District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., 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 Mexic Energy Minerals and Natural Resources

Form C-141 Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

1220 South St. Francis Dr. Santa Fe, NM 87505

Oil Conservation Division

Release Noti	fication and	Corrective	Action
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OPERATOR

Initial Report X Final Report

Name of Company ARMSTRONG ENERGY CORPORATION	Contact BRUCE STUBBS	
Address P.O. BOX 1973, ROSWELL, NM 88202	Telephone No. 575-625-2222	
Facility Name SUPERIOR FEDERAL #5 FLOW LINE	Facility Type FLOWLINE	

Surface	Owner	U.S.	- BLI	M

Mineral Owner U.S.

API No. 30-025-21370

LOCATION OF RELEASE

Unit Letter M	Section 25	Township 19S	Range 34E	Feet from the 990	North/South Line SOUTH	Feet from the 400	East/West Line WEST	County LEA

Latitude_32.62644N Longitude_103.52037W

NATURE OF RELEASE

Type of Release PRODUCED WATER AND OIL	Volume of Release 80 BW & 2 BO Volume Recovered NONE					
Source of Release SPLIT IN FLOWLINE	Date and Hour of Occurrence Date and Hour of Discovery					
	7-18-05 PM	7-19-05 8:00	O AM			
Was Immediate Notice Given?	If YES, To Whom?					
Yes No Not Required						
By Whom?	Date and Hour					
Was a Watercourse Reached?	If YES, Volume Impacting the Wat	tercourse.				
🗌 Yes X No						
If a Watercourse was Impacted, Describe Fully.* N/A						
If a watercourse was impacted, Describer uny. TWA	RECEIVED					
E	By OCD District 1 at 9:08	am, Jun (09, 2015			
Describe Cause of Problem and Remedial Action Taken.*						
REPLACED FLOWLINE. THE AREA HAS BEEN RESEEDED AND	ALL BUT AN AREA APPROXIMAT	TELY 50' X 20)' HAS RECOVERED.			
Describe Area Affected and Cleanup Action Taken.*						
THE AREA 50' X 20' WILL BE REMEDIATED AS PER THE ATTAC	LHED PLAN.					
I hereby certify that the information given above is true and complete to	the best of my knowledge and underst	and that pursu	ant to NMOCD rules and			
regulations all operators are required to report and/or file certain release	notifications and perform corrective ac	ctions for relea	ses which may endanger			
public health or the environment. The acceptance of a C-141 report by the	he NMOCD marked as "Final Report"	does not relie	ve the operator of liability			
should their operations have failed to adequately investigate and remedia	te contamination that pose a threat to	ground water,	surface water, human health			
or the environment. In addition, NMOCD acceptance of a C-141 report	does not relieve the operator of respon	sibility for con	npliance with any other			
federal, state, or local laws and/or regulations.	-					
	OIL CONSERVATION DIVISION					
15 att.						
Signature:						
	Approved by Environmental Specialist:					
Printed Name: BRUCE STUBBS						
Title: ENGINEER	Approval Date:	Expiration D	ate:			
E	Conditions of Approval:					
E-mail Address: bastubbs@armstrongenergycorp.com	Conditions of Approval:		Attached			
Date: 6-8-15 Phone: 575-625-2222						
Date: 6-8-15 Phone: 575-625-2222						

* Attach Additional Sheets If Necessary

State of New Mexico Energy Minerals and Natural Resources

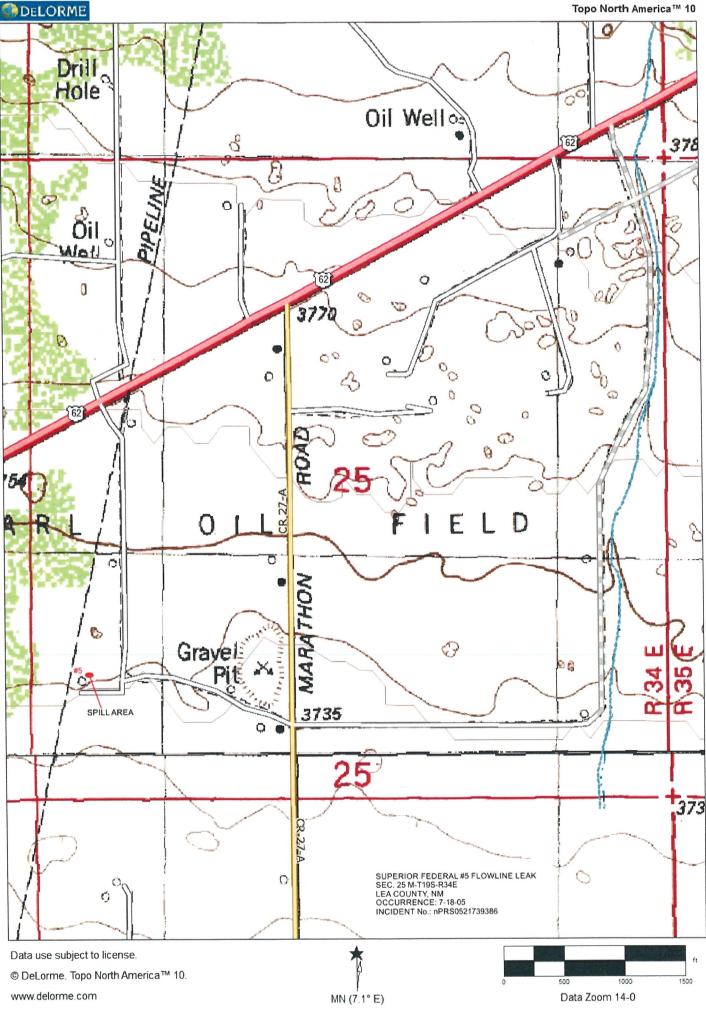
Form C-141 Revised October 10, 2003

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action												
							TOR	eeron	X Initia	Report	П	Final Report
Name of Co		Armstrong	Energy C	orporation	(ruce Stubbs			ricport		
Address	mpany						No. 505-625-222	22				
							e Flowline					
									Langa	Io. NM-08	26	
Surface Ow	mer U.S.			Mineral C	wner	U.S.			Lease	<u>40. 1111-00</u>	50	
				LOCA	TION	OF RE	LEASE					
Unit Letter M	Section 25							County Lea	-			
		Lat	itude_3	32.62644 N	Lo	ongitude	103.52037 W_			1		
				NAT	URE	OF REL	the second state of the se					
Type of Rele	ease		ed Water	& Oil			f Release 80 BW,			Recovered		one
Source of Re	elease	Split in	Flowline			Date and H PM	our of Occurrence 7	-18-05	Date and I	four of Disco	overy /-	19-05 8:00 AM
Was Immedi	iate Notice	Given?				If YES, To	o Whom?					
was minical] Yes X	No 🗌 Not Re	quired	Notice to						
By Whom?	Bruce Stub	bs					Hour 7-21-05					
Was a Water							olume Impacting	the Wate	ercourse.			
] Yes X	K No		N/A						
If a Waterco	ourse was Ir	npacted, Desci	ribe Fully.	*								
N/A												
Describe Ca	use of Prob	olem and Remo	edial Action	on Taken.*					1. 1. Class	June Flowd	ing had	a groove
Split in the l	black poly	flowline spray	ed the sur	rounding area wit point for the line t	h produc	ced water and	d oil. Shut well in	and insp Superior	Fed #5 to	the tie-in n	oint at	the Superior
Fed #4.	tis of the lif	ie that provide	d a weak	point for the fine t	0 Ian. Ko	eplaced the I	lowine nom men	Superior	100.110 10	the ne m p		
reu #4.												
D	A CC at a	d and Claanup	Action To	aken.* An area ap	provima	tely 50' in di	ameter and 25' in	diamete	er was spra	ved with pr	oduced	l fluids,
Describe Ar	ubbery and	soil. The Area	a will be r	eseeded when a w	et period	l is predicted		diamote	x nus spra	J F -		,
Stanning Sin	ubbery and	Som. The The			r.	1						
		·	-i	ve is true and com	plata to r	the bost of m	w knowledge and	underst	and that pu	rsuant to N	MOCD	rules and
magulationa	all operator	re are required	to report	and/or file certain	release 1	notifications	and perform corre	ective ac	tions for re	eleases will	JII may	chuanger
mublic boolt	th or the en	vironment Th	e accenta	nce of a C-141 rep	ort by th	ie NMOCD	marked as "Final	Report"	does not re	eneve the o	perator	or nating
should their	r operations	have failed to	adequate	ly investigate and	remedia	te contamina	ation that pose a the	hreat to g	ground was	ter, surface	water,	numan nearth
or the envir	onment. Ir	addition, NM	OCD acc	eptance of a C-14	1 report	does not reli	eve the operator o	respon	sidility for	compnance		iny other
federal, stat	te, or local	laws and/or re	gulations.		T		OIL COI	NSER'	VATIO	N DIVIS	ION	
	B	ALA	/				011/001	TOLIC	111110			
Signature:	11	F/Mill	4									
Printed Name: Bruce Stubbs						Approved by District Supervisor:						
Finted Nat		5.4003										
Title: Engin	neer					Approval I	Date:		Expiratio	on Date:		
E mail A d	draces nance	s@lookingglas	e net			Conditions	of Approval:			A		1
E-man Add	aress. peeos	Scorookinggias	5.11Ct			Conditions	PP. C. W.			Attach	ned	1
Date: 8-2-05 Phone: 505-625-2222												

* Attach Additional Sheets If Necessary

Topo North America™ 10





Superior Federal #5 Sec. 25-T19S-R34E Lea County, New Mexico #5 Flowline Leak Incident No.: nPRS0521739386

A flow line leak occurred on 7-18-05 releasing 80 BW and 2 BO. On inspection on 5-29-15 showed that the vegetation has recovered except for areas that are crusted with weathered oil. Analysis indicates Chloride at 224-416 mg/kg, GRO C6-C10 <10-50 and DRO C10-C28 58-353. The following procedure is to be used on the remaining "crusted areas" that are not supporting vegetation.

- 1. Broadcast granular fertilizer at the rate of 50 lbs./1000 ft² of 13-13-13 fertilizer or equivalent.
- 2. Till in fertilizer and breakup crust to a depth of 6" to 12".
- 3. Reseed with BLM seed mixture #2 at the rate of .25 lbs./1000 ft². Drill or rake to cover seeds. Apply before July 1, 2015.
- 4. AT 30-60-90 day periods apply fertilizer at the rate of 5 lbs./1000 ft² of 13-13-13 fertilizer or equivalent.
- 5. Monitor progress and reevaluate in the spring of 2016.

The Superior Federal #5 was P & A'd this spring. The caliche has been removed, the location and road ripped and the road and location have been reseeded. The leak area is just off the northeast corner of the old location.