



Liza Jane Federal #1
Section 19 T5S R34E
1630' FSL & 1220' FEL
Roosevelt County, NM

Waste Minimization Plan

- (1) The anticipated completion date of the proposed well will be July 10, 2017.
- (2) The description of anticipated production is oil, gas, and water.
 - (i) The anticipated date of first production is July 10, 2017.
 - (ii) The expected initial oil production rate from the well is 120 BOPD. The expected initial gas production rate from the well is 500 MCFD.
 - (iii) The expected production decline curve is shown in attachment (2.iii):
 - (iv) The expected BTU value of the gas production for this well is 1200.
- (3) Certification that the operator has provided one or more midstream companies of our plans is shown in attachment (3):
- (4) The gas pipeline to which we plan to connect is the northern end of Targa's Vada system which already gathers gas from our existing producers in the area.
 - (i) The maximum current daily capacity of the pipeline is understood to be around 4 MMCFD.
 - (ii) The current throughput of the line is approximately 1750 MCFD.
 - (iii) The anticipated daily capacity of the pipeline at the anticipated date of first gas sales from the proposed well is 4 MMCFD.
 - (iv) The anticipated throughput of the pipeline at the anticipated date of first gas sales from the proposed well is 1750 MCFD.
 - (v) We are unaware of any plans for expansion of pipeline capacity for this area, other than possibly building a new flowline dedicated to our proposed well, which is not anticipated to increase capacity of the trunkline but may help to avoid surface commingling of gas from separate wells.
- (5) We are able to identify a gas pipeline with sufficient capacity to accommodate the anticipated production of the proposed well.
 - (i) We are able to identify a gas pipeline with sufficient capacity to accommodate the anticipated production of the proposed well.
 - (A) The name and location of the gas processing plant closest to the proposed well, and also the intended destination processing plant for the proposed well, is Targa's Saunders Gas Plant located in Section 34 of Township 14 South, Range 33 East.
 - (B) The location and name of the operator of each gas known trunkline within 20 miles of the proposed well is as follows:

Targa Midstream Services
10 W. Adams Ave.
Lovington, NM 88260



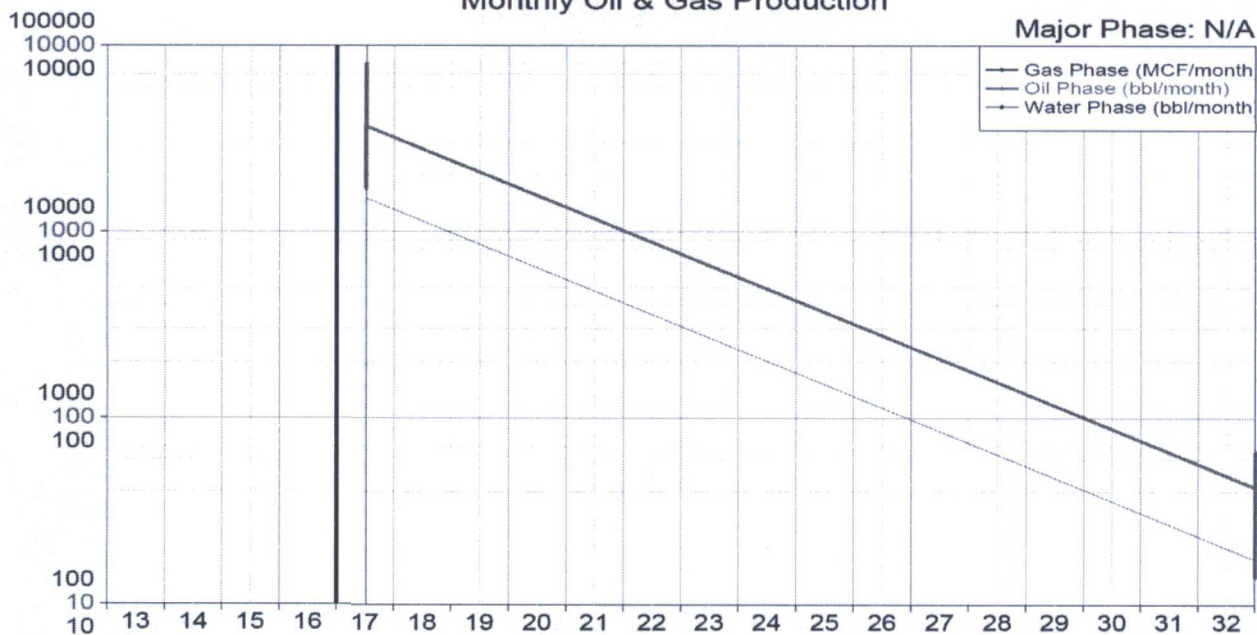
- (C) The proposed route and tie-in point that connects or could connect the subject well to an existing gas trunkline can be seen in attachment (5.i.C)
- (ii) Armstrong Energy is not currently venting or flaring any gas from wells in the same field or any wells within a 20 mile radius of this field.
- (iii) At this time there is no need for alternative on-site gas capture approaches such as compression or liquefaction, removal of NGL, or electrical generation. The gas produced from our wells is all captured and sold.



Attachment (2.iii)

Liza Jane Federal 1 Expected Decline

Monthly Oil & Gas Production



Gas Phase	
#1 Segment Information	
Type:	Exponential
n%:	0.000
De%:	25.000
Qi:	15000.000
Qe:	1.000
Limit:	12/13/2050 Date
Prior Cum.:	0.000
PSD Rem:	625.649
Ultimate:	625.649

Oil Phase	
#1 Segment Information	
Type:	Exponential
n%:	0.000
De%:	25.000
Qi:	3650.000
Qe:	30.417
Limit:	02/25/2034 Date
Prior Cum.:	0.000
PSD Rem:	150.982
Ultimate:	150.982



Attachment (3)

Kyle Alpers

From: Kyle Alpers <kalpers@armstrongenergycorp.com>
Sent: Thursday, March 23, 2017 10:45 AM
To: Andrew Seegers (aseegers@targaresources.com)
Subject: New Well

Good morning Andrew,

We're planning on drilling a new well in Roosevelt County this summer, hope to spud around June 15th. The anticipated legals are as follows:

Section 19 T5S R34E
1220' FEL & 1630' FSL

The well will be called the Liza Jane Federal #1, and as I understand it the BLM is not ok with off lease metering like we do on all of our other wells up there. I'm not sure what the solution is but wanted to give you a heads up. I am anticipating Fusselman production from this well. The gas should be relatively rich and have some nitrogen, but should be sweet. If you'll recall our biggest producing well in the area (Long Tall Sally #1) previously made around 2500mcf and your line to the area was at capacity when it did so. Since then we have cut that well back to around 1200mcf. I am anticipating this new well to use that available space in the line, though not necessarily to make up the difference between now and the Long Tall Sally's original production.

Please let me know what other information you need from me in order to get the ball rolling on a connection when needed.

Thanks

Kyle Alpers
Operations Manager
kalpers@aecnm.com
PO Box 1973
Roswell, NM 88202
(O) 575-623-2999 Ext. 305
(C) 575-626-2727
(F) 575-622-2512



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Attachment (5.i.C)

