District I

1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

District II

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

<u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u>
1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101 Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

☐AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

APPLI	CATIO	ON FOI				RILL, RE-EI	NTER	, DEEPEN	, PLUGBA	ACK,	OR AD	DD A ZONE	
	1. Operator Name and Address Armetrong Energy Corporation - DO Box 1072 - Boxwell NIM 99202									². O	GRID Nun	nber	
Armstrong Energy Corporation PO Box 1973 Roswell, N						3 Roswell, NI	M 88202 3- API Number 30-025-36629				er 20		
4. Prop	erty Code					o. Property Rouech	Name			<u> </u>		Well No.	
	55555					7. Surface L						001	
UL - Lot	Section	Township		Range	Lo	t Idn Feet f	rom				E/W Line	County	
Р	5	17S		37E		60		South	1120		East	Lea	
UL - Lot	Section	Torreschie	1	Danas		8. Proposed Bottom Hole Location Lot Idn Feet from N/S Line Feet F					E/W Line	Country	
OL - Lot	Section	Township		Range		t Idn Feet f	rom	N/S Line	Feet From		E/W Line	County	
						9. Pool Infor	mation						
Lovington;	Paddock					Pool Name						Pool Code 40660	
					Λ	dditional Well	Inform	ation					
I	rk Type		1	^{2.} Well Type	A	13. Cable/I			14. Lease Type			round Level Elevation	
16. V	ultiple		17. F	O Proposed Depth	1	R 18. Forma	ation		P Contractor			3790' GR 20. Spud Date	
	N			6500'		Yes	0		4/8/04			4/8/04	
Depth to Gro	und water			Dist	ance fron	n nearest fresh water	well		Dista	nce to ne	arest surfac	ce water	
We will b	e using a	closed-loo	p syst	em in lieu o	of lined	pits			l.				
				21	Propo	sed Casing and	l Ceme	nt Program					
Туре	Hol	le Size	Ca	sing Size	C	asing Weight/ft		Setting Depth	Sacks	of Ceme	ent	Estimated TOC	
Surf	17.5	5"	13.3	75"	48#		418'		375	375)'	
Int	11"		3.62	:5"	32#		4297'		1030	1030		320'	
Prod	7.87	75"	5.5"		17#		110	11074' 1290		3142'		3142'	
		ı		Casi	ng/Cen	nent Program:	Additio	nal Commen	ts				
				22.	Propo	sed Blowout Pi	reventio	on Program					
	Туре				Working	Pressure			ssure	ıre		Manufacturer	
Double Ra	am			5000			500	0					
^{23.} I hereby certify that the information given above is true and complete to the best of my knowledge and belief.				OIL CONSERVATION DIVISION									
I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC, if applicable. Signature: Kyle Alpers				Approved By:									
Printed name	Printed name: Kyle Alpers					Title:							
Title: VP E							Approved Date: Expiration Date:						
E-mail Addre			cnm	.com									
Date: 3/7/2024 Phone: 575-625-2222				Conditions of Approval Attached									

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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT										
PI Number	r		² Pool Code	10.660						
-025-36629			x33510x	40660	LOVING	TON;PADD	OCK			
ode				⁵ Property N	Vame			6 V	Vell Number	
				Roueche	5			001		
0.	7,			⁸ Operator I	Name		1	⁹ Elevation		
	Armstrong Energy Corporation						3790'			
¹⁰ Surface Location										
Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	Vest line	County	
5	17S	37E		600	South	1120	East		Lea	
		ı Во	ttom Hol	e Location If	Different Fron	n Surface				
Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	West line	County	
13 Joint or	r Infill 14 Con	solidation	Code 15 Or	der No.						
	ode Section Section	PI Number -025-36629 ode D. Section Township 5 17S Section Township	PI Number -025-36629 ode 5	PI Number 2 Pool Code (3335M) ode	PI Number	PI Number	Pool Name	PI Number -025-36629 2 Pool Code	PI Number -025-36629 -025-36	

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16			¹⁷ OPERATOR CERTIFICATION
			I hereby certify that the information contained herein is true and complete
			to the best of my knowledge and belief, and that this organization either
			owns a working interest or unleased mineral interest in the land including
			the proposed bottom hole location or has a right to drill this well at this
			location pursuant to a contract with an owner of such a mineral or working
			interest, or to a voluntary pooling agreement or a compulsory pooling order
			heretofore entered by the division.
			Kyle Alpers 8/30/22
			Signature Date
			Kyle Alpers
			Printed Name
			kalpers@aecnm.com
			E-mail Address
			18SURVEYOR CERTIFICATION
			I hereby certify that the well location shown on this plat
			was plotted from field notes of actual surveys made by
			me or under my supervision, and that the same is true
			and correct to the best of my belief.
			December 16, 2003
			Date of Survey
			Signature and Seal of Professional Surveyor:
		1120'	
		.1	Certificate Number
		009-	Continue Funitor
	l.	- 1	

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically Via E-permitting

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description <u>Effective May 25, 2021</u>

I. Operator: Armstr	ong Energy	Corporation	OGRID: _10	92	Date:	. 03/11/24	
II. Type: ✓ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.							
If Other, please describe	e:						
III. Well(s): Provide the be recompleted from a s					wells proposed to	o be drilled or proposed	
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D	
Roueche 5 #1	30-025-36629	UL P Sec 5 T17S R37E	600' FSL & 1120' FE	30	100	30	
V. Anticipated Schedu proposed to be recomple Well Name	le: Provide the	following informat	ion for each new		rell or set of wel		
Roueche 5 #1	30-025-36629	4/8/04	4/30/04	04/01/2024	04/05/202	24 04/05/2024	
VI. Separation Equipment: ✓ Attach a complete description of how Operator will size separation equipment to optimize gas capture. VII. Operational Practices: ✓ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC. VIII. Best Management Practices: ✓ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.							

Section 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☑ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering	Available Maximum Daily Capacity
	-		Start Date	of System Segment Tie-in

XI. Map. \square Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the
production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of
the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural	gas gathering system 🗆 v	vill □ will not have	capacity to gather	100% of the anticipated	natural gas
production volume from the well p	prior to the date of first pro	oduction.			

XIII. Line Pressure. Operator \square does \square does not anticipate that its existing well(s) connected to the same segment, or portion,	of the
natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new we	

	A 1 .	O 1	, 1 ,		1 4.	•	4 41 .	ased line pres	
I I	Affach (Inerator	's nian to	manage	nraduction	in rechange	to the incre	aced line nrec	cure

XIV. Confidentiality: \square Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the informat	ion provided in
Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the spec	ific information
for which confidentiality is asserted and the basis for such assertion.	

Section 3 - Certifications <u>Effective May 25, 2021</u>

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal: 🗹 Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system: or ☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. If Operator checks this box, Operator will select one of the following: Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or Venting and Flaring Plan.

Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including: power generation on lease; (a) **(b)** power generation for grid; compression on lease; (c) (d) liquids removal on lease; reinjection for underground storage; (e) **(f)** reinjection for temporary storage;

- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

- 1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:
- (a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- (b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- 2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: Kyla Alpers
Printed Name: Kyle Alpers
Title: VP Engineering
E-mail Address: kalpers@aecnm.com
Date: 03/11/2024
Phone: 575-625-2222
OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:



NATURAL GAS MANAGEMENT PLAN ATTACHMENTS:

VI: Description of how Armstrong Energy Corporation will size separation equipment to optimize gas capture.

Armstrong Energy Corporation will utilize a separator of sufficient size to allow adequate retention time of the production stream for separation of gas and fluids based on the lowest possible operating pressure determined by the gas sales line pressure downstream of the vessel. The separator size determination will be made either by typical engineering calculations or operational experience. By operating the separator at the lowest operable pressure AEC will ensure maximum capture of produced gas for sales into the pipeline. Should the line pressure downstream of the separator be too high to ensure good separation, AEC has the ability to utilize low suction pressure compressors to aid in separation and gas capture where applicable.

VII: Descriptions of the actions Armstrong Energy Corporation will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC

- A. Armstrong Energy Corporation will maximize the recovery of natural gas by minimizing waste of natural gas through venting and flaring. AEC will ensure that our wells will be connected to a natural gas gathering system with sufficient capacity to transport 100% of the produced natural gas. Should a natural gas gathering system be unfeasible, an alternative beneficial use will be found for the gas.
- B. All drilling operations will be equipped with a properly sized flare stack located at least 100 feet from the surface hole location. The flare will be utilized to combust any natural gas that is brought to surface during normal drilling operations. In the case of emergency or malfunction, any flared volumes will be reported appropriately.
- C. During completion operations any natural gas produced by the well will be flared. Following completion and flowback operations, the production stream will flow to portable separation equipment until well facility is completed, at which point fluids will be directed to permanent separation equipment. The separated natural gas will be sent to a gas gathering line. If the natural gas does not meet gathering pipeline specifications, gas will be flared for 60 days or until the gas meets pipeline specifications. The flare stack will be properly sized and equipped with an automatic igniter or continuous pilot. Gas samples will be taken twice per week and natural gas will be routed into a gathering system as soon as the pipeline specifications are met.
- D. During production operations natural gas will not be flared unless an exception as listed in 19.15.27.8(D)(1-4) is met. If there is no adequate takeaway for the produced natural gas, the well will be shut-in until a gas gathering system or alternative beneficial use is available, with exception of emergency or malfunction situations.



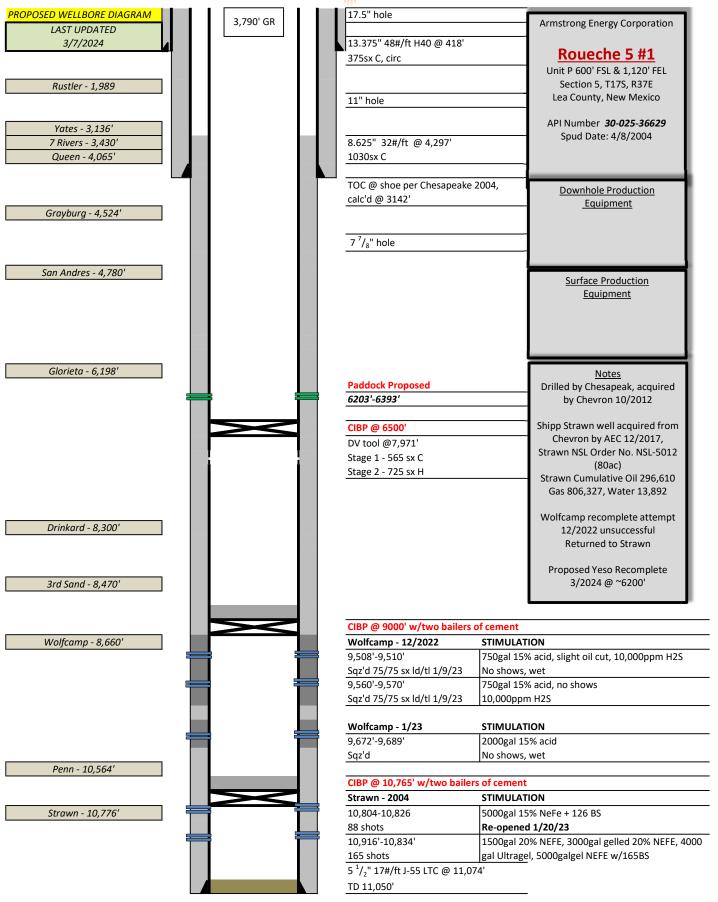
- E. Armstrong Energy Corporation will comply with performance standards as listed in 19.15.27.8(E)(1-8). All equipment will be designed and sized to handle maximum pressure in order to minimize waste. Storage tanks that are routed to a flare or other control device will be equipped with automatic gauging systems to reduce venting of natural gas. Flare stacks will be equipped with an automatic ignitor or continuous pilot. AEC conducts AVO inspections as described in 19.15.27.8(E)(5)(a) at frequencies specified in 19.15.27.8(E)(5)(b) and (c). All emergencies or malfunctions will be resolved as quickly and safely as possible to minimize waste.
- F. The volume of natural gas that is vented, flared or beneficially used during drilling, completion, or production operations, will be measured or estimated and reported accordingly. AEC will install equipment to measure the volume of natural gas flared from a facility associated with a well authorized by an APD after May 25, 2021 that has an average daily production greater than 60,000 cubic feet of natural gas. If metering is not practicable due to circumstances such as low flow rate or low pressure venting or flaring, AEC will estimate the volume of flared or vented natural gas. Measuring equipment will conform to industry standards and will not be equipped with a bypass around the metering element except for the sole purpose of inspecting and servicing the metering equipment.

VIII: Description of Armstrong Energy Corporation's best management practices to minimize venting during active and planned maintenance.

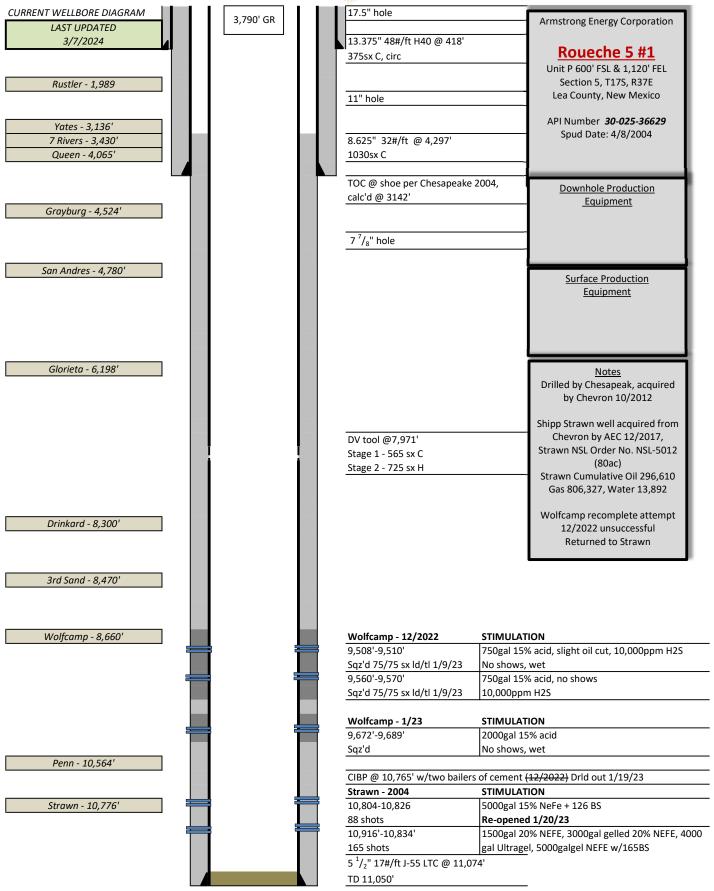
For active and planned maintenance activities, venting will be limited to the depressurization of the subject equipment to ensure safe working conditions. For maintenance of production equipment, the producing well associated with the equipment will be shut-in to prevent venting.

Received by OCP: 3/8/2024 12:00:21	AM State of New Mexico	Form <i>E</i> ^{age} 3 of 13
<u>District I</u> – (575) 393-6161	Energy, Minerals and Natural Resources	Revised July 18, 2013 WELL API NO.
1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> – (575) 748-1283	OIL CONSERVATION DIVISION	30-025-36629
811 S. First St., Artesia, NM 88210 District III – (505) 334-6178	1220 South St. Francis Dr.	5. Indicate Type of Lease
1000 Rio Brazos Rd., Aztec, NM 87410	Santa Fe, NM 87505	STATE FEE 6. State Oil & Gas Lease No.
<u>District IV</u> – (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM	Santa 1 6, 1444 67505	o. State On & Gas Lease No.
	CES AND REPORTS ON WELLS	7. Lease Name or Unit Agreement Name
	ALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A ATION FOR PERMIT" (FORM C-101) FOR SUCH	Roueche 5
1. Type of Well: Oil Well	Gas Well Other	8. Well Number 001
2. Name of Operator Armstrong Energy Corporation		9. OGRID Number 1092
3. Address of Operator		10. Pool name or Wildcat
PO Box 1973, Roswell, NM	88202	Lovington; Paddock
4. Well Location Unit Letter	600 feet from the South line and 112	20feet from the _Eastline
Section 5	Township 17S Range 37E	NMPM Lea County
<u> </u>	11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
	3790' GR	
12 Check Δ	ppropriate Box to Indicate Nature of Notice, I	Report or Other Data
		•
NOTICE OF IN		SEQUENT REPORT OF:
PERFORM REMEDIAL WORK TEMPORARILY ABANDON	PLUG AND ABANDON REMEDIAL WORK CHANGE PLANS COMMENCE DRIL	_
PULL OR ALTER CASING	MULTIPLE COMPL CASING/CEMENT	
DOWNHOLE COMMINGLE	5/10/1/07 DE 10/1/07 D	
CLOSED-LOOP SYSTEM	_	_
OTHER: Plugback	OTHER: eted operations. (Clearly state all pertinent details, and	give pertinent dates including estimated date
	cted operations. (Clearly state an pertinent details, and ck). SEE RULE 19.15.7.14 NMAC. For Multiple Com	
proposed completion or reco		-
1. RUPU, NUBOP, TOOH	w/pump and rods, TOOH w/tbg	
3. RIH w/CIBP, set @ 9,00	765' w/two bailers of cement 00' w/two bailers of cement	
4. RIH w/CIBP, set @ 6,50	00'	
6. TOOH w/WL, tie in and pe	rforate Paddock interval from 6,203'-6,393' r and RIH w/tbg, spot acid, pull up and set packer	. Break down and put acid away.
Swab test and evaluate		,
 RIH w/production equip RDPU 	ment, return to production	
0.1.5.0		
Spud Date: 4/8/04	Rig Release Date: 5/2/04	
4/6/04	5/2/04	
I hereby certify that the information a	bove is true and complete to the best of my knowledge	and belief.
SIGNATURE Kyle Alpa	TITLE VP Engineering	_{DATE} 3/7/24
Type or print name Kyle Alpers	E-mail address: kalpers@aec	nm.com PHONE: 575-625-2222
For State Use Only	E-man address:	FHONE
ADDDOVED BV	TITLE	DATE
Conditions of Approval (if any):	THLE_	DATE









INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or leepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths hall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeaster	n New Mexico	Northwestern New Mexico		
T. Anhy 1992	T. Canyon	T. Ojo Alamo	T. Penn "B"	
T. Salt	T. Strawn 10776	T. Kirtland-Fruitland	T. Penn. "C"	
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"	
T. Yates 3136	T. Miss	T. Cliff House	T. Leadville	
T. 7 Rivers 3431	T. Devonian	T. Menefee	T. Madison	
T. Queen 4074	T. Silurian	T. Point Lookout	T. Elbert	
T. Grayburg 4524	T. Montoya	T. Mancos	T. McCracken	
T. San Andres 4780	T. Simpson	T. Gallup	T. Ignacio Otzte	
T. Glorieta 6199	T. McKee	Base Greenhorn	T. Granite	
T. Paddock	T. Ellenburger	T. Dakota	T.	
T. Blinebry	T. Gr. Wash	T. Morrison	. T.	
T.Tubb	T. Delaware Sand	- T.Todilto	A service of the serv	
T. Drinkard	T. Bone Springs	T. Entrada	T.	
T. Abo	T.	T. Wingate	T.	
T. Wolfcamp 8660	T.	T. Chinle	T.	
T. Penn 10564	T.		T.,	
T. Cisco (Bough C)	T.	T. Penn "A"	T.	
			OH OR CAS	

No. 1, from	to	No. 3, from	SANDS OR ZONE	
Vo. 2, from	toto	No. 4, from	toto	
	IMPORTANT V	VATER SANDS		••••
nclude data on rate of water	r inflow and elevation to which water	rose in hole.		

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	То	Thickness	Lithology	From	То	Thickness	T
		In Feet	Dittology	110111	10	In Feet	Lithology
0	1992	1992	Redbed				
1992	3136	1144	Salt & Anhý				
3136	4524	1388	Anhy/Dolo/Sand				
4524	6199	167;5	Dolomite				
6199	8005	1806	Dolo/Sand				
8005	8660	655	Lm/Sd			•	
8660	10564	1904	Limestone				
10564	10776	212	Shale			į	
i0776	11200	424	Limestone			;	
	İ						

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 321156

CONDITIONS

Operator:	OGRID:
ARMSTRONG ENERGY CORP	1092
P.O. Box 1973	Action Number:
Roswell, NM 88202	321156
	Action Type:
	[C-101] Drilling Non-Federal/Indian (APD)

CONDITIONS

Create By	d Condition	Condition Date
pkaı	Will require a administrative order for non-standard location prior to placing the well on production	3/11/2024