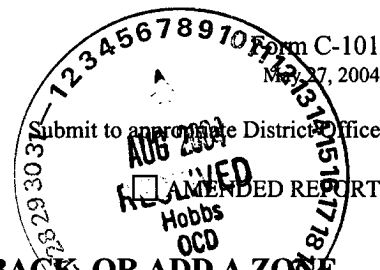


District I
✓ 1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|---|--|
| ¹ Operator Name and Address DAVID H. ARRINGTON OIL & GAS, INC. 314 W. TEXAS, SUITE 400, MIDLAND, TX 79701 | | ² OGRID Number 05898 |
| ³ Property Code | ⁴ Property Name DEEP SPARKLING MUDDLER STATE "15" | ⁵ API Number 30-025-22194- ⁶ Well No. 1 |
| ⁹ Proposed Pool 1 WILDCAT, MISSISSIPPI | | ¹⁰ Proposed Pool 2 |

⁷ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 0 | 15 | 17S | 36E | | 660' | SOUTH | 1980' | EAST | LEA |

⁸ Proposed 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

Additional Well Information

| | | | | |
|--|---|---|---------------------------------------|---|
| ¹¹ Work Type Code E | ¹² Well Type Code G | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3841.8' |
| ¹⁶ Multiple NO | ¹⁷ Proposed Depth 14,000' | ¹⁸ Formation MISSISSIPPI | ¹⁹ Contractor PATTERSON | ²⁰ Spud Date ASAP |
| Depth to Groundwater 40-50' | | Distance from nearest fresh water well > 1000' | | Distance from nearest surface water > 1000' |
| ²¹ Proposed Casing and Cement Program | | | | |

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|------------------|---------------|
| 11" | 8 7/8" | 32# | 3220' | 1200 | SURFACE |
| 11" | 8 7/8" | 24/32# | 4500' | ALREADY IN PLACE | |
| 7 7/8" | 5 1/2" | 17# | 14000 | APPROX. 1200 | 500' ABOVE |
| | | | | | APPROXIMATE |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. THIS IS AN APPLICATION TO RE-ENTER THE STATE KA #2 DRILLED BY ELK OIL IN 1967. 8 7/8" CASING WAS SET AT 4500' IN THE ORIGINAL WELL THEN CUT OFF AND PULLED FROM 3000' SUBSEQUENT TO PLUGGING THE WELL. WE PLAN TO DRILL THROUGH EXISTING CEMENT PLUGS (SEE WELLBORE SCHEMATIC) AND SET 8 7/8" CASING AT 3020' AND PATCH TO EXISTING 8 7/8" CASING - DRILL AHEAD WITH 7 7/8" BIT AND SET 5 1/2" CASING AT TD. 13 3/8" WAS SET AT A DEPTH OF 350' IN THE ORIGINAL WELL BORE.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: DANNY LEDFORD
Title: SR. GEOLOGIST
E-mail Address: dledford@arringtonoil.com
Date: 8.4.04
Phone: 432.682.6685

OIL CONSERVATION DIVISION

Approved by: *Chris Williams*
Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER
Approval Date: AUG 09 2004
Expiration Date:
Conditions of Approval Attached ☐

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the section

| | | | | |
|---|-----------------------------------|-----------------------------|---|----------------------|
| Operator ELK OIL COMPANY | | Lease STATE KA | | Well No. 2 |
| Unit Letter O | Section 15 | Township 17 SOUTH | Range 36 EAST | County LEA |
| Actual Footage Location of Well: 660 feet from the SOUTH line and 1980 feet from the EAST line | | | | |
| Ground Level Elev. 3841.8 | Producing Formation Abo | Pool Emerald Abo | Dedicated Acreage: 40 320 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

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

Name **K. D. McPeters**

Position **Agent**

For **ELK Oil Company**

Date **7-14-67**

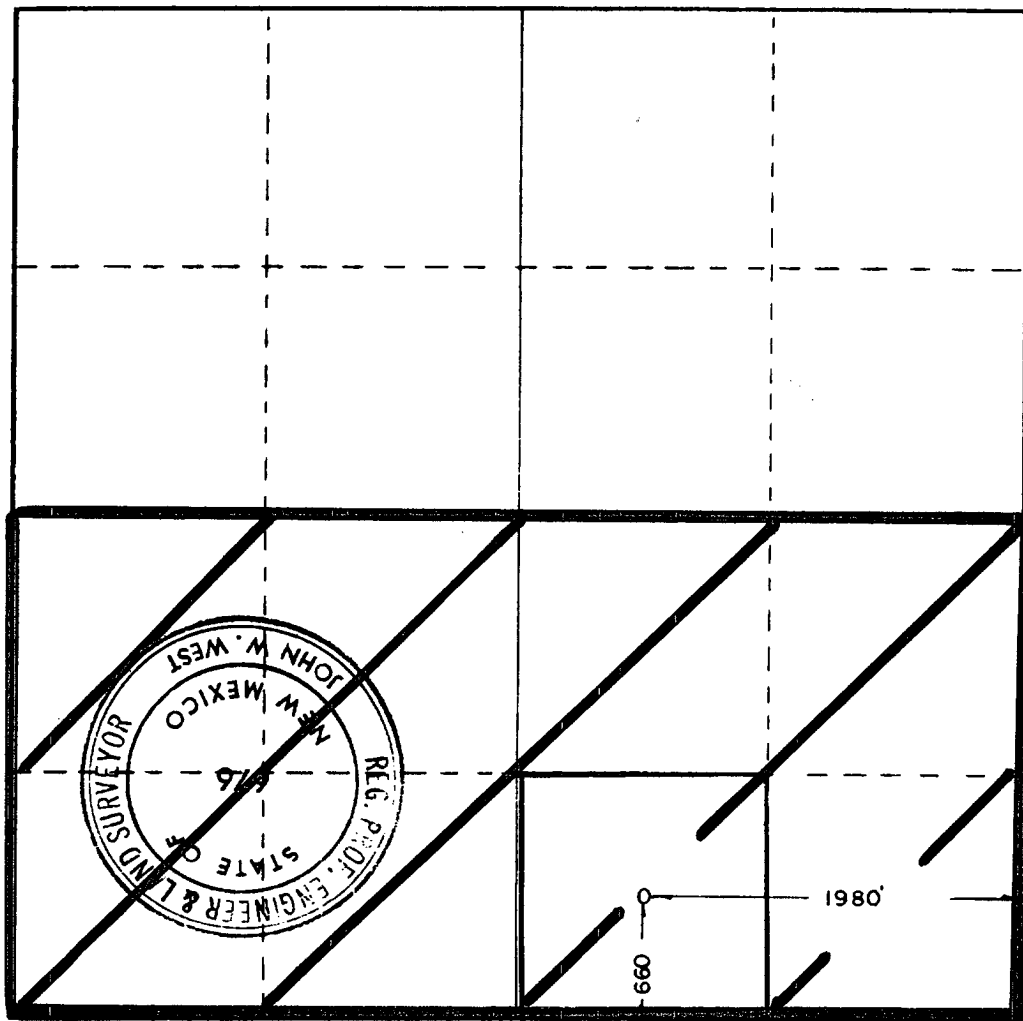
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **7-13-67**

Registered Professional Engineer and/or Land Surveyor

Certificate No.

676



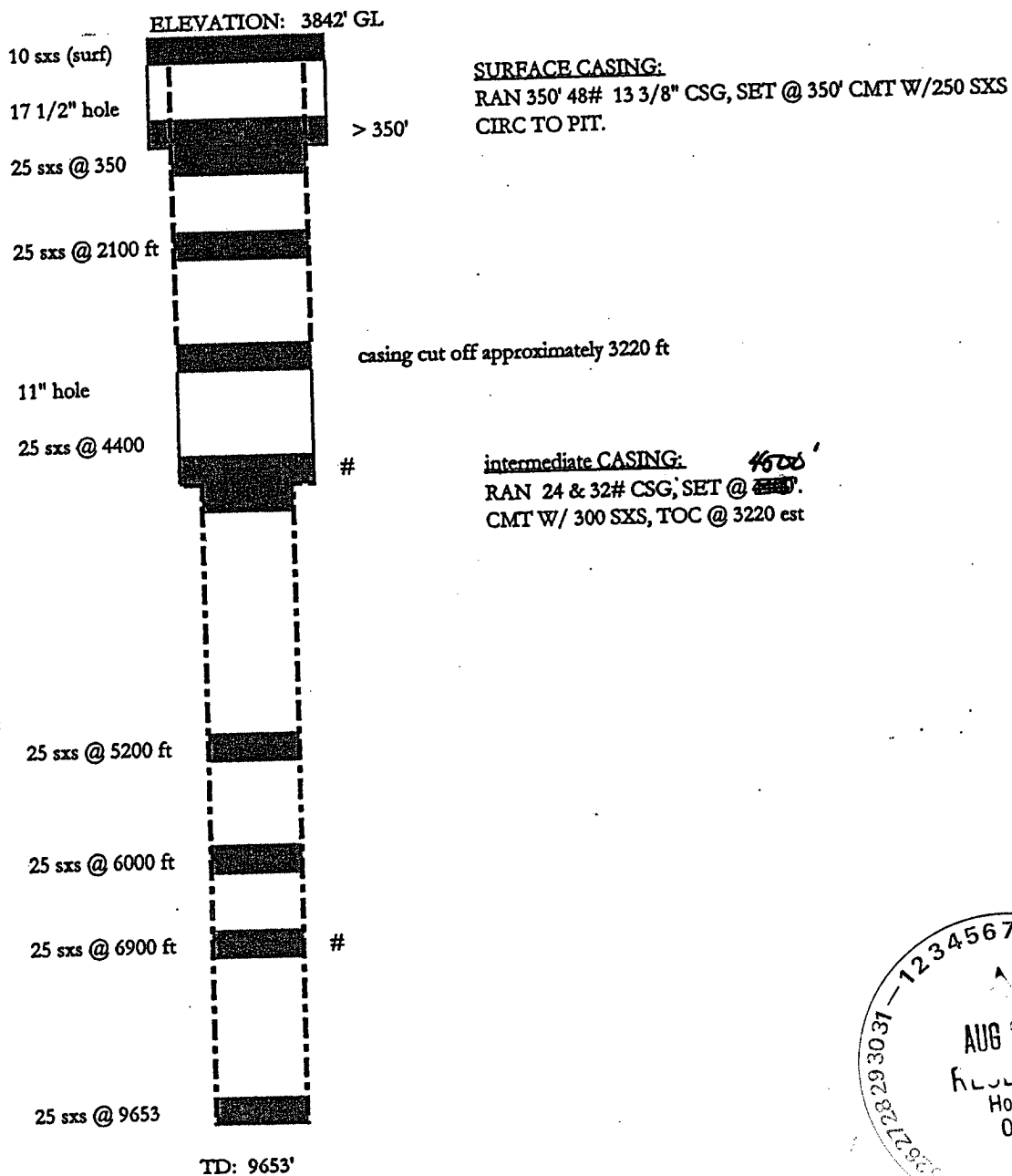
David H Arrington Oil & Gas, Inc
CURRENT CONFIGURATION

WELL: State KA 2
FIELD/PROSPECT Treasure Island
INTERVAL: Morrow
D&A: 10/67

LOCATION:
1980 FEL 660 FSL
SEC 15, T-17-S, R-38-E
LEA COUNTY, NM

SPUDDED: 7/20/67

API #: 30-025-22194



| | |
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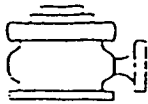
**NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG**



Form C-105
Revised 1-1-65

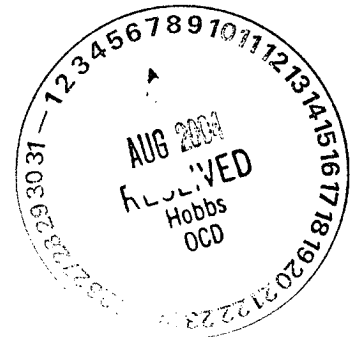
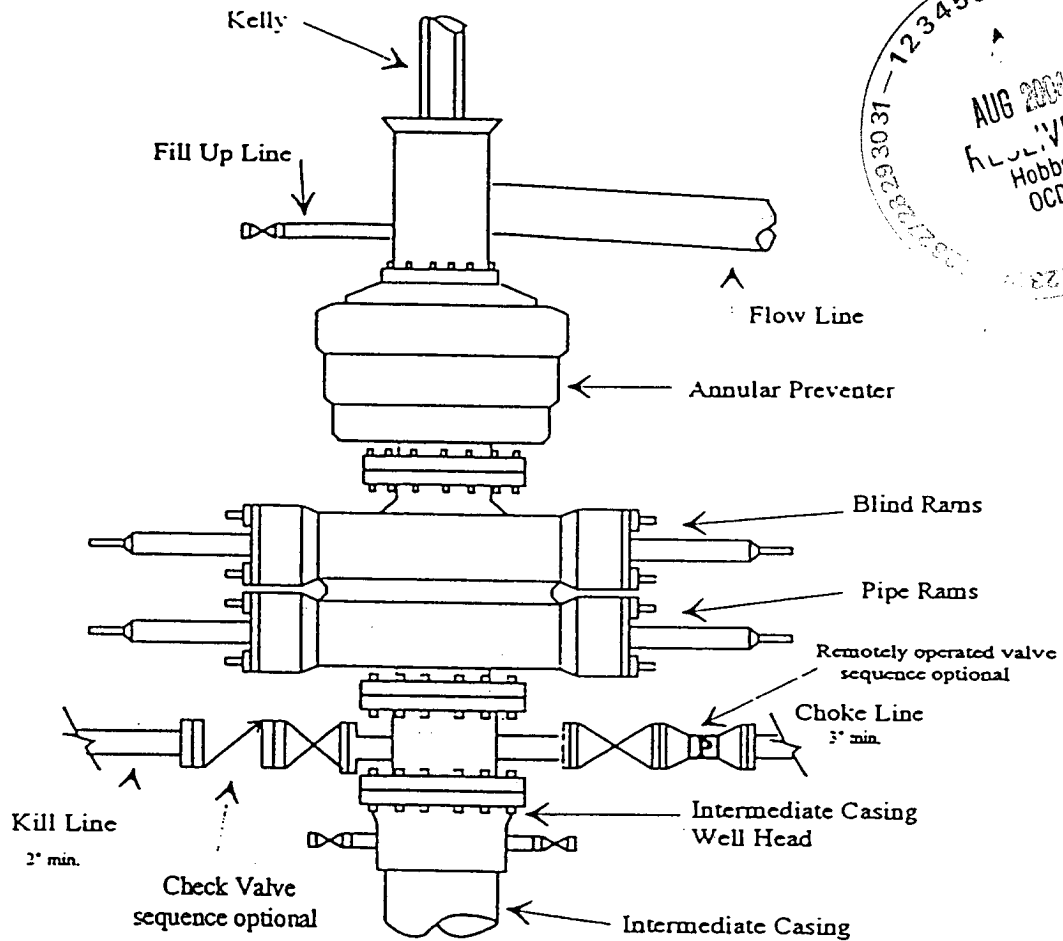
| | |
|---|------------------------------|
| 5a. Indicate Type of Lease | |
| State <input checked="" type="checkbox"/> | Fee <input type="checkbox"/> |
| 5. State Oil & Gas Lease No. OG 1049 | |

| | | | | | | | |
|--|-----------------|---|-------------------------|---|--------------|---|-----------------|
| 1a. TYPE OF WELL | | | | | | 7. Unit Agreement Name | |
| OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input checked="" type="checkbox"/> OTHER _____ b. TYPE OF COMPLETION NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____ | | | | | | 8. Farm or Lease Name State KA | |
| 2. Name of Operator Elk Oil Company | | | | | | 9. Well No. 2 | |
| 3. Address of Operator P. O. Box 310, Roswell, New Mexico 88201 | | | | | | 10. Field and Pool, or Wildcat Emerald Abo | |
| 4. Location of Well | | | | | | | |
| UNIT LETTER <u>0</u> LOCATED <u>660</u> FEET FROM THE <u>S</u> LINE AND <u>1980</u> FEET FROM | | | | | | 11. County Lea | |
| THE <u>E</u> LINE OF SEC. <u>15</u> TWP. <u>17S</u> RGE. <u>36E</u> NMPM | | | | | | | |
| 15. Date Spudded 8-12-67 | | 16. Date T.D. Reached 9-11-67 | | 17. Date Compl. (Ready to Prod.) P&A 9-12-67 | | 18. Elevations (DF, RKB, RT, GR, etc.) 3841.8 GL | |
| 19. Elev. Casinghead NA | | | | | | | |
| 20. Total Depth 9653 | | 21. Plug Back T.D. - | | 22. If Multiple Compl., How Many - | | 23. Intervals Drilled By Rotary Tools 0-9653 | |
| 24. Producing Interval(s), of this completion - Top, Bottom, Name P&A | | | | | | 25. Was Directional Survey Made No | |
| 26. Type Electric and Other Logs Run Acoustic, Guard, Forxo | | | | | | 27. Was Well Cored No | |
| 28. CASING RECORD (Report all strings set in well) | | | | | | | |
| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | | AMOUNT PULLED | |
| 13 3/8 | 48 | 350 | 17 1/2 | 250 sx Circ. | | | |
| 8 5/8 | 24 - 32 | 4500 | 11 | 300 sx | | | |
| 29. LINER RECORD | | | | 30. TUBING RECORD | | | |
| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE | DEPTH SET | PACKER SET |
| | | | | | | | |
| 31. Perforation Record (Interval, size and number) P&A | | | | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. | | | |
| | | | | DEPTH INTERVAL | | AMOUNT AND KIND MATERIAL USED | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 33. PRODUCTION | | | | | | | |
| Date First Production P&A | | Production Method (Flowing, gas lift, pumping - Size and type pump) | | | | Well Status (Prod. or Shut-in) | |
| Date of Test | Hours Tested | Choke Size | Prod'n. For Test Period | Oil - Bbl. | Gas - MCF | Water - Bbl. | Gas - Oil Ratio |
| Flow Tubing Press. | Casing Pressure | Calculated 24-Hour Rate | Oil - Bbl. | Gas - MCF | Water - Bbl. | Oil Gravity - API (Corr.) | |
| 34. Disposition of Gas (Sold, used for fuel, vented, etc.) | | | | | | Test Witnessed By | |
| 35. List of Attachments | | | | | | | |
| 36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief. | | | | | | | |
| SIGNED <u>X.D. McPeters</u> | | | | TITLE <u>Agent</u> | | DATE <u>9-19-67</u> | |

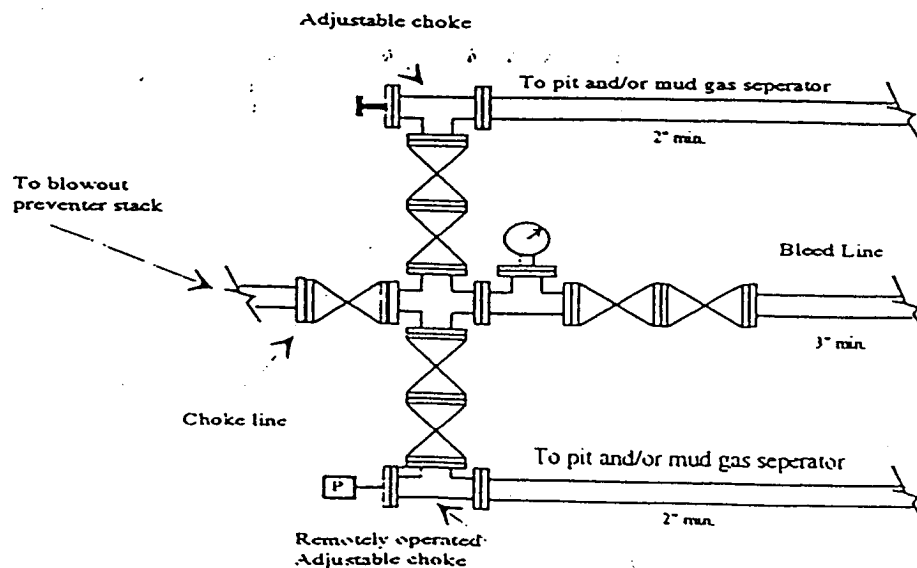


David H. Arrington Oil & Gas, Inc.

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features



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Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

| | | |
|---|--|---|
| Operator: <u>DAVID H. ARRINGTON O.G. Inc</u> Telephone: <u>432.642.6445</u> e-mail address: <u>dledford@arringtonoil.com</u> | | |
| Address: <u>214 W. TEXA SUITE 400, MIDLAND, TX 79701</u> | | |
| Facility or well name: <u>DEEP SPARKLING MUDDLER ST. 15 #1</u> API #: _____ U/L or Qtr/Qtr <u>0</u> Sec <u>15</u> T <u>17S</u> R <u>36E</u> | | |
| County: <u>LEA</u> Latitude <u>32°49'46"</u> Longitude <u>103°20'23"</u> NAD: 1927 <input checked="" type="checkbox"/> 1983 <input type="checkbox"/> Surface Owner Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" type="checkbox"/> Indian <input type="checkbox"/> | | |
| Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>20</u> mil Clay <input type="checkbox"/> Pit Volume <u>10,000</u> bbl | Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____ | |
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) | <u>Less than 50 feet</u> 50 feet or more, but less than 100 feet 100 feet or more | (20 points) (10 points) (0 points) |
| Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.) | Yes <u>No</u> | (20 points) (0 points) |
| Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) | Less than 200 feet 200 feet or more, but less than 1000 feet <u>1000 feet or more</u> | (20 points) (10 points) (0 points) |
| Ranking Score (Total Points) | | <u>20</u> |

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: THE NEAREST WATER WELLS ARE PDD #'S L-06077 & L-03882. THE L-06077 IS LOCATED IN THE SW4/4 SW4 OF SECTION 15 AND ENCOUNTERED WATER AT 40'. THIS WELL WAS DRILLED IN 1966. THE L-03882 WAS IS LOCATED IN SECTION 14 SW4/4 SW4 AND ENCOUNTERED WATER AT 57'. THIS WELL WAS DRILLED IN 1958. IT IS QUITE PROBABLE THAT THE CURRENT WATER TABLE IS BELOW 60'.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described 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 ☐.

Date: 8.4.04

Printed Name/Title DANNY LEFORD, SR. GEOL. Signature Danny Leford

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title CHRIS WILLIAMS - DIST SUPERV

Signature Chris Williams

Date: 8/9/04