

I 4 E (Holds)

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Armstrong Energy Corporation

3. Address and Telephone No.
 P. O. Box 1973, Roswell, New Mexico 88202-1973 623-8726

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 2086' FSL and 556' FWL
 Section 1, T20S, R34E

5. Lease Designation and Serial No.
 NM-0250

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
 K. F. Quail Federal

9. API Well No.
 1

10. Field and Pool, or Exploratory Area
 South Lea San Andres

11. County or Parish, State
 Lea County, New Mexico

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Operator proposes to P&A this well utilizing the following procedure:

1. Set a CIBP @ 5350' & cap with 35' of cement.
2. Load wellbore with salt gel mud.
3. Set a 100' cement plug @ 3340' to 3440' to cover DV tool located @ 3390'.
4. Set a 100' cement plug from 824' to 924' to cover surface casing shoe @ 874'.
5. Attempt to fill annulus between 13-3/8" and 9-5/8" casing with cement from surface to 50'.
6. Set a 50' cement plug from surface to 50'.
7. Erect P&A marker.

14. I hereby certify that the foregoing is true and correct
 Signed _____ Title President Date April 3, 1996

(This space for Federal or State office use)
 Approved by **(ORIG. SCD) JOE G. LARA** Title **PETROLEUM ENGINEER** Date 4/9/96
 Conditions of approval, if any: See attached.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

BUREAU OF LAND MANAGEMENT CARLSBAD RESOURCE AREA

Conditions of Approval for the Permanent Abandonment of Federal Wells

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

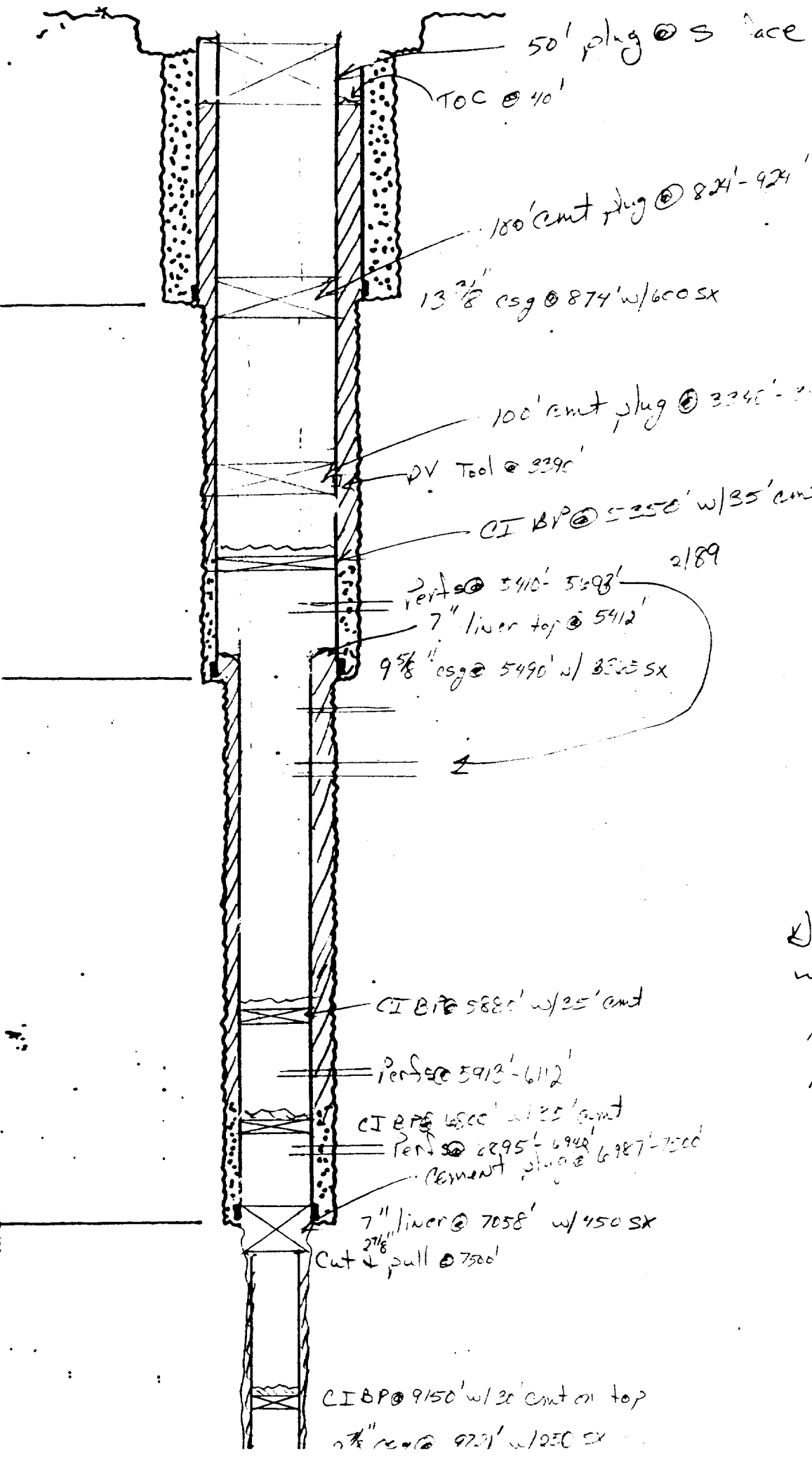
1. Plugging operations shall commence within 90 days from the approval date of this Notice of Intent to Abandon.
2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Eddy County call (505) 887-6544; for wells in Lea County call (505) 393-3612.
3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.
5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C", for up to 7,500 feet of depth, mixed at 14.8 lbs./gal. with 6.3 gallons of fresh water per sack or class "H", for deeper than 7,500 feet plugs, mixed at 16.4 lbs./gal. with 4.3 gallons of fresh water per sack.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).
7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

Following the submittal and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.

OPERATOR: Armstrong Energy Corp.
WELL: K. F. Quail #1
LEASE NO.: NM-02528
LOCATION: 2681/5 & 5576/1 w/ Sec 1-20S-34E



4/2/96

Discussed RTA procedure
 w/ Tommy Scroggins/Armstrong
 He will prepare NIT
 RTA on Sunday notice
 & file.

Joe