

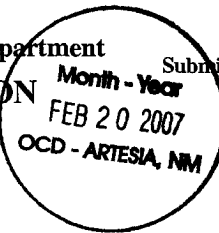
DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

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  
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

|                                         |                                                                  |                                                 |
|-----------------------------------------|------------------------------------------------------------------|-------------------------------------------------|
| <sup>1</sup> API Number<br>30-005-63899 | <sup>2</sup> Pool Code<br>97489                                  | <sup>3</sup> Pool Name<br>Wildcat, Wolfcamp Gas |
| <sup>4</sup> Property Code<br>36330     | <sup>5</sup> Property Name<br>HORNBURG STATE COM                 | <sup>6</sup> Well Number<br>1H                  |
| <sup>7</sup> OGRID No.<br>07898         | <sup>8</sup> Operator Name<br>DAVID H. ARRINGTON OIL & GAS, INC. | <sup>9</sup> Elevation<br>3547'                 |

#### <sup>10</sup> 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             | 24      | 15 SOUTH | 24 EAST, N.M.P.M. |         | 760'          | NORTH            | 800'          | EAST           | CHAVES |

#### <sup>11</sup> Bottom Hole Location If Different From Surface

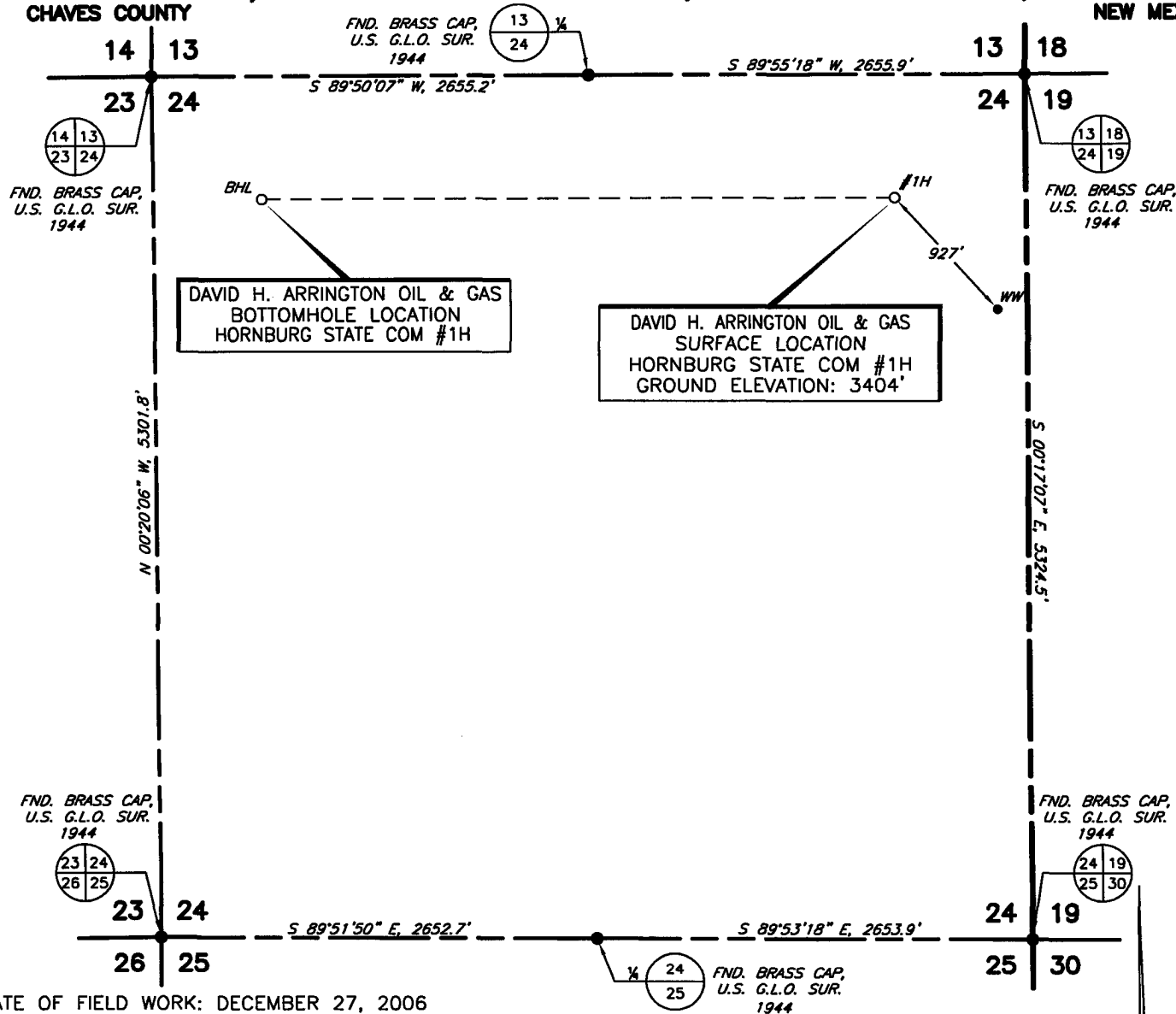
| UL or lot no. | Section | Township | Range             | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| D             | 24      | 15 SOUTH | 24 EAST, N.M.P.M. |         | 760'          | NORTH            | 660'          | WEST           | CHAVES |

|                                      |                               |                                  |                         |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>320 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> 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>BOTTOMHOLE LOCATION<br/>X = 447196<br/>Y = 729629<br/>LAT.: N 33.0056990<br/>LONG.: W 104.5055785</p> <p>NAD 27 NME ZONE<br/>X = 451046<br/>Y = 729637<br/>LAT.: N 33.0057358<br/>LONG.: W 104.4930211</p> <p>BOTTOMHOLE INFORMATION PROVIDED<br/>BY DAVID H. ARRINGTON OIL &amp; GAS</p> | <h4><sup>17</sup> OPERATOR CERTIFICATION</h4> <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> 2/15/07<br/>Signature Date<br/>Debbie Freeman<br/>Printed Name</p> <hr/> <h4><sup>18</sup> SURVEYOR CERTIFICATION</h4> <p>I hereby certify that the location shown on this plat was plotted from the best of actual survey 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<br/>Date of Survey<br/>Signature and Seal of Professional Surveyor<br/><i>V.L. Bezner</i><br/>Certificate Number<br/>V.L. BEZNER R.P.S. #7920<br/>JOB # 119729 / 125 SW / E.U.O.</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# SECTION 24, TOWNSHIP 15 SOUTH, RANGE 24 EAST, N.M.P.M., CHAVES COUNTY NEW MEXICO



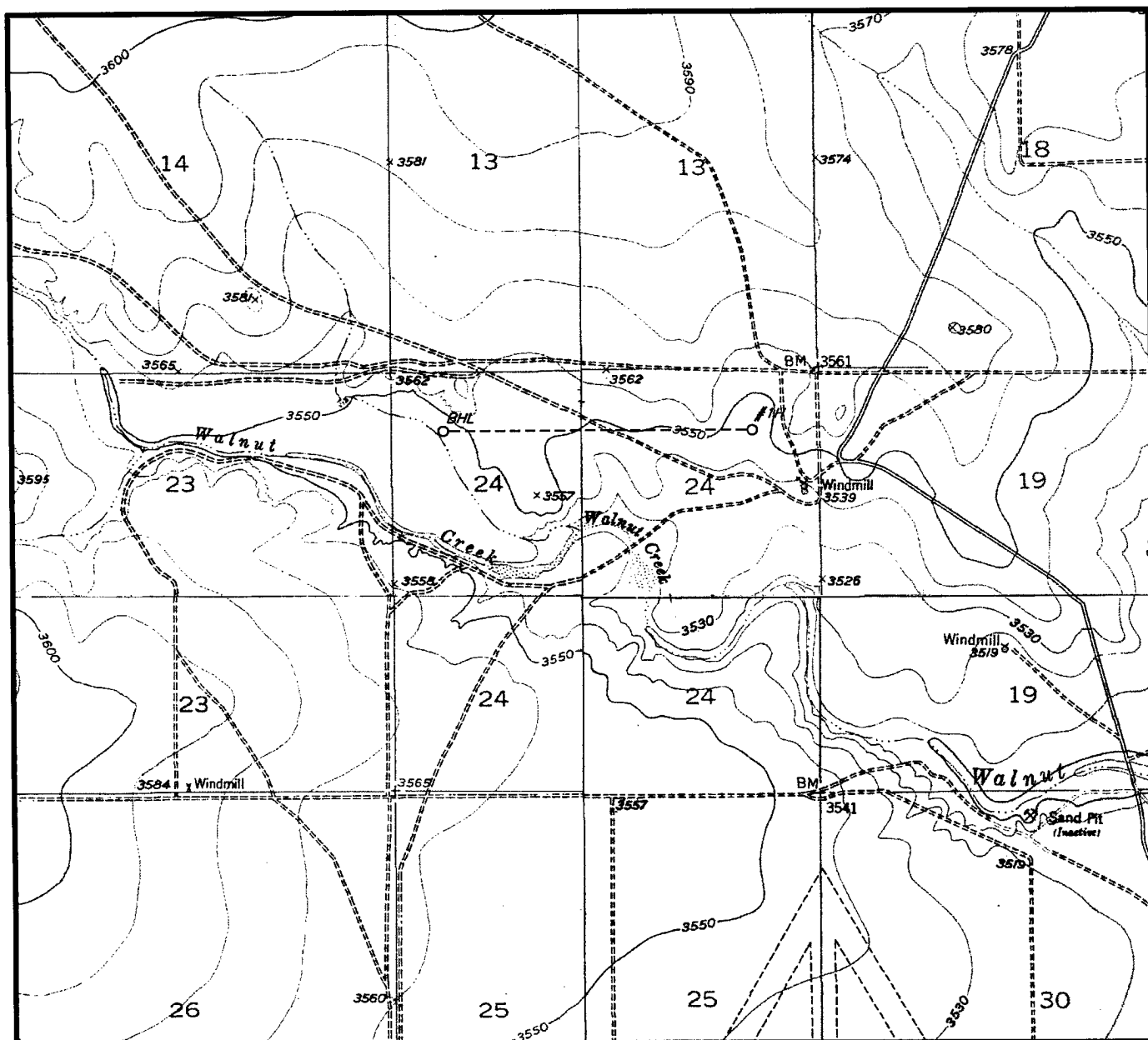
DATE OF FIELD WORK: DECEMBER 27, 2006

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, P.S. NO. 7920

|              |          |        |    |                                                                          |                         |
|--------------|----------|--------|----|--------------------------------------------------------------------------|-------------------------|
|              |          |        |    | DAVID H. ARRINGTON OIL & GAS, INC.                                       | SCALE: 1" = 1000'       |
|              |          |        |    |                                                                          | DATE: DECEMBER 27, 2006 |
| NO.          | REVISION | DATE   | BY |                                                                          | JOB NO.: 119729-2       |
| SURVEYED BY: |          | A.M.   |    | SURVEYING AND MAPPING BY<br>TOPOGRAPHIC LAND SURVEYORS<br>MIDLAND, TEXAS | QUAD NO.: 125 SW        |
| DRAWN BY:    |          | E.U.O. |    |                                                                          |                         |
| APPROVED BY: |          | V.L.B. |    |                                                                          | SHEET : 1 OF 1          |

# LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 24 TWP 15-S RGE 24-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY CHAVES STATE NM

DESCRIPTION 760' FNL & 800' FEL

ELEVATION 3547'

OPERATOR DAVID H. ARRINGTON OIL & GAS

LEASE HORNBURG STATE COM #1H

U.S.G.S. TOPOGRAPHIC MAP  
ESPUELA, NEW MEXICO

SCALED LAT. LAT.: N 33.0057358

LONG. LONG.: W 104.4930211



## TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

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

This is a detailed topographic map of the region around Artesia, New Mexico. The map shows the border between Eddy County and Grant County. Key features include:

- Geographical Features:** Cottonwood Creek, Walnut Creek, and the Pecos River are shown. The map also depicts various ranches, windmills, and a water tank.
- Settlements and Landmarks:** Artesia is marked with a star and labeled 'Artesia 3548'. Other locations include Hagerman, Lake Arthur, and several smaller ranches and windmills.
- Infrastructure:** The map shows a network of roads, including Highway 285 and Highway 31. A railroad line is also visible, running through the area.
- Grid System:** The map is overlaid with a grid showing townships (R 23 N, R 24 N, R 25 N, R 26 N) and ranges (R 23 E, R 24 E, R 25 E, R 26 E, R 27 E).
- Topography:** Contour lines are used to represent elevation, with labels such as 3500, 3600, and 3700 feet.

LOCATION.



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 24, T-15-S, R-24-E  
Scale: 1" = 1000'  
USGS Quad: ESPUELA, NEW MEXICO

David H. Arrington Oil & Gas Inc.  
Hornburg State Com 1H  
SHL - 760' FNL & 800' FEL  
BHL - 760' FNL & 660' FWL  
S24, T15S, R24E  
Chaves County, NM

1. Ground elevation above sea level: 3547'
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

| <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' - 8340'   | 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 ~ 8340'. 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 <sub>2</sub> (12.4 / 2.06) |
|                |              | 200        | Tail:         | C w/ 2% CaCl <sub>2</sub> (14.8 / 1.34)                                            |

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

|                   |       |     |       |                                                                                                                          |
|-------------------|-------|-----|-------|--------------------------------------------------------------------------------------------------------------------------|
| 5-1/2" Production | 8340' | 560 | Lead: | Interfill C w/ 1/8# pps Poly-E-Flake (11.9 / 2.45)                                                                       |
|                   |       | 340 | 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 3<sup>rd</sup> party testers.

## 8. Proposed Mud Circulating System

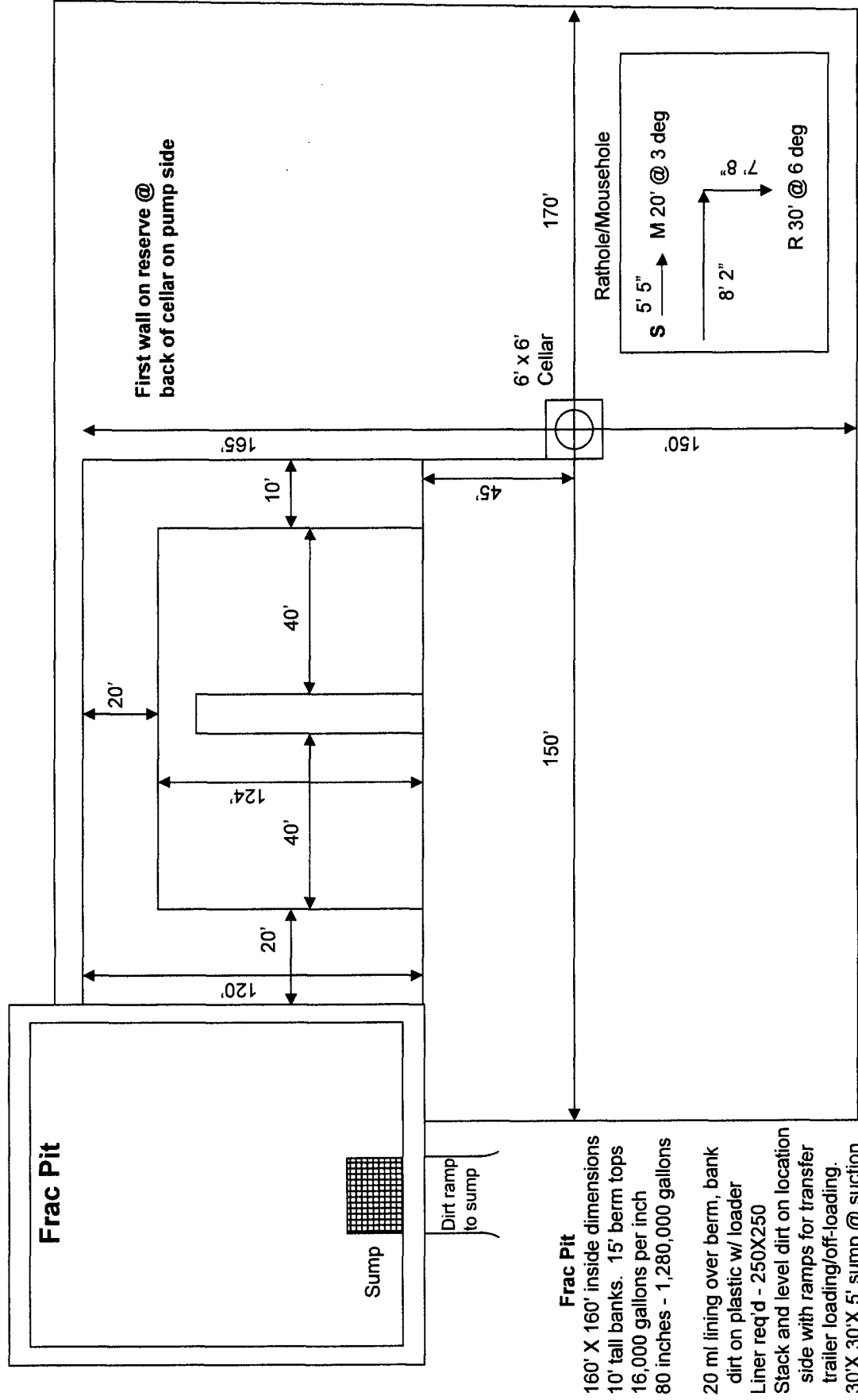
| Interval      | Mud Wt.   | Visc.   | FL    | Type Mud System                                                                                                                                                                                                                                                                                 |
|---------------|-----------|---------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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' - 8340' | 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 ~ 8340'. Run 5-1/2" production string to TD and cement to surface.

# Patterson Rig 624 Location Layout w/ Frac Pit



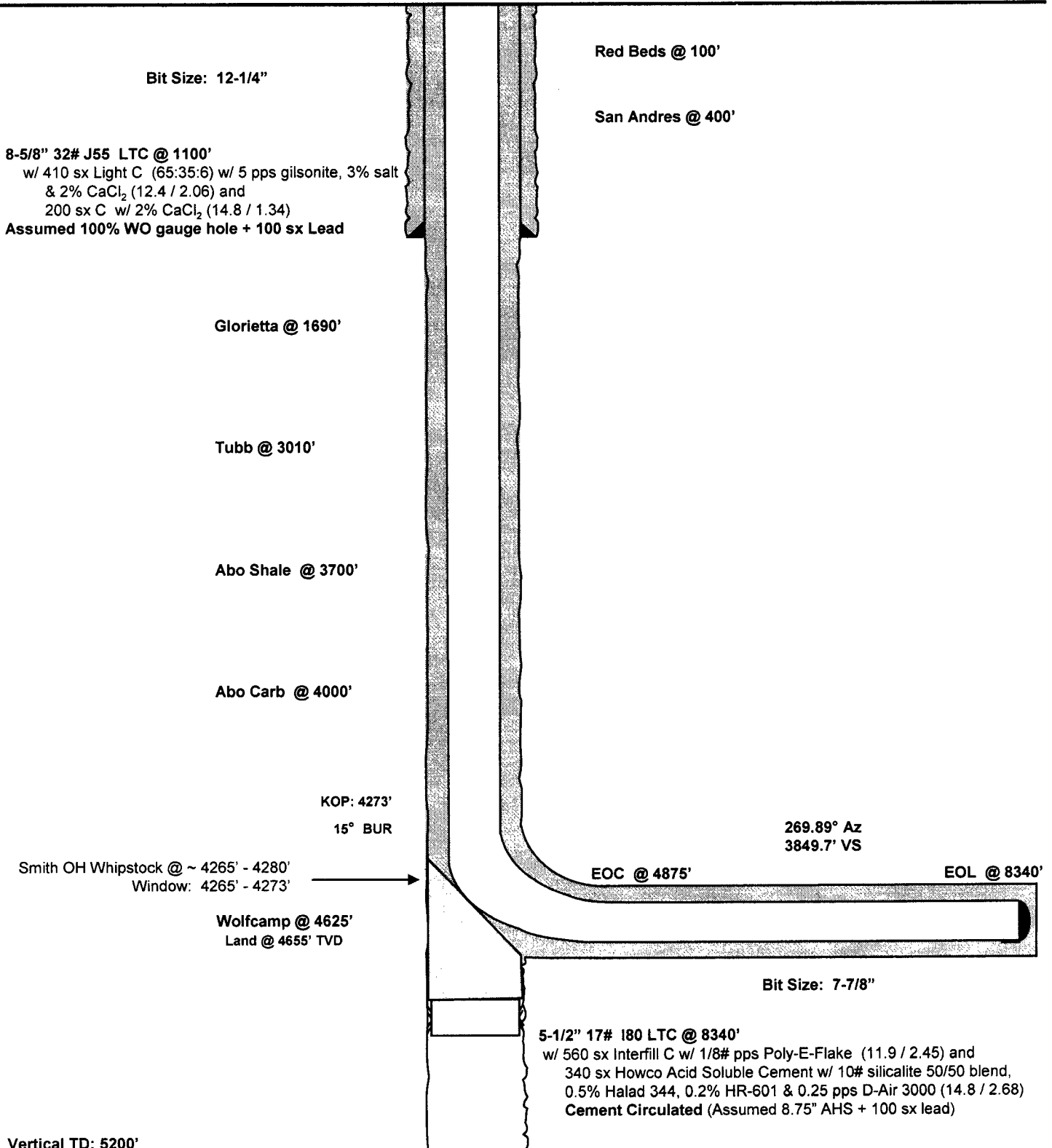
|                                          |  |                                      |  |                    |  |               |  |                     |  |             |  |
|------------------------------------------|--|--------------------------------------|--|--------------------|--|---------------|--|---------------------|--|-------------|--|
| OPERATOR:                                |  | David H. Arrington Oil & Gas         |  |                    |  | Chaves County |  | TARGET N-S          |  | Directional |  |
| WELL:                                    |  | Hornburg State Com 1H                |  |                    |  |               |  | TARGET E-W          |  |             |  |
| LOCATION: SURF                           |  | 760' FNL & 800' FEL, S24, T15S, R24E |  |                    |  |               |  | TARGET RADIUS       |  |             |  |
| LOCATION: BHL                            |  | 760' FNL & 660' FWL, S24, T15S, R24E |  |                    |  |               |  | TARGET DISPLACEMENT |  |             |  |
|                                          |  | COMMENTS:                            |  |                    |  |               |  | TARGET CLOSURE      |  |             |  |
| Preliminary Directional Plan             |  |                                      |  |                    |  |               |  | TARGET TVD          |  | Horizontal  |  |
|                                          |  |                                      |  |                    |  |               |  | DIP AZ              |  |             |  |
|                                          |  |                                      |  |                    |  |               |  | DIP DEG UP+DN-      |  |             |  |
|                                          |  |                                      |  |                    |  |               |  | TARGET INCLINATION  |  |             |  |
|                                          |  | DATE:                                |  |                    |  | TIME:         |  | ▼                   |  |             |  |
| MINIMUM CURVATURE CALCULATIONS(SPE-3362) |  |                                      |  |                    |  |               |  |                     |  |             |  |
|                                          |  |                                      |  | PROPOSED DIRECTION |  | 269.89        |  | TARGET TRACKING     |  |             |  |
|                                          |  |                                      |  |                    |  |               |  | TO CENTER           |  |             |  |
| SVY                                      |  | TRUE                                 |  | E-W                |  | DLS/100       |  | ABOVE(+)            |  | RIGHT(+)    |  |
| NUM                                      |  | MD INC                               |  | TVD SECT           |  | N-S           |  | BELOW(-)            |  | LEFT(-)     |  |
| 1                                        |  | 0.00 0.00                            |  | 269.89 0.0         |  | 0.0           |  | 0.0                 |  |             |  |
| KOP                                      |  | 4273.00 0.00                         |  | 269.89 4273.0      |  | 0.0           |  | 0.0                 |  | 382.0       |  |
| 3                                        |  | 4373.00 15.00                        |  | 269.89 4371.9      |  | 13.0          |  | 0.0                 |  | 283.1       |  |
| 4                                        |  | 4473.00 30.00                        |  | 269.89 4464.0      |  | 51.2          |  | 0.0                 |  | 191.0       |  |
| 5                                        |  | 4573.00 45.00                        |  | 269.89 4543.1      |  | 111.9         |  | 0.0                 |  | 111.9       |  |
| 6                                        |  | 4673.00 60.00                        |  | 269.89 4603.8      |  | 191.0         |  | 0.0                 |  | 51.2        |  |
| 7                                        |  | 4773.00 75.00                        |  | 269.89 4642.0      |  | 283.1         |  | 0.0                 |  | 13.0        |  |
| 8                                        |  | 4873.00 90.00                        |  | 269.89 4655.0      |  | 382.0         |  | 0.0                 |  | 0.0         |  |
| 9                                        |  | 5373.00 90.00                        |  | 269.89 4655.0      |  | 882.0         |  | 0.0                 |  | 0.0         |  |
| 10                                       |  | 5873.00 90.00                        |  | 269.89 4655.0      |  | 1382.0        |  | 0.0                 |  | 0.0         |  |
| 11                                       |  | 6373.00 90.00                        |  | 269.89 4655.0      |  | 1882.0        |  | 0.0                 |  | 0.0         |  |
| 12                                       |  | 6873.00 90.00                        |  | 269.89 4655.0      |  | 2382.0        |  | 0.0                 |  | 0.0         |  |
| 13                                       |  | 7373.00 90.00                        |  | 269.89 4655.0      |  | 2882.0        |  | 0.0                 |  | 0.0         |  |
| 14                                       |  | 7873.00 90.00                        |  | 269.89 4655.0      |  | 3382.0        |  | 0.0                 |  | 0.0         |  |
| BHL                                      |  | 8340.74 90.00                        |  | 269.89 4655.0      |  | 3849.7        |  | 0.0                 |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  |                    |  |               |  |                     |  | 0.0         |  |
|                                          |  |                                      |  | </                 |  |               |  |                     |  |             |  |

Hornburg State Com 1H  
Cottonwood Creek Field  
Chaves County, New Mexico

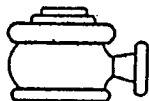
|                |                         |
|----------------|-------------------------|
| <u>Surface</u> | <u>Lateral Terminus</u> |
| 760' FNL       | 760' FNL                |
| 800' FEL       | 660' FWL                |
| S-24           |                         |
| T15S, R24E     |                         |

Proposed Wellbore

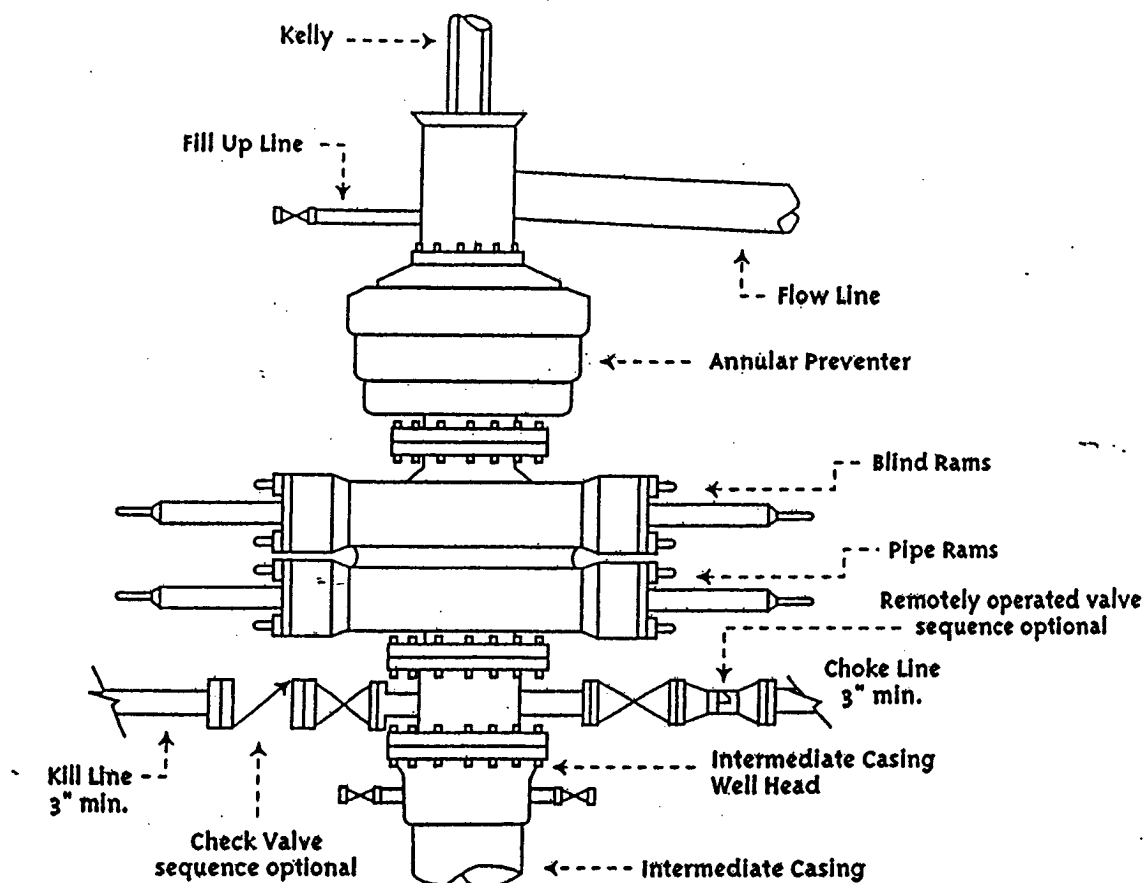
KB: 3566'  
GL: 3547'



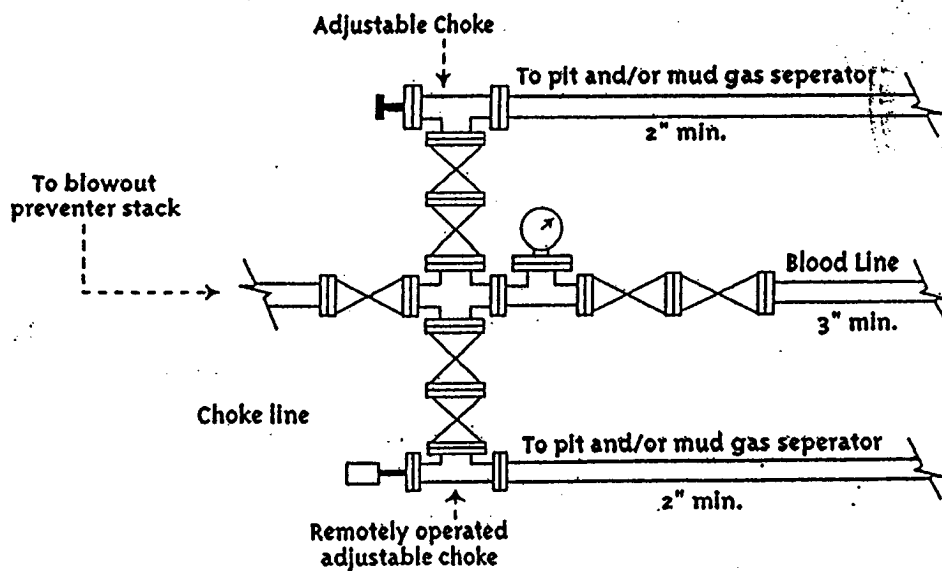
MEE: 02/09/07



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

February 15, 2007

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

RE: David H. Arrington Oil & Gas, Inc., **Hornburg State Com #1H**; Cottonwood Creek; Wolfcamp, UL A, Sec 24, T15S, R24E, 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 5200', the TMD is 8340' for this proposed horizontal well.

Thank you,

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

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

---

## 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 (H<sub>2</sub>S);
- The proper use and maintenance of personal protective equipment and life support systems;
- The proper use of H<sub>2</sub>S 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 H<sub>2</sub>S 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 H<sub>2</sub>S Drilling Operations Plan.

There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500') and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S 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 - H<sub>2</sub>S Safety Equipment and Systems:

**NOTE:** All H<sub>2</sub>S 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, H<sub>2</sub>S.

### 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.