2201.88	.00
6724.49	90.00	269.68	4495.00	2401.92	-13.41	-2401.88	.00
6924.49	90.00	269.68	4495.00	2601.92	-14.53	-2601.88	.00
7124.49	90.00	269.68	4495.00	2801.92	-15.65	-2801.87	.00
7324.49	90.00	269.68	4495.00	3001.92	-16.77	-3001.87	.00
7524.49	90.00	269.68	4495.00	3201.92	-17.88	-3201.87	.00
7724.49	90.00	269.68	4495.00	3401.92	-19.00	-3401.87	.00
7924.49	90.00	269.68	4495.00	3601.92	-20.12	-3601.86	.00
8124.49	90.00	269.68	4495.00	3801.92	-21.23	-3801.86	.00
New BHL							
8239.17	90.00	269.68	4495.00	3916.60	-21.87	-3916.54	.00

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



DAVID H. ARRINGTON OIL & GAS, INC.

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

September 21, 2006

STATEMENT OF SURFACE USE

Operator	David H. Arrington Oil & Gas, Inc.
Well Name	Chartreuse Spanker Fed Com
Well Number	1H
Location	Township 17 South, Range 23 East, N.M.P.M. Section 34: SESE

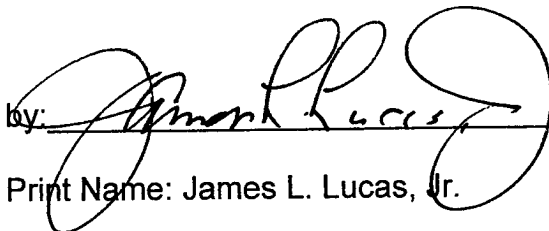
The surface for the ownership of the above described lands is a follows:

1. _____ owned by the United States of America.
2. _____ owned by the State of New Mexico.
3. X owned in fee by the following party(ies):

Name	J.J. Steele Testamentary Trust
Address	P.O. Box 58
City/State/Zip	Clovis, NM 88102
Phone Number	(505) 762-1928

The undersigned is an authorized agent, or employee, of David H. Arrington Oil & Gas, Inc., and hereby certifies that the described lands are owned, as indicated above, and a surface agreement has been obtained, if required, from the owner.

Certified this 21st day of September, 2006.

by: 
Print Name: James L. Lucas, Jr.

Statement Accepting Responsibility for Operations

David H. Arrington Oil & Gas, Inc.
PO Box 2071
Midland, TX 79702

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease Name & Well Number: CHARTREUSE SPANKER FED COM 1H

Lease No.: NM 100528

Legal Description of land: S ½ of Sec 34

Formation: WOLFCAMP

Bond Coverage: \$25,000 - NM-2503

Authorized Signature: Mark E. Ellerbe

Printed Name: MARK ELLERBE

Title: SR. DRILLING ENGINEER

Date: 10-02-2006