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

Month - Year
MAR - 8 2007
OCD - ARTESIA

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

| [1] API Number | [2] Pool Code | [3] Pool Name |
|---|---|---|
| 30-005-63915 | 75250 | Cottonwood Creek; Wolfcamp (Gas) |

| [4] Property Code | [5] Property Name | [6] Well Number |
|---|---|---|
| | RED HOT | 1H |

| [7] OGRID No. | [8] Operator Name | [9] Elevation |
|---|---|---|
| 5898 | DAVID H. ARRINGTON OIL & GAS, INC. | 3368' |

## [10] Surface Location

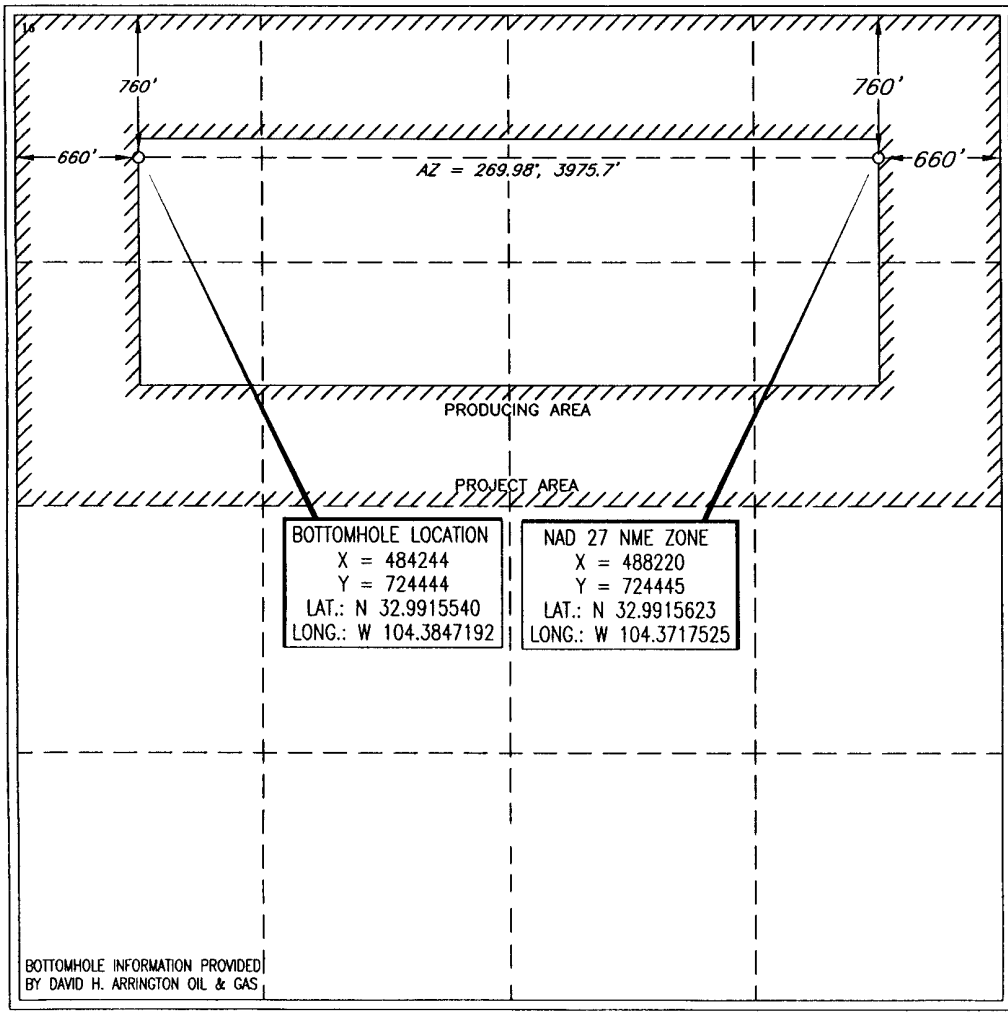
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| A | 30 | 15 SOUTH | 26 EAST, N.M.P.M. | | 760' | NORTH | 660' | EAST | CHAVES |

## [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 |
|---|---|---|---|---|---|---|---|---|---|
| D | 30 | 15 SOUTH | 26 EAST, N.M.P.M. | | 760' | NORTH | 660' | WEST | CHAVES |

| [12] Dedicated Acres | [13] Joint or Infill | [14] Consolidation Code | [15] Order No. |
|---|---|---|---|
| 320 | — | — | |

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




## [17] OPERATOR CERTIFICATION

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

Debbie Freeman 3/7/07
Signature Date

Debbie Freeman
Printed Name

## [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.*

JANUARY 31, 2007
Date of Survey

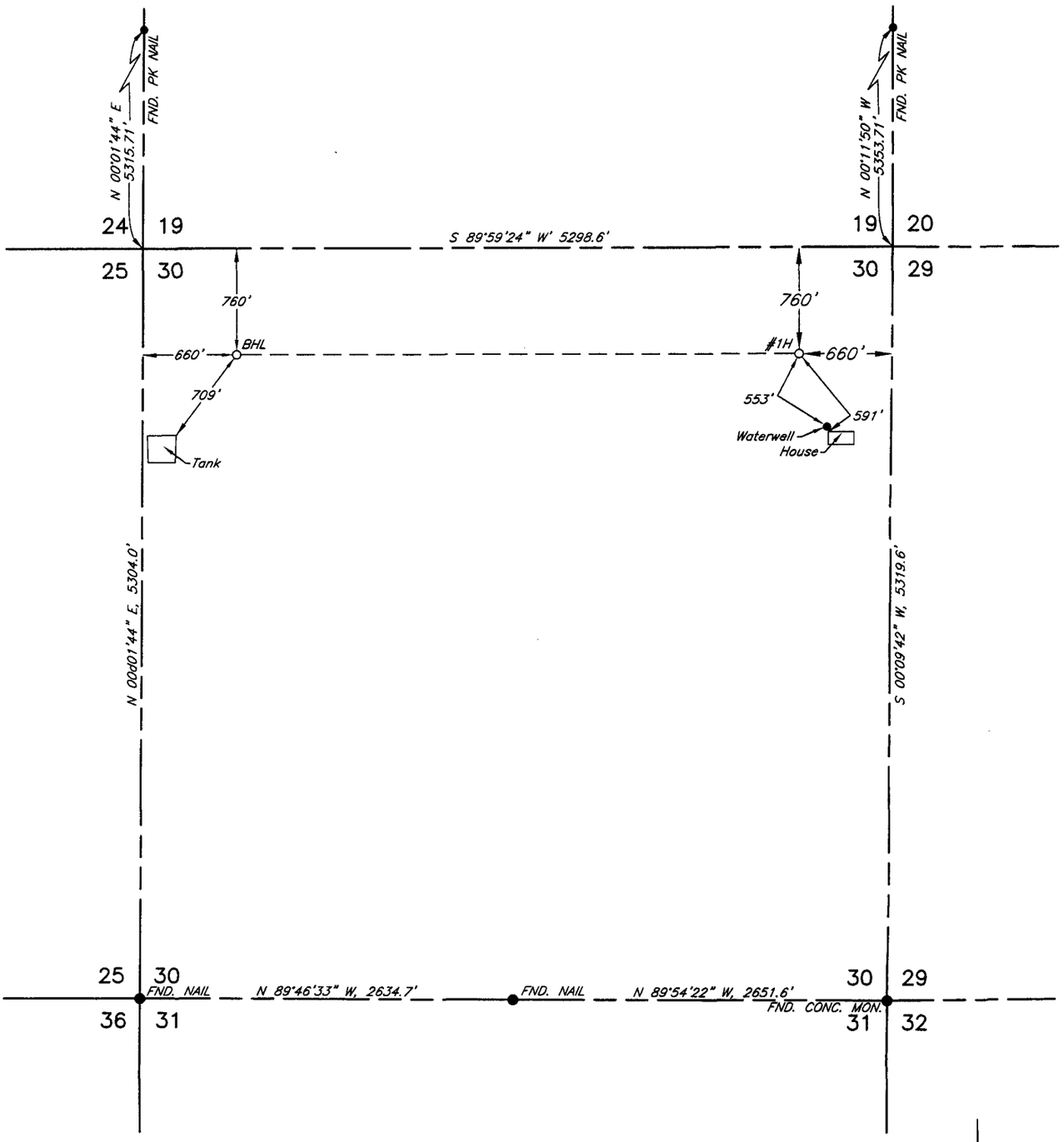
Signature and Seal of Professional Surveyor

V. L. BEZNER NEW MEXICO 7920 REGISTERED LAND SURVEYOR 2-28-07

Certificate Number V. L. BEZNER, N.M.P.S. #7920

JOB # 119981 / 125 SW / E.U.O.

# SECTION 30, TOWNSHIP 15 SOUTH, RANGE 26 EAST, N.M.P.M.,
CHAVES COUNTY NEW MEXICO




DATE OF FIELD WORK: JANUARY 5, 2007

*I, V. L. BEZNER, A PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO AND AUTHORIZED AGENT OF TOPOGRAPHIC LAND SURVEYORS, HEREBY CERTIFY THIS PLAT TO BE A TRUE REPRESENTATION OF A SURVEY PERFORMED IN THE FIELD UNDER MY SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS PLAT AND FIELD SURVEY UPON WHICH IT IS BASED MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO. (RULE 500.6 EASEMENT SURVEYING)*

V. Lynn Bezner 2-28-07

V. L. BEZNER, P.S. NO. 7920

V. LYNN BEZNER NEW MEXICO 7920 LICENSED LAND SURVEYOR

N

0 1000

1" = 1000'

BEARINGS AND COORDINATES BASED ON NEW MEXICO STATE PLANE GRID – EAST ZONE, NAD 27

| NO. | REVISION | DATE | BY |
|---|---|---|---|
| | | | |
| | | | |

| | |
|---|---|
| SURVEYED BY: | A.M. |
| DRAWN BY: | E.U.O. |
| APPROVED BY: | V.L.B. |

**DAVID H. ARRINGTON OIL & GAS, INC.**

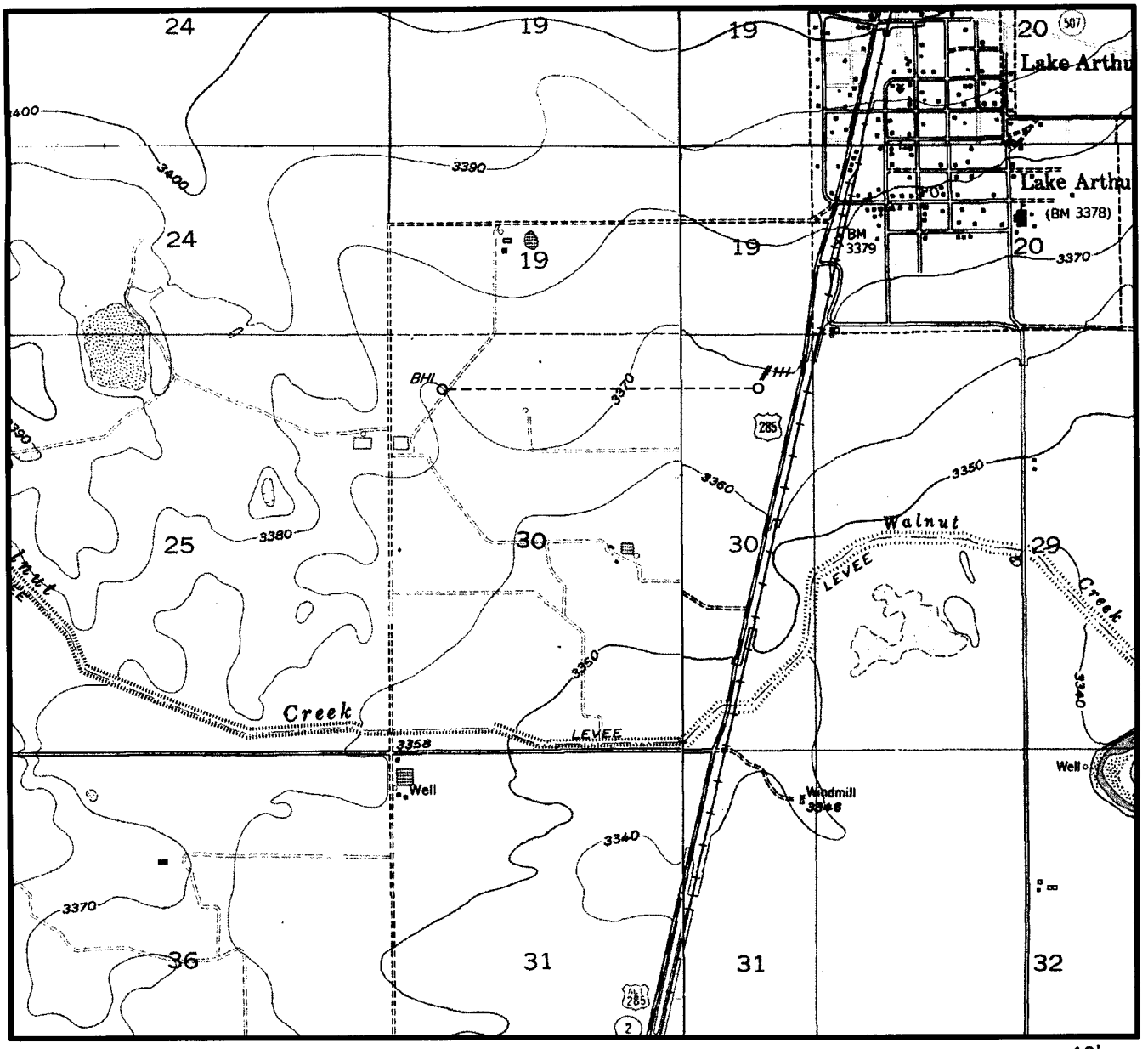
*SURVEYING AND MAPPING BY*

TOPOGRAPHIC LAND SURVEYORS

*MIDLAND, TEXAS*

| | |
|---|---|
| SCALE: | 1" = 1000' |
| DATE: | JANUARY 5, 2007 |
| JOB NO.: | 119981-2 |
| QUAD NO.: | 125 SW |
| SHEET : | 1 OF 1 |

# LOCATION & ELEVATION VERIFICATION MAP




SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 30 TWP 15-S RGE 26-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY CHAVES STATE NM

DESCRIPTION 760' FNL & 660' FEL

ELEVATION 3368'

OPERATOR **DAVID H. ARRINGTON OIL & GAS**

LEASE RED HOT #1H

U.S.G.S. TOPOGRAPHIC MAP

ARTESIA NE, NEW MEXICO

SCALED LAT. LAT.: N 32.9915623

LONG. LONG.: W 104.3717525

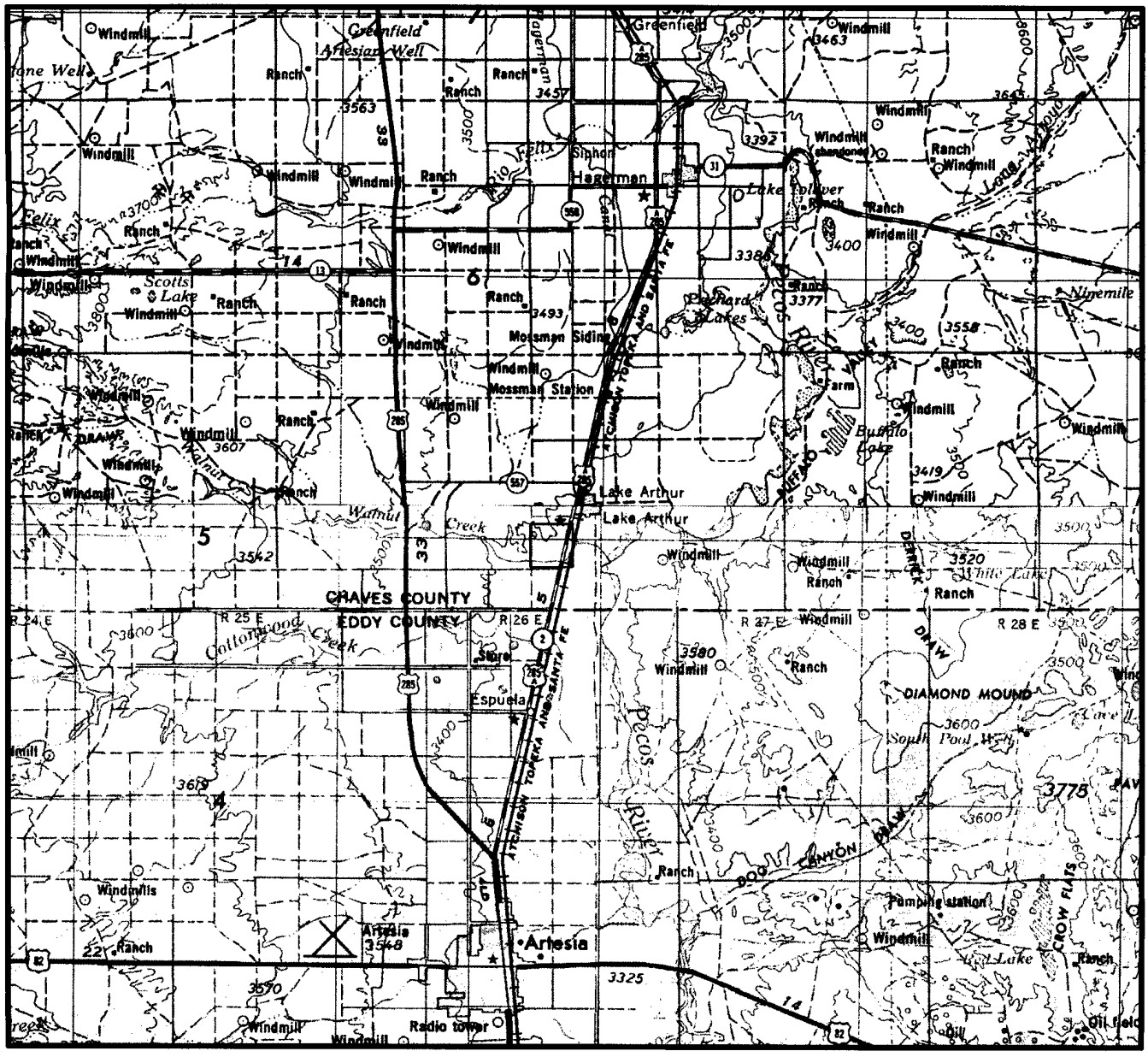
-N-


**TOPOGRAPHIC LAND SURVEYORS**

*Surveying & Mapping for the Oil & Gas Industry*

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

# VICINITY MAP




SECTION 30 TWP 15-S RGE 26-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY CHAVES STATE NM

DESCRIPTION 760' FNL & 660' FEL

OPERATOR **DAVID H. ARRINGTON OIL & GAS**

LEASE RED HOT #1H

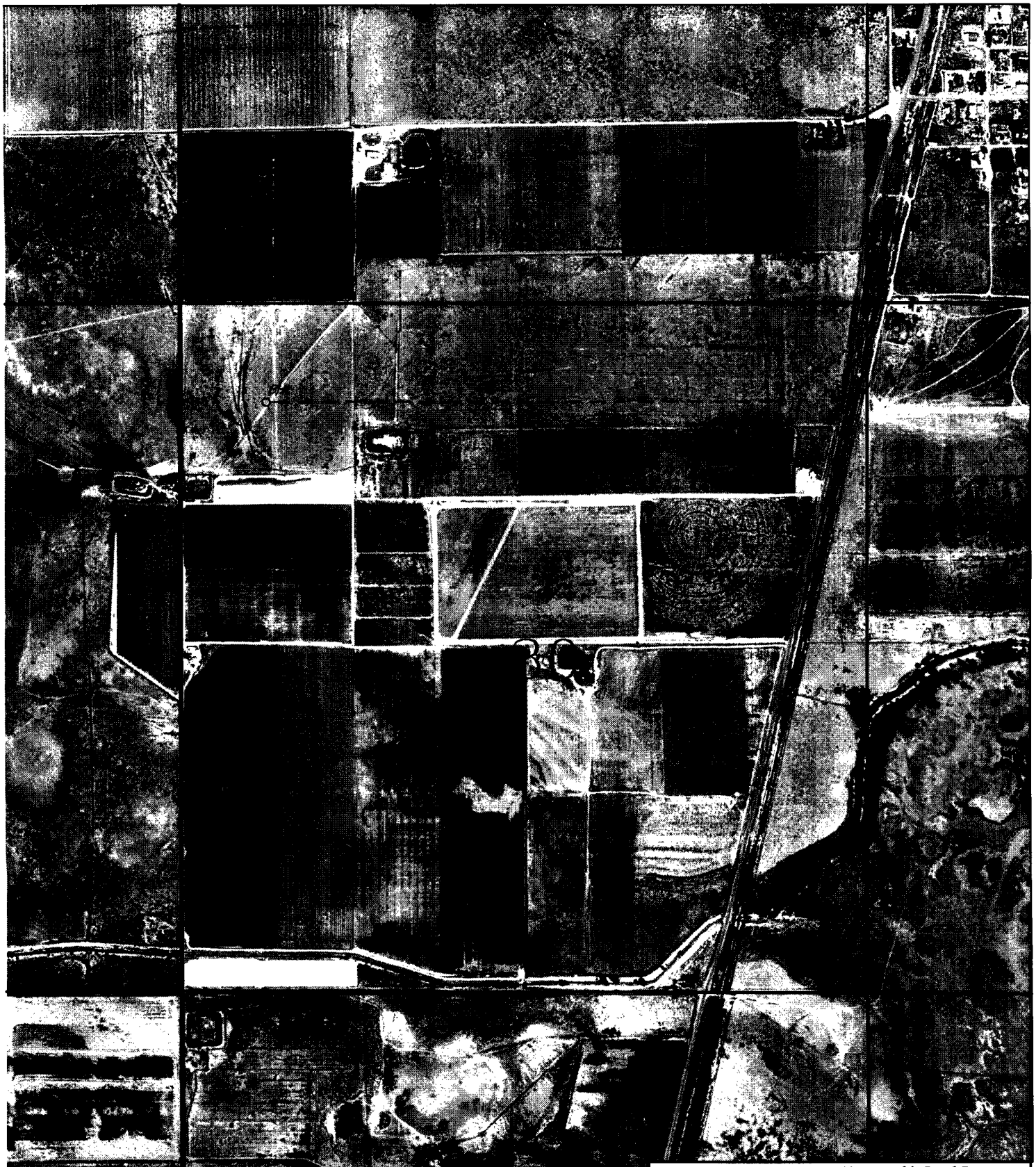
DISTANCE & DIRECTION FROM INTERSECTION OF HWY. 285 & HWY. 82, GO NORTH ±1.5 MILES ON HWY. 285, THENCE NORTHEAST 6.8 MILES ON HWY. 2 (ALT. 285) TO A POINT ±650' EAST OF THE LOCATION.

N

**TOPOGRAPHIC LAND SURVEYORS**

*Surveying & Mapping for the Oil & Gas Industry*

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



TOPOGRAPHIC
SURVEYING • MAPPING • 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: CHAVES COUNTY, NEW MEXICO
Area: SECTION 30, T-15-S, R-26-E

Scale: 1" = 1000'
USGS Quad: ARTESIA NE, NEW MEXICO

Drilling Plan

**David H. Arrington Oil & Gas Inc.**
**Red Hot 1H**
**SHL - 760' FNL & 660' FEL**
**BHL - 760' FNL & 660' FWL**
**S30, T15S, R26E**
**Chaves County, NM**

1. Ground elevation above sea level: 3368'

2. Proposed drilling depth: 5300' TVD

3. Estimated tops of geological markers:

| | |
|---|---|
| Tubb | 3350' |
| Abo Shale | 4050' |
| Abo Carbonate | 4350' |
| Wolfcamp | 4965' |

4. Possible mineral bearing formations:

Abo/Wolfcamp Gas/Oil

5. Casing Program

| Hole size | Interval | OD of Casing | Weight | Thread | Grade | TOC |
|---|---|---|---|---|---|---|
| 12-1/4" | 40' - 1200' | 8-5/8" | 32# | LTC | J55 | Surf |
| 7-7/8" | 1100' - 8807' | 5-1/2" | 17# | LTC | I80 | Surf |

Drill 7-7/8" vertical pilot hole to ~5300'. Plug back to ~ 4633' w/ open hole whipstock and build 15° BUR curve section landing at ~ 4995' TVD. Drill ahead to a total measured depth of ~ 8807'. Run 5-1/2" production string to TD and cement to surface.

6. Cementing and Setting Depth

| String | Depth | Sks | | Slurry |
|---|---|---|---|---|
| 8-5/8" Surface | 1200' | 410 | Lead: | Light C (65:35:6) w/ 5 pps gilsonite, 3% salt & 2% $CaCl_2$ (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% $CaCl_2$.

| | | | | |
|---|---|---|---|---|
| 5-1/2" Production | 8807' | 600 | Lead: | Interfill C w/ 1/8# pps Poly-E-Flake (11.9 / 2.45) |
| | | 350 | Tail: | Howco Acid Soluble Cement w/ 10# silicalite 50/50 blend, 0.5% Halad 344, 0.2% HR-601 & 0.25 pps D-Air 3000 (14.8 / 2.68) |

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 11" 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' - 1100' 1200' | 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. |
| 1100' - 8807' | 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 ~ 3,900' add brine and mud up utilizing starch/PAC system. Add 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 1100' 1200'. Run 8-5/8" and cement to surface.

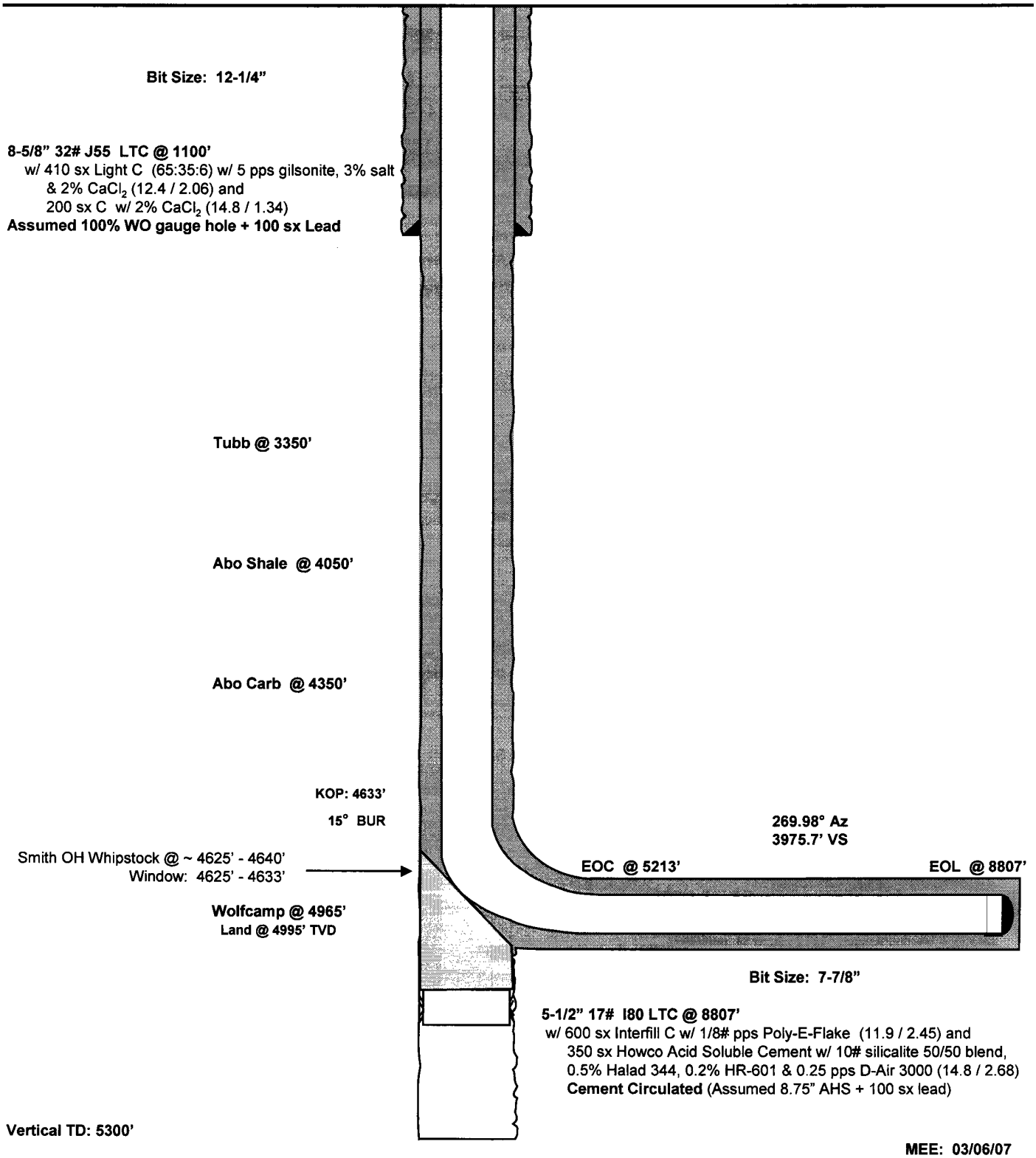
Drill 7-7/8" vertical pilot hole to ~5300'. Plug back to ~ 4633' w/ open hole whipstock and build 15° BUR curve section landing at ~ 4995' TVD. Drill ahead to a total measured depth of ~ 8807'. Run 5-1/2" production string to TD and cement to surface.

# Red Hot 1H
## Cottonwood Creek Field
## Chaves County, New Mexico

**Proposed Wellbore**

| Surface | Lateral Terminus |
|---|---|
| 760' FNL | 760' FNL |
| 660' FEL | 660' FWL |
| S-30 | |
| T15S, R26E | |

**KB: 3387'**
**GL: 3368'**




MEE: 03/06/07

THE DIRECTIONAL DRILLING COMPANY

Job Number: []
Company: David H. Arrington Oil & Gas
Lease/Well: Red Hot #1H
Location: Chaves County
Rig Name: []
RKB: []
G.L. or M.S.L.: []

State/Country: New Mexico
Declination: []
Grid: []
File name: C:\DOCUME~1\RICKMA~1\MYDOCU~1\PROPOS~1\ARI
Date/Time: 06-Mar-07 / 13:17
Curve Name: Preliminary Plan

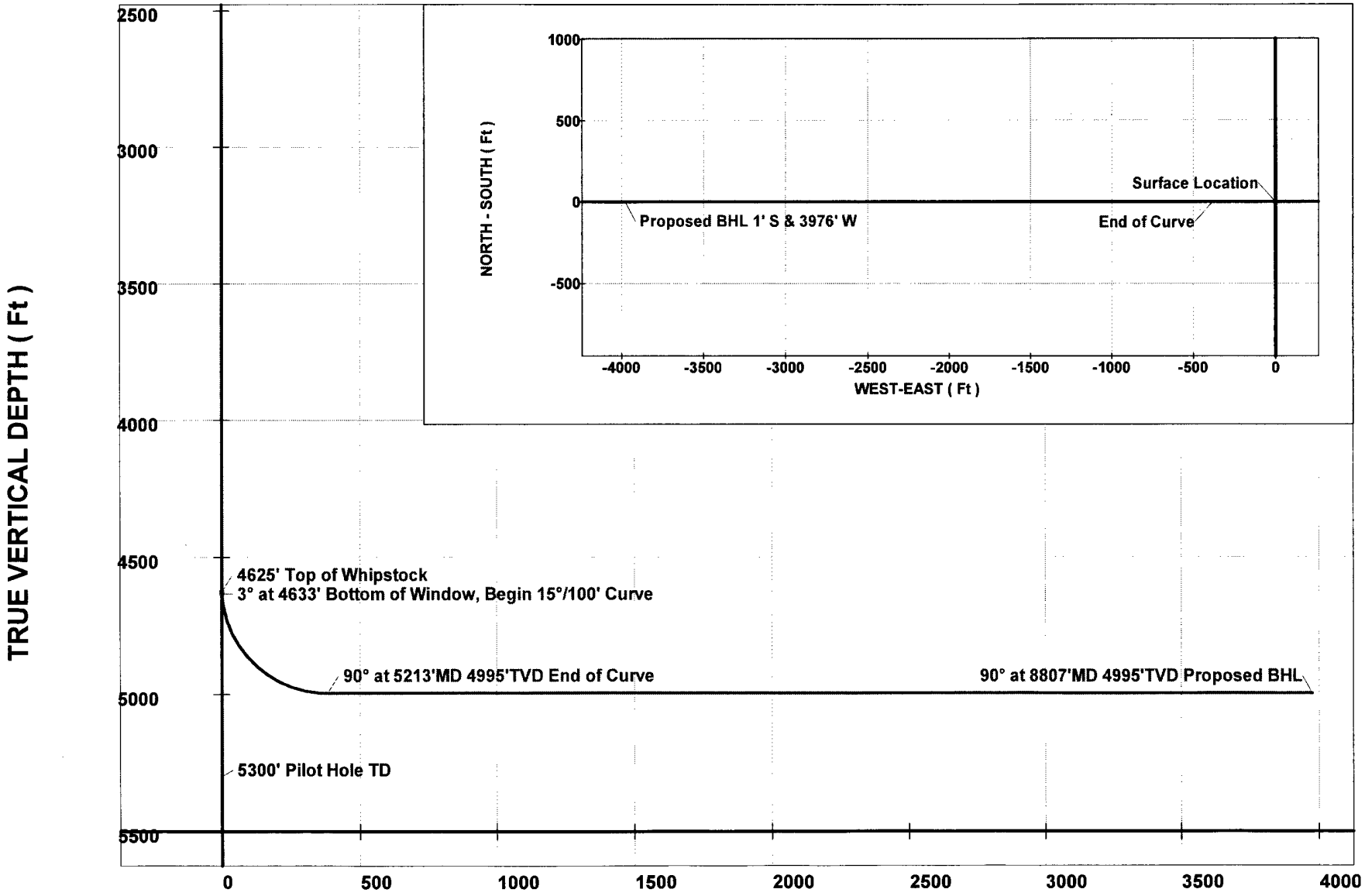
**The Directional Drilling Company**

WINSERVE PROPOSAL REPORT
*Minimum Curvature Method*
*Vertical Section Plane 269.98*
*Vertical Section Referenced to Wellhead*
*Rectangular Coordinates Referenced to Wellhead*

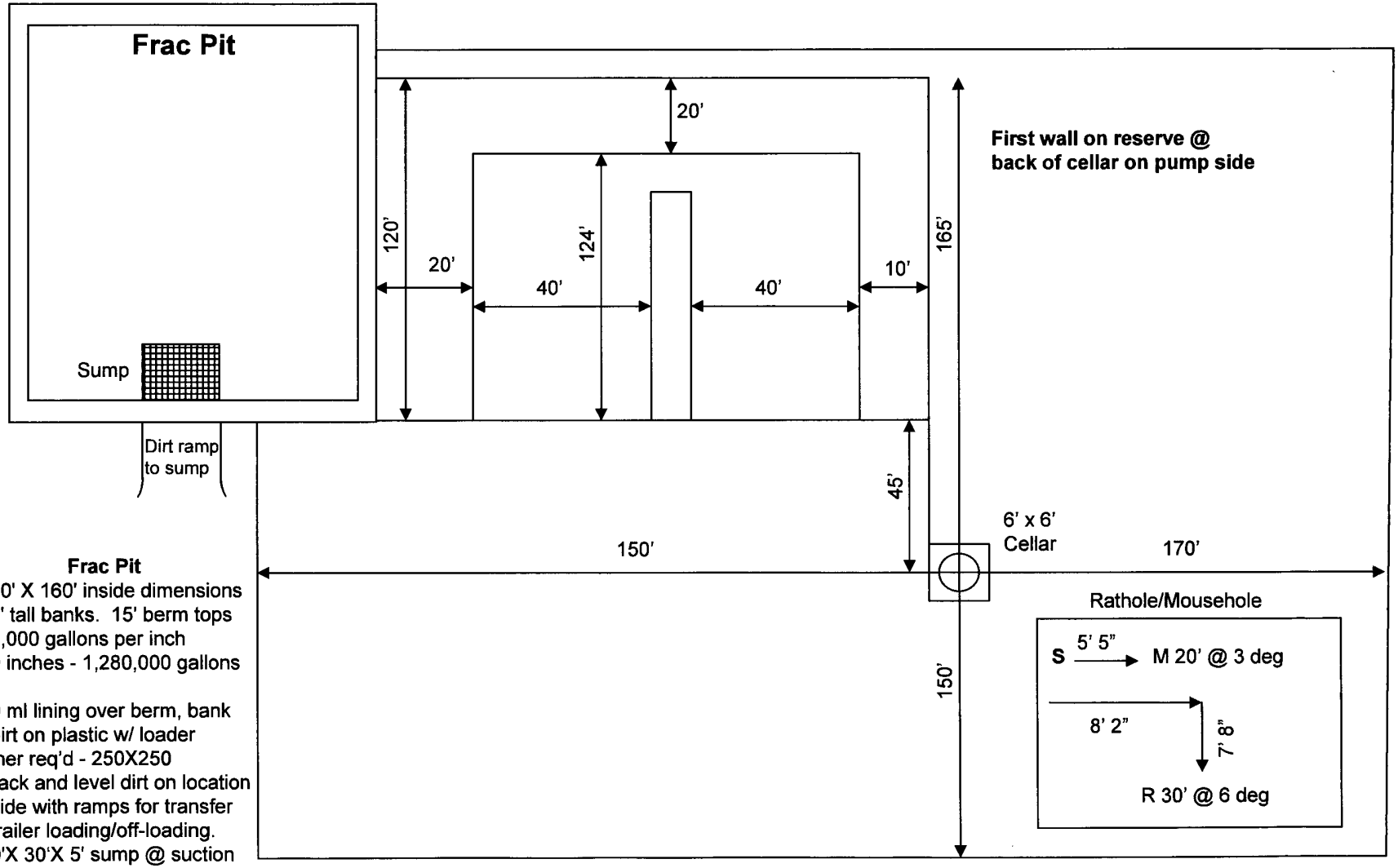
| Measured Depth FT | Incl Angle Deg | Drift Direction Deg | True Vertical Depth | Vertical Section FT | N-S FT | E-W FT | CLOSURE Distance FT | CLOSURE Direction Deg | Dogleg Severity Deg/100 |
|---|---|---|---|---|---|---|---|---|---|
| **Top of Whipstock** | | | | | | | | | |
| 4625.00 | .00 | .00 | 4625.00 | .00 | .00 | .00 | .00 | .00 | .00 |
| **Bottom of Window, Begin 15°/100' Curve** | | | | | | | | | |
| 4633.00 | 3.00 | 269.98 | 4633.00 | .21 | .00 | -.21 | .21 | 269.98 | 37.50 |
| 4683.00 | 10.50 | 269.98 | 4682.61 | 6.08 | .00 | -6.08 | 6.08 | 269.98 | 15.00 |
| 4733.00 | 18.00 | 269.98 | 4731.04 | 18.38 | -.01 | -18.38 | 18.38 | 269.98 | 15.00 |
| 4783.00 | 25.50 | 269.98 | 4777.45 | 36.89 | -.01 | -36.89 | 36.89 | 269.98 | 15.00 |
| 4833.00 | 33.00 | 269.98 | 4821.04 | 61.31 | -.02 | -61.31 | 61.31 | 269.98 | 15.00 |
| 4883.00 | 40.50 | 269.98 | 4861.08 | 91.20 | -.03 | -91.20 | 91.20 | 269.98 | 15.00 |
| 4933.00 | 48.00 | 269.98 | 4896.87 | 126.06 | -.04 | -126.06 | 126.06 | 269.98 | 15.00 |
| 4983.00 | 55.50 | 269.98 | 4927.80 | 165.30 | -.06 | -165.30 | 165.30 | 269.98 | 15.00 |
| 5033.00 | 63.00 | 269.98 | 4953.35 | 208.24 | -.07 | -208.24 | 208.24 | 269.98 | 15.00 |
| 5083.00 | 70.50 | 269.98 | 4973.08 | 254.14 | -.09 | -254.14 | 254.14 | 269.98 | 15.00 |
| 5133.00 | 78.00 | 269.98 | 4986.65 | 302.23 | -.11 | -302.23 | 302.23 | 269.98 | 15.00 |
| 5183.00 | 85.49 | 269.98 | 4993.82 | 351.68 | -.12 | -351.68 | 351.68 | 269.98 | 15.00 |
| **End of Curve** | | | | | | | | | |
| 5213.04 | 90.00 | 269.98 | 4995.00 | 381.68 | -.13 | -381.68 | 381.68 | 269.98 | 15.00 |
| 5413.04 | 90.00 | 269.98 | 4995.00 | 581.68 | -.20 | -581.68 | 581.68 | 269.98 | .00 |
| 5613.04 | 90.00 | 269.98 | 4995.00 | 781.68 | -.27 | -781.68 | 781.68 | 269.98 | .00 |
| 5813.04 | 90.00 | 269.98 | 4995.00 | 981.68 | -.34 | -981.68 | 981.68 | 269.98 | .00 |
| 6013.04 | 90.00 | 269.98 | 4995.00 | 1181.68 | -.41 | -1181.68 | 1181.68 | 269.98 | .00 |
| 6213.04 | 90.00 | 269.98 | 4995.00 | 1381.68 | -.48 | -1381.68 | 1381.68 | 269.98 | .00 |
| 6413.04 | 90.00 | 269.98 | 4995.00 | 1581.68 | -.55 | -1581.68 | 1581.68 | 269.98 | .00 |

| Measured Depth FT | Incl Angle Deg | Drift Direction Deg | True Vertical Depth | Vertical Section FT | N-S FT | E-W FT | CLOSURE Distance FT | CLOSURE Direction Deg | Dogleg Severity Deg/100 |
|---|---|---|---|---|---|---|---|---|---|
| 6613.04 | 90.00 | 269.98 | 4995.00 | 1781.68 | -.62 | -1781.68 | 1781.68 | 269.98 | .00 |
| 6813.04 | 90.00 | 269.98 | 4995.00 | 1981.68 | -.69 | -1981.68 | 1981.68 | 269.98 | .00 |
| 7013.04 | 90.00 | 269.98 | 4995.00 | 2181.68 | -.76 | -2181.68 | 2181.68 | 269.98 | .00 |
| 7213.04 | 90.00 | 269.98 | 4995.00 | 2381.68 | -.83 | -2381.68 | 2381.68 | 269.98 | .00 |
| 7413.04 | 90.00 | 269.98 | 4995.00 | 2581.68 | -.90 | -2581.68 | 2581.68 | 269.98 | .00 |
| 7613.04 | 90.00 | 269.98 | 4995.00 | 2781.68 | -.97 | -2781.68 | 2781.68 | 269.98 | .00 |
| 7813.04 | 90.00 | 269.98 | 4995.00 | 2981.68 | -1.04 | -2981.68 | 2981.68 | 269.98 | .00 |
| 8013.04 | 90.00 | 269.98 | 4995.00 | 3181.68 | -1.11 | -3181.68 | 3181.68 | 269.98 | .00 |
| 8213.04 | 90.00 | 269.98 | 4995.00 | 3381.68 | -1.18 | -3381.68 | 3381.68 | 269.98 | .00 |
| 8413.04 | 90.00 | 269.98 | 4995.00 | 3581.68 | -1.25 | -3581.68 | 3581.68 | 269.98 | .00 |
| 8613.04 | 90.00 | 269.98 | 4995.00 | 3781.68 | -1.32 | -3781.68 | 3781.68 | 269.98 | .00 |
| **Proposed BHL** | | | | | | | | | |
| 8807.05 | 90.00 | 269.98 | 4995.00 | 3975.70 | -1.39 | -3975.70 | 3975.70 | 269.98 | .00 |

**Company:** David H. Arrington Oil & Gas
**Lease/Well:** Red Hot #1H
**Location:** Chaves County
**State/Country:** New Mexico



# Patterson Rig 624 Location Layout w/ Frac Pit

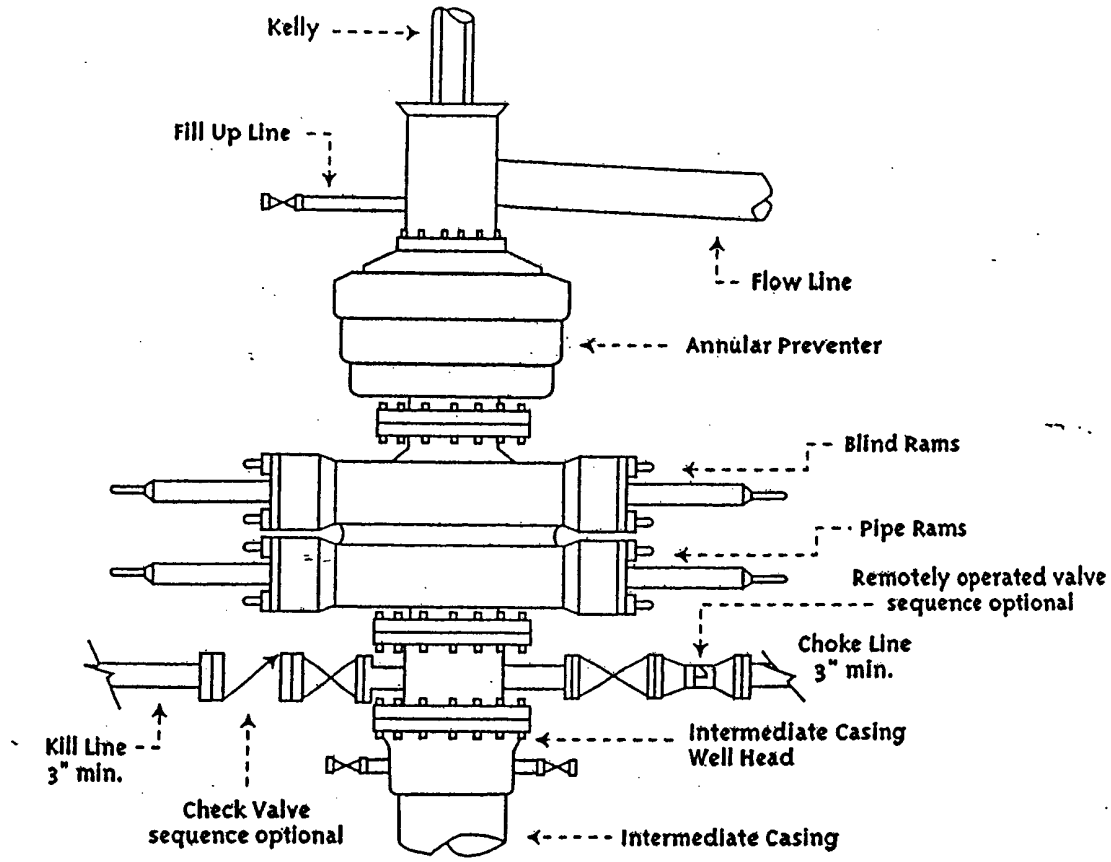



**Frac Pit**
160' X 160' inside dimensions
10' tall banks. 15' berm tops
16,000 gallons per inch
80 inches - 1,280,000 gallons

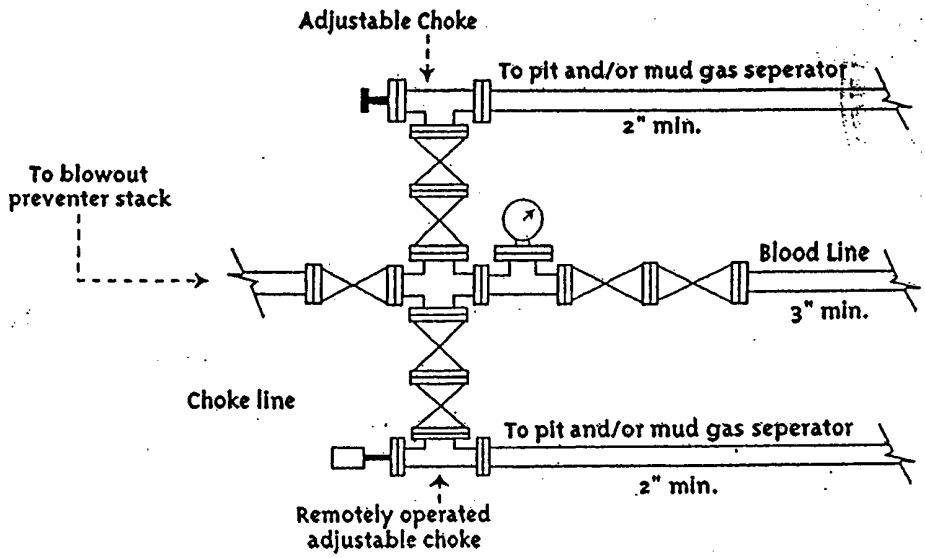
20 ml lining over berm, bank dirt on plastic w/ loader
Liner req'd - 250X250
Stack and level dirt on location side with ramps for transfer trailer loading/off-loading.
30'X 30'X 5' sump @ suction

David H. Arrington Oil & Gas, Inc.

Typical 5,000 psi Pressure System
Schematic
Annular Double Ram Preventer Stack




Typical 3,000 psi choke manifold assembly with at least these minimum features



**David H. Arrington Oil & Gas, Inc.**
**214 W. Texas Ave, Suite 400**
**Midland, TX 79701**
**432-682-6685 Office 432-682-4139 Fax**

March 6, 2007

Oil Conservation Division
Attn: Mr. Bryan Arrant
1301 Grand Ave.
Artesia, NM 88210

RE: David H. Arrington Oil & Gas, Inc., **Red Hot #1H**; Cottonwood Creek; Wolfcamp, UL A, Sec 30, T15S, R26E, in Chaves County, NM.

It is not anticipated that we will encounter any H2S during the drilling or completion of the above referenced well.

We are respectfully requesting an exemption from H2S requirements as per NMOCD Rule 118. The anticipated TVD is 5300', the TMD is 8807' for this proposed horizontal well. In the event the OCD determines the need for a contingency plan, we will comply with the requirements of the NMOCD Rule 118.

Thank you,

Debbie Freeman
David H. Arrington Oil & Gas
PO Box 2071
Midland, TX 79702
432-682-6685 ext 357

*New Mexico Office of the State Engineer*
**POD Reports and Downloads**

Township: 15S Range: 26E Sections: 30

NAD27 X: 488220 Y: 724445 Zone: C Search Radius: 1

County: CH Basin: Number: Suffix:

Owner Name: (First) (Last) ○ Non-Domestic ○ Domestic ◉ All

POD / Surface Data Report | Avg Depth to Water Report | Water Column Report

Clear Form | iWATERS Menu | Help

AVERAGE DEPTH OF WATER REPORT 03/06/2007

(Depth Water in Feet)

| Bsn | Tws | Rng | Sec | Zone | X | Y | Wells | Min | Max | Avg |
|---|---|---|---|---|---|---|---|---|---|---|
| RA | 15S | 26E | 30 | | | | 17 | 28 | 200 | 70 |

Record Count: 17