

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural ResourcesOIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505Form C-101
Revised March 12, 1999Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies☐ AMENDED REPORT

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

¹ Operator Name and Address. David H. Arrington Oil & Gas, Inc. P.O. Box 2071 Midland, Texas 79702	² OGRID Number 005898
	³ API Number 30-025-35193

⁴ Property Code 26697	⁵ Property Name H & L Variance "10"	⁶ Well No. 1
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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
L	10	16S	37E		2130'	South	330'	West	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
K	10	16S	37E		2130'	South	1830'	West	Lea

⁹ Proposed Pool 1 Northeast Lovington Penn 40760	¹⁰ Proposed Pool 2
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¹¹ Work Type Code New	¹² Well Type Code Oil	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code State - P	¹⁵ Ground Level Elevation 3810'
¹⁶ Multiple No	¹⁷ Proposed Depth 12,000' Vertical 13,000' MD	¹⁸ Formation Strawn	¹⁹ Contractor Patterson	²⁰ Spud Date 10/6/00

²¹ Proposed Casing and Cement Program

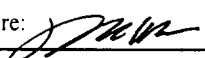
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	550'	600	Circulate to surface
11"	8 5/8"	32#	5100'	1500	Circulate to surface
7 7/8"	5 1/2"	17#	11,500'	800	500' above upper most pay

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.

Drill 17 1/2" hole to 480'. Run 13 3/8" casing and cement to surface. Install BOP and test to 1000 psi. Drill 11" hole to 4900'. Run 8 5/8" casing and cement to surface. Test casing to 1500 psi and test BOP to 5000 psi. Drill 7 7/8" hole to 12,050'. Run logs. If productive set 5 1/2" casing at 11,500', TOC approximately 9000'. Drill 4 3/4" 1320' lateral and complete well. Release rig.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: 


Printed name: David H. Arrington

Title: President

Date: October 3, 2000

Phone: (915) 682-6685

OIL CONSERVATION DIVISION

Approved by: 

Title:

Approval Date: 10/2/2000

Expiration Date:

Conditions of Approval:

Attached ☐

copy

B
mP

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DISTRICT III
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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35193	Pool Code 40760	Pool Name Lovington; Penn NE
Property Code 26697	Property Name H & L VARIANCE "10"	Well Number 1
OGED No. 5898	Operator Name DAVID H. ARRINGTON OIL & GAS, INC.	Elevation 3810

Surface Location

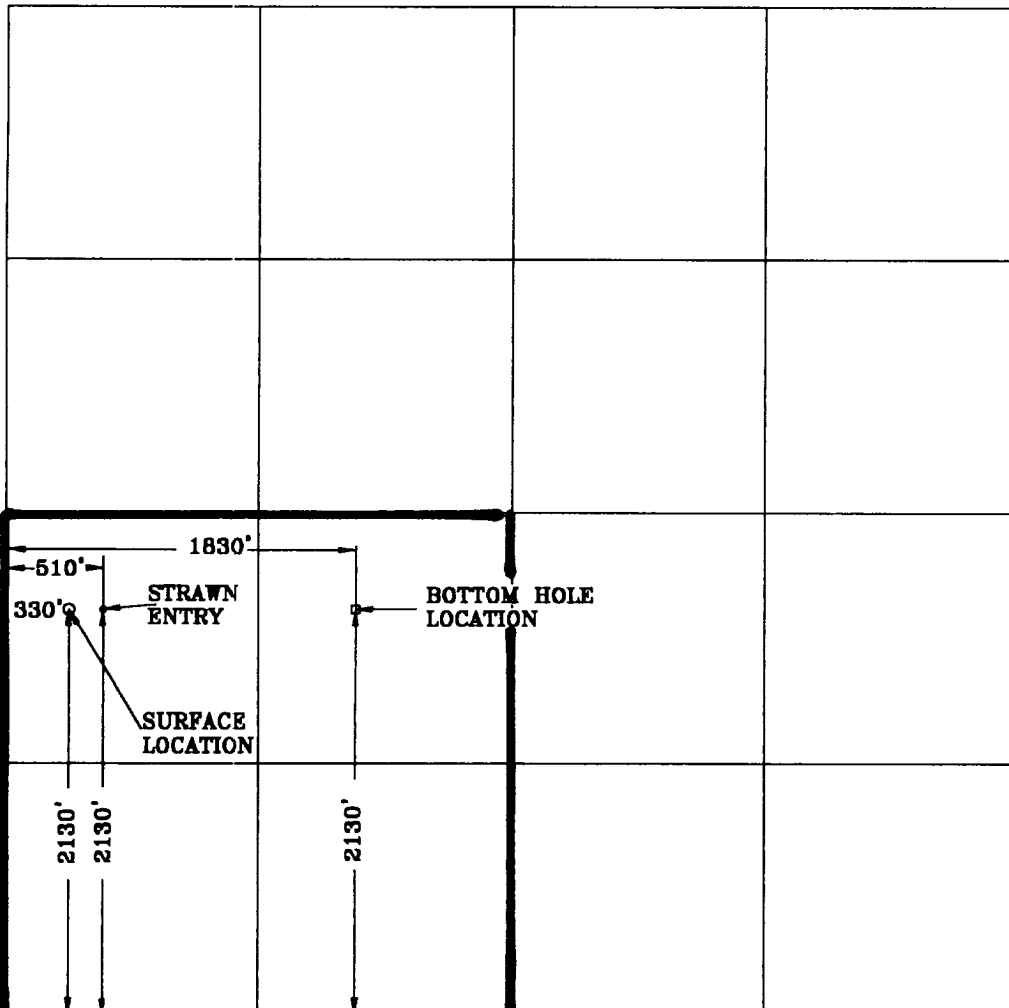
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	10	16S	37E		2130	SOUTH	330	WEST	LEA

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
K	10	16S	37E		2130	SOUTH	1830	WEST	LEA

Dedicated Acres 160.80	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature Bill Baker Jr Printed Name Exploration Manager Title 10-3-00 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>9/29/2000 Date Surveyed Signature of Professional Surveyor <i>[Signature]</i> Professional Surveyor 3640 Certificate No. Herschel L. Jones RLS 3640 VARIANCE 1 DISK 35 GENERAL SURVEYING COMPANY</p>
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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 12313
ORDER NO. R-11333-A

APPLICATION OF DAVID H. ARRINGTON OIL & GAS INC. FOR
COMPULSORY POOLING, DIRECTIONAL DRILLING OF A HORIZONTAL
WELL, AND A NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

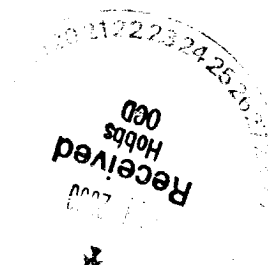
BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on July 13, 2000, at Santa Fe, New Mexico, before Examiner Mark W. Ashley.

NOW, on this 18th day of July, 2000, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.
- (2) The applicant, David H. Arrington Oil & Gas, Inc. ("Arrington"), seeks an order pooling all uncommitted mineral interests from the surface to the base of the Strawn formation underlying the following described acreage in Section 10, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico in the following manner:
 - (a) the NW/4 SW/4 to form a standard 40-acre spacing and proration unit for any formations and/or pools developed on 40-acre spacing within this vertical extent; and
 - (b) the SW/4 to form a non-standard 160-acre proration unit or "project area," as defined by Division Rule 111.A(9), by the combination of two standard 80-acre spacing and proration units comprising the W/2 SW/4 and the E/2



Case No. 12313
Order No. R-11333-A
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SW/4 of Section 10, in order to accommodate a horizontally drilled wellbore within the Northeast Lovington-Pennsylvanian Pool.

Both units are to be dedicated to the applicant's proposed H & L Variance "10" Well No. 1, which will be horizontally drilled from a surface location 2130 feet from the South line and 330 feet from the West line (Unit L) of Section 10 in the following manner:

Drill vertically to a depth of approximately 11,600 feet, kick off from vertical and drill in an easterly direction building angle to 30 degrees at a rate of eight degrees per 100 feet. Drill into the Strawn formation at a location approximately 2130 feet from the South line and 510 feet from the West line (Unit L) of Section 10 and run a drill stem test. If commercial production is encountered, set casing, build angle to 90 degrees and drill horizontally through the Strawn formation a lateral distance of approximately 1,400 feet.

The drilling window or producing area for the well, as defined by Division Rule 111.A.(7), will be in conformance with all applicable setback requirements.

(3) The proposed H & L Variance "10" Well No. 1 is located within one mile of the outer boundary of the Northeast Lovington-Pennsylvanian Pool. This pool is currently governed by special pool rules contained within Division Order No. R-3816, which require standard 80-acre spacing and proration units with wells to be located within 150 feet of the center of a governmental quarter-quarter section or lot.

(4) On December 16, 1999, and February 3, 2000, a Division Examiner heard Case No. 12313; and on March 16, 2000, the Division entered Order No. R-11333, which granted the application of Arrington. Ordering Paragraph No. (2) of Order No. R-11333 further required Arrington, as operator of the subject well, to commence drilling its proposed H & L Variance "10" Well No. 1 on or before June 15, 2000, and to continue drilling the well with due diligence to test the Strawn formation. This order further provided the operator the opportunity to obtain a time extension for good cause shown.

(5) At the July 13, 2000 hearing, counsel for Arrington stated that the H & L Variance "10" Well No. 1 was not commenced on or before June 15, 2000, due to the operator's oversight of the commencement deadline; therefore, Division Order No. R-11333 expired on its own terms.

Case No. 12313
Order No. R-11333-A
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- (6) No affected party appeared at the hearing or objected to this application.
- (7) This application should be approved and Division Order No. R-11333 should be reinstated.
- (8) The evidence offered in Case No. 12313 on December 16, 1999, and February 3, 2000, remains valid.

IT IS THEREFORE ORDERED THAT:

- (1) Division Order No. R-11333, issued in Case No. 12313 and dated March 16, 2000, is hereby reinstated.
- (2) Ordering Paragraph No. (2) on page 6 of Division Order No. R-11333 is hereby amended to read in its entirety as follows:
 - (2) The operator of the units shall commence drilling operations on the H & L Variance "10" Well No. 1 on or before October 20, 2000, and shall thereafter continue drilling the well with due diligence to test the Strawn formation.
- (3) Ordering Paragraph No. (3) on page 6 of Division Order No. R-11333 is hereby amended to read in its entirety as follows:
 - (3) In the event the operator does not commence drilling operations on the H & L Variance "10" Well No. 1 on or before October 20, 2000, Ordering Paragraph (1) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause shown.
- (4) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

ELF

ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED

Received
10/20/00
10/20/00

Case No. 12313
Order No. R-11333-A
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

SEAL

ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED

ELF

Received
Robbs
and