

	4/24/2009	Letter of Violation
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#### Corrective Actions

Corrective Action	Date
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SAD0116253379 Date of Violations: 3/20/2001

Violations: Mechanical Integrity

Date of Violation: 3/20/2001

Compliance

Required:

Resolved: 3/20/2001

#### Notes

PER CHRIS WILLIAMS & GW WE ARE GOING TO GIVE LOWELL A 30 DAY EXTENSION TO REPLACE OR REPAIR TUBING. 6/25/2001.  
2nd letter due 8/16/2001.

#### Notifications

Notification	Notification Date	Enforcement
	3/20/2001	

#### Corrective Actions

Corrective Action	Date
Other Corrective Action(Explain)	3/20/2001

#### Complaints, Incidents and Spills

Please note that incidents that impact ground water are recorded along with "facilities" which may not be wells, so although the initial report may be recorded here as a spill, information related to the abatement plans, remediation plans and ground water impact information are not yet part of this application.

nGRL1004642523

Type Of Incident: Release Other

Action:

Notified: Oil Conservation Division Rep

#### Event Dates

Incident: 10/30/2009

Response:

OCD Notified:

Resolved:

#### Notes

Initial & Final C-141 - Please note that operations described herein occurred prior to and during the change to the current operator. Facility was originally owned and operated by Louray Oil Company. The Initial/Final C-141 is submitted subsequent to an approved C-144 pertaining to the closure of the subject site workover pit as required by OCD. Seepage is contained to the pit and the immediate surrounding surface and subgrade soils.

#### Spills

Cause	Source	Product Spilled	Square Feet	Volume Spilled	Volume Recovered
Normal Operations	Pit (Specify)	Brine Water	0	0	0 BBL
Normal Operations	Pit (Specify)	Produced Water	0	0	0 BBL
Normal Operations	Pit (Specify)	Drilling Mud/Fluid	0	0	0 BBL

nJDR0525845575

Type Of Incident: Produced Water Release

Action: Referred to Environmental Inspector

Notified: Oil Conservation Division Rep

#### Event Dates

Incident: 9/15/2005

Response: 9/15/2005

OCD Notified: 9/15/2005

Resolved:

#### Notes

SWD storage tank developed a leak. Lost appx 325 bbls and recovered 280 bbls. Lewis said he would haul the effected soil to Gandy's land farm.

#### Spills

Cause	Source	Product Spilled	Square Feet	Volume Spilled	Volume Recovered
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nLWH0511035666

Type Of Incident:

Action:

Notified:

#### Event Dates

Incident:

BEFORE THE OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

Case No. 14411 De Novo Exhibit No. 10

Submitted by:

ARMSTRONG ENERGY CORPORATION

Hearing Date: November 4, 2010

Compliance Resolved	9/15/2005
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JDR0135253494 Date of Violations: 8/1/2001 Violations: Mechanical Integrity

Date of Violation: 8/1/2001  
Compliance  
Required:

Resolved: 1/12/2002

Notes

FAILED BHT. Sold well to Lou Ray Oil Co. Lewis Edgett 631-3341. He has one year to bring well into compliance.

Notifications

Notification	Notification Date	Enforcement
	8/1/2001	

Corrective Actions

Corrective Action	Date
Other Corrective Action(Explain)	1/15/2002
Packer Repair	1/12/2002

JDR0203036646 Date of Violations: 1/15/2002 Violations: Mechanical Integrity

Date of Violation: 1/15/2002  
Compliance  
Required:

Resolved: 1/12/2002

Notes

Notifications

Notification	Notification Date	Enforcement
	1/15/2002	

Corrective Actions

Corrective Action	Date
Tubing Repair	
Packer Repair	1/12/2002

JDR0207342574 Date of Violations: 3/20/2001 Violations: Mechanical Integrity

Date of Violation: 3/20/2001  
Compliance  
Required:

Resolved: 1/12/2002

Notes

Repaired and tested well

Notifications

Notification	Notification Date	Enforcement
Phone Call	3/20/2001	

Corrective Actions

Corrective Action	Date
Other Internal Repair	1/12/2002

LWH0322533329 Date of Violations: 8/13/2003 Violations: Operation/Maintenance

Date of Violation: 8/13/2003  
Compliance  
Required:

Resolved: 9/15/2005

Notes

OIL PUDDLES, HEAVY OIL STAIN INSIDE DYKE, AROUND TANKS..

Notifications

Notification	Notification Date	Enforcement
	8/13/2003	Field Inspection

Corrective Actions

Corrective Action	Date
Compliance Resolved	9/15/2005

LWH0419559905 Date of Violations: 7/13/2004 Violations: Operation/Maintenance

Date of Violation: 7/13/2004



MTT

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Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. 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

Form C-103  
Revised March 25, 1999

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

WELL API NO. 30-025-23708
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Government "E"
8. Well No. #1 SWD
9. Pool name or Wildcat Lea Bowe Spring
10. Elevation (Show whether DR, RKB, RT, GR, etc.)

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
Oil Well ☐ Gas Well ☒ Other Salt Water Disposal ☐ Government ☐

2. Name of Operator  
Loray Oil CO. L.L.C.

3. Address of Operator  
1009 WEST BROADWAY HOBBS, NM 88240

4. Well Location  
Unit Letter N : 610 feet from the South line and 1880 feet from the West line  
Section 25 Township 19S Range 34E NMPM County Lea

11. 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 COMPLETION ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
OTHER: Run Tubing & Test ☒

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Uncap Well & Bled Back Pressure. Run new Packer & New Plastic Coated tubing in the hole. Load Casing-Tubing Annulus with Biocide and Packer Fluid. Ran Mit Test on Casing Tubing Annulus. Tested Good.

RECEIVED  
HOBBS  
FEB 21 2002

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

SIGNATURE [Signature] TITLE PRESIDENT DATE 1-12-02

Type or print name Louis G. Edgett

Telephone No. 391-0501

(This space for State use)

APPROVED BY [Signature] DATE MAR 21 2002  
Conditions of approval, if any:

No Dr Pts

Hours: 00:00

Oil Volume: 0.0 bbls  
Gas Volume: 0.0 mcf  
Water Volume: 0.0 bblsDepths

Measured Depth:

Plugback Md:

Perforations

Date	Top Measured Depth (Where Completion Enters Formation)	Bottom Measured Depth (End of Lateral)
	9716	9749

NotesEvent Dates

Initial Effective/Approval: 1/1/1900  
Most Recent Approval: 6/6/1994  
Test Allowable Approval:  
Production Test:  
TD Reached:  
Deviation Report Received:  
Directional Survey Received:  
First Oil Production:  
Ready to Produce:  
C-104 Approval:  
Plug Back:  
Authorization Revoked Start: Not Implemented

Confidential Until:  
Test Allowable End:  
Rig Released:  
Logs Received:  
Closure Pit Plat Received:  
First Gas Production:  
Completion Report Received:

DHC:

Revoked Until: Not Implemented

Well Completion History

Effective Date	Property	Operator	Completion Status	TA Expiration Date
6/6/1994	[15068] GOVERNMENT E	[123503] SUBSURFACE WATER DISPOSAL INC	Zone Permanently Plugged	
4/4/1994	[1575] GOVERNMENT E	[1092] ARMSTRONG ENERGY CORP	Active	
1/1/1900	[1575] GOVERNMENT E	[1092] ARMSTRONG ENERGY CORP	Active	

Financial Assurance

Bond Id	Bond Type	Amount	Issuer	Cash/Surety	Issuer Bond Number	Bond Cancellation Date
253167	Blanket	50000	[267262] AMERICAN SAFETY CASUALTY INSURANCE COMPANY	Surety	OKC604107	

Requests to release bonds must be submitted in writing. You may send an e-mail to [Dorothy.Phillips@state.nm.us](mailto:Dorothy.Phillips@state.nm.us) or fax a letter to (505) 476-3462.ComplianceNote that Financial Assurance and Inactive Well Compliance are documented in separate reports (Inactive Well Report, Financial Assurance Report).

Also note that some compliance issues are addressed at the operator level so not listed under each well.

ELG0504257060 Date of Violations: 2/11/2005 Violations: Mechanical Integrity

Date of Violation: 2/11/2005  
Compliance  
Required:

Resolved: 9/15/2005

Notes

FAILED BHT

Notifications

Notification	Notification Date	Enforcement
	2/11/2005	

Corrective Actions

Corrective Action	Date
Compliance Resolved	9/15/2005

JCW0523537438 Date of Violations: 8/23/2005 Violations: Mechanical Integrity, Operation/Maintenance

Date of Violation: 8/23/2005  
Compliance  
Required:

Resolved: 9/15/2005

Notes

Notified Lewis Edgett (Louray Oil Co.) to shut well in until repaired. Gave them 30 days to repair.

Notifications

Notification	Notification Date	Enforcement
	8/23/2005	Shut-In

Corrective Actions

Corrective Action	Date
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Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. 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

Form C-103  
May 27, 2004

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

WELL API NO.
GOVERNMENT "E" #1
5. Indicate Type of Lease <input checked="" type="checkbox"/> FEDERAL <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 30-025-23708

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		7. Lease Name or Unit Agreement Name GOVERNMENT "E"
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD		8. Well Number #1
2. Name of Operator LOO RAY OIL COMPANY LLC.		9. OGRID Number
3. Address of Operator 1009 WEST BROADWAY, HOBBS, N.M.		10. Pool name or Wildcat LEA BONE SPRING
4. Well Location Unit Letter N : 610 feet from the SOUTH line and 1880 feet from the WEST line Section 25 Township 19S Range 34E NMPM County LEA		
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mlt Below-Grade Tank: Volume _____ bbls; Construction Material _____		

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 ☐

SUBSEQUENT REPORT OF:  
REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: REPAIR TUBING LEAK ☒

OTHER: Rep Tub Leak ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1. UNCAP THE WELL AND RELEASE THE ON-OFF TOOL.
2. PULL TUBING UP AND FOUND 4 BAD COLLARS ON TOP.
3. REPLACED COLLARS AND LATCHED BACK ON TO PACKER
4. CAPPED WELL OFF.
5. TESTED ANNULUS TO 400 LBS FOR 30 MINUTES  
TESTED GOOD. 9/15/05

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE LOUIS G. EDGETT TITLE OWNER DATE 9-15-05

Type or print name LOUIS G. EDGETT E-mail address: LEGGETT3@AOL.COM Telephone No. 631-3391

APPROVED BY: Hayward Wink OC FIELD REPRESENTATIVE II/STAFF MANAGER  
Conditions of Approval (if any): \_\_\_\_\_ TITLE \_\_\_\_\_ DATE SEP 19 2005