Form 3160-5
(April2004)

UNITEDSTATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORMAPPROVED
OM B No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160 - 3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - *Other instructions on reverse side.*

5. Lease Serial No.
NMNM 100528

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

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

8. Well Name and No.
Brown Steelie Stone Fed Com #1H

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

9. API Well No.
30-015-34914

3a. Address
PO BOX 2071 MIDLAND TX 79702

3b. Phone No. *(include area code)*
(432)682-6685

10. Field and Pool, or Exploratory Area
Wildcat; Wolfcamp

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & 690' FEL of sec 27, 17S, 23E

11. County or Parish, State
Eddy
NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change BHL
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Due to Geological reasons, plan to move bottom hole location from N-S lateral (660' FNL & 760' FEL) to E-W lateral (760' FSL & 660' FWL).
Enclosed are an amended C102, maps, drilling plan and proposed directional survey.
Existing permit expires June 2, 2007, we respectfully request and extension for one year from date.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL
(ORIG. SGD.) FREDERICK WRIGHT

5/14/07 Engr OK

APPROVED FOR 24 MONTH PERIOD
ENDING 6-2-2009

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
DEBBIE FREEMAN

Title ENGINEER TECH

Signature

Date 05/08/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ Don Peterson ACTING FIELD MANAGER

Title

Date MAY 21 2007

Conditions of approval, if any, are attached. Approval of this notice 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.

Office CARLSBAD FIELD OFFICE

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)

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 August 15, 2000
Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-015-34914	96542	Wildcat; Wolfcamp

[4] Property Code	[5] Property Name	[6] Well Number
35780	BROWN STEELIE STONE FED COM	1H

[7] OGRID No.	[8] Operator Name	[9] Elevation
5898	DAVID H. ARRINGTON OIL & GAS, Inc.	3962'

[10] Surface Location

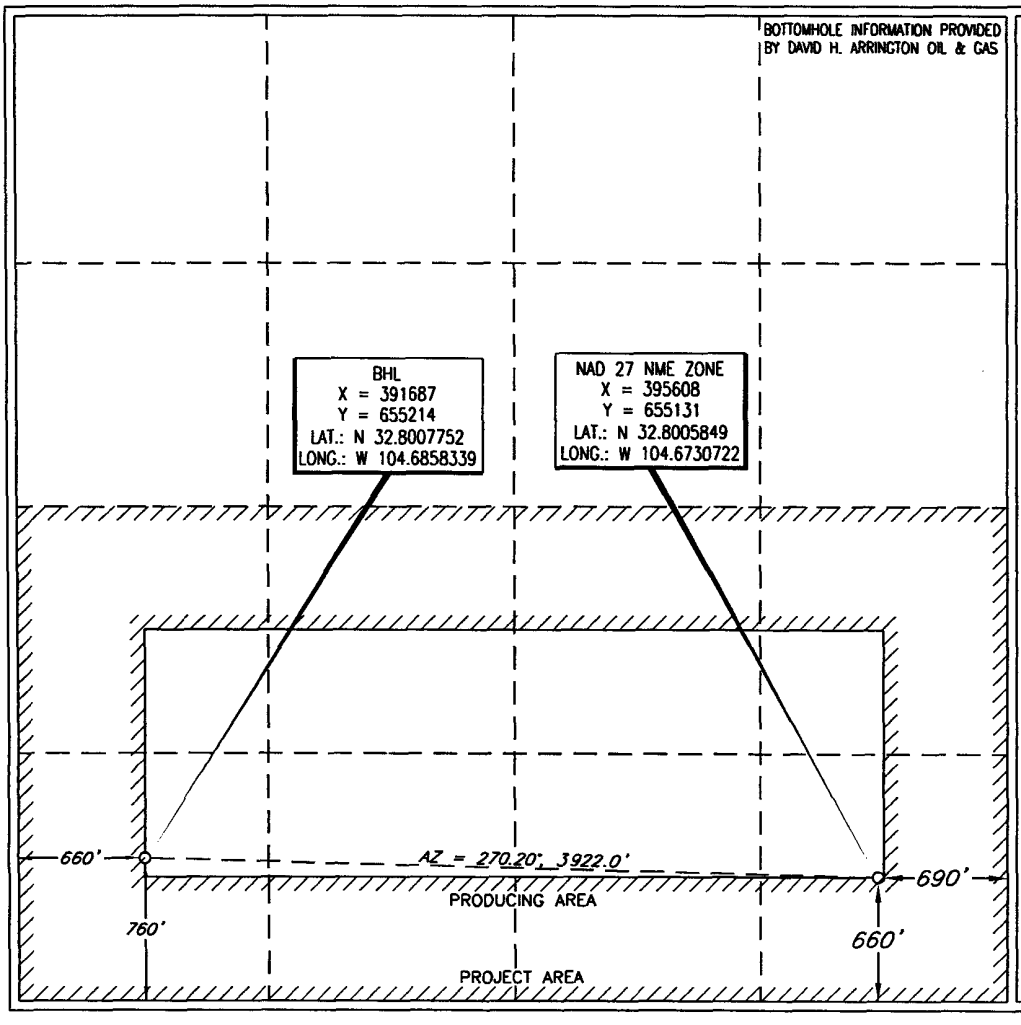
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	27	17 SOUTH	23 EAST, N.M.P.M.		660'	SOUTH	690'	EAST	EDDY

[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	27	17 SOUTH	23 EAST, N.M.P.M.		760'	SOUTH	660'	WEST	EDDY

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

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Debbie Freeman
Printed Name

Eng. Tech
Title

5/8/07
Date

[18] SURVEYOR CERTIFICATION

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

7920

FEBRUARY 2, 2006
Date of Survey

Signature and Seal of Professional Surveyor

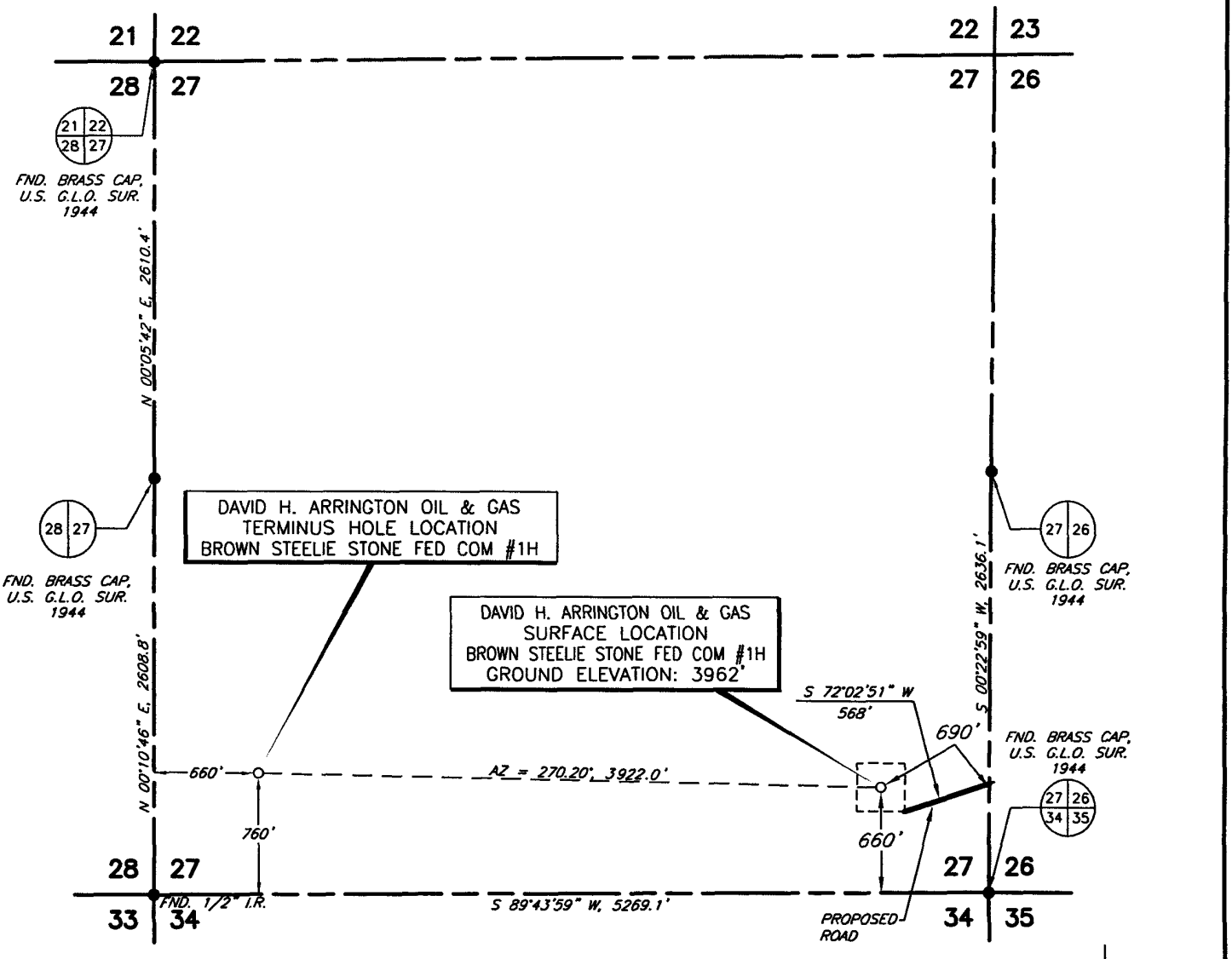
Certificate Number

V. L. BEZNER R.P.S. #7920

JOB # 110360 / 101 SW / E.U.O.

SECTION 27, TOWNSHIP 17 SOUTH, RANGE 23 EAST, N.M.P.M.

EDDY COUNTY **NEW MEXICO**



DATE OF FIELD WORK: FEBRUARY 2, 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. LYNN BEZNER NEW MEXICO 7920 LICENSED LAND SURVEYOR

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

N

0 1000

1" = 1000'

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

NO.	REVISION	DATE	BY

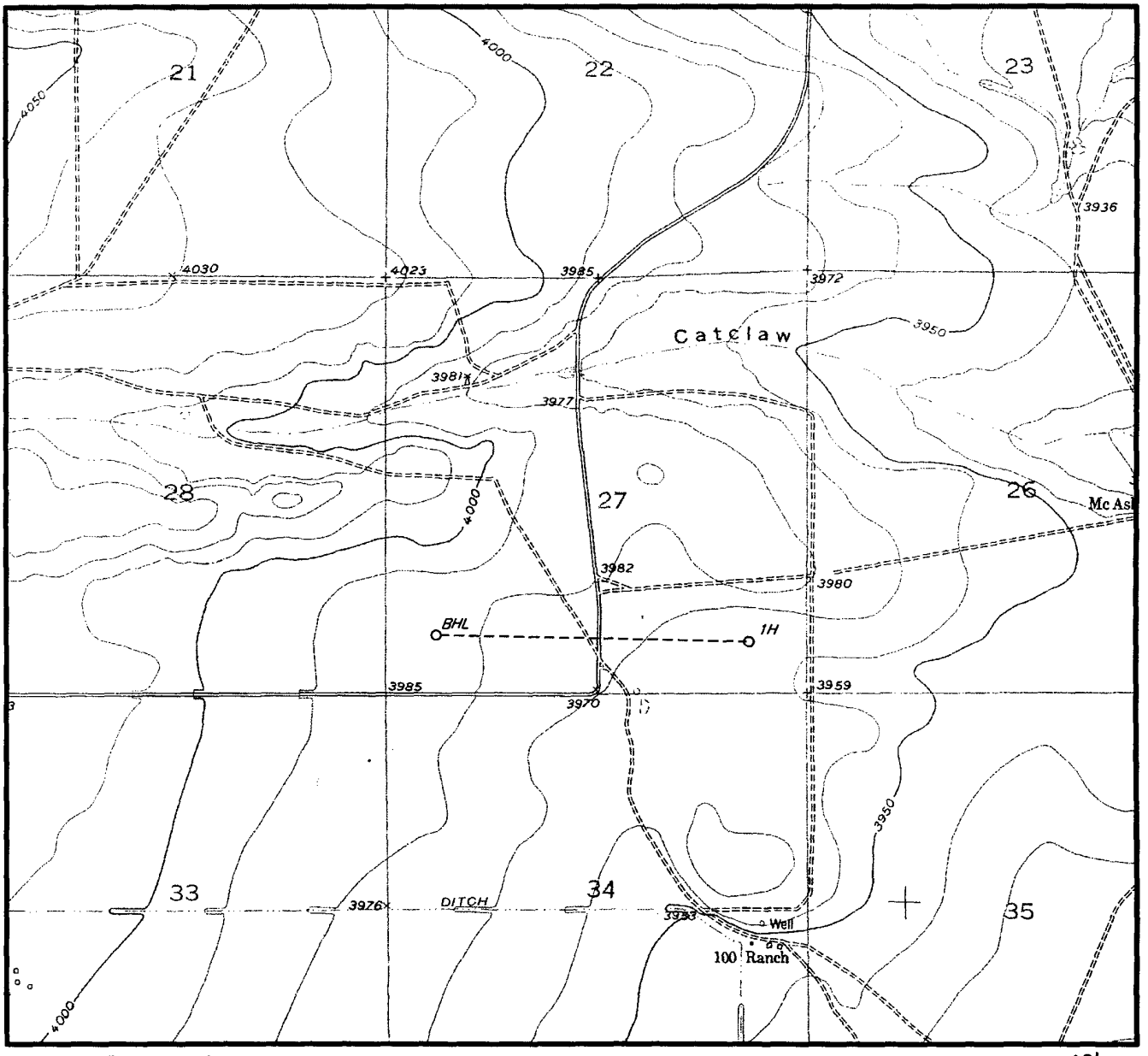
SURVEYED BY: H.V.
DRAWN BY: E.U.O.
APPROVED BY: V.L.B.

DAVID H. ARRINGTON OIL & GAS, INC.

SURVEYING AND MAPPING BY
TOPOGRAPHIC LAND SURVEYORS
MIDLAND, TEXAS

SCALE: 1" = 1000'
DATE: FEBRUARY 2, 2006
JOB NO.: 110360-F2
QUAD NO.: 101 SE
SHEET : 2 OF 2

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 27 TWP 17-S RGE 23-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 660' FSL & 690' FEL

ELEVATION 3962'

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

LEASE BROWN STEELIE STONE FED COM #1H

U.S.G.S. TOPOGRAPHIC MAP

HOPE, NEW MEXICO

SCALED LAT. LAT.: N 32.8005849

LONG. LONG.: W 104.6730722

-N-

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

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

TOPOGRAPHIC
SURVEYING • MAPPING • GIS • GPS

Topographic Land Surveyors
2903 N. Big Spring
Midland, Texas 79705
(432) 682-1653 (800) 767-1653

Company:	DAVID H. ARRINGTON OIL & GAS
County:	EDDY COUNTY, NEW MEXICO
Area:	SECTION 27, T-17-S, R-23-E
Scale:	1" = 1000'
USGS Quad:	HAGERMAN SW, NEW MEXICO

David H. Arrington Oil & Gas Inc.
Brown Steelie Stone Fed Com 1H
SHL - 660' FSL & 690' FEL
BHL - 760' FSL & 660' FWL
S27, T17S, R23E
Eddy County, NM

Drilling Plan

1. Ground elevation above sea level: 3962'

2. Proposed drilling depth: 4900' TVD

3. Estimated tops of geological markers:

San Andres	235'
Glorietta	1550'
Blinebry	2230'
Tubb	2900'
Abo Shale	3575'
Abo Carbonate	3750'
Wolfcamp	4465'

4. Possible mineral bearing formations:

Abo/Wolfcamp Gas/Oil

5. Casing Program

SEE COA

Hole size	Interval	OD of Casing	Weight	Grade	Thread	TOC
12-1/4"	40' - 1300'	8-5/8"	32#	J55	LTC	Surf
7-7/8"	1300' - 8253'	5-1/2"	17#	I80	LTC	Surf

Drill 7-7/8" vertical pilot hole to ~4900'. Plug back to ~ 4113' w/ open hole whipstock and build 15° BUR curve section landing at ~ 4495' TVD. Drill ahead to a total measured depth of ~ 8253'. 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	1300'	490	Lead:	Light C (65:35:6) w/ 5 pps gilsonite, 3% salt & 2% $CaCl_2$ (12.4 / 2.06)
		200	Tail:	C w/ 2% $CaCl_2$ (14.8 / 1.34)

If necessary, will run a temperature survey and 1" to surface with C w/ 2% $CaCl_2$.

5-1/2" Production	8253'	540	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' - 1300'	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.
1300' - 8253'	8.4 - 9.3	28 -38	NC-12	Fresh water-cut brine. Drill out w/ cut brine using paper and high viscosity sweeps for seepage and hole cleaning. At ~ 3,400' 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 1300'. Run 8-5/8" and cement to surface.

Drill 7-7/8" vertical pilot hole to ~4900'. Plug back to ~ 4113' w/ open hole whipstock and build 15° BUR curve section landing at ~ 4495' TVD. Drill ahead to a total measured depth of ~ 8253'. Run 5-1/2" production string to TD and cement to surface.

OPERATOR:	David H. Arrington Oil & Gas Inc.			TARGET N-S	Directional
WELL:	Brown Steelie Stone Fed Com 1H	Eddy County		TARGET E-W	
LOCATION: SURF	660' FSL & 690' FEL, S27, T17S, R23E			TARGET RADIUS	
LOCATION: BHL	760' FSL & 660' FWL, S27, T17S, R23E			TARGET DISPLACEMENT	
COMMENTS:				TARGET CLOSURE	
Preliminary Directional Plan		MAG DEC.(-/+)		TARGET TVD	Horizontal 4495.00
		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 270.2

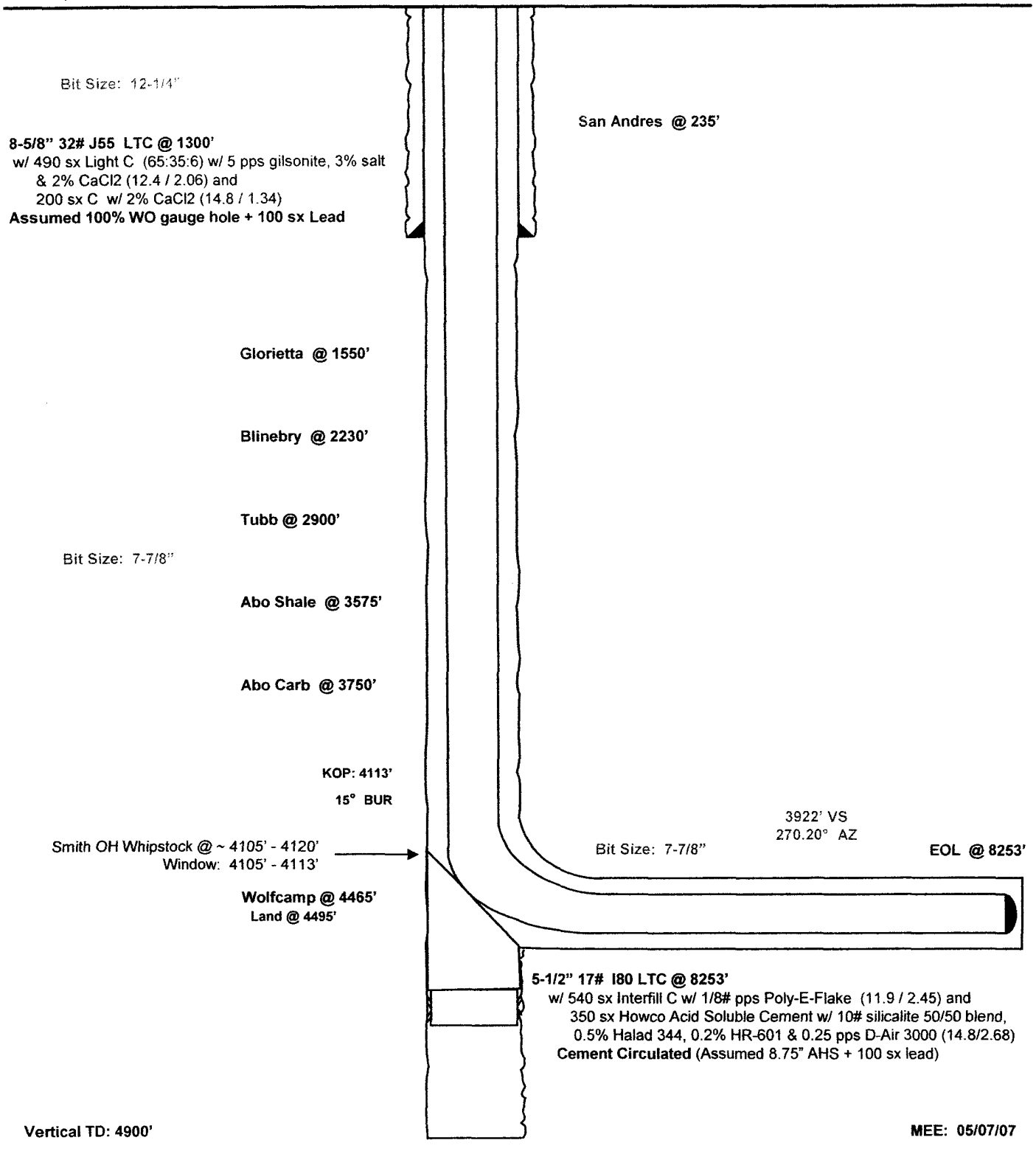
SVY NUM	MD	INC	TRUE AZM	TVD	SECT	N-S	E-W	DLS/ 100	TARGET TRACKING TO CENTER ABOVE(+) BELOW(-)	TARGET TRACKING TO CENTER RIGHT(+) LEFT(-)	CLOSURE DIR (DEG AZ)	CLOSURE DISTANCE (FEET)	BUILD RATE/ °/100'	WALK RATE/ °/100'
1	0.00	0.00	270.20	0.0	0.0	0.0	0.0	0.00						
KOP	**4113.00**	**0.00**	**270.20**	**4113.0**	**0.0**	**0.0**	**0.0**	**0.00**	**382.0**	**0.0**	63.43	**0.00**	**0.00**	**0.00**
3	4213.00	15.00	270.20	4211.9	13.0	0.0	-13.0	15.00	283.1	0.0	270.20	13.02	15.00	0.00
4	4313.00	30.00	270.20	4304.0	51.2	0.2	-51.2	15.00	191.0	0.0	270.20	51.17	15.00	0.00
5	4413.00	45.00	270.20	4383.1	111.9	0.4	-111.9	15.00	111.9	0.0	270.20	111.88	15.00	0.00
6	4513.00	60.00	270.20	4443.8	191.0	0.7	-191.0	15.00	51.2	0.0	270.20	190.99	15.00	0.00
7	4613.00	75.00	270.20	4482.0	283.1	1.0	-283.1	15.00	13.0	0.0	270.20	283.11	15.00	0.00
EOC	**4713.00**	**90.00**	**270.20**	**4495.0**	**382.0**	**1.3**	**-382.0**	**15.00**	**0.0**	**0.0**	**270.20**	**381.97**	**15.00**	**0.00**
9	5213.00	90.00	270.20	4495.0	882.0	3.1	-882.0	0.00	0.0	0.0	270.20	881.97	0.00	0.00
10	5713.00	90.00	270.20	4495.0	1382.0	4.8	-1382.0	0.00	0.0	0.0	270.20	1381.97	0.00	0.00
11	6213.00	90.00	270.20	4495.0	1882.0	6.6	-1882.0	0.00	0.0	0.0	270.20	1881.97	0.00	0.00
12	6713.00	90.00	270.20	4495.0	2382.0	8.3	-2382.0	0.00	0.0	0.0	270.20	2381.97	0.00	0.00
13	7213.00	90.00	270.20	4495.0	2882.0	10.1	-2882.0	0.00	0.0	0.0	270.20	2881.97	0.00	0.00
14	7713.00	90.00	270.20	4495.0	3382.0	11.8	-3382.0	0.00	0.0	0.0	270.20	3381.97	0.00	0.00
BHL	**8253.00**	**90.00**	**270.20**	**4495.0**	**3922.0**	**13.7**	**-3921.9**	**0.00**	**0.0**	**0.0**	**270.20**	**3921.97**	**0.00**	**0.00**

Brown Steelie Stone Fed Com 1H
Cottonwood Creek Field
Eddy County, New Mexico

Surface	Lateral Terminus
660' FSL	760' FSL
690' FEL	660' FWL
S-27	
T17S, R23E	

Proposed Wellbore
Rev 05/07
API: 30-015-34914

KB: 3981'
GL: 3962'



Vertical TD: 4900'

MEE: 05/07/07

CONDITIONS OF APPROVAL - DRILLING

Operator's Name:	**David H. Arrington Oil & Gas, Inc.**
Well Name & No.	**1H Brown Steelie Stone Fed. Com.**
Location:	**SH 660 FSL, & 690 FEL, BH:760 FSL, & 660 FWL, Sec. 27, T-17-S, R-23-E, Eddy County, NM**
Lease:	**NM 100528**

I. DRILLING OPERATIONS REQUIREMENTS:

A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:

1. Spudding well
2. Setting and/or Cementing of all casing strings: **8-5/8 inch 5-1/2 inch**
3. BOPE tests

- Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822

B. Although no Hydrogen Sulfide (H2S) has been reported it is always a possible hazard.

C. 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.

D. If floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

II. CASING:

A. The **8-5/8** inch surface casing shall be set **at approximately 1300 feet** below usable water and circulate cement to the surface.

1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
2. Wait on cement (WOC) time for a primary cement job will be a minimum of 12 hours for a non-water basin, 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
4. If cement falls back, remedial action will be done prior to drilling out that string.

B. The minimum required fill of cement behind the **5-1/2** inch production casing is **cement shall be circulated to the surface.**

C. If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool I joints of the drill pipe will be installed prior to continuing drilling operations.

III. PRESSURE CONTROL:

A. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53.

B. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** PSI.

C. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

1. The tests shall be done by an independent service company.
2. The results of the test shall be reported to the appropriate BLM office.
3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi in accordance with API RP 53. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

Engineer on call phone: 505-706-2779

JDW 052107