

Submit One Copy To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 S. First St., 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

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103

Revised August 1, 2011

WELL API NO.	30-025-35284
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Royal Stimulator	
8. Well Number	1
9. OGRID Number	5898
10. Pool name or Wildcat Caudill; Permo Upper Penn	

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPLY OR PLUG A WELL 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 and Gas I

3. Address of Operator
PO Box 2071
Midland, TX 79702

4. Well Location

Unit Letter F: 1485 feet from the N line and 1890 feet from the W line

Section 31 Township 15S Range 36E NMPM _____ County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3926 GL

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

☒ Location is ready for OCD inspection after P&A

- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
☒ All other environmental concerns have been addressed as per OCD rules.
☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Debbie Whiting TITLE Regulatory Specialist DATE 07/11/2019

TYPE OR PRINT NAME Debbie Whiting E-MAIL: Debbie.Whiting@arringtonoil.com PHONE: (432)682-6685
For State Use Only

APPROVED BY: Rick Beckman TITLE A/O DATE 7-26-19

Conditions of Approval (if any):

JUN 26 2019

DAVID H. ARRINGTON OIL & GAS, INC.

P.O. BOX 2071, MIDLAND, TEXAS 79702
OFF (432) 682-6685
FAX (432) 682-4139

June 12, 2019

Billy Collier
P.O. Box 546
Lovington, NM 88260

RE: Surface Damage Payment and Release – Royal Stimulator #1
Lea County, New Mexico

Dear Mr. Collier,

Please find the enclosed Release and Surface Damages Agreement to acknowledge that you and David H. Arrington Oil & Gas, Inc. have agreed upon and hereby finalize all damages associated with our operations in the entirety of the area known as the Royal Stimulator #1. The consideration paid by Lessee and accepted by you is in full and final settlement and discharge of any and all claims of whatever kind or nature which you may have. You also confirm that this payment represents any amounts payable to you according to the Surface Use Agreement dated November 01, 2000 and that such agreement has been satisfied and is no longer in force and effect.

Enclosed is our check #2305 in the amount of \$10,000.00 as final payment and in full settlement of all claims for damages sustained by reason of the drilling and operations of our Royal Stimulator #1 Site in Lea County, New Mexico. You hereby acknowledge receipt and hereby discharge and release David H. Arrington Oil & Gas, Inc., and its respective agents, employees and contractors from all claims, demands, actions and causes of action which you have for damages arising therefrom.

To acknowledge that you have received this check, please sign the enclosed Release and Surface Damages Agreement and return the executed original. A self-addressed, postage-paid envelope is enclosed for your convenience.

Sincerely,



J. Wayne Bailey
Attorney-in-Fact

RELEASE AND SURFACE DAMAGES AGREEMENT

State: New Mexico

County: Lea

Owner: Billy Collier

Operator: David H. Arrington Oil & Gas, Inc.

Effective Date: 05-22-2019

Owner, named above, is the record owner, or the authorized representative of the record owner, of all of the surface estate in the lands (the "Lands") in the county and state named above, described as follows:

SE/4NW/4 Section 31, Township 15 South, Range 35 East, Lea County, New Mexico

Operator, named above, is the owner of the right to explore for oil and/or gas beneath the Lands under the terms of a Surface Use Agreement and Schedule of Damages dated November 01, 2000 (Fee Owned Surface) (the "SUA").

Pursuant to (the "SUA"), Owner and Operator desire to agree upon and settle all compensable damages, if any, which may have occurred to the surface of the Lands in conjunction with Operator's operations in drilling, equipping, completing or plugging, and producing the Royal Stimulator #1 well drilled on the Lands.

For adequate consideration, Operator and Owner agree as follows:

1. **Release of Operator:** Owner releases and discharges Operator and Operator's officers, agents, contractors, subcontractors, employees, successors, and assigns from any and all claims, demands, or causes of action for any injuries or damages of whatever nature, kind, or character occasioned by or arising out of Operator's operations in the drilling, equipping, maintenance, operation, and completion or plugging of a Well on the Lands.
2. **Full Settlement:** The consideration of \$ 10,000.00 paid by Operator and accepted by Owner for the execution of this Agreement is in full and final settlement and discharge of any and all claims of whatever kind or nature which the Owner may now or later have against Operator and Operator's successors or assigns. The consideration paid to Owner was agreed on as a negotiated compromise and settlement and it is not an admission of any liability by Operator.
3. **Binding Effect:** This Release and Agreement is intended as a covenant running with the Lands and shall be binding on Owner and any and all personal representatives, successors, and assigns of Owner. Operator may record this Agreement as evidence of Owner and Operator's agreement.
4. **SUA:** The SUA is hereby terminated and in for further forward effect.

This Agreement is signed by Owner as of the date acknowledgment of Owner's signature, but is effective for all purposes as of the Effective Date stated above.

OWNER

Billy Collier
Billy Collier

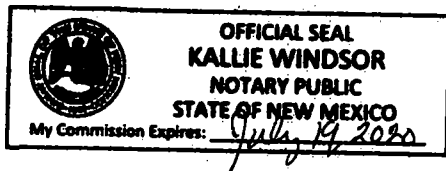
OPERATOR

David H. Arrington Oil & Gas, Inc.

J. Wayne Bailey
J. Wayne Bailey, Attorney-in-Fact

STATE OF NEW MEXICO
COUNTY OF LEA

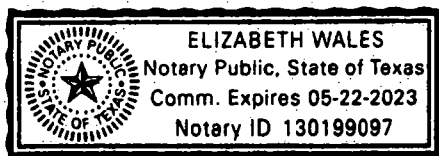
This instrument was acknowledged before me this 17th day of June, 2019,
by Billy Collier.



Kallie Windsor
Notary Public in and for the State of New Mexico

STATE OF TEXAS
COUNTY OF MIDLAND

This instrument was acknowledged before me this 12th day of June, 2019,
by J. Wayne Bailey, Attorney-in-Fact of David H. Arrington Oil & Gas, Inc., a Texas
corporation, on behalf of said corporation.



Elizabeth Wales
Notary Public in and for the State of Texas