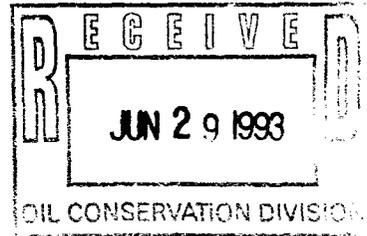


BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ARMSTRONG ENERGY CORPORATION,
FOR ABOLISHMENT OF THE QUAIL RIDGE-
DELAWARE POOL, EXTENSION OF THE
NORTHEAST LEA-DELAWARE POOL
AND FOR SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.



10773
CASE NO: 10653 (De Novo)
ORDER NO. R-9842

AMENDED APPLICATION

COMES NOW ARMSTRONG ENERGY CORPORATION, by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order abolishing the Quail Ridge-Delaware Pool, extending the Northeast Lea-Delaware Pool, and promulgating Special Pool Rules and Regulations for the Northeast Lea-Delaware Pool and in support thereof states:

1. Armstrong Energy Corporation is the operator of certain wells in the Northeast Lea-Delaware Pool which was established on June 1, 1986 by Order No. R-8223 and has been extended from time to time to include the following acreage:

Township 19 South, Range 34 East, N.M.P.M.

Section 35: SE/4

Township 20 South, Range 34 East, N.M.P.M.

Section 2: E/2, SW/4

2. The Quail Ridge-Delaware Pool was established on April 1, 1989 by Order No. R-8901 and has been expanded from time to time to include the following acreage:

Township 20 South, Range 34 East, N.M.P.M.

Section 3: SW/4
Section 4: SE/4
Section 9: NE/4
Section 10: W/2, NE/4

3. Data currently available on these Pools demonstrates they constitute one common source of supply. Armstrong Energy Corporation therefore requests that the Quail Ridge-Delaware Pool be abolished and the Northeast Lea-Delaware Pool be extended to include the acreage described in paragraph 2 above.

4. The wells in the current Northeast Lea-Delaware Pool and the Quail Ridge-Delaware Pool are operated under statewide rules with a depth bracket allowable of 107 bbls per day and a gas allowable rate of 214 mcf per day at a 2000 to 1 Gas/Oil Ratio.

5. Certain wells in the Delaware formation in this area can produce at rates as high as 500 barrels per day and producing wells in this pool at the currently authorized rates will result in oil ultimately being left in the ground.

6. Armstrong Energy Corporation seeks establishment of a special oil allowable for the Northeast Lea-Delaware Pool of 300 barrels of oil per day.

7. Approval of this application will result in the production of hydrocarbons which otherwise will not be produced and will otherwise be in the best interest of conservation and the protection of correlative rights.

WHEREFORE, Armstrong Energy Corporation requests that this amended application be set for hearing before the Oil Conservation Commission on July 22, 1993 and that after notice and hearing as required by law and the rules of the Division, the Commission enter its Order abolishing the Quail Ridge Delaware Pool, extending the Northeast Lea-Delaware Pool and promulgating Special Pool Rules and Regulations for the Northeast Lea-Delaware Pool including provisions for a special oil allowable of 300 barrels per day.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By:



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ATTORNEYS FOR ARMSTRONG ENERGY
CORPORATION

COUNTY Lea POOL Northeast Lea-Delaware

TOWNSHIP 19 South RANGE 34 East NMFM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

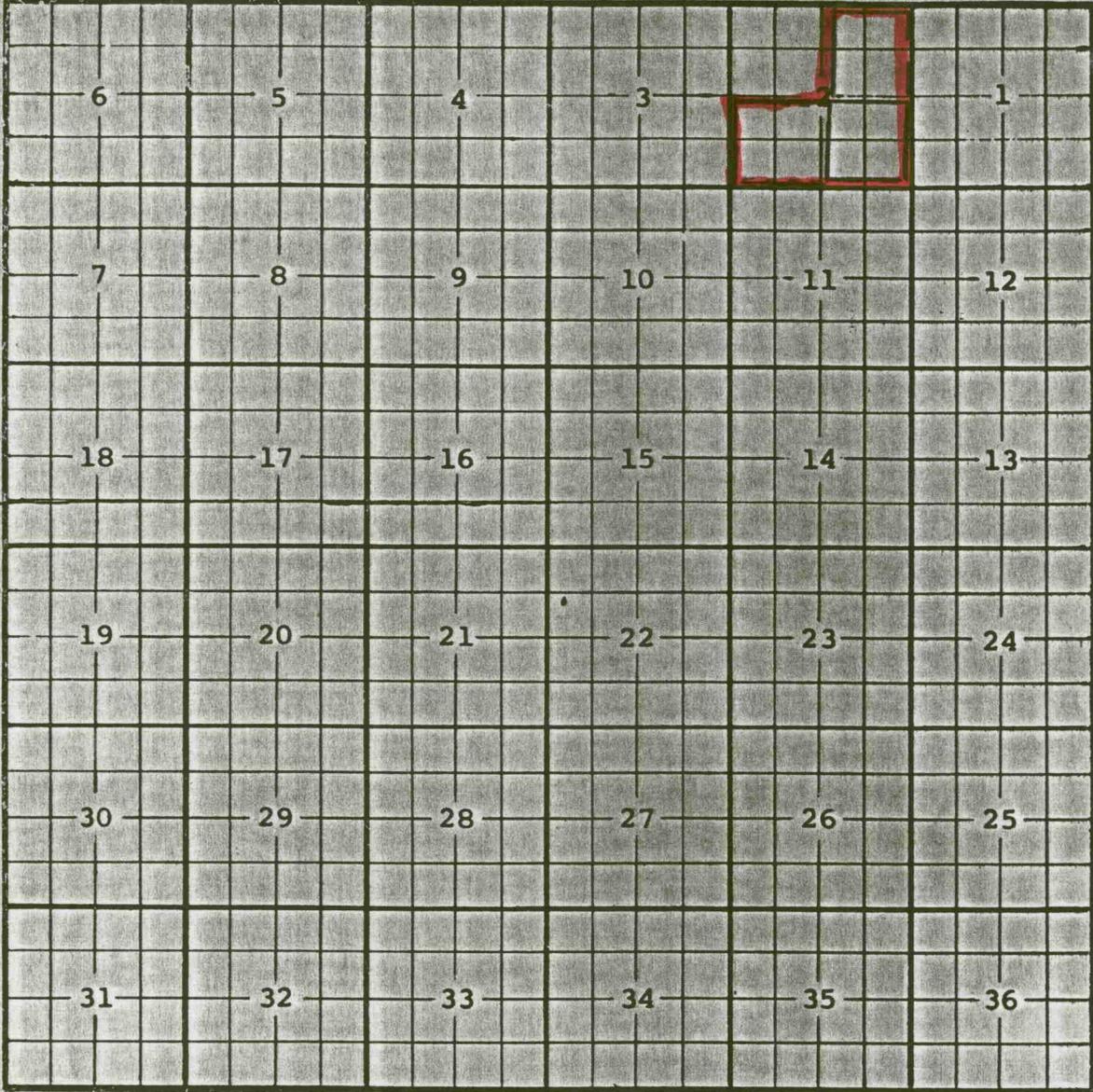


Ext: SE/4 sec. 35 (R-8340, 11-3-86)

ILLEGIBLE

COUNTY Lea POOL Northeast Lea-Delaware

TOWNSHIP 20 South RANGE 34 East NMFM



Description: SE 1/4 Sec. 2 (R-8233, 5-29-86) Ext: NE 1/4 Sec. 2 (R-8340, 11-3-86)
Ext: SW 1/4 Sec. 2 (R-9843, 2-8-93)

ILLEGIBLE

COUNTY LEA

POOL Quail Ridge - Delaware

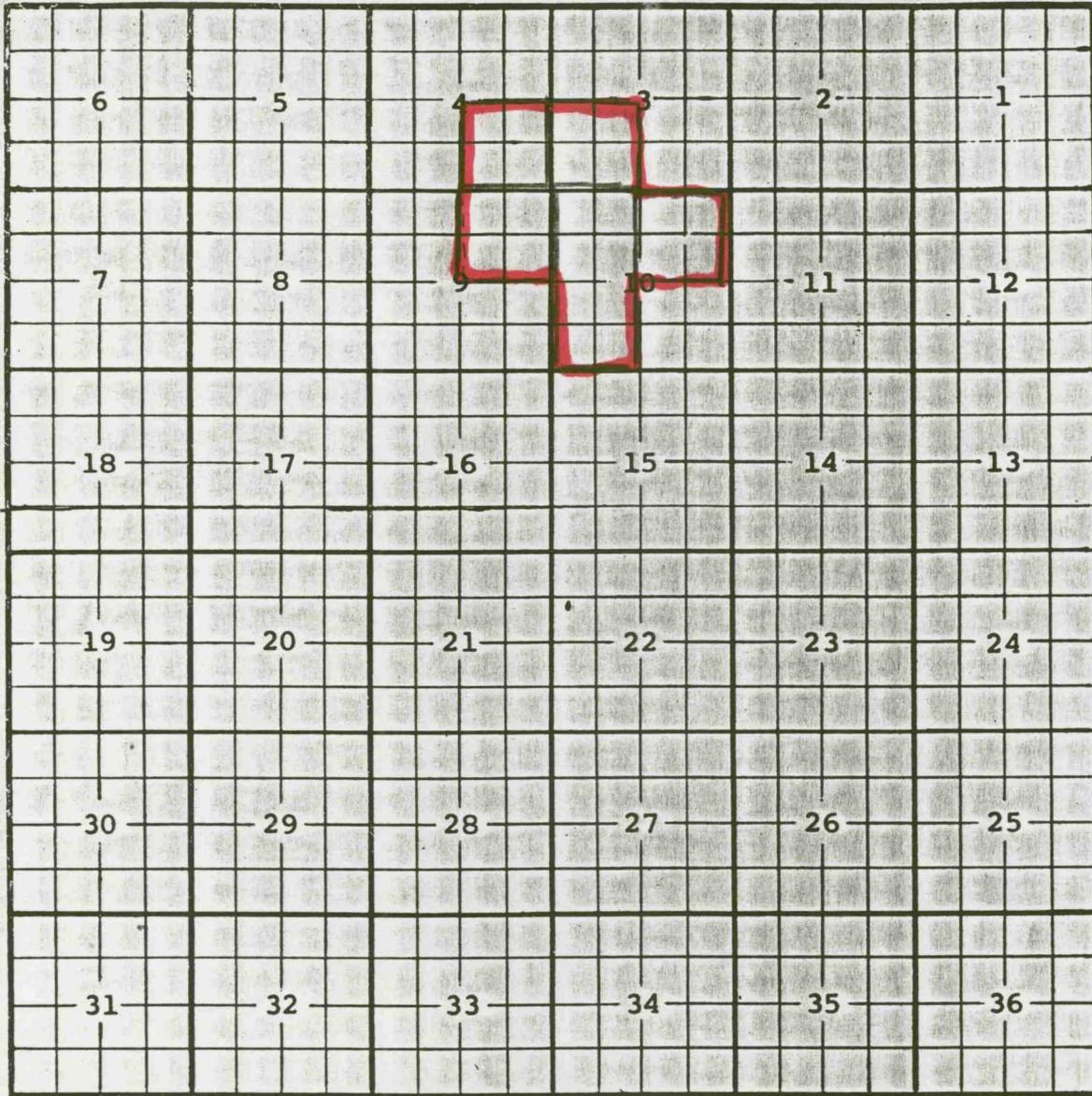
TOWNSHIP

20 South

RANGE

34 East

NMPM



DESC: SE/4 sec 4 (R-8901, 4-1-89) EXT: SW/4 SEC 3 (R-9472, 4-1-91)

Ext: W/2 Sec. 10 (A-9646, 3-11-92) EXT: NE/4 Sec. 9, NE/4 Sec. 10 (A-9843, 2-8-93)

ILLEGIBLE