

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1301 W. Grand Avenue

68210

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		JUN 20 2007	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		OCD-ARTESIA	
2. Name of Operator DAVID H. ARRINGTON OIL & GAS INC		36576	
3a. Address PO BOX 2071 MIDLAND, TX 79702		3b. Phone No (include area code) (432)682-6685	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 900' FWL & 660' FEL of sec 14, UL P, 15S, 24E At proposed prod. zone 760' FSL & 660' FWL of sec 14, UL M, 15S, 24E		8. Lease Name and Well No. Damsel Bobo Fed Com #1H	
14. Distance in miles and direction from nearest town or post office* 8 miles West from Lake Arthur		9. API Well No. 30-005- 63945	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		10. Field and Pool, or Exploratory Wildcat Wolfcamp Gas	
16. No. of acres in lease 320		11. Sec., T. R. M. or Blk. and Survey or Area Sec 14, T15S, R 24E	
17. Spacing Unit dedicated to this well 320		12. County or Parish Chaves	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.		13. State NM	
19. Proposed Depth 5200' TVD 8479' MD		20. BLM/BIA Bond No. on file NM 2503	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3565' GL		22. Approximate date work will start* 07/01/2007	
23. Estimated duration 15-21 days		24. Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) DEBBIE FREEMAN	Date 05/10/2007
-------------------	--	--------------------

Title

ENGINEER TECH

Approved by (Signature)

/S/ JOHN S. SIMITZ

Name (Printed/Typed)

/S/ JOHN S. SIMITZ

Date

JUN 18 2007

Title

Acting Assistant Field Manager,
Lands And Minerals

Office

ROSWELL FIELD OFFICE

APPROVED FOR 2 YEARS

Application approval 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.

Conditions of approval, if any, are attached.

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)

If earthen pits are used in
association with the drilling of this
well, an OCD pit permit must be
obtained prior to pit construction.

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 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 30-005-	² Pool Code 97489	³ Pool Name Wildcat; Wolfcamp Gas
⁴ Property Code	⁵ Property Name DAMSEL BOBO FED COM	⁶ Well Number 1H
⁷ OGRID No. 5898	⁸ Operator Name DAVID H. ARRINGTON OIL & GAS, INC.	⁹ Elevation 3565'

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	14	15 SOUTH	24 EAST, N.M.P.M.		900'	SOUTH	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
M	14	15 SOUTH	24 EAST, N.M.P.M.		760'	SOUTH	660'	WEST	CHAVES

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

<p>¹⁶</p> <p>BOTTOMHOLE LOCATION X = 441884 Y = 731141 LAT.: N 33.0098286 LONG.: W 104.5229136</p> <p>NAD 27 NME ZONE X = 445870 Y = 731286 LAT.: N 33.0102476 LONG.: W 104.5099126</p> <p>AZ = 267.91', 3988.4'</p> <p>660'</p> <p>760'</p> <p>900'</p> <p>PRODUCING AREA</p> <p>PROJECT AREA</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Debbie Freeman</i> 3/7/07 Signature Date Debbie Freeman Printed Name</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>DECEMBER 27, 2006</p> <p>Date of Survey Signature and Seal of Professional Surveyor V. LYNN BEZNER NO. 7920 V. LYNN BEZNER #7920 JOB # 118982 / 125 SW / E.U.O.</p>
---	---

**Thirteen Point Plan for Surface Use
(Additional data for form 3160-3)**

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

Damsel Bobo Fed Com #1H

900' FSL & 660' FEL of sec 14, T15S, R24E in Chaves County, NM
Abo/Wolfcamp
NMNM 103262

1. EXISTING ROADS – A “VICINITY MAP” and a “LOCATION VERIFICATION MAP” by Topographic Land Surveyors are attached which show the location of existing roads and the area topography.

The directions to the location are as follows:

From intersection of hwy. 285 & hwy. 82, go north +/- 11.2 miles on hwy. 285, thence west +/- 1.0 mile on Jackson Road, thence north 0.2 miles, thence northwest 2.0 miles, thence north 0.4 miles to a point +/- 250' south of location.

2. PLANNED ACCESS ROAD – Approximately 3 miles of new E-W and 2 miles of N-S access road will be built from the existing E-W road as per the Topographic Land Surveyors map of April 27, 2007.
3. LOCATION OF EXISTING WELLS – Applied for new drill approximately 3700' north from location.
4. LOCATION OF EXISTING OR PROPOSED FACILITIES – New facilities will be located just SW of the surface location.
5. LOCATION AND TYPE OF WATER SUPPLY – All water (fresh or otherwise) needed for the drilling and completion of this well will be purchased from a commercial source and trucked to the location via the existing and proposed access roads. No water source wells will be drilled, and no surface water will be utilized.
6. SOURCE OF CONSTRUCTION MATERIALS - Construction material (caliche) required for the preparation of the drill site is available on site or from a local source. It is not anticipated that a significant amount of material will be required as the terrain is relatively flat. Transportation will be over the existing roads and proposed roads.
7. METHODS FOR HANDLING WASTE DISPOSAL –
 - a. Drill cuttings will be disposed into drilling pits after fluids have evaporated.

- b. The drilling pits will be lined with a 20 mil biodegradable plastic liner, and buried as per regulatory requirements.
 - c. Receptacles for solid wastes (paper, plastic, etc.) will be provided and equipped to prevent scattering by wind, animals, etc. This waste will be hauled to an approved landfill site. All drilling line, oil filters, etc. will be hauled away by the Drilling Contractor.
 - d. Any other waste generated by the drilling, completion, testing of this well will be removed from the site within 30 days of the completion of drilling or testing operations.
 - e. A Porta-John will be provided for the crews. This will be properly maintained during the drilling operations and removed upon completion of the well.
8. ANCILLARY FACILITIES – The drilling, completion, and/or testing of this well will require no ancillary facilities.
9. WELLSITE LAYOUT – Attached is a plat showing the anticipated orientation of rig and the pad. The drill site area has been surveyed and flagged. Material moved to create the drilling pits will be utilized in the dike around the pits so as to facilitate restoration of the area when operations are completed.
10. PLANS FOR SURFACE RESTORATION - Reclamation of the surface location will be in accordance with the requirements set forth by the BLM. As stated earlier, all waste generated by this operation will be disposed of in an approved manner, and the site restored as closely as possible to its pre-operation appearance. Due to the topography of the area no problems are anticipated in achieving this status and no erosion or other detrimental effects are expected as a result of this operation.
11. OTHER INFORMATION – The surface ownership of the drill site and the access routes are under the control/ownership of:
Coleman F. Jackson
72 W. Jackson Rd.
Lake Arthur, NM 88253
505-365-2342
- The site has been archaeologically surveyed by a registered archaeological surveyor in April 2007 and submitted to the BLM, Carlsbad, NM.
12. OPERATORS REPRESENTATIVE - David H. Arrington Oil & Gas, Inc. is covered by BLM Bond No. 104312789. David H. Arrington Oil & Gas, Inc. is represented by: Mark Ellerbe, Company Operation & Drilling Engineer 432-559-1216.

13. OPERATORS CERTIFICATION

I hereby certify that I, Mark Ellerbe – Operations Engineer, have inspected the proposed drill site and access route and that I am familiar with the conditions that currently exist; that the statements made in the APD package are to the best of my knowledge true and correct; and that the work associated with operations herein will be performed by David H. Arrington Oil & Gas, Inc. and its contractors and subcontractors in conformity with the terms and conditions of this APD package. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application with bond coverage being provided under a BLM bond.

This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

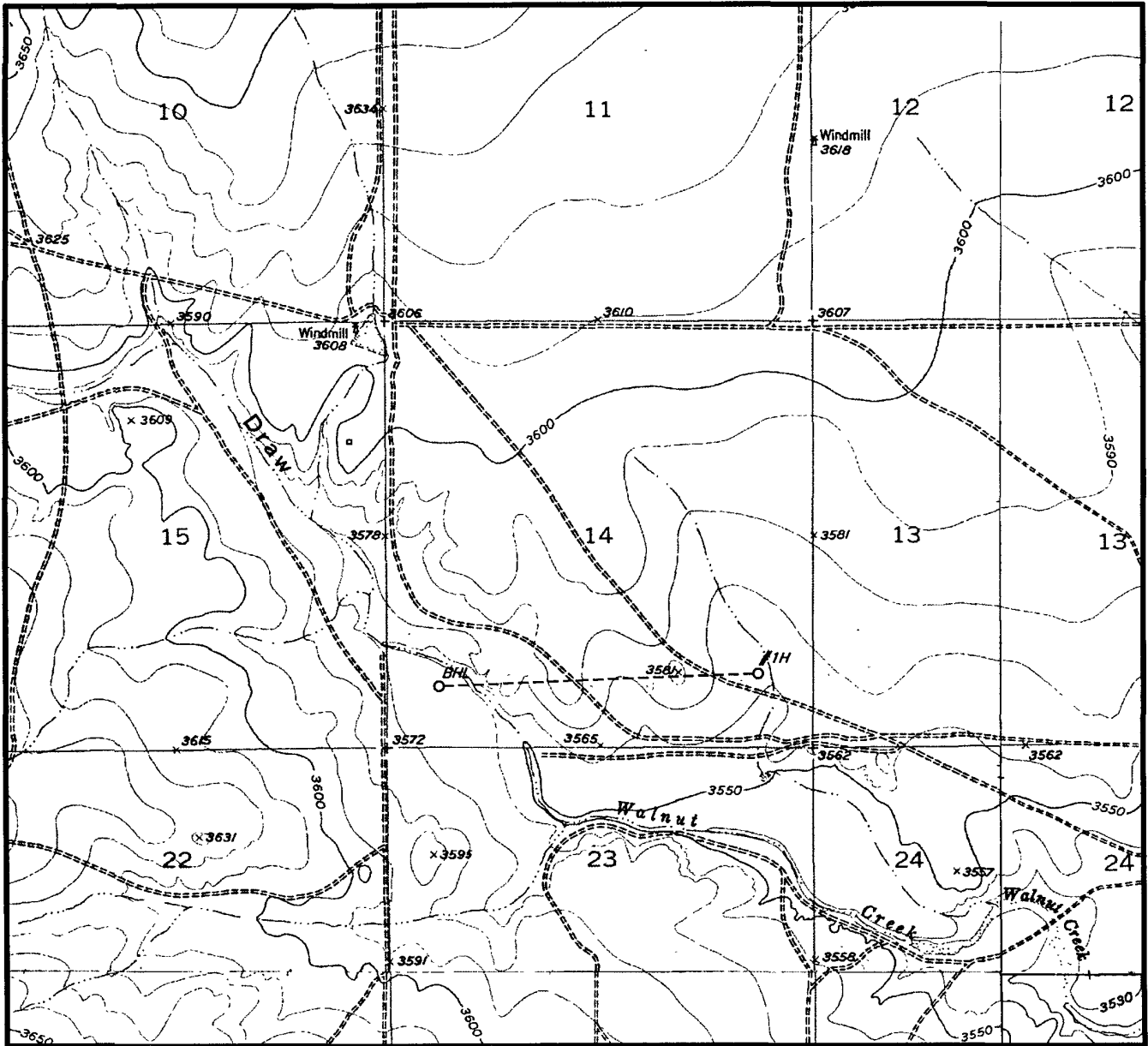
Name and title: Mark Ellerbe, Operations/Drilling Engineer for David H. Arrington Oil & Gas, Inc.

Signature: Mark Ellerbe

Date: 5/10/07

.....
.....
APD, Nine Point & Thirteen Point Drilling Plans prepared & submitted to the Bureau of Land Management by Debbie Freeman, Engineer Technician for David H. Arrington Oil & Gas, Inc. P.O. Box 2071, Midland, Texas 79702

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 14 TWP 15-S RGE 24-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY CHAVES STATE NM

DESCRIPTION 900' FSL & 660' FEL

ELEVATION 3565'

OPERATOR DAVID H. ARRINGTON OIL & GAS

LEASE DAMSEL BOBO FED COM #1H

U.S.G.S. TOPOGRAPHIC MAP

HAGERMAN SW, NEW MEXICO

SCALED LAT. LAT.: N 33.0102476

LONG. LONG.: W 104.5099126

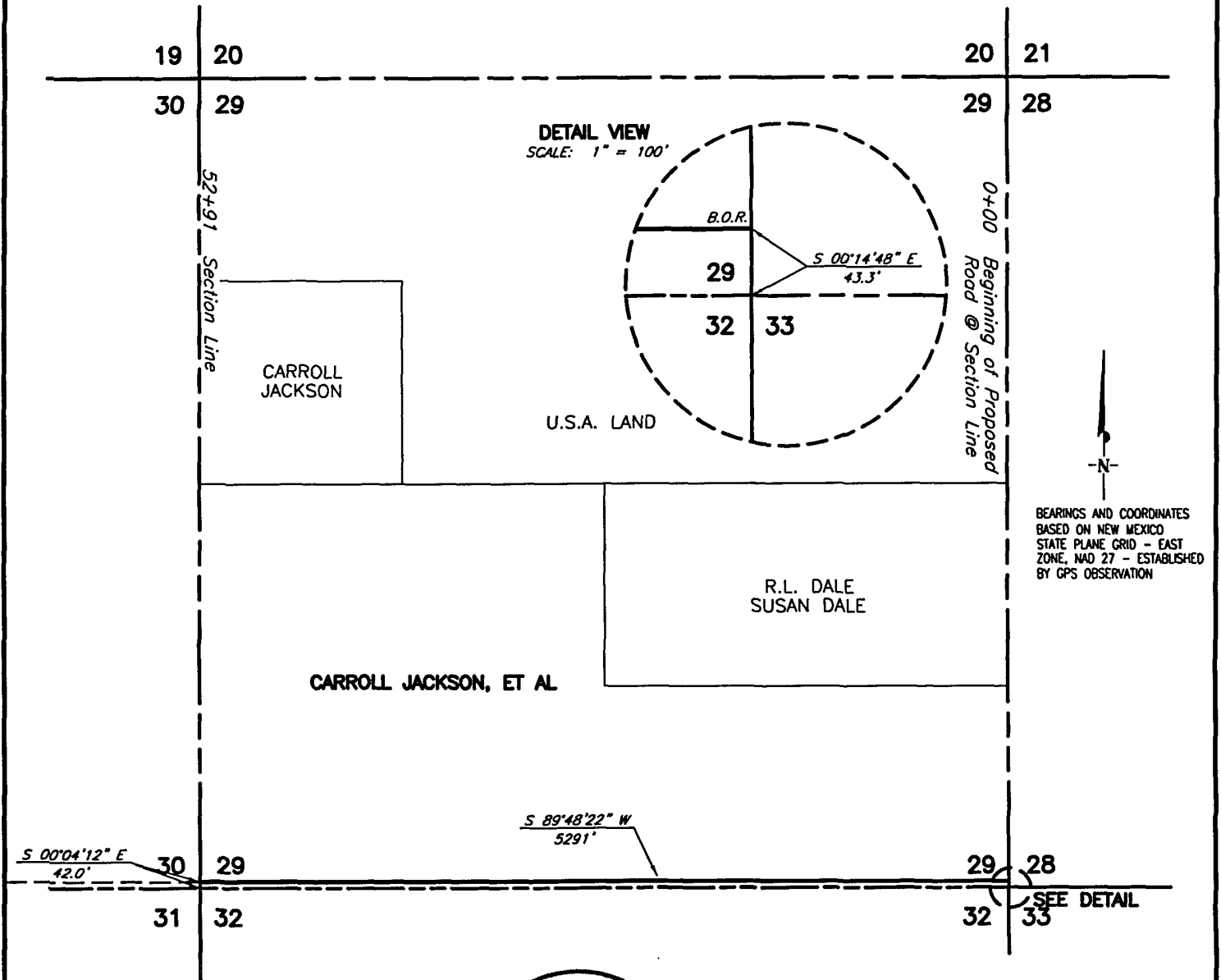


TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

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

SECTION 29, TOWNSHIP 15 SOUTH, RANGE 25 EAST, N.M.P.M.,
CHAVES COUNTY NEW MEXICO



BEARINGS AND COORDINATES
BASED ON NEW MEXICO
STATE PLANE GRID - EAST
ZONE, NAD 27 - ESTABLISHED
BY GPS OBSERVATION

LEGAL DESCRIPTION

A strip of land in Section 29, Township 15 South, Range 25 East, N.M.P.M., Chaves County, New Mexico, and the centerline being described as follows:

BEGINNING at a point on the East line of said Section 29 from whence the Southeast corner of said Section 29 bears S 00°14'48" E, a distance of 43.3 feet; Thence S 89°48'22" W, a distance of 5291.0 feet to the End of this DESCRIPTION, a point on the West line of said Section 29 from whence its Southwest corner bears S 00°04'12" E, a distance of 42.0 feet and containing 5291 feet and 320.67 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 Bezhner

				DAVID H. ARRINGTON OIL & GAS		SCALE: 1" = 1000'	
						DATE: FEBRUARY 2, 2007	
NO.	REVISION	DATE	BY	SURVEYING AND MAPPING BY TOPOGRAPHIC LAND SURVEYORS MIDLAND, TEXAS		JOB NO.: 121563-1	
SURVEYED BY: A.T.M.						125SW	
DRAWN BY: E.U.O.						SHEET : 1 OF 13	
APPROVED BY: V.L.B.							

David H. Arrington Oil & Gas Inc.
 Damsel Bobo Fed Com 1H
 SHL - 900' FSL & 660' FEL
 BHL - 760' FSL & 660' FWL
 S14, T15S, R24E
 Chaves County, NM

- Drilling Plan -

1. Ground elevation above sea level: 3565'
2. Proposed drilling depth: 5200' TVD
3. Estimated tops of geological markers:

Red Beds	100'
San Andres	400'
Glorietta	1690'
Tubb	3010'
Abo Shale	3700'
Abo Carbonate	4000'
Wolfcamp	4625'

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' - 1100'	8-5/8"	32#	LTC	J55	Surf
7-7/8"	1100' - 8479'	5-1/2"	17#	LTC	I80	Surf

Drill 7-7/8" vertical pilot hole to ~5200'. Plug back to ~4273' w/ open hole whipstock and build 15° BUR curve section landing at ~4655' TVD. Drill ahead to a total measured depth of ~8479'. 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	1100'	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% CaCl₂.

5-1/2" Production	8479'	560	Lead:	Interfill C w/ 1/8# pps Poly-E-Flake (11.9 / 2.45)
		360	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 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' - 1100'	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' - 8479'	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 ~ 3,500' 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'. Run 8-5/8" and cement to surface.

Drill 7-7/8" vertical pilot hole to ~5200'. Plug back to ~ 4273' w/ open hole whipstock and build 15° BUR curve section landing at ~ 4655' TVD. Drill ahead to a total measured depth of ~ 8479'. Run 5-1/2" production string to TD and cement to surface.

OPERATOR:		David H. Arrington Oil & Gas Inc.								TARGET N-S		Directional																			
WELL:		Damsel Bobo Fed Com 1H				Chaves County				TARGET E-W																					
LOCATION: SURF		900' FSL & 660' FEL, S14, T15S, R24E								TARGET RADIUS																					
LOCATION: BHL		760' FSL & 660' FWL, S14, T15S, R24E								TARGET DISPLACEMENT																					
		COMMENTS:								TARGET CLOSURE																					
Preliminary Directional Plan								MAG DEC. (-/+)				TARGET TVD		Horizontal 4655.00																	
								GRID CORR. (-/+)				DIP AZ		0.00																	
								TOTAL CORR. (-/+)				DIP DEG UP+/DN-		0.00																	
DATE:		TIME:										TARGET INCLINATION		90.00																	
MINIMUM CURVATURE CALCULATIONS(SPE-3362)						PROPOSED DIRECTION		267.91		TARGET TRACKING																					
										TO CENTER																					
SVY		TRUE						DLS/		ABOVE(+)		CLOSURE		CLOSURE		BUILD		WALK													
NUM		MD		INC		AZM		TVD		SECT		N-S		E-W		100		BELOW(-)		RIGHT(+)		DIR		DISTANCE		RATE/		RATE/			
																								(DEG AZ)		(FEET)		°/100'		°/100'	
1		0.00		0.00		267.91		0.0		0.0		0.0		0.0		0.0															
KOP		4273.00		0.00		267.91		4273.0		0.0		0.0		0.0		0.0		382.0		0.0		63.43		0.00		0.00		0.00		0.00	
3		4373.00		15.00		267.91		4371.9		13.0		-0.5		-13.0		15.0		283.1		0.0		267.91		13.02		15.00		0.00		0.00	
4		4473.00		30.00		267.91		4464.0		51.2		-1.9		-51.1		15.0		191.0		0.0		267.91		51.17		15.00		0.00		0.00	
5		4573.00		45.00		267.91		4543.1		111.9		-4.1		-111.8		15.0		111.9		0.0		267.91		111.88		15.00		0.00		0.00	
6		4673.00		60.00		267.91		4603.8		191.0		-7.0		-190.9		15.0		51.2		0.0		267.91		190.99		15.00		0.00		0.00	
7		4773.00		75.00		267.91		4642.0		283.1		-10.3		-282.9		15.0		13.0		0.0		267.91		283.11		15.00		0.00		0.00	
8		4873.00		90.00		267.91		4655.0		382.0		-13.9		-381.7		15.0		0.0		0.0		267.91		381.97		15.00		0.00		0.00	
9		5373.00		90.00		267.91		4655.0		882.0		-32.2		-881.4		0.0		0.0		0.0		267.91		881.97		0.00		0.00		0.00	
10		5873.00		90.00		267.91		4655.0		1382.0		-50.4		-1381.1		0.0		0.0		0.0		267.91		1381.97		0.00		0.00		0.00	
11		6373.00		90.00		267.91		4655.0		1882.0		-68.6		-1880.7		0.0		0.0		0.0		267.91		1881.97		0.00		0.00		0.00	
12		6873.00		90.00		267.91		4655.0		2382.0		-86.9		-2380.4		0.0		0.0		0.0		267.91		2381.97		0.00		0.00		0.00	
13		7373.00		90.00		267.91		4655.0		2882.0		-105.1		-2880.1		0.0		0.0		0.0		267.91		2881.97		0.00		0.00		0.00	
14		7873.00		90.00		267.91		4655.0		3382.0		-123.3		-3379.7		0.0		0.0		0.0		267.91		3381.97		0.00		0.00		0.00	
BHL		8479.40		90.00		267.91		4655.0		3988.4		-145.5		-3985.7		0.0		0.0		0.0		267.91		3988.37		0.00		0.00		0.00	

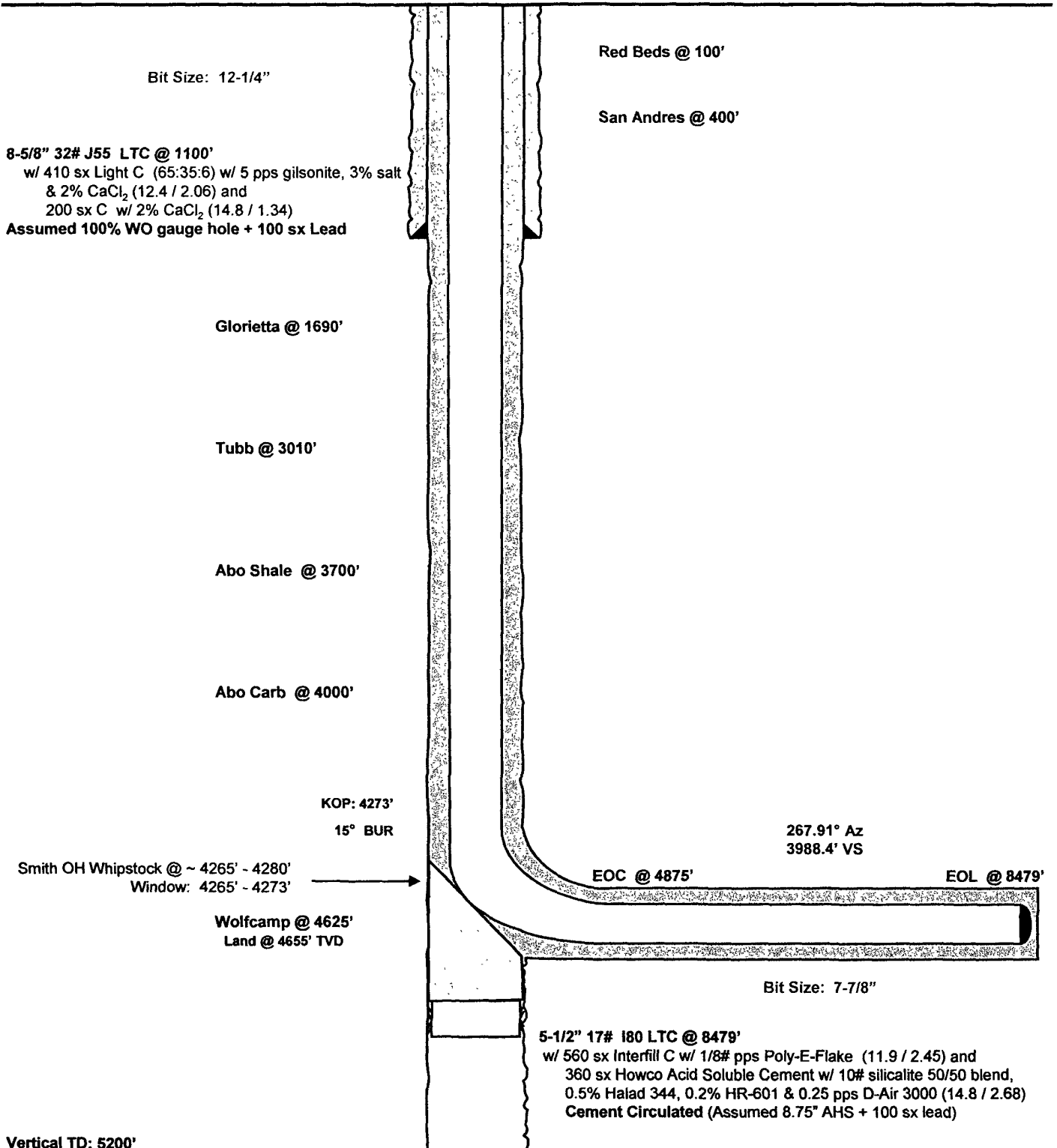
Damsel Bobo Fed Com 1H
Cottonwood Creek Field
Chaves County, New Mexico

<u>Surface</u>	<u>Lateral Terminus</u>
900' FSL	760' FSL
660' FEL	660' FWL
S-14	
T15S, R24E	

Proposed Wellbore

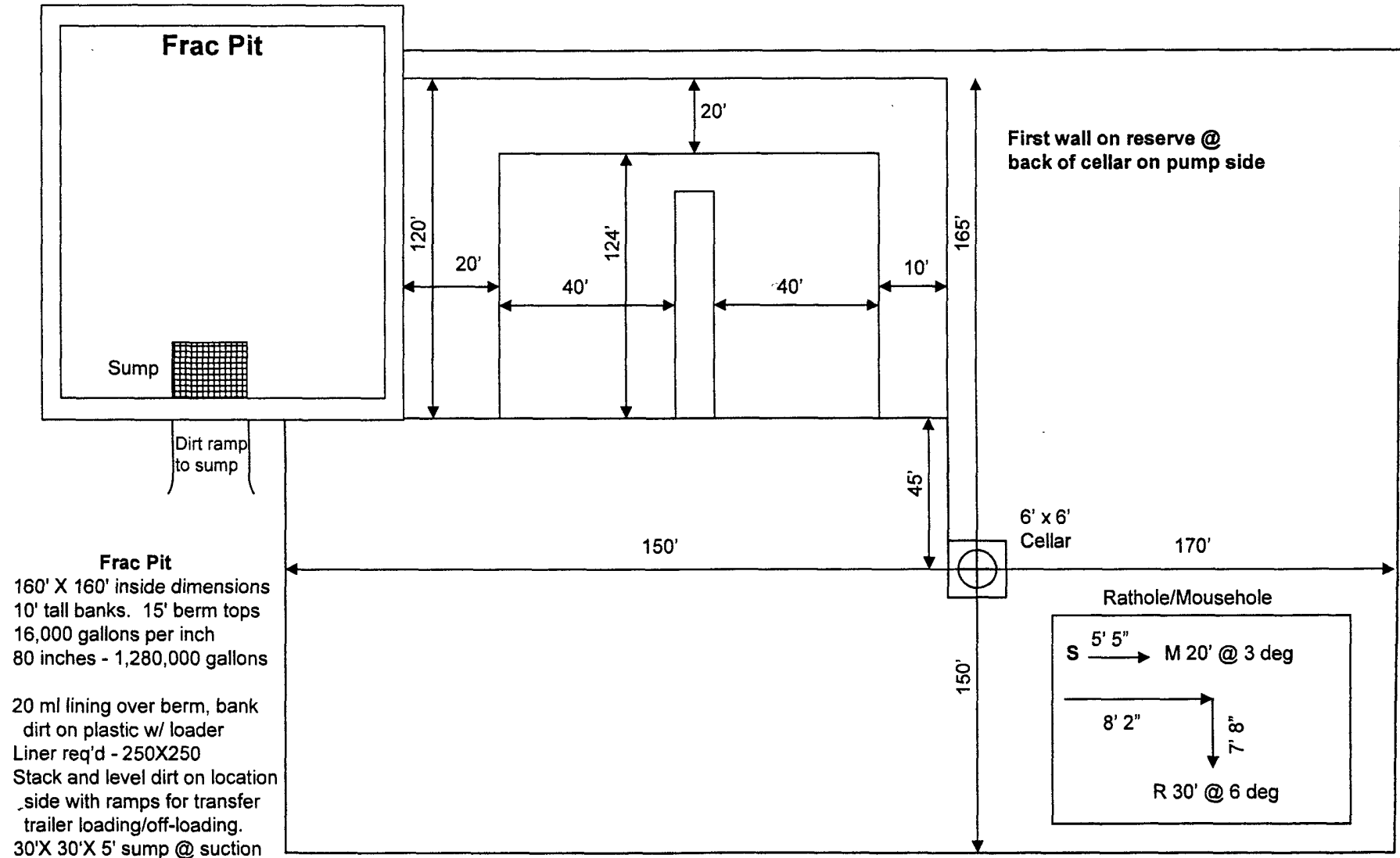
API: 30-005-

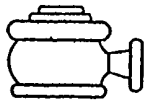
KB: 3584'
GL: 3565'



MEE: 05/07/07

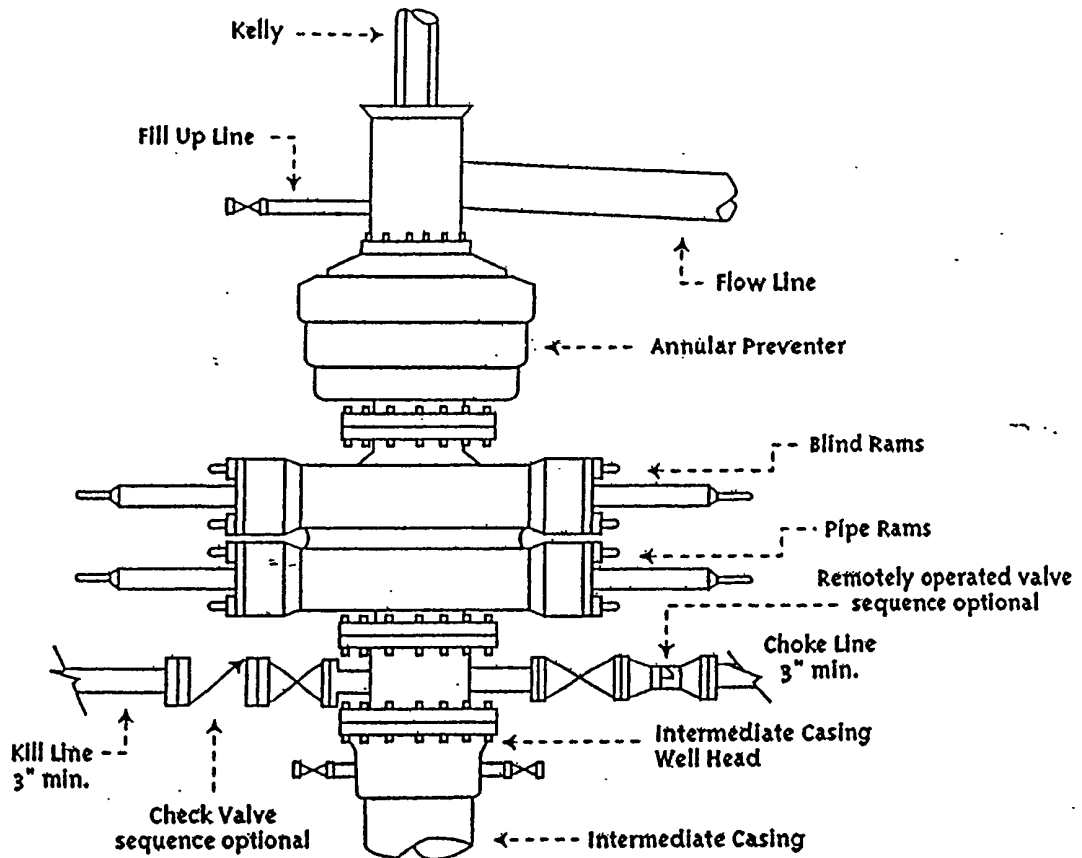
Patterson Rig 624 Location Layout w/ Frac Pit



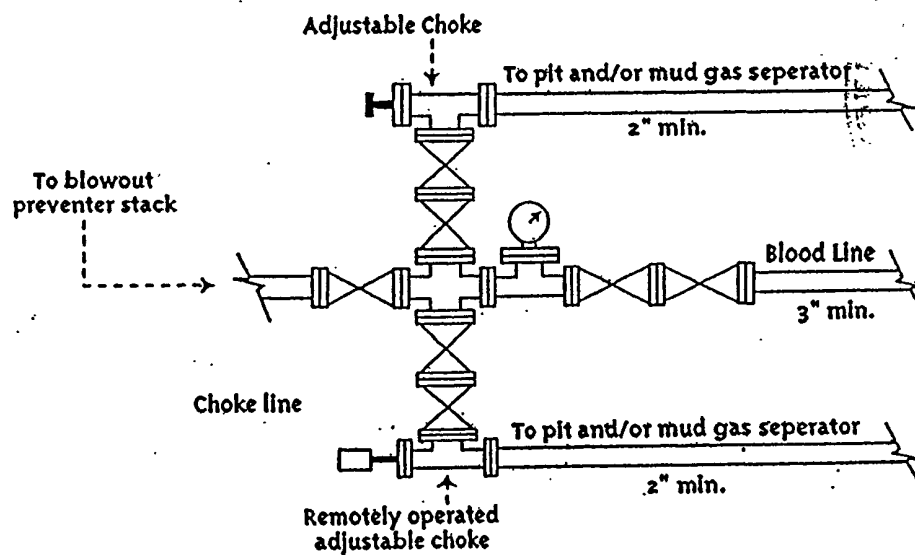


David H. Arrington Oil & Gas, Inc.

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



May 10, 2007

Bureau of Land Management
2909 W. Second Street
Roswell, NM 88201-2019

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

RE: David H. Arrington Oil & Gas, Inc., **Damsel Bobo Fed Com #1H**; Cottonwood Creek; Wolfcamp, Sec 14, T15S, R24E, 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 5200' and TMD is 8479' for this proposed horizontal well. In the event the BLM determines a contingency plan is needed, please see the attached DHAOG plan.

Thank you,

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

Hydrogen Sulfide Drilling Operations Plan

for

David H. Arrington Oil & Gas, Inc.'s

Damsey Bobo Fed Com # 114

ONE - Hydrogen Sulfide Training:

All personnel, whether regularly assigned, contracted or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

- The hazards and characteristics of hydrogen sulfide (H₂S);
- The proper use and maintenance of personal protective equipment and life support systems;
- The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds; and,
- The proper techniques of first aid and rescue procedures.

In addition, the supervisory personnel will be trained in the following areas:

- The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements;
- Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- The contents and requirements of the H₂S Drilling Operations Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500') and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

TWO - H₂S Safety Equipment and Systems:

NOTE: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or, three days prior to penetration of the first zone containing, or reasonably expected to contain, H₂S.

1. Well Control Equipment:

- Flare line with flare igniter;
- Choke manifold with one remote hydraulic choke installed;
- Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit;
- Auxiliary equipment to include an Annular Preventer.

2. Protective equipment for essential personnel:

- The designated safety expert will provide 5-minute escape units located in the doghouse, and 30-minute air units at briefing areas.

3. H2S detection and monitoring equipment:

- Three portable H2S monitors will be positioned on location for the best coverage and response. These units have warning lights and audible sirens when triggered by H2S levels > 20 PPM.
- One portable SO2 monitor will be positioned near flare line during H2S flaring operations.

4. Visual warning systems:

- Wind direction indicators will be placed in accordance with the directives issued by the designated H2S expert.
- Caution/Danger signs shall be posted on roads providing direct access to the location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be legible from the immediate location.

5. Mud Program:

- The mud program will minimize the volume of H2S circulated to the surface. Proper mud weight safe drilling practices, and, if necessary, the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

6. Metallurgy:

- All drill strings, casing, tubing, wellhead, blowout preventers, drilling spools kill lines, choke manifold and line valves shall be suitable for H2S service.
- All elastomers used for packing and seals shall be H2S trimmed.

7. Communications:

- Radio and telephone communications will be available in company vehicles and rig doghouse.

8. Well Testing:

- Drill stem testing will be performed with a minimum number of personnel necessary to safely and adequately conduct the test. The drill stem testing of any known formation that contains H2S will be conducted during daylight hours.

May 9, 2007

Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220

RE: ARC Survey: David H. Arrington Oil & Gas, Inc., **Damsel Bobo Fed Com well #1H, in Chaves County, NM.**

Concerning the above referenced well, the ARC Survey has been submitted by the survey company by separate mailing – Advanced Archaeological Solutions, Las Cruces, NM.

Thank you,

A handwritten signature in black ink, appearing to read "Debbie Freeman", with a long horizontal flourish extending to the right.

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

EXHIBIT A

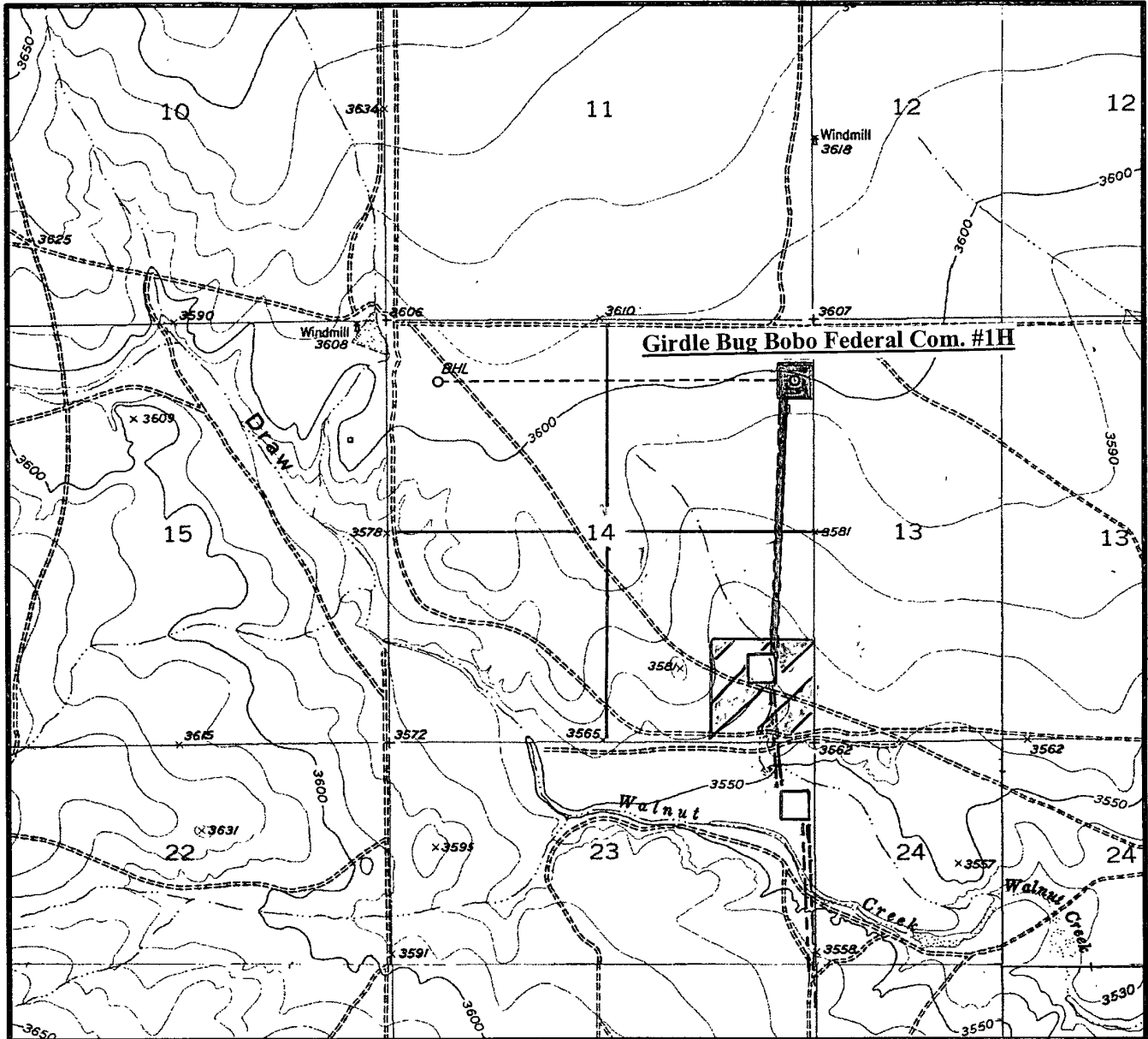
OPERATORS NAME: David H. Arrington Oil & Gas, Inc. LEASE NO.: NM-103262

WELL NAME & NO: Girdle Bug Bobo Federal Com. #1H

¼¼ & FOOTAGE: NE¼NE¼ - SL; 760' FNL & 200' FEL and BHL; 760' FNL & 660' FWL

LOCATION: Section 14, T. 15 S., R. 24 E.

COUNTY: Chaves County, New Mexico, NMPM



III. WELL SUBSURFACE REQUIREMENTS:**A. GENERAL DRILLING REQUIREMENTS:**

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell, NM 88201, (505) 627-0272, in sufficient time for a representative to witness:
 - A. Spudding
 - B. Cementing casing: 8 5/8 inch; 5 1/2 inch;
 - C. BOP Tests
2. A Hydrogen Sulfide (H2S) Drilling Plan is not required for this wellbore.
3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.
5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.
6. A communitization agreement shall be approved by this office prior to any sales from this well.

B. CASING:

1. The 8 5/8 inch shall be set at 1100 Feet with cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
2. The minimum required fill of cement behind the 5 1/2 inch Intermediate casing is to circulate to surface.

C. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 8 5/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2 M psi.
3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the test.
 - The test shall be done by an independent service company
 - The results of the test shall be reported to the appropriate BLM office.
 - Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures.
 - Use of drilling mud for testing is not permitted since it can mask small leaks.
 - Testing must be done in safe workman-like manner. Hard line connections shall be required.
 - Both low pressure and high pressure testing of BOPE is required.

WELL DRILLING REQUIREMENTS

4 of 5 pages

IV. ON LEASE - WELL REQUIREMENTS:

A. The holder shall post signs identifying the location permitted herein with the requirements contained in Onshore Oil and Gas Order #1 and 43 CFR 3162.6.

B. The following data is required on the well sign that shall be posted in a conspicuous place on the well pad. **The communitization agreement number shall be posted on the well sign.** The sign shall be kept up with current identification and shall be legible for as long as the well is in existence:

Operator Name: David H. Arrington Oil & Gas, Inc.

Well Name & No.: Girdle Bug Bobo Federal Com. #1H

Lease No.: NM-103262

Footage: SL; 760' FNL & 200' FEL & BHL; 760' FNL & 660' FWL

Location: Section 14, T. 15 S., R. 24 E.

C. UPON ABANDONMENT OF THE WELL, THE SAME INFORMATION SHALL BE INSCRIBED ON THE DRY HOLE MARKER WITH A BEADED WELD.

D. The approval of the APD does not in any way imply or grant approval of any on-lease, off-lease, or off-unit action(s). It is the responsibility of the holder to obtain other approval(s) such as rights-of-way from the Roswell Field Office or other agencies, including private surface landowner(s).

E. All vehicles, including caterpillar track-type tractors, motor graders, off-highway trucks and any other type of motorized equipment that is used in the construction of the access road and well pad shall be confined to the area(s) herein approved. The drilling rig that is used to drill the well shall also be confined to the approved area(s).

F. **Containment Structure Requirement:**

1. A containment structure or earthen dike shall be constructed and maintained around all storage facilities/batteries. The containment structure or earthen dike shall surround the storage facilities/batteries.

2. The containment structure or earthen dike shall be constructed two (2) feet high around the facilities/batteries (the containment structure or earthen dike can be constructed higher than the two (2) feet high minimum).

3. The perimeter of the containment structure or earthen dike can be constructed substantial larger for greater holding capacity of the contents of the largest tank.

4. The containment structure or earthen dike shall be constructed so that in case of a spill the structure can contain the entire contents of the largest tank, plus 24 hour production, within the containment structure or earthen dike, unless more stringent protective requirements are deemed necessary by the Authorized Officer.