

Oil Conservation Division District 1
 1625 Ranch Drive
 Hobbs, NM 88240

CONTACT RECEIVING
 OFFICE FOR NUMBER
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BLM Roswell District
 Modified Form No.
 NM060-3160-2
 30-025-23601
 AP# 30-025-02408

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT
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APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

TYPE OF WORK
 Deepen Field Office
 Hobbs, N.M.

OIL WELL GAS WELL OTHER

SINGLE ZONE MULTIPLE ZONE

NAME OF OPERATOR: Armstrong Energy Corporation
 ADDRESS OF OPERATOR: P.O. Box 1973, Roswell, New Mexico 88202
 LOCATION OF WELL: 600' FNL & 600' FWL, Same
 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 24 miles southwest of Hobbs, New Mexico

3a. Area Code & Phone No. 505-625-2222

9. WELL NO. 2

10. FIELD AND POOL, OR WILDCAT: Lea Delaware, N.E.
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 1, T20S-R34E

12. COUNTY OR PARISH: Lea
 13. STATE: New Mexico

16. NO. OF ACRES IN LEASE: 600
 17. NO. OF ACRES ASSIGNED TO THIS WELL: 40.0

19. PROPOSED DEPTH: 6200'
 20. ROTARY OR CABLE TOOLS: Rotary

22. APPROX DATE WORK WILL START*: June 10, 2000

PROPOSED CASING AND CEMENTING PROGRAM

OLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
13 3/4"	11 3/4"	42.00	*	*	407	425 sx
10 5/8"	8 5/8"	32.00	*	*	4050	700 sx,
7 7/8"	5 1/2"	17.00	J-55	LT&C	6200	1000 sx., T.O.C. @ surf.

Existing Casing
 Armstrong Energy Corporation proposes to drillout to a depth sufficient to test the Delaware formation, 5775-5950'. 5 1/2" casing to be set at 6200' and the Delaware will be production tested. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal Regulations. Specific programs as set out in Onshore Oil and Gas order #1 are outlined in the following attachments:

- NMOCD Form C-102 Well Location Plat and Acreage Dedication Plat
 - Hole Prognosis
 - Surface Use Plan
 - H2S Plan
 - Exhibit "A" Wellbore Diagram
 - Exhibit "B" Equipment Description
 - Exhibit "C" Planned Access Roads
 - Exhibit "D" One Mile Radius Map
 - Exhibit "E" Drilling Rig Layout Plan
 - Exhibit "F" Proposed Powerline Right-of-way
 - Exhibit "G" Proposed Pipeline Right-of-way
- OPER. OGRID NO. 1092
 PROPERTY NO. 1580
 POOL CODE 37584
 EFF. DATE 6-26-00
 API NO. 30-025-02408
 30-025-23601

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 DISTRICT OFFICE

NOTE: ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventor program, if any.

SIGNED: [Signature] TITLE: Consulting Engineer DATE: 5/12/2000

APPROVED BY: (ORIG. SGD.) ARMANDO A. LOPEZ TITLE: Acting Assistant Field Manager DATE: JUN 19 2000

*See Instructions On Reverse Side
 APPROVED FOR 1 YEAR
 F3160-3.WK