

19091

AFFIDAVIT - PROOF OF NOTARY SERVICES PERFORMED

STATE OF New Mexico
COUNTY OF Ala

PERSONALLY came and appeared before me, the undersigned Notary, the within named Louis G. Edgett, who is a resident of Ala County, State of New Mexico, and makes that his/her statement upon oath and affirmation of belief and personal knowledge that the following matters, facts and things set forth are true and correct to the best of his/her knowledge:

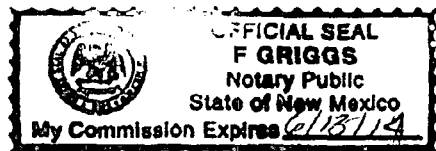
I, EVELYN BETH TUCKER, Notary hereby certify that in my presence, Lowell Deckert signed over the Government E. well #1 to Louis G. Edgett also known as Nu-Mex Oil Co on the 3rd day of October 2001. The action which I performed a Notary for the purpose and consideration therein expressed, and as the act of said company.

Evelyn Beth Tucker
Evelyn Beth Tucker

6-23-2010
Date

DATED this the 23 day of June, 20 10

SWORN to subscribed before me, this 23 day of June, 20 10



F. Griggs
NOTARY PUBLIC

Oil Conservation Commission
Case No. 8c
Exhibit No. 8c

AFFIDAVIT – PROOF OF SALE

STATE OF New Mexico
COUNTY OF Spa

PERSONALLY came and appeared before me, the undersigned Notary, the within named Louis G. Edgett, who is a resident of Spa County, State of New Mexico, and makes that his/her statement upon oath and affirmation of belief and personal knowledge that the following matters, facts and things set forth are true and correct to the best of his/her knowledge:

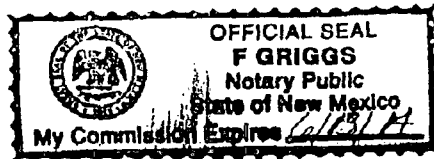
I, Daniel M. Alexander, Individual hereby certify that in my presence, Lowell Deckert signed over the Government E. well #1 to Louis G. Edgett also known as Nu-Mex Oil Co on the 3rd day of October 2001.

Daniel M. Alexander
Daniel M. Alexander

6-23-2010
Date

DATED this the 23 day of June, 2010

SWORN to subscribed before me, this 23 day of June, 2010



F. Griggs
NOTARY PUBLIC

ASSIGNMENT

Reference is made to the following:

1. United States Oil and Gas Lease NM 086 ("the Lease"), dated October 1, 1951, from the United States of America to R. E. Jensen, covering all of Section 25, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
2. The Government E-1 Well ("the Well") located in the SE1/4 SW1/4 of said Section 25, 610' from the south line and 1,880' from the west line of said Section 25.

Subject to the provisions of this Assignment, and for \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Subsurface Water Disposal, Inc., ("Assignors") under Administrative Order SWD-559 grant and assign to Nu-Mex Oil Co. ("Assignee"), P.O. Box 2081, Lovington, New Mexico 88260, all of Assignor's right, title and interest in and to the Well and the well bore of the Well.

To the extent that Assignors have the right to do so, Assignee shall have the right to use the well bore of the Well solely for the purpose of disposing of salt water into depths or formations from 5,250' subsurface down to the base of the Morrow formation, said base being more particularly described at a depth of 13,500' as found in the West Pearl State No. 1 Well, located 660' from the north line and 560' from the east line of Section 2, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Assignee shall not have the right to use the well bore of the Well for any other purpose whatsoever, specifically including, but not limited to, the production of oil, gas or hydrocarbon substances.

Assignee shall also have the right of use to the surface area commonly referred to as the "well pad" which is described as the area surrounding the well bore which has been cleared and established for the purpose of installing equipment necessary for the operation and maintenance of production or disposal procedures.

In addition to the foregoing, Assignors grant to Assignee the casing wellhead and all down hole casing in the well bore of the well. Assignors have no knowledge of any defect or problem with regard to the condition of the casing.

The following rights, titles and interests are hereby excluded from the operation of this Assignment, and are excepted and reserved to Armstrong Energy Corporation:

- (a) all operating rights and any other interest whatsoever in, to or under the Lease;
- (b) all oil, gas, hydrocarbon substances, and other minerals in and under and that may be produced from said Section 25, together with the right to explore for, produce and market the same;
- (c) any and all other rights, titles and interests not expressly granted by this Assignment.

Assignors hereby waive any and all rights and title to skim oil which may be contained and market by Assignee as a by-product of transported disposal water.

This Assignment shall be subject to the Lease, and to the provisions of that certain Assignment of Operating Rights and Bill of Sale from Mobil Producing Texas and New Mexico Inc. to Armstrong Energy Corporation, dated March 31, 1988, effective April 1, 1988, recorded in Book 494, page 734 of the records of Lea County, New Mexico (the "Mobil Assignment"). Also Assignment from Armstrong Energy Corporation to Subsurface Water Disposal, Inc. dated May 31, 1994, recorded in Book 558 page 25 of the records of Lea County, New Mexico.

Assignee assumes, and agrees to timely perform and discharge, all duties and obligations of the Assignors under the Lease, the Mobil Assignment, or any applicable agreement, statute, regulation, rule, order, or law, insofar and only insofar as the same pertain or apply to the Well, and environmental or pollution clean up or remediation. Assignee shall also timely perform and discharge all duties and obligations under, and comply with, all applicable statutes, regulations, rules, orders, or laws pertaining to the use and operation of the Well for salt water disposal, including, but not limited to, obtaining all necessary permits, consents, authorizations, easements

or rights of way. Assignee shall also comply with all applicable statutes, regulations, rules, orders or laws pertaining to environmental matters, including those pertaining to clean up or remediation.

Assignee acknowledges that it has been cautioned that subsurface formations may contain naturally occurring radioactive material ("NORM"). Assignee further acknowledges that it has been cautioned that previous activities relating to the Well may have resulted in the concentration of certain levels of NORM on facilities, equipment, pipe and casing so that, when brought to the surface, a health hazard may exist in connection with the removal, handling or disposal of such NORM contaminated facilities, equipment, or pipe or casing, if proper environmental regulatory or industrial hygiene procedures are not observed. The presence of NORM in or on facilities, equipment, pipe or casing in or on the Well or the well bore of the Well which are owned by or controlled by Assignee on or after the effective date of this Assignment shall be the sole responsibility of Assignee.

For purposes of this paragraph, the terms "Claims" shall mean all claims, losses, damages, demands, suits, causes of action, liabilities, fines, penalties, expenses and costs (including attorneys' fees, costs of litigation and/or investigation, and other costs associated therewith). Assignee shall fully protect, indemnify and defend Assignors and their officers, agents, employees, directors and shareholders against, and shall hold Assignors and their officer, agents, employees, directors and shareholders harmless from, any and all Claims which accrue or are asserted on or after the effective date of this Assignment arising out of, related to or in any way connected with, indirectly or directly, in whole or in part, the ownership or operation of the Well, the well bore of the Well, and any facilities, equipment, pipe or casing, or any interest therein, by the Assignee, including but not limited to, any Claims related to the following:

- (i) all duties and obligations which Assignee has assumed and agreed to perform and discharge to this Assignment;
- (ii) injury to or death of any person;
- (iii) damage to or loss of any property or resource, or any interest therein, including, but not limited to, subsurface strata and formations, and minerals in place;
- (iv) pollution, contamination or environmental damage, liability or violation of any kind, including but not limited to, those relating to the generation, release, discharge, transportation or disposal of any of the following: hazardous, toxic or radioactive materials, substances or wastes, or other pollutants, contaminants or wastes;
- (v) the presence of any NORM contaminated facilities, equipment, pipe or casing including, but not limited to, such Claims as may relate to the use, resale, removal, handling or disposal of any such NORM contaminated facilities, equipment, pipe or casing.

The indemnities and obligations to defend set forth above shall apply regardless of the cause, and regardless of whether any such Claims arise in whole or in part from any act, omission, negligence or strict liability of Assignee or its officers, agents, employees, directors or shareholders, or any other person or entity, whether imposed by rule of law, statute or regulation.

This Assignment is executed and delivered without warranties or representations of any kind, express or implied, including, but not limited to, warranties of title or condition. All property conveyed or assigned hereby is conveyed "AS IS". Assignee represents and warrants that it has inspected the Well and is satisfied with the condition thereof, "AS IS". Assignors make no warranties or representations of any kind with regard to the suitability of the Well for use as a disposal well, or regarding the legality or propriety of using the Well as a disposal well, or regarding the likelihood of Assignee obtaining necessary permits, consents or authorizations.

ASSIGNORS DISCLAIM ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Notwithstanding the foregoing disclaimers and limitations, Assignors have executed and delivered this Assignment with full substitution and subrogation of Assignee in and to all warranties, representations and covenants previously made by others with respect to the rights, titles and interests conveyed hereby.

This Assignment shall be effective as of October 3rd, 2001.

SUBSURFACE WATER DISPOSAL, INC.

By Lamell B. Decker
ASSIGNOR

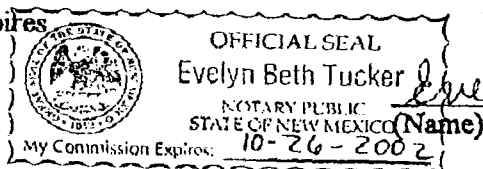
NU-MEX OIL CO.

By _____
ASSIGNEE

STATE OF New Mexico
COUNTY OF Lea

BEFORE ME, The undersigned authority, on this 3rd day of October, 2001, personally appeared Lamell B. Decker, known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the Manager of SUBSURFACE WATER DISPOSAL, INC., and acknowledged to me that this instrument was executed for the purpose and consideration therein expressed, and as the act of said company.

My Commission Expires



Notary Public

OFFICIAL SEAL
Evelyn Beth Tucker
NOTARY PUBLIC
STATE OF NEW MEXICO (Name)

Evelyn Beth Tucker

STATE OF _____
COUNTY OF _____

BEFORE ME, The undersigned authority, on this _____ day of _____, 2001, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the _____ of NU-MEX OIL CO., and acknowledged to me that this instrument was executed for the purpose and consideration therein expressed, and as the act of said company.

My Commission Expires

Notary Public

(Name)

625 N. French Dr., 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

2-104A
March 19, 2001

Submit 1 copy of the final affected wells
list along with 1 copy of this form per
number of wells on that list to appropriate
District Office

Change of Operator

Previous Operator Information:

OGRID: 123503
Name: Subsurface Water Disposal, Inc.
Address: P.O. Box 1002
Address:
City, State, Zip: Hobbs, New Mexico 88240

New Operator Information:

Effective Date: October 1, 2001
New Ogrid: 210510
New Name: LouRay Oil Co., L.L.C.
Address:
Address: P.O. Box 2081
City, State, Zip: Lovington, NM 88260

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the attached list of wells is true and complete to the best of my knowledge and belief.

New Operator

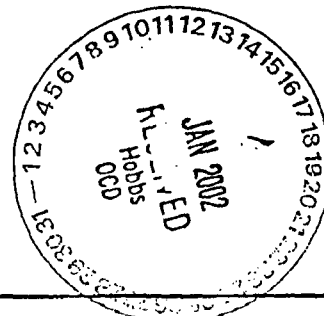
Signature:

Printed name:

Title:

Date:

Phone:



Previous operator complete below:

Previous

Operator:

Previous

OGRID:

Signature:

Printed Name:

NMOCD Approval

Signature:

Printed

Name:

District:

Date:



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220

Tel. (505) 234-5972
Fax (505) 885-9264

OCT 30 2001

IN REPLY REFER TO:
NM-92534
2800(080)bky

DECISION

Assignor:

Subsurface Water Disposal Inc.
Right-of-Way Dept.
P. O. Box 1002
Hobbs, NM 88241-1002.

Right-of-Way
NM-92534
Government E #1

Assignee:

LouRay Oil Co., L.L.C.
Right-of-Way Dept.
P. O. Box 2081
Lovington, NM 88260

Assignment Approved

The assignment of all rights, title, and interest in the above listed right-of-way grant is approved.

The assignment is subject to the terms and conditions of the original right-of-way grant.

Acceptable evidence of the qualifications of the assignee is of record in this office.

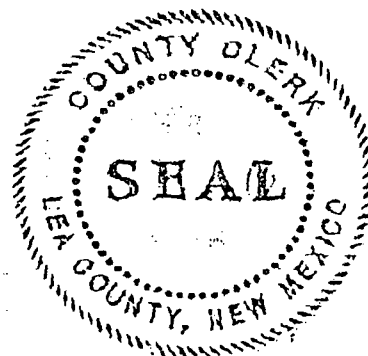
If you have any questions, please contact Bobbe Young at (505) 234-5963.

/s/ NOE GONZALEZ

FOR

Leslie A. Theiss
Field Manager

STATE OF NEW MEXICO
COUNTY OF LEA
FILED



JUN 28 2010

at 4:38 o'clock P M
and recorded in Book 1685
Page 230
Pat Chappell, Lea County Clerk
By [Signature] Deputy

19091