

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505



OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.	30-005-63813
5. Indicate Type of Lease	STATE ☐ FEE ☒
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	New Mexico Nail
8. Well Number	2H
9. OGRID Number	5898
10. Pool name or Wildcat	Wildcat; Wolfcamp Gas

Month - Year
MAR - 5 2007
OCD - ARTESIA, NM

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other ☐

2. Name of Operator
DAVID H. ARRINGTON OIL & GAS INC

3. Address of Operator
PO BOX 2071
MIDLAND, TX 79702

4. Well Location
Unit Letter H : 1880' feet from the North line and 200' feet from the East line
Section 13 Township 15S Range 25E NMPM County Chaves

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3432' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Change Location ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Due to Geological reasons, plan to change from S/N lateral to E/W lateral.

New surface location will be 1880' FNL & 200' FEL - new lateral terminus 1880' FNL & 660' FWL of sec 13.

Enclosed are an amended C102 and associated maps, proposed wellbore diagram, drilling plan and proposed directional plan.

Existing permit will expire 3/20/07, we respectfully request and extension until 3/20/08.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Debbie Freeman TITLE ENGINEER TECH DATE 03/01/2007

Type or print name DEBBIE FREEMAN

E-mail address: DEBBIE@ARRINGTONOIL.COM Phone No. (432)682-6685

For State Use Only **BRYAN G. ARRANT**
DISTRICT II GEOLOGIST

MAR 05 2007

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

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

State of New Mexico

Energy, Minerals, and Natural Resources Department

Form C-10:

Revised 12, 2

Submit to Appropriate District

State of New Mexico

Fee Base 3 c

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

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

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

DISTRICT IV
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Month - Year

MAR - 5 2007

OCD - ARTESIA, NM

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-63813	² Pool Code 97489	³ Pool Name Wildcat, Wolfcamp Gas
⁴ Property Code 35466	⁵ Property Name NEW MEXICO NAIL	⁶ Well Number 2H
⁷ OGRID 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'	EAST	CHAVES

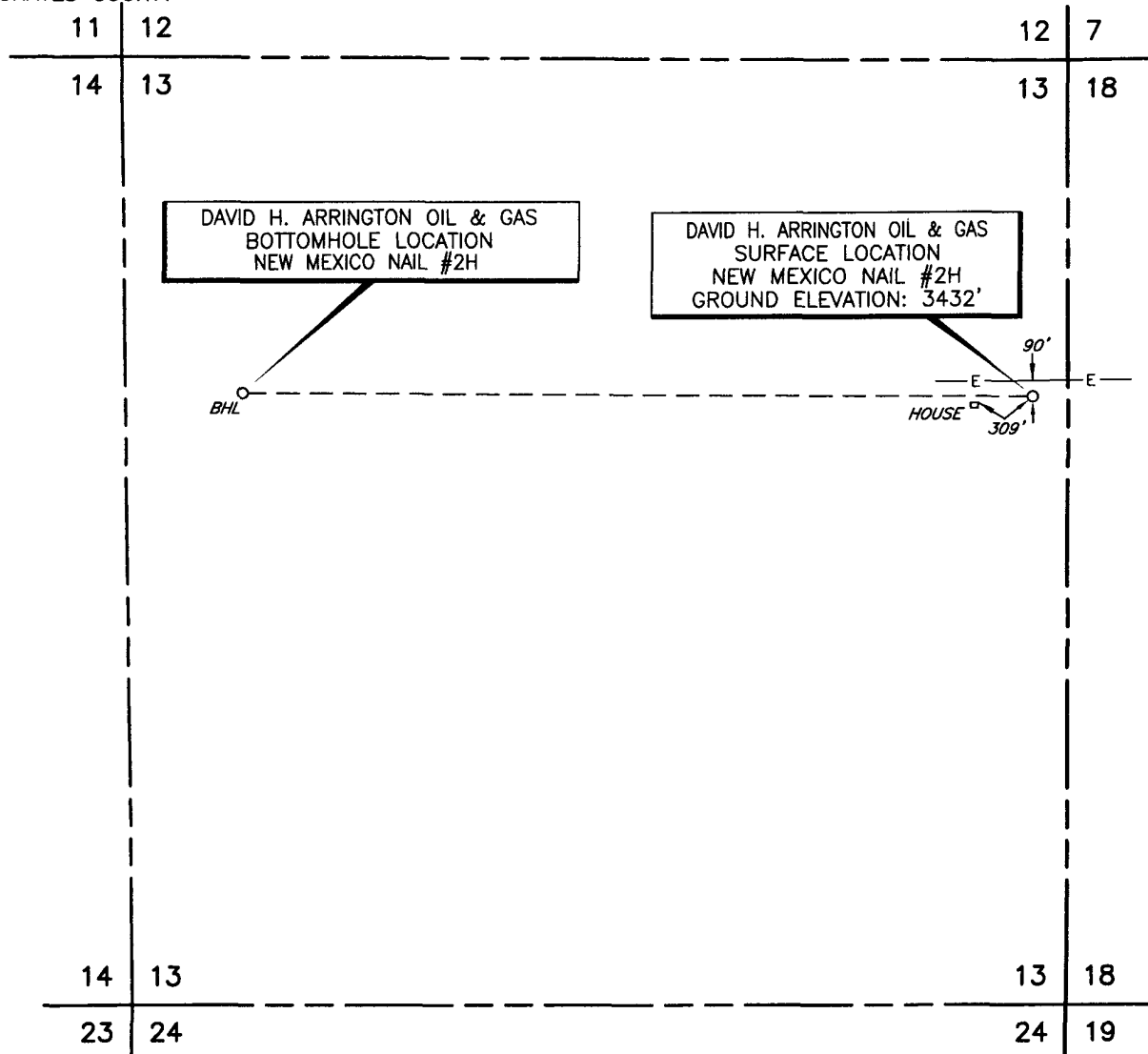
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	13	15 SOUTH	25 EAST, N.M.P.M.		1880'	NORTH	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 NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶	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. <i>Debbie Freeman</i> 3/1/07 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 a survey made by me or under my supervision, and that the same is true and correct to the best of my belief. DECEMBER 27, 2006 Date of Survey Signature and Seal of Professional Surveyor <i>V. L. Bezner</i> Certificate Number V. L. BEZNER R.P.S. #7920 JOB #119733 / 125 SW / E.U.O.
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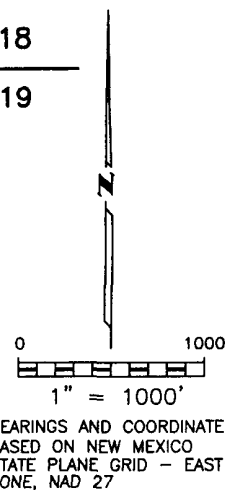
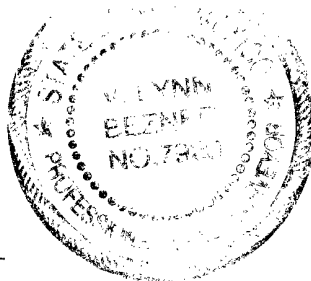
SECTION 13, TOWNSHIP 15 SOUTH, RANGE 25 EAST, N.M.P.M.,
CHAVES COUNTY NEW MEXICO



DATE OF FIELD WORK: DECEMBER 27, 2006

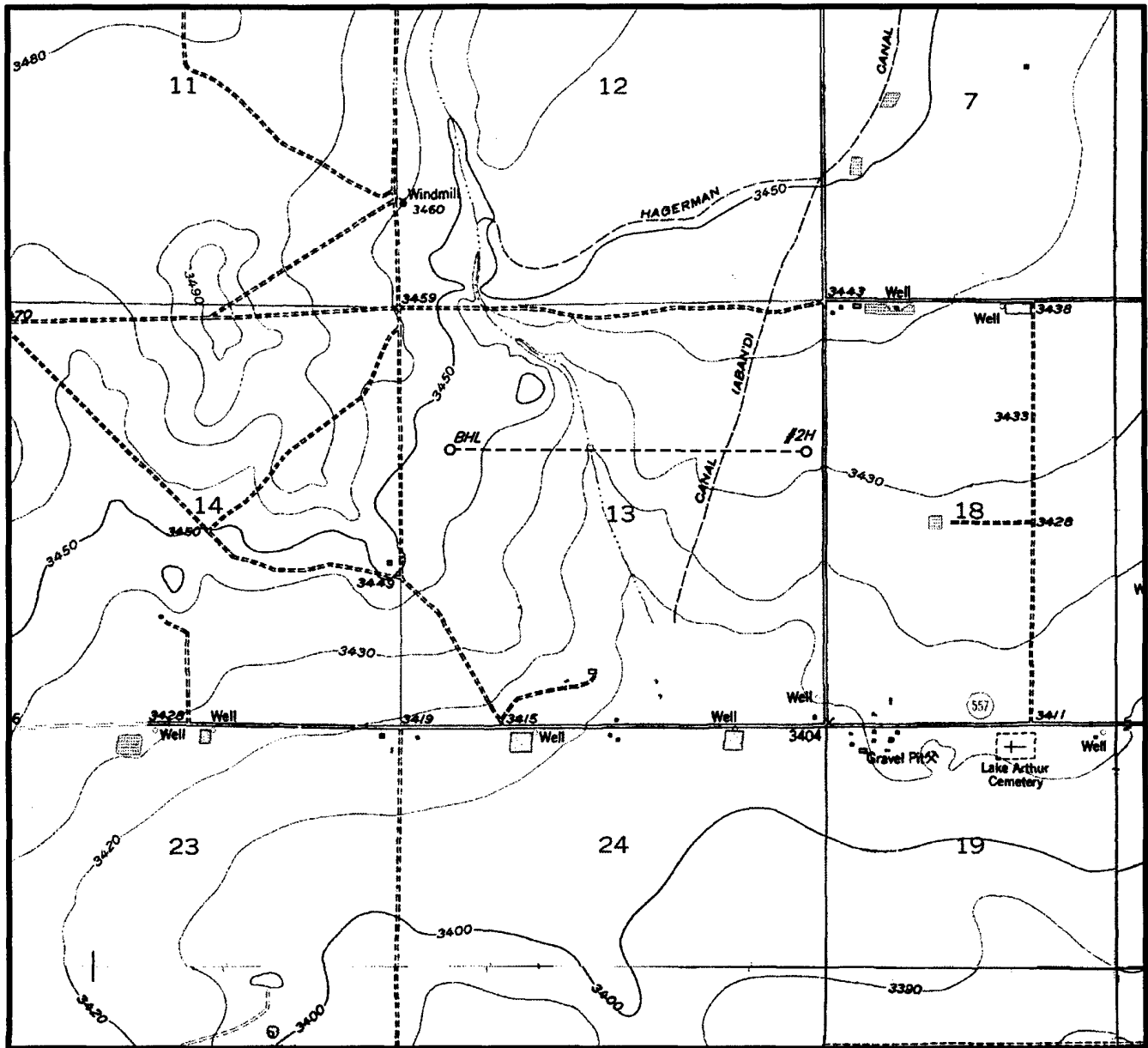
I, V. L. BEZNER, A PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO AND AUTHORIZED AGENT OF TOPOGRAPHIC LAND SURVEYORS, HEREBY CERTIFY THIS PLAT TO BE A TRUE REPRESENTATION OF A SURVEY PERFORMED IN THE FIELD UNDER MY SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT 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 1-10-07
V. L. BEZNER, P.S. NO. 7920



				DAVID H. ARRINGTON OIL & GAS, INC.	SCALE: 1" = 1000'
					DATE: DECEMBER 27, 2006
NO.	REVISION	DATE	BY		JOB NO.: 119733-2
SURVEYED BY: A.M.					QUAD NO.: 125 SW
DRAWN BY: E.U.O.					
APPROVED BY: V.L.B.					
				TOPOGRAPHIC LAND SURVEYORS	SHEET : 1 OF 1
				MIDLAND, TEXAS	

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

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



TOPOGRAPHIC		Topographic Land Surveyors	
Surveying • Mapping • GIS • GPS		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'

270.27° Az
4449.8' VS
EOL @ 9055'

Bit Size: 7-7/8"

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

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' - 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

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	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

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' - 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: 1
 Company: David H. Arrington Oil & Gas
 Lease/Well: New Mexico Nall #2H
 Location: Chaves County
 Rig Name: 1
 RKB: 1
 G.L. or M.S.L.: 1

State/Country: New Mexico
 Declination: 1
 Grid: 1
 File name: C:\DOCUME~1\RIKMA~1\MYDOCU~1\PROPOS~1\AF
 Date/Time: 30-Jan-07 / 09:29
 Curve Name: Preliminary Plan #2

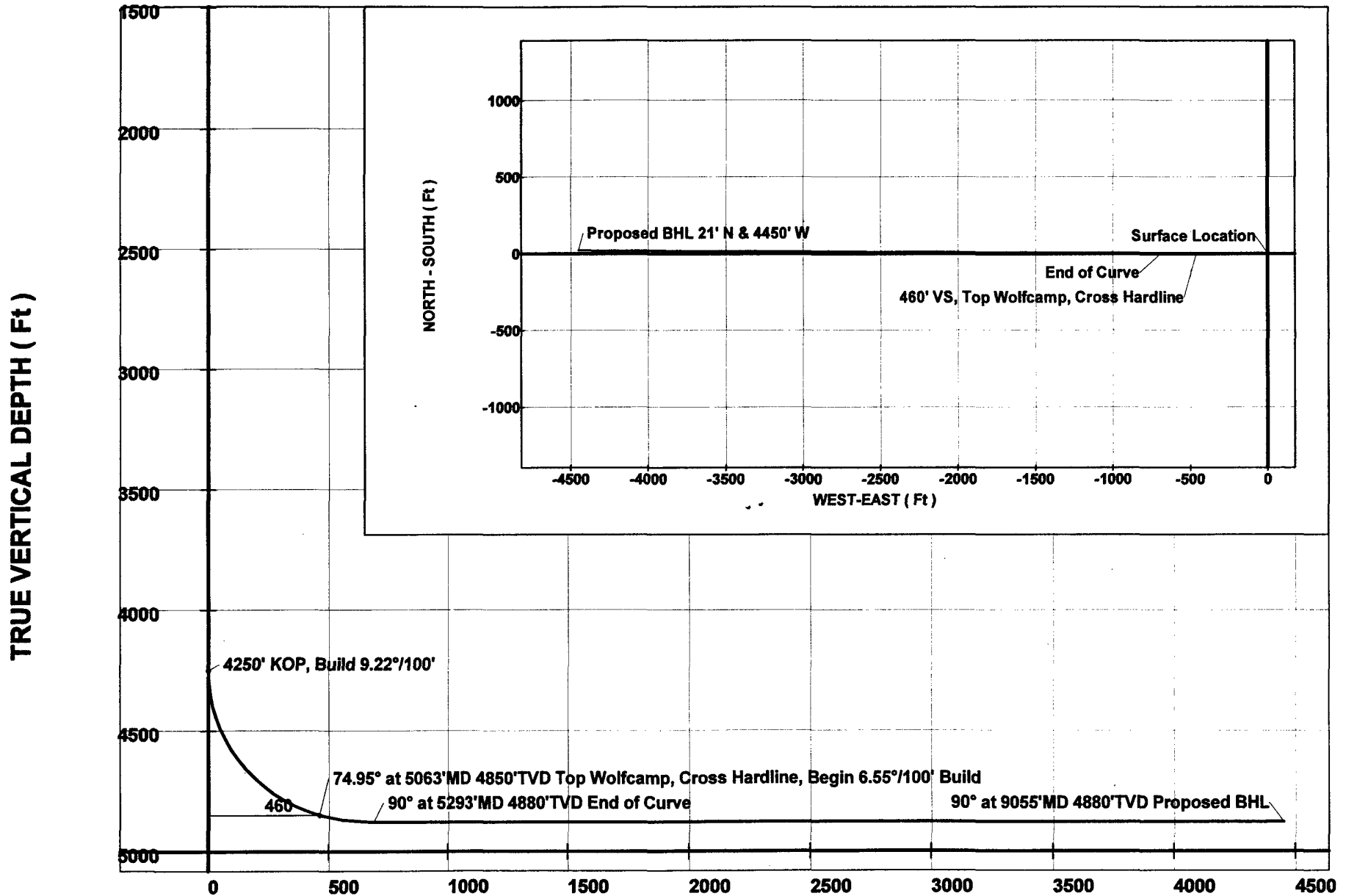
The Directional Drilling Company

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



VERTICAL SECTION (Ft) @ 270.27°