

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF ARMSTRONG ENERGY
CORPORATION FOR SPECIAL POOL RULES
AND REGULATIONS FOR THE REEVES;
DEVONIAN POOL, LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Armstrong Energy Corporation (“Applicant” or “Armstrong”), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) seeking an order instituting special rules and regulations for the Reeves; Devonian Pool (Code 51940) (the “Pool”). In support of this application, Armstrong states the following.

1. Applicant (OGRID No. 1092) is an operator in the Pool.
2. Applicant is the operator of the Rocky Raccoon #1 (API No. 30-025-49594), located in a vertical well unit comprised of the NW/4 SE/4 of Section 24, Township 18 South, Range 35 East, Lea County, New Mexico (“Well”). The Well has been placed in the Pool by the Division.
3. The Pool is governed by the Division’s statewide rules for oil pools, with 40 acre well units and wells to be located no closer than 330 feet to a quarter-quarter section line.
4. The initial well completed in the Pool had a top perforation of 12,120 feet subsurface. Therefore, the Pool has a depth bracket allowable of 410 barrels of oil per day for a standard 40-acre oil spacing and proration unit. *See* Rule 19.15.20.12(A) NMAC.
5. The Well was completed on July 14, 2022.
6. The Well is capable of producing above the Pool’s oil allowable.

7. Applicant requests that special rules and regulations for the Pool be established for the Pool, providing for:

- a. A special depth bracket allowable of 800 barrels of oil per day for a standard 40-acre oil well unit;
- b. All other rules to be in conformance with statewide rules; and
- c. The special rules and regulations for the Pool be made effective retroactive to the date of first production from the Well.

8. The proposed increase in oil allowable within the 40-acre oil well unit will not result in decreased ultimate recovery or harm the reservoir.

9. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 2, 2023, and, after notice and hearing as required by law, the Division enter an order establishing a special depth bracket allowable of 700 barrels of oil per day for a standard 40 acre well unit in the Reeves; Devonian Pool (Code 51940).

Respectfully submitted,

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