

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

State of New Mexico

Form C-10;

Energy, Minerals, and Natural Resources Department

Revised October 12, 2

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

CONSERVATION DIVISION

Submit to Appropriate District

State Lease - 4 c

Fee Lease - 3 c

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

1220 South St. Francis Dr.

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 30-015-63813	² Pool Code 97489	³ Pool Name wildcat; wolfcamp Gas
⁴ Property Code 354166	⁵ Property Name NEW MEXICO NAIL	⁶ Well Number 2H
⁷ GRID No. 5898	⁸ Operator Name DAVID H. ARRINGTON OIL & GAS, INC.	⁹ Elevation 3432'

¹⁰ Surface Location

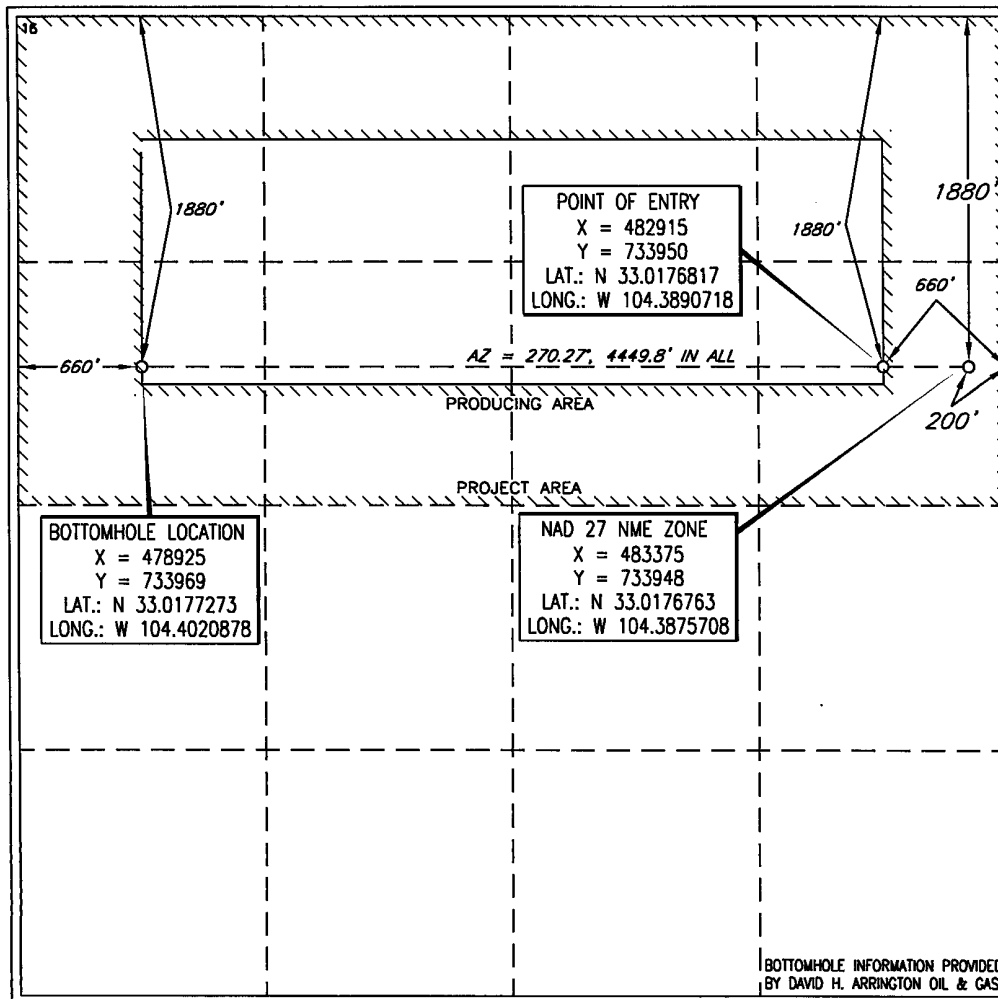
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line	Feet from the East/West line	County
H	13	15 SOUTH	25 EAST, N.M.P.M.		1880'	NORTH 200'	CHAVES

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
E	13	15 SOUTH	25 EAST, N.M.P.M.		1880'	NORTH 660'	CHAVES

¹² Dedicated Acres 320	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR 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.

Signature: *Debbie Freeman* Date: 1/30/07
Printed Name: Debbie Freeman

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of a survey made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: DECEMBER 27, 2006
Signature and Seal of Professional Surveyor: *V. L. Beznar*

Certificate Number: V. L. BEZNER R.P.S. #7920
JOB # 119733 / 125 SW / E.U.O.

SECTION 13, TOWNSHIP 15 SOUTH, RANGE 25 EAST, N.M.P.M., CHAVES COUNTY NEW MEXICO

11 12

12 7

14 13

13 18

DAVID H. ARRINGTON OIL & GAS
BOTTOMHOLE LOCATION
NEW MEXICO NAIL #2H

DAVID H. ARRINGTON OIL & GAS
SURFACE LOCATION
NEW MEXICO NAIL #2H
GROUND ELEVATION: 3432'

BHL

HOUSE

90'

309'

14 13

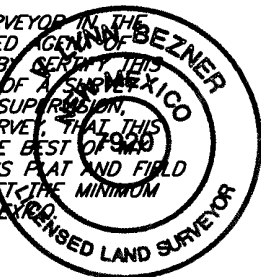
13 18

23 24

24 19

DATE OF FIELD WORK: DECEMBER 27, 2006

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. L. BEZNER, P.S. NO. 1920

0 1000
1" = 1000'

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

DAVID H. ARRINGTON OIL & GAS, INC.

NO. REVISION DATE BY

SURVEYED BY: A.M.

DRAWN BY: E.U.O.

APPROVED BY: V.L.B.

SURVEYING AND MAPPING BY
TOPOGRAPHIC LAND SURVEYORS
MIDLAND, TEXAS

SCALE: 1" = 1000'

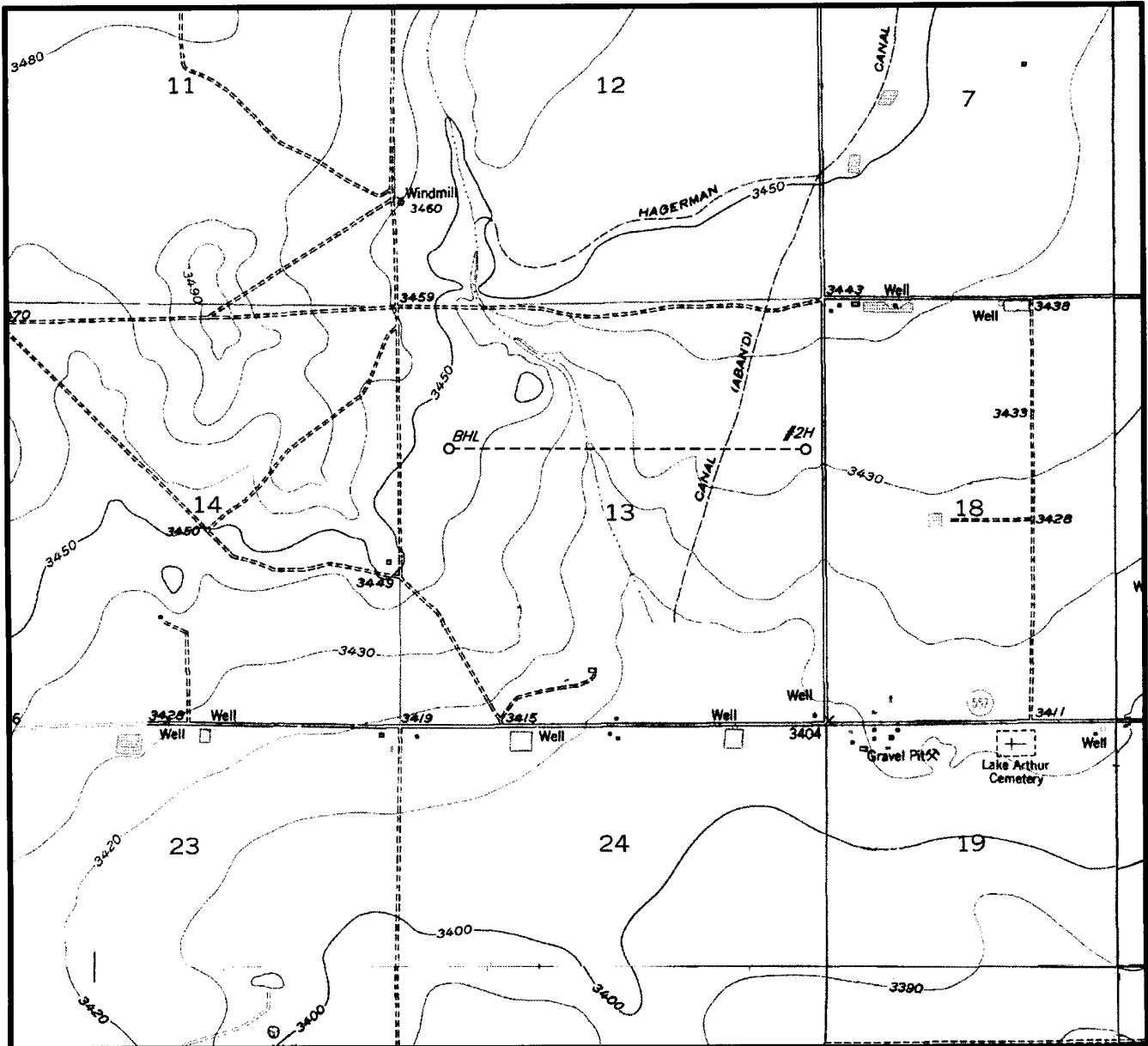
DATE: DECEMBER 27, 2006

JOB NO.: 119733-2

QUAD NO.: 125 SW

SHEET : 1 OF 1

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 13 TWP 15-S RGE 25-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY CHAVES STATE NM

DESCRIPTION 1880' FNL & 200' FEL

ELEVATION 3432'

OPERATOR DAVID H. ARRINGTON OIL & GAS

LEASE NEW MEXICO NAIL #2H

U.S.G.S. TOPOGRAPHIC MAP

ESPUELA, NEW MEXICO

SCALED LAT. LAT.: N 33.0176763

LONG. LONG.: W 104.3875708

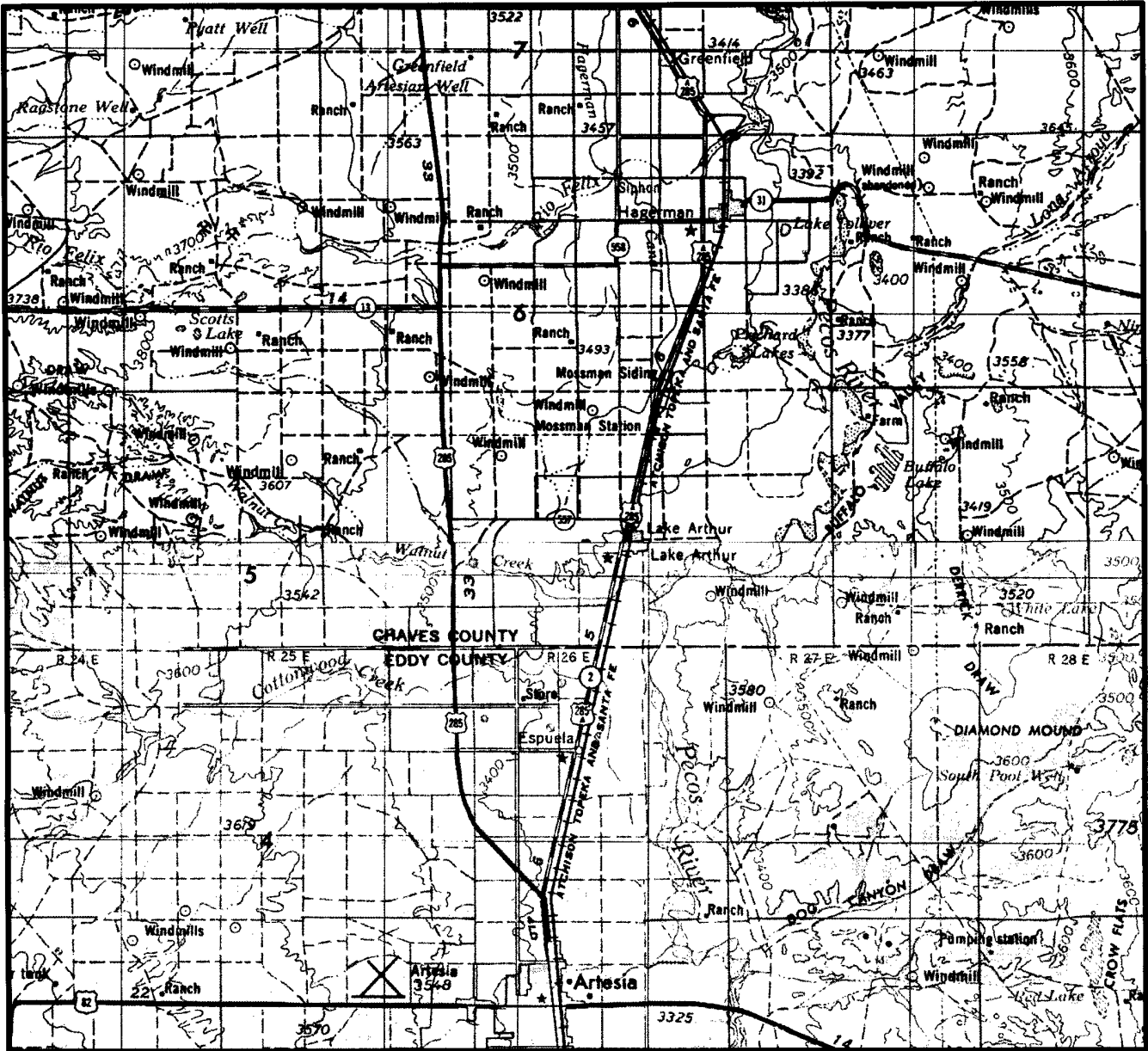


TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

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

VICINITY MAP



SECTION 13 TWP 15-S RGE 25-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY CHAVES STATE NM

DESCRIPTION 1880' FNL & 200' FEL

OPERATOR DAVID H. ARRINGTON OIL & GAS

LEASE NEW MEXICO NAIL #2H

DISTANCE & DIRECTION FROM INTERSECTION OF HWY.
285 & HWY. 82, GO NORTH ±12.0 MILES ON HWY. 285,

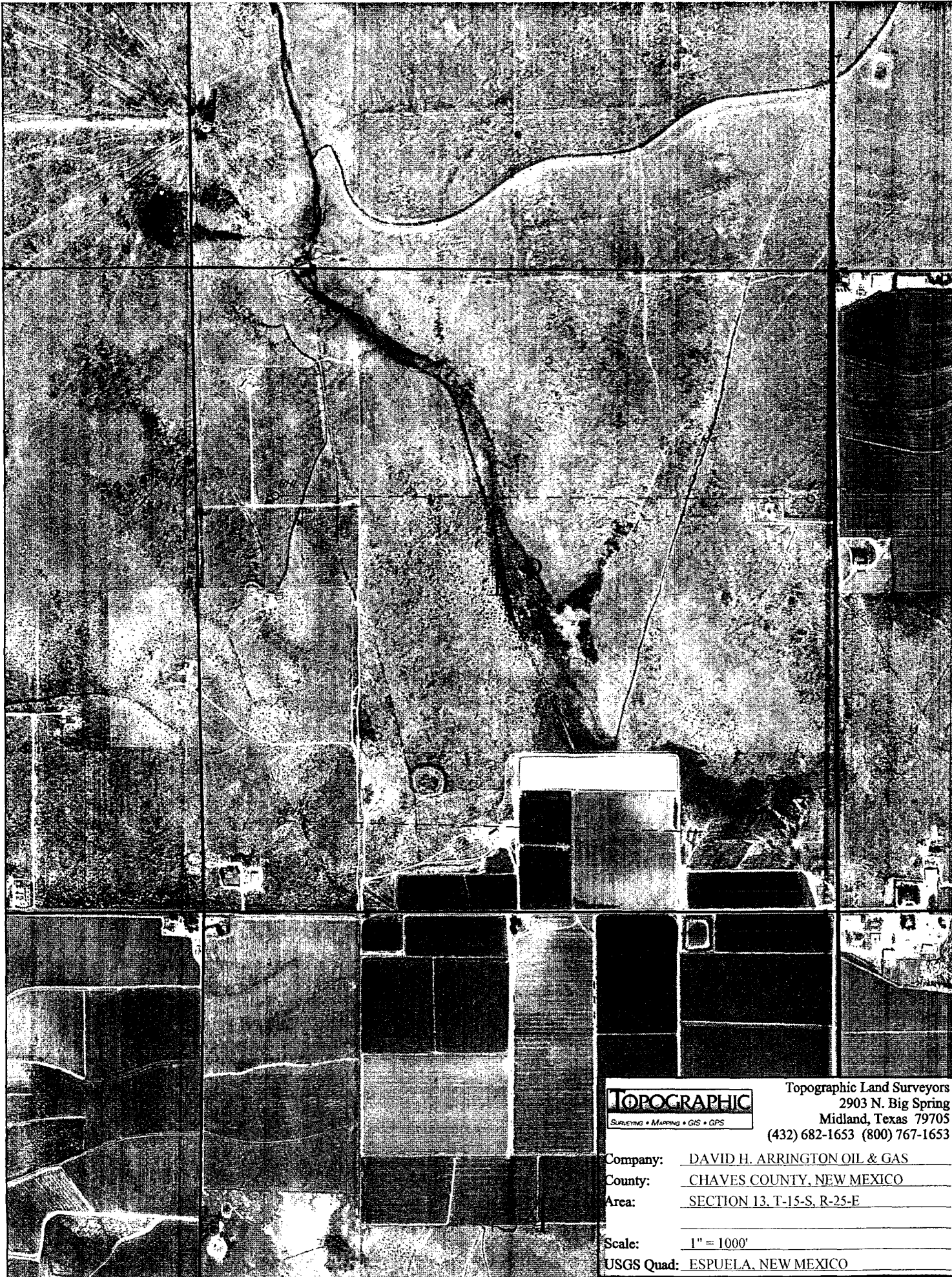
THENCE EAST ±3.0 MILES ON LAKE ARTHUR ROAD, TO A
POINT ±200' EAST OF LOCATION.



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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 13, T-15-S, R-25-E

Scale: 1" = 1000'

USGS Quad: ESPUELA, NEW MEXICO

New Mexico Nail 2H
Cottonwood Creek Field
Chaves County, New Mexico

<u>Surface</u>	<u>Lateral Terminus</u>
1800' FNL	1880' FNL
200' FEL	660' FWL
S-13	
T15S, R25E	

Proposed Wellbore

API: 30-005-63813

KB: 3451'
GL: 3432'

Bit Size: 12-1/4"

8-5/8" 32# J55 LTC @ 1100'
w/ 410 sx Light C (65:35:6) w/ 5 pps gilsonite, 3% salt
& 2% CaCl₂ (12.4 / 2.06) and
200 sx C w/ 2% CaCl₂ (14.8 / 1.34)
Assumed 100% WO gauge hole + 100 sx Lead

Tubb @ 3250'

Abo Shale @ 3950'

Bit Size: 7-7/8"

Abo Reef @ 4250'

KOP: 4250'
9.22° BUR

Wolfcamp @ 4850'
Land @ 4880' TVD

Wolfcamp Shale @ 5050'

Bit Size: 7-7/8"

270.27° Az
4449.8' VS

EOL @ 9055'

5-1/2" 17# P110 LTC @ 8890'

w/ 580 sx Interfill C w/ 1/8# pps Poly-E-Flake (11.9 / 2.45) and
390 sx 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))
Cement Circulated (Assumed 8.75" AHS)

TD: 9055'

MEE: 01/30/07

David H. Arrington Oil & Gas Inc.
New Mexico Nail 2H
SHL - 1880' FNL & 200' FEL
Penetration Point - 1880' FNL & 660' FEL
BHL - 1880' FNL & 660' FWL
S13, T15S, R25E
Chaves County, NM

1. Ground elevation above sea level: 3432'
2. Proposed drilling depth: 8900' TMD
3. Estimated tops of geological markers:

Tubb	3250'
Abo Shale	3950'
Abo Reef	4250'
Wolfcamp	4850'

4. Possible mineral bearing formations:

Abo/Wolfcamp	Gas/Oil
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5. Casing Program

<u>Hole size</u>	<u>Interval</u>	<u>OD of Casing</u>	<u>Weight</u>	<u>Thread</u>	<u>Grade</u>	<u>TOC</u>
12-1/4"	40' - 1100'	8-5/8"	32#	LTC	J55	Surf
7-7/8"	1100' - 9055'	5-1/2"	17#	LTC	I80	Surf

Drill 7-7/8" vertical hole to ~4250' and begin 9.22 BUR to 5063'. Change out assembly for a BUR of 6.55 and land curve @ 5293' MD (4880' TVD). Drill ahead to a total measured depth of ~ 9055'. 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	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	9055'	580	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 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

<u>Interval</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>FL</u>	<u>Type Mud System</u>
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' - 9055'	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 ~ 3,750' 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 hole to ~4250' and begin 9.22 BUR to 5063'. Change out assembly for a BUR of 6.55 and land curve @ 5293' MD (4880' TVD). Drill ahead to a total measured depth of ~ 9055'. Run 5-1/2" production string to TD and cement to surface.



Job Number: []
 Company: David H. Arrington Oil & Gas
 Lease/Well: New Mexico Nall #2H
 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\ARF
 Date/Time: 30-Jan-07 / 09:29
 Curve Name: Preliminary Plan #2

The Directional Drilling Company

WINSERVE PROPOSAL REPORT Minimum Curvature Method Vertical Section Plane 270.27 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
KOP, Build 9.22°/100'							
4250.00	.00	270.27	4250.00	.00	.00	.00	.00
4300.00	4.61	270.27	4299.95	2.01	.01	-2.01	9.22
4350.00	9.22	270.27	4349.57	8.03	.04	-8.03	9.22
4400.00	13.83	270.27	4398.55	18.02	.08	-18.02	9.22
4450.00	18.44	270.27	4446.56	31.91	.15	-31.91	9.22
4500.00	23.05	270.27	4493.31	49.62	.23	-49.62	9.22
4550.00	27.67	270.27	4538.48	71.03	.33	-71.03	9.22
4600.00	32.28	270.27	4581.78	96.00	.45	-96.00	9.22
4650.00	36.89	270.27	4622.93	124.37	.59	-124.37	9.22
4700.00	41.50	270.27	4661.68	155.96	.73	-155.96	9.22
4750.00	46.11	270.27	4697.75	190.56	.90	-190.56	9.22
4800.00	50.72	270.27	4730.93	227.95	1.07	-227.95	9.22
4850.00	55.33	270.27	4760.99	267.89	1.26	-267.88	9.22
4900.00	59.94	270.27	4787.75	310.11	1.46	-310.10	9.22
4950.00	64.55	270.27	4811.03	354.34	1.67	-354.34	9.22
5000.00	69.16	270.27	4830.67	400.31	1.89	-400.30	9.22
5050.00	73.77	270.27	4846.56	447.70	2.11	-447.70	9.22
Top Wolfcamp, Cross Hardline, Begin 6.55°/100' Build							
5062.77	74.95	270.27	4850.00	460.00	2.17	-459.99	9.22
5162.77	81.50	270.27	4870.39	557.84	2.63	-557.83	6.55
5262.77	88.05	270.27	4879.49	657.37	3.10	-657.36	6.55
End of Curve							
5292.54	90.00	270.27	4880.00	687.14	3.24	-687.13	6.55

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
5492.54	90.00	270.27	4880.00	887.14	4.18	-887.13	.00
5692.54	90.00	270.27	4880.00	1087.14	5.12	-1087.13	.00
5892.54	90.00	270.27	4880.00	1287.14	6.07	-1287.13	.00
6092.54	90.00	270.27	4880.00	1487.14	7.01	-1487.12	.00
6292.54	90.00	270.27	4880.00	1687.14	7.95	-1687.12	.00
6492.54	90.00	270.27	4880.00	1887.14	8.89	-1887.12	.00
6692.54	90.00	270.27	4880.00	2087.14	9.84	-2087.12	.00
6892.54	90.00	270.27	4880.00	2287.14	10.78	-2287.11	.00
7092.54	90.00	270.27	4880.00	2487.14	11.72	-2487.11	.00
7292.54	90.00	270.27	4880.00	2687.14	12.66	-2687.11	.00
7492.54	90.00	270.27	4880.00	2887.14	13.61	-2887.11	.00
7692.54	90.00	270.27	4880.00	3087.14	14.55	-3087.11	.00
7892.54	90.00	270.27	4880.00	3287.14	15.49	-3287.10	.00
8092.54	90.00	270.27	4880.00	3487.14	16.43	-3487.10	.00
8292.54	90.00	270.27	4880.00	3687.14	17.38	-3687.10	.00
8492.54	90.00	270.27	4880.00	3887.14	18.32	-3887.10	.00
8692.54	90.00	270.27	4880.00	4087.14	19.26	-4087.09	.00
8892.54	90.00	270.27	4880.00	4287.14	20.20	-4287.09	.00
Proposed BHL							
9055.20	90.00	270.27	4880.00	4449.80	20.97	-4449.75	.00

Company: David H. Arrington Oil & Gas
Lease/Well: New Mexico Nail #2H
Location: Chaves County
State/Country: New Mexico

