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February 7, 1994

HAND-DELIVERED

FEB - 7 1994

William J. LeMay, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources State Land Office Building Santa Fe, New Mexico 87503

Office Building
New Mexico 87503

Re: Application of Armstrong Energy Corporation for an unorthodox well

location, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Armstrong Energy Corporation in the above-referenced case as well as a copy of a legal advertisement. Armstrong Energy Corporation requests that this matter be set for hearing before a Division Examiner on March 3, 1994.

Your attention to this request is appreciated.

Very truly yours,

WILLIAM F. CARR

WFC:mlh Enclosures

cc:

Mr. Robert G. Armstrong (w/enclosures)

Armstrong Energy Corporation

Post Office Box 1973

Roswell, New Mexico 88202

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 AN UNORTHODOX WELL LOCATION, LEA COUNTY, NEW MEXICO.

APPLICATION

COMES NOW ARMSTRONG ENERGY CORPORATION, through its undersigned attorneys, and hereby makes application for an order approving an unorthodox well location, and in support thereof states:

- 1. Applicant is the operator of the SW/4 NW/4 of Section 2, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico and proposes to drill its Mobil Lea State Well No. 5 as an oil well in the Delaware formation, Northeast Lea-Delaware Pool, 2,440 feet from the North line and 870 feet from the West line in Unit E of said Section 2.
- 2. Applicant seeks an exception to the Division's well location requirements to permit the drilling of said well in the Delaware formation at the above-described location.
- 3. A standard 40-acre spacing and proration unit comprised of the SW/4 NW/4 of said Section 2 should be dedicated to the well.
- 4. Approval of this application will afford Applicant the opportunity to produce its just and equitable share of the oil and gas from the Delaware formation and will otherwise be in the best interest of the conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on March 3, 1994, and after notice and hearing as required by law, the Division enter its Order granting this application and providing such other relief as is proper.

Respectfully submitted,

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

Sy: William F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR ARMSTRONG ENERGY CORPORATION

CASE ____: 16900

Application of Armstrong Energy Corporation for an unorthodox well location, Lea County, New Mexico. Applicant seeks authorization to drill to the Delaware formation, Northeast Lea-Delaware Pool, its Mobil Lea State Well No. 5 at a location 2,440 feet from the North line and 870 feet from the West line (Unit E) of Section 2, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico. The SW/4 NW/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre spacing and proration unit. Said unit is located approximately one-half mile South of mile marker 80 on U.S. Highway 180/62.