STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES 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. 23393

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

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CASE NO. 23393

SELF-AFFIRMED STATEMENT OF KYLE ALPERS

1. I am the Vice President of Engineering at Armstrong Energy Corporation ("Armstrong"). I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my qualifications as an expert in petroleum engineering were accepted and made a matter of record.

2. I am familiar with the engineering matters that pertain to the above-referenced application.

 No party has objected to this case proceeding by affidavit, and I do not expect any opposition at hearing.

A copy of Armstrong's Application and Proposed Notice are attached as Exhibit
 A-1.

5. Armstrong has been drilling and completing wells in the Permian Basin since 1981, and Armstrong's management team has extensive experience drilling wells in multiple basins, including the Delaware. Armstrong currently operates 87 wells in New Mexico.

6. Armstrong is the operator of the Rocky Raccoon #1 (API No. 30-025-49594), located in a vertical spacing unit comprised of the NW/4 SE/4 of Section 24, Township 18 South, Range 35 East, Lea County, New Mexico ("Well"). The Well was completed on July 14, 2022.

> Armstrong Energy Corporation Case No. 23393 Exhibit A

7. A copy of the C-102 for the Well is attached as Exhibit A-2.

8. The Well is producing from the Reeves; Devonian Pool (Code 51940) ("the Pool").

9. The Pool is governed by the Division's statewide rule for oil pools, with 40-acre well units and wells to be located no closer than 330' from a quarter-quarter section line.

10. The initial well in the Pool (Nix C #1, API 30-025-03114) was completed in 1962 with a top perforation at 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.

11. As shown by the production data provided in **Exhibit A-3**, the Well is capable of producing above the Pool's oil allowable.

12. Armstrong is requesting an allowable increase to 800 barrels of oil per day for a standard 40-acre oil well unit.

13. Armstrong is not currently planning to complete additional wells in the Pool.

14. **Exhibit A-4** shows the historical production results of Reeves; Devonian completions in the Rocky Raccoon project area and wells within 1-mile of Rocky Raccoon #1.

15. **Exhibit A-5** is reservoir information obtained from the last sixty (60) days of production. This shows that the 800 BOPD depth bracket allowable can be produced without damage to the reservoir and without causing surface or underground waste.

16. The increased allowable will allow for optimum project economics and maximize resource recovery.

17. The proposed increase in oil allowable within the Pool will not result in decreased ultimate recovery or harm the reservoir.

18. Increasing the oil allowable within Pool serves the interests of conservation, the protection of correlative rights, and the prevention of waste.

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19. Increasing the depth bracket allowable to 800 BOPD will not waste reservoir energy or reduce the ultimate recovery of oil and gas reserves.

20. Approval of the 800 BOPD depth bracket allowable will allow Armstrong to produce the pool in an efficient manner that will not cause waste and will protect correlative rights.

21. The Well is already producing, and there are sufficient facilities on site to allow for oil transportation, casinghead gas transportation, water disposal, processing, and marketing.

22. Armstrong has take-away contracts for produced water and gas in this area.

23. For the reasons set out above, it is my opinion that granting Armstrong's applications will best prevent waste (surface, underground, environmental, and economic), protect correlative rights, and prevent the drilling of unnecessary wells.

24. The above-referenced exhibits were either prepared by me or compiled from company records.

25. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

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.

Armstrong Energy Corporation Case No. 23393 Exhibit A-1 7. Applicant requests that special rules and regulations for the Pool be established for the Pool, providing for:

- A special depth bracket allowable of 800 barrels of oil per day for a standard 40acre 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,

HINKLE SHANOR LLP

<u>/s/ Dana S. Hardy</u> Dana S. Hardy Jaclyn M. McLean Yarithiza Peña P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 Facsimile: (505) 98208623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com ypena@hinklelawfirm.com Application of Armstrong Energy Corporation for Special Pool Rules and Regulations for the Reeves; Devonian Pool, Lea County, New Mexico. Armstrong Energy Corporation ("Applicant") seeks an order instituting special rules and regulations for the Reeves; Devonian Pool (Code 51940) (the "Pool"). 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 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. The Well was completed on July 14, 2022. The Well is capable of producing above the Pool's oil allowable. Applicant requests that special rules and regulations for the Pool barrels of oil per day 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. The Well is located approximately 16.4 miles west of Hobbs, New Mexico.

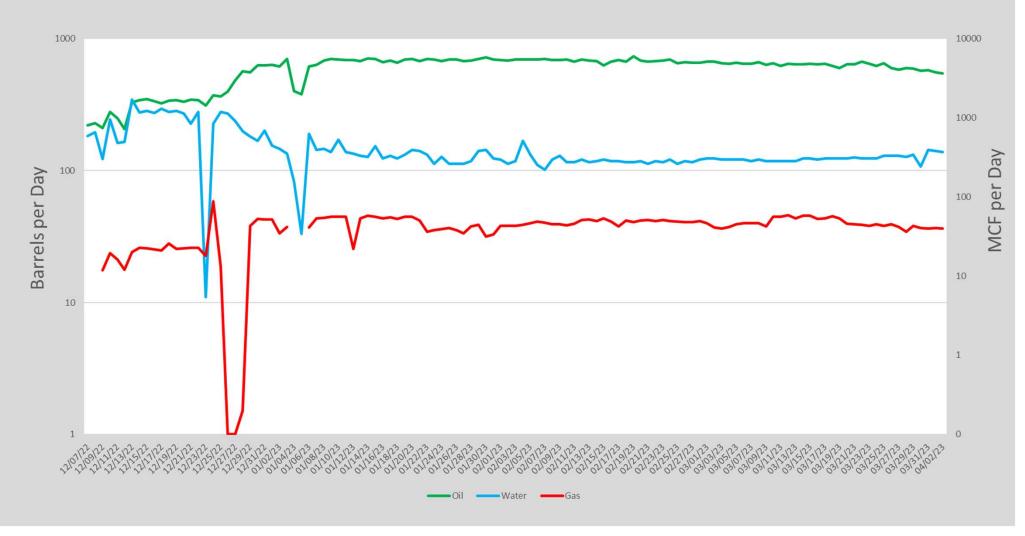
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API 30-025-4	Number 19594			<u>DCATION</u> Pool Code 51940	AND		<u>GE DEDICAT</u> REEVES;DEV(ION PLAT Pool Name DNIAN		
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1092).		AR	MSTRON		^{rator Nan} ERGY	CORPORATIO	N	Elevatio 387	
					Surfa	ce Loc	ation		•	
UL or lot No. J	Section 24	Township 18-S	Range 35–E	Lot Idn		om the	North/South line	Feet from the 2396	East/West line EAST	County LEA
			Bottom	Hole Lo	cation	If Diffe	rent From Su	rface		
JL or lot No.	Section	Township	Range	Lot Idn		om the	North/South line	Feet from the	East/West line	County
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ENERGY CORPORATION

Exhibit A-3 Rocky Raccoon #1 Production Data





Armstrong Energy Corporation Case No. 23393 Exhibit A-3

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Exhibit A-3 Rocky Raccoon #1 Production Data

Date	Oil (bbl)	Gas (mcf)	H2O (bbl)	FTP (psi)	choke (in.)
12/07/22	221	0	183	0	64/64"
12/08/22	230	0	195	0	16/64"
12/09/22	211	12	123	0	16/64"
12/10/22	277	20	245	400	16/64"
12/11/22	249	16	162	480	12/64"
12/12/22	206	12	165	460	12/64"
12/13/22	328	20	344	460	14/64"
12/14/22	341	23	275	460	14/64"
12/15/22	349	22	283	440	14/64"
12/16/22	335	22	272	440	14/64"
12/17/22	322	21	294	440	14/64"
12/18/22	338	26	278	440	14/64"
12/19/22	341	22	283	440	14/64"
12/20/22	332	23	270	440	14/64"
12/21/22	344	23	226	440	14/64"
12/22/22	342	23	278	440	14/64"
12/23/22	310	18	11	440	14/64"
12/24/22	370	88	226	440	14/64"
12/25/22	364	13	278	440	14/64"
12/26/22	397	0	270	510	14/64"
12/27/22	483	0	237	550	14/64"
12/28/22	564	0	198	580	14/64"
12/29/22	554	43	182	600	14/64"
12/30/22	628	53	168	600	14/64"
12/31/22	628	52	201	600	14/64"
01/01/23	630	52	154	620	14/64"
01/02/23	613	35	146	620	14/64"
01/03/23	698	42	135	620	10/64"
01/04/23	398	0	83	860	10/64"
01/05/23	379	0	33	820	14/64"
01/06/23	615	41	190	620	14/64"
01/07/23	630	54	143	630	14/64"
01/08/23	679	55	146	630	14/64"
01/09/23	702	56	138	630	14/64"
01/10/23	696	57	171	630	14/64"
01/11/23	685	57	138	630	14/64"
01/12/23	688	22	135	620	14/64"
01/13/23	672	54	129	625	14/64"
01/14/23	705	58	127	640	14/64"
01/15/23	702	56	153	630	14/64"
01/16/23	660	54	124	620	14/64"
01/17/23	682	55	129 124	630	14/64"
01/18/23	655	53		615	14/64"
01/19/23	693	56	132	615	14/64"
01/20/23 01/21/23	698 677	57 51	143 140	615 620	14/64" 14/64"
01/22/23	703 691	36 38	132 113	620 620	14/64"
01/23/23 01/24/23	672	38	113	620	14/64" 14/64"
01/24/23	696	40	127	620	14/64"
01/25/23	696	40 38	113	620	14/64"
01/28/23	671	38	113	620	14/64"
01/27/23	681	42	115	620	14/64"
01/28/23	701	42	118	620	14/64"
01/29/23	701	32	140	620	14/64"
01/30/23	696	34	143	620	14/64"
02/01/23	688	43	124	620	14/64"
02/01/23	681	43	113	620	14/64"
02/02/23	001		110	020	1-7/04

Data	01/660	C (ala a lua (ira)
Date	Oil (bbl)	Gas (mcf)	H2O (bbl)	FTP (psi)	choke (in.)
02/03/23	693	43	118	620	14/64"
02/04/23	696	45	168	620	14/64"
02/05/23	692	47	132	620	14/64"
02/06/23	690	49	110	620	14/64"
02/07/23	696	47	102	620	14/64"
02/08/23	687	46	121	620	14/64"
02/09/23	689	45	129	620	14/64"
02/10/23	696	44	116	620	14/64"
02/11/23	667	46	116	620	14/64"
02/12/23	696	51	121	620	14/64"
02/13/23	678	52	116	600	14/64"
02/14/23	671	50	118	600	14/64"
02/15/23	626	54	121	600	14/64"
02/16/23	668	49	118	600	14/64"
02/17/23	685	42	118	600	14/64"
02/18/23	666	51	116	600	14/64"
02/19/23	735	48	116	600	14/64"
02/20/23	682	50	118	600	14/64"
02/21/23	669	51	113	600	14/64"
02/22/23	672	50	118	600	14/64"
02/23/23	678	51	116	600	14/64"
02/24/23	695	49	121	600	14/64"
02/25/23	650	49	113	600	14/64"
02/26/23	663	48	118	580	14/64"
02/27/23	655	48	116	580	14/64"
02/28/23	656	50	121	580	14/64"
03/01/23	667	47	124	580	14/64"
03/02/23	668	41	123	580	14/64"
03/03/23	649	40	121	580	14/64"
03/04/23	646	42	121	580	14/64"
03/05/23	653	45	121	580	14/64"
03/06/23	644	47	121	580	14/64"
03/07/23	643	47	118	580	14/64"
03/08/23	662	47	121	580	14/64"
03/09/23	632	42	118	580	14/64"
03/10/23	649	56	118	580	14/64"
03/11/23	617	56	118	570	14/64"
03/12/23	641	59	118	570	14/64"
03/13/23	636	54	118	565	14/64"
03/14/23	636	58	124	565	14/64"
03/15/23	644	58	124	565	14/64"
03/16/23	635	53	121	560	14/64"
03/17/23	641	54	124	560	14/64"
03/18/23	617	57	124	570	14/64"
03/19/23	596	54	124	565	14/64"
03/20/23	636	46	123	560	14/64"
03/21/23	637	45	126	570	14/64"
03/22/23	670	45	124	570	14/64"
03/23/23	646	43	124	560	14/64"
03/24/23	622	45	124	560	14/64"
03/25/23	648	43	129	560	14/64"
03/26/23	597	45	129	560	14/64"
03/27/23	582	42	129	560	14/64"
03/28/23	596	36	127	535	14/64"
03/29/23	590	43	132	535	14/64"
03/30/23	570	41	107	520	14/64"
03/31/23	573	40	143	520	14/64"
04/01/23	553	41	140	510	14/64"
04/02/23	544	40	138	510	14/64"

 02/02/23
 681
 43
 113
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 14/64"

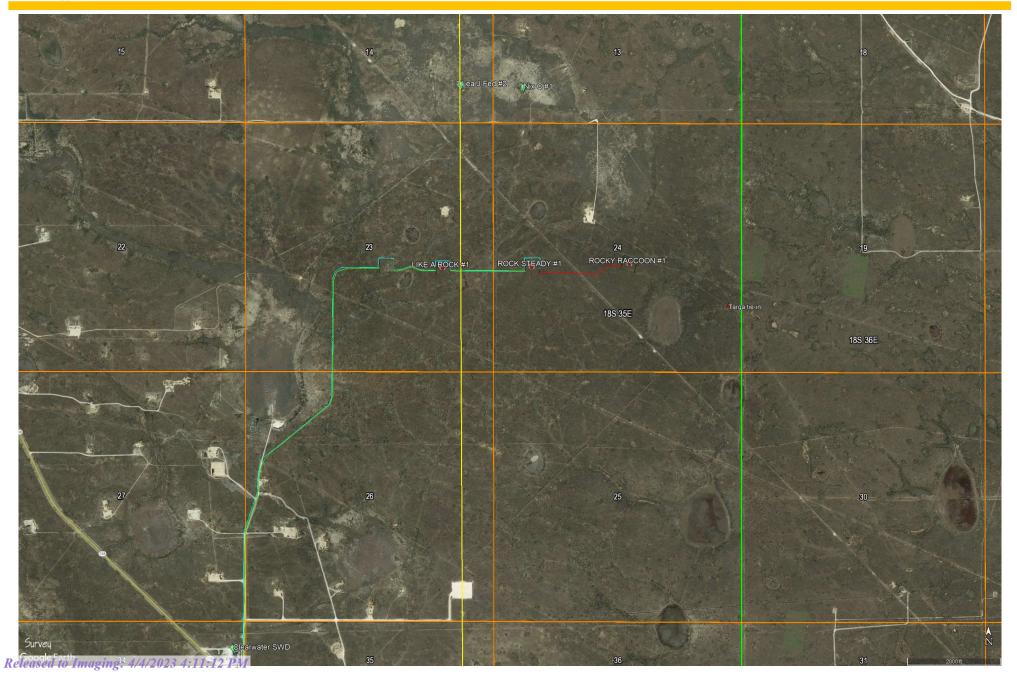
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Page 11 of 35 Armstrong Energy Corporation Case No. 23393 Exhibit A-4

Exhibit A-4 Historical Production – Reeves; Devonian

Map Overview



ENERGY CORPORATION

0.9

0.8

0.7

0.6

0.5

0.4

0.3

0.2

0.1

per Month

MCF

rmstrong Exhibit A-4

Historical Production – Reeves; Devonian

Lea J Fed #2

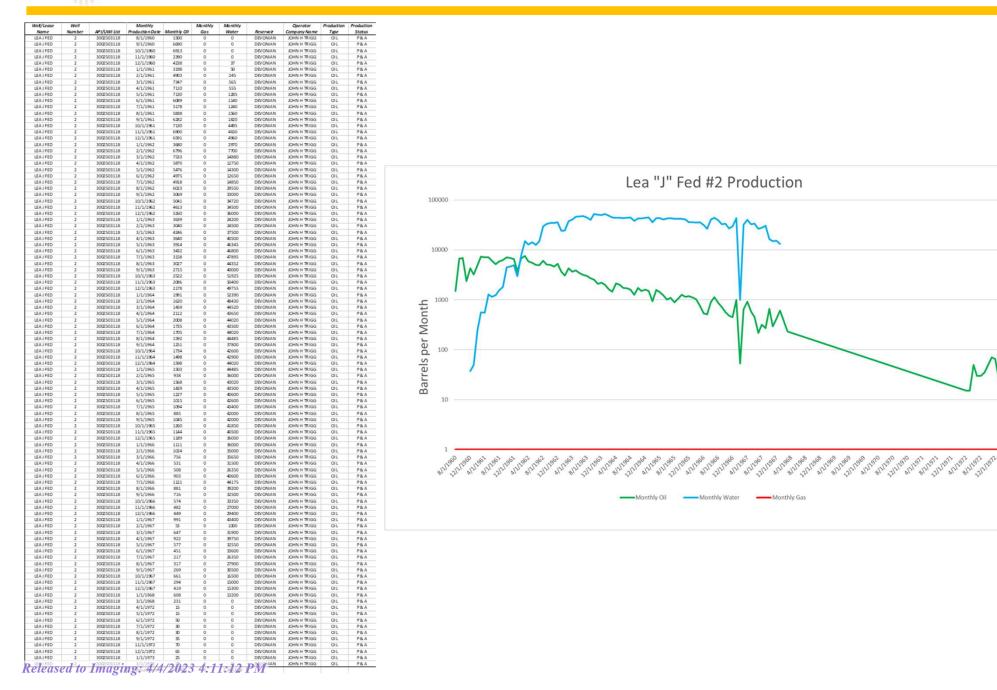




Exhibit A-4

Historical Production – Reeves; Devonian Nix C #1

Vell/Lease Name	Well Number	API/UWI List	Monthly Production Date	Monthly Oil	Monthly Gas	Monthly Water	Reservoir	Operator Company Name	Production Type	Pro ducti Status
NIXC	Number 1	3002503114	5/1/1962	2619	98	3962	DEVONIAN	CON OC OPHILLIPS	Type	P & A
										P & A P & A
NIXC	1	3002503114	6/1/1962	1516	61	3380	D EVON IAN	CONOCOPHILLIPS	OL	
NIXC	1	3002503114	7/1/1962	1844	82	4030	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	8/1/1962	2906	0	6847	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	9/1/1962	2315	0	7419	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	10/1/1962	4639	0	25955	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	11/1/1952	4557	0	26850	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	12/1/1962	3050	0	35650	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	1/1/1963	2212	0	35650	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	2/1/1963	1514	0	31612	DEVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	3/1/1963	1497	0	33870	DEVONIAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	4/1/1963	1355	0	35580	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	5/1/1963	1127	0	30070	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	6/1/1963	1144	0	30750	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	7/1/1963	1626	0	45000	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	8/1/1963	1400	0	44640	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	9/1/1963	1204	0	43800	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	10/1/1963	1048	0	45725	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	11/1/1963	873	0	43350	D EVON IAN	CON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	12/1/1963	1052	ő	48050	DEVONIAN	CON OC OPHILLIPS	OL	P&A
NIXC	1	3002503114	1/1/1964	977	ő	48050	DEVONIAN	CONOCOPHILLIPS	OL	P&A
	-									
NIXC	1	3002503114	2/1/1964	746	0	43065	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	3/1/1964	985	0	50400	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	4/1/1964	889	0	46200	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	5/1/1964	824	0	46500	D EVON IAN	CON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	6/1/1964	722	0	42768	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	7/1/1964	820	0	48050	D EVON IAN	CON OC OPHILLIPS	OL	P&A
NIXC	1	3002503114	8/1/1964	689	0	48360	DEVONIAN	CON OC OPHILLIPS	OL	P&A
NIXC	1	3002503114	9/1/1964	771	0	40300	DEVONIAN	CONOCOPHILLIPS	OL	P&A
NIXC	1	3002503114	10/1/1964	717	0	48050	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	11/1/1964	413	0	37800	D EVON IAN	CON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	12/1/1964	728	0	47250	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	1/1/1965	567	0	42532	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	2/1/1965	383	0	38920	D EVON IAN	CON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	3/1/1965	91	0	14415	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	4/1/1965	125	0	12750	DEVONIAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	5/1/1965	247	0	14500	D EVON IAN	C ON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	6/1/1965	39	0	17550	DEVONIAN	C ON OC OPHILLIPS	OL	P&A
		3002503114		114		30225			OL	P & A
NIX C	1		7/1/1965		0		D EVON IAN	CONOCOPHILLIPS		
NIXC	1	3002503114	8/1/1965	252	0	30225	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	9/1/1965	130	0	16800	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	10/1/1965	23	0	14820	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	11/1/1965	473	0	14820	D EVON IAN	C ON OC OPHILLIPS	OL	P&A
NIXC	1	3002503114	12/1/1965	560	0	0	D EVON IAN	CON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	1/1/1966	782	0	0	D EVON IAN	CON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	2/1/1966	561	0	0	DEVONIAN	CONOCOPHILLIPS	OL	P&A
NIXC	1	3002503114	3/1/1966	676	0	0	DEVONIAN	CONOCOPHILLIPS	OL	P&A
										P&A
NIXC	1	3002503114	4/1/1966	574	0	0	D EVON IAN	CONOCOPHILLIPS	OIL	
NIXC	1	3002503114	5/1/1966	577	0	0	D EVON IAN	CONOCOPHILLIPS	OIL	P & A
NIXC	1	3002503114	6/1/1966	541	0	0	D EVON IAN	C ON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	7/1/1966	530	0	0	D EVON IAN	CON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	8/1/1955	450	0	0	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	9/1/1966	471	ő	0	DEVONIAN	CON OC OPHILLIPS	OL	P&A
NIXC	1	3002503114	10/1/1966	548	0	0	DEVONIAN	CON OC OPHILLIPS	OL	P & A
NIXC		3002503114	11/1/1966	240	0		DEVONIAN	CONOCOPHILLIPS	OL	P & A
	1					0				
NIXC	1	3002503114	12/1/1966	382	0	0	D EVON IAN	CON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	1/1/1967	412	0	0	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	2/1/1967	430	0	0	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	3/1/1967	434	0	0	D EVON IAN	CON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	4/1/1967	430	0	0	D EVON IAN	CON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	5/1/1967	305	0	0	D EVON IAN	CON OC OPHILLIPS	OL	P&A
NIXC	1	3002503114	6/1/1967	441	0	0	D EVON IAN	CON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	7/1/1957	427	30	0	DEVONIAN	CONOCOPHILLIPS	OL	P&A
NIXC	1	3002503114	8/1/1957	396	28	0	DEVONIAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	9/1/1967	282	28	0	DEVONIAN DEVONIAN	CONOCOPHILLIPS	OL	P&A P&A
NIX C	1	3002503114	10/1/1957	320	0	0	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	11/1/1967	230	0	0	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	12/1/1967	210	0	0	D EVON IAN	C ON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	1/1/1968	415	0	0	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	2/1/1968	406	0	0	D EVON IAN	CON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	3/1/1968	393	26	0	DEVONIAN	CONOCOPHILLIPS	OL	P & 4
NIXC		3002503114	4/1/1968	353	0	0	DEVONIAN	CONOCOPHILLIPS	OL	P & A
	1									P & A P & A
NIXC	1	3002503114	5/1/1968	393	0	0	D EVON IAN	CONOCOPHILLIPS	OL	
NIXC	1	3002503114	6/1/1968	288	0	0	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	7/1/1968	390	30	0	D EVON IAN	C ON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	8/1/1968	5	1	0	D EVON IAN	CON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	9/1/1968	15	2	0	D EVON IAN	CONOCOPHILLIPS	OL	P & A
NIXC	1	3002503114	10/1/1968	17	3	0	DEVONIAN	CONOCOPHILLIPS	OL	P & A
NIXC		3002503114	10/1/1968	1/	4	0	DEVONIAN DEVONIAN	CONOCOPHILLIPS	OL	P&A P&A
	1				-	-				
NIXC	1	3002503114	12/1/1968	532	31	0	D EVON IAN	C ON OC OPHILLIPS	OL	P & A
NIXC	1	3002503114	1/1/1969	0	31	0	D EVON IAN	CONOCOPHILLIPS	OL	P & A

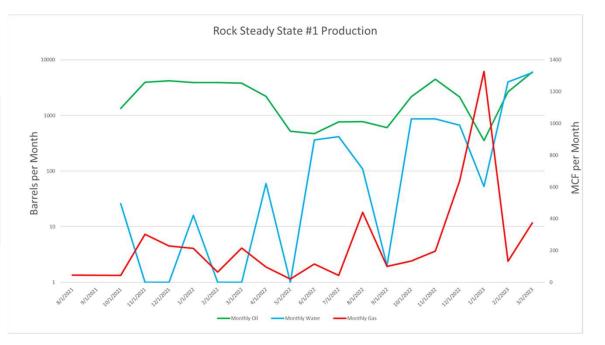
Niz "C" #1 Production 100000 100 10000 Barrels per Month MCF per Month 60 40 10 20 1 SHUBSC USALINGSC USA thly Oil Monthly Water Monthly Gas

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Exhibit A-4 *Historical Production – Reeves; Devonian*

Rock Steady State #1



	Well		Monthly		Monthly	Monthly		2 2 2 32	Production	Production
Well/Lease Name	Number	API/UWI List	Production Date	Monthly Oil	Gas	Water	Reservoir	Operator Company Name	Type	Status
ROCK STEADY STATE	1	3002548525	8/1/2021		45		DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	10/1/2021	1335	43	26	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	11/1/2021	3939	303	1	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	12/1/2021	4185	229	1	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	1/1/2022	3889	214	16	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	2/1/2022	3879	65	1	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	3/1/2022	3786	215	1	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	4/1/2022	2202	96	60	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	5/1/2022	521	20	1	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	6/1/2022	474	115	361	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	7/1/2022	762	43	418	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	8/1/2022	779	441	109	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	9/1/2022	608	100	2	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	10/1/2022	2186	135	865	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	11/1/2022	4468	197	870	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	12/1/2022	2144	639	671	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	1/1/2023	355	1326	53	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	2/1/2023	2652	132	4001	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
ROCK STEADY STATE	1	3002548525	3/1/2023	6039	375	5871	DEVONIAN	ARMSTRONG ENERGY CORP	OIL	ACTIVE
			Cumulatives	35,512	4,181	3,456				

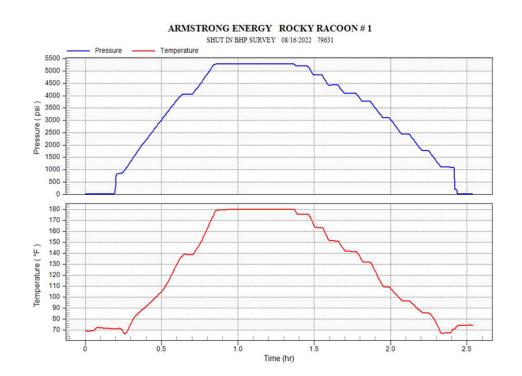
The Like A Rock #1 was also drilled by Armstrong to the Devonian in the Reeves Field and was tested in July of 2022, however the porosity that was present failed to yield economic production at that time. Armstrong is in the process of permitting a second attempt at this completion.

Exhibit A-5 Rocky Raccoon #1 Reservoir Data

An initial bottom hole pressure survey was conducted in the well in August of 2022, shortly after the open hole portion of the well had been completed.

A static bottom hole pressure of 5,294.7psi was obtained at a depth of 12,050 feet.

The well had trouble maintaining natural flow and the open hole portion was subsequently perforated and re-acidized, resulting in the current producing rates.



Company: ARMSTRONG ENERGY				Well Nam	e: ROCKY RACOON #
Location: LEA COUNTY, NM					Field
Type Of Test: SHUT IN BHP GRADIENT SURV	/EY			Ga	uge Depth: 12,050' +/
Serial Number(s): 79631 ELECTRONIC					POOH GRADIENT.
POOH Gradients					
Date Time	ETime	Depth	Pressure	PGrad	Temperature
M/d/yyyy HH:mm:ss	hr	ft	psi	psi/ft	degF
8/16/2022 10:49:00	2.398611	0	1088.29		68.35
8/16/2022 10:39:10	2.234722	2000	1768.17	0.3399	85.22
8/16/2022 10:31:30	2.106944	4000	2435.73	0.3338	96.07
8/16/2022 10:23:50	1.979167	6000	3103.12	0.3337	109.08
8/16/2022 10:16:00	1.848611	8000	3764.86	0.3309	131.52
8/16/2022 10:10:00	1.748611	9000	4098.84	0.3340	141.39
8/16/2022 10:02:50	1.629167	10000	4428.26	0.3294	151.00
8/16/2022 09:57:00	1.531944	11000	4839.01	0.4108	163.11
8/16/2022 09:50:40	1.426389	11850	5207.77	0.4338	175.10
8/16/2022 09:47:00	1.365278	12050	5294.70	0.4346	179.79

Armstrong Energy Corporation Case No. 23393 Exhibit A-5

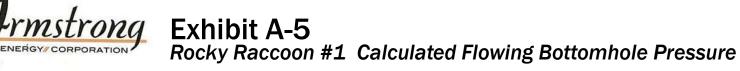


Exhibit A-5

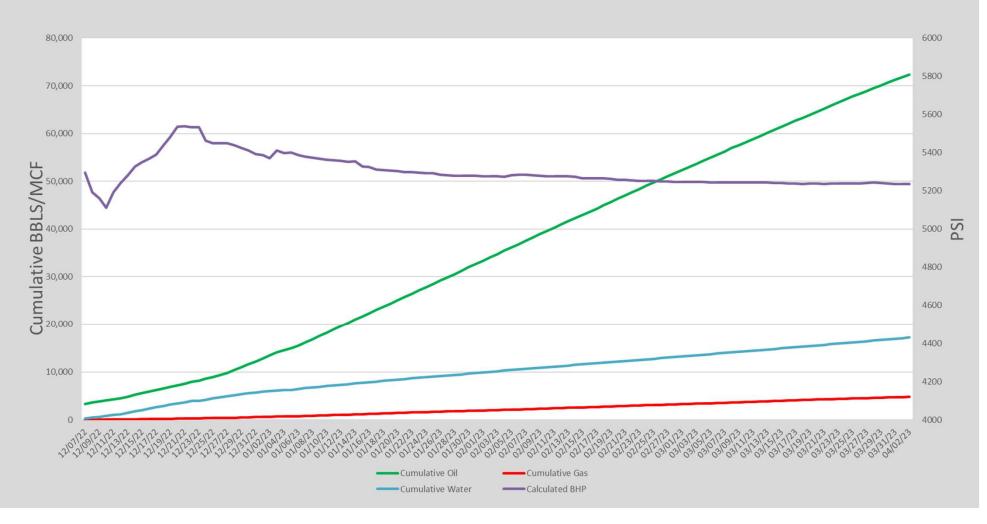
Rocky Raccoon #1 Calculated Reservoir Data – Last 60 Days

Shortly after initial production, the well was choked back to and remains on a 14/64" choke in order to conserve reservoir energy and inhibit water encroachment. The opportunity to gather additional measured reservoir data has not presented itself due to: (i) the well's strength, (ii) the need to maintain flow and maximize project economics, and (iii) a need to unnecessarily kill the well. Therefore, daily flowing bottomhole pressures have been calculated using available surface data, including flowing tubing pressure, oil and water percentages, and oil gravity and produced water weight. These measurements have been compared to the initial measured bottomhole pressure and indicate that this flow regime has been effective at conserving reservoir energy. The ten-day average calculated flowing bottomhole pressure at this time is 5,236psi, as compared to the initial static bottomhole pressure of 5,294psi. The well has produced 72,342 barrels of oil, 4,787 mcf of gas, and 17.205 barrels of water between these data points. AEC's best estimate using the information at hand is a recovery of roughly 1,543 barrels of fluid per psi drop in reservoir pressure.

Date	Oil (bbl)	Gas (mcf)	H2O (bbl)	FTP (psi)	choke (in.)	FBHP (calc)	GOR	Oil Cut	H2O Cut	Cum Oil	Cum Gas	Cum H2O
02/03/23	693	43	118	620	14/64"	5263	62	85.4%	14.6%	34,744	2,025	10,119
02/04/23	696	45	168	620	14/64"	5269	64	80.6%	19.4%	35,440	2,069	10,287
02/05/23	692	47	132	620	14/64"	5338	68	84.0%	16.0%	36,132	2,116	10,419
02/06/23	690	49	110	620	14/64"	5289	71	86.3%	13.7%	36,822	2,165	10,529
02/07/23	696	47	102	620	14/64"	5257	68	87.3%	12.7%	37,519	2,213	10,631
02/08/23	687	46	102	620	14/64"	5243	66	85.0%	15.0%	38,206	2,258	10,752
02/08/23	689	40	121	620	14/64"	5274	65	84.2%	15.8%	38,895	2,230	10,732
02/10/23	696	44	116	620	14/64"	5286	63	85.8%	14.2%	39,591	2,347	10,997
02/11/23	667	46	116	620	14/64"	5264	69	85.2%	14.8%	40,258	2,393	11,112
02/12/23	696	51	121	620	14/64"	5271	73	85.2%	14.8%	40,953	2,444	11,233
02/13/23	678	52	116	600	14/64"	5272	77	85.4%	14.6%	41,631	2,497	11,349
02/14/23	671	50	118	600	14/64"	5248	74	85.0%	15.0%	42,302	2,547	11,467
02/15/23	626	54	121	600	14/64"	5255	86	83.8%	16.2%	42,928	2,600	11,588
02/16/23	668	49	118	600	14/64"	5272	73	85.0%	15.0%	43,596	2,649	11,706
02/17/23	685	42	118	600	14/64"	5255	62	85.3%	14.7%	44,281	2,691	11,824
02/18/23	666	51	116	600	14/64"	5250	76	85.2%	14.8%	44,947	2,742	11,940
02/19/23	735	48	116	600	14/64"	5252	65	86.4%	13.6%	45,682	2,789	12,056
02/20/23	682	50	118	600	14/64"	5235	74	85.3%	14.8%	46,364	2,840	12,174
02/21/23	669	51	113	600	14/64"	5251	77	85.5%	14.5%	47,033	2,891	12,287
02/22/23	672	50	118	600	14/64"	5247	74	85.1%	14.9%	47,705	2,941	12,405
02/23/23	678	51	116	600	14/64"	5254	76	85.4%	14.6%	48,383	2,992	12,521
02/24/23	695	49	121	600	14/64"	5249	71	85.2%	14.8%	49,078	3,042	12,642
02/25/23	650	49	113	600	14/64"	5252	75	85.2%	14.8%	49,728	3,091	12,755
02/26/23	663	48	113	580	14/64"	5252	72	84.9%	15.1%	50,391	3,139	12,873
02/20/23	655	48	116	580	14/64"	5236	74	85.0%	15.0%	51,046	3,135	12,988
		50		580	14/64"		74					
02/28/23	656		121			5235		84.4%	15.6%	51,702	3,237	13,109
03/01/23	667	47	124	580	14/64"	5243	70	84.3%	15.7%	52,369	3,283	13,233
03/02/23	668	41	123	580	14/64"	5244	61	84.5%	15.5%	53,037	3,324	13,356
03/03/23	649	40	121	580	14/64"	5243	62	84.3%	15.7%	53,686	3,364	13,477
03/04/23	646	42	121	580	14/64"	5245	65	84.2%	15.8%	54,332	3,406	13,598
03/05/23	653	45	121	580	14/64"	5246	69	84.4%	15.6%	54,985	3,451	13,719
03/06/23	644	47	121	580	14/64"	5244	72	84.2%	15.8%	55,628	3,498	13,840
03/07/23	643	47	118	580	14/64"	5247	73	84.5%	15.5%	56,271	3,545	13,958
03/08/23	662	47	121	580	14/64"	5242	71	84.5%	15.5%	56,933	3,592	14,079
03/09/23	632	42	118	580	14/64"	5241	67	84.2%	15.8%	57,565	3,634	14,198
03/10/23	649	56	118	580	14/64"	5246	86	84.6%	15.4%	58,214	3,690	14,316
03/11/23	617	56	118	570	14/64"	5241	91	83.9%	16.1%	58,831	3,746	14,434
03/12/23	641	59	118	570	14/64"	5240	92	84.4%	15.6%	59,472	3,805	14,552
03/13/23	636	54	118	565	14/64"	5233	85	84.3%	15.7%	60,108	3,859	14,671
03/14/23	636	58	124	565	14/64"	5229	92	83.7%	16.3%	60,744	3,917	14,794
03/15/23	644	58	124	565	14/64"	5238	91	83.9%	16.1%	61,388	3,976	14,918
03/16/23	635	53	121	560	14/64"	5236	83	84.0%	16.0%	62,023	4,028	15,039
03/17/23	641	54	124	560	14/64"	5229	84	83.8%	16.2%	62,664	4,082	15,163
03/18/23	617	57	124	570	14/64"	5232	92	83.3%	16.7%	63,281	4,139	15,287
		54	124				92					
03/19/23	596			565	14/64"	5249		82.8%	17.2%	63,877	4,193	15,410
03/20/23	636	46	123	560	14/64"	5251	72	83.8%	16.2%	64,513	4,239	15,533
03/21/23	637	45	126	570	14/64"	5232	71	83.5%	16.5%	65,151	4,284	15,659
03/22/23	670	45	124	570	14/64"	5246	67	84.4%	15.6%	65,820	4,328	15,783
03/23/23	646	43	124	560	14/64"	5233	67	83.9%	16.1%	66,466	4,371	15,907
03/24/23	622	45	124	560	14/64"	5230	72	83.4%	16.6%	67,089	4,417	16,031
03/25/23	648	43	129	560	14/64"	5238	67	83.4%	16.6%	67,736	4,460	16,160
03/26/23	597	45	129	560	14/64"	5238	76	82.2%	17.8%	68,333	4,505	16,289
03/27/23	582	42	129	560	14/64"	5255	72	81.8%	18.2%	68,915	4,547	16,418
03/28/23	596	36	127	535	14/64"	5260	61	82.5%	17.5%	69,511	4,583	16,545
03/29/23	590	43	132	535	14/64"	5226	73	81.7%	18.3%	70,101	4,626	16,677
03/30/23	570	41	107	520	14/64"	5237	71	84.2%	15.8%	70,671	4,667	16,784
03/31/23	573	40	143	520	14/64"	5187	69	80.0%	20.0%	71,244	4,707	16,927
04/01/23	553	41	140	510	14/64"	5246	73	79.8%	20.2%	71,798	4,747	17,067
04/02/23	544	40	138	510	14/64"	5239	74	79.8%	20.2%	72,342	4,787	17,205
U4/U2/23	544	+0	130	210	14/04	J233	74	13.070	20.2/0	12,342	4,/0/	,203



Rocky Raccoon #1 Calculated BHP vs Cumulative Production





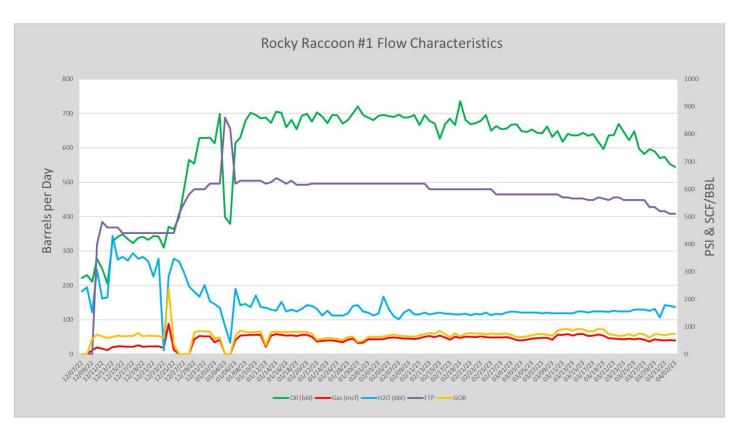
The Gas to Oil Ratio (GOR) is another important piece of information to evaluate reservoir performance. This data has shown that this is strictly a water drive reservoir, as expected.

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The bubble point of the produced oil has been calculated using Standing's correlation, the Lasater method, and PVT calculations to be somewhere in the range of 229psi and 387psi.

Available data and reasonable estimates were used to conduct these calculations in order to verify that crossing bubble point would not be an issue when considering conservation of reservoir energy.

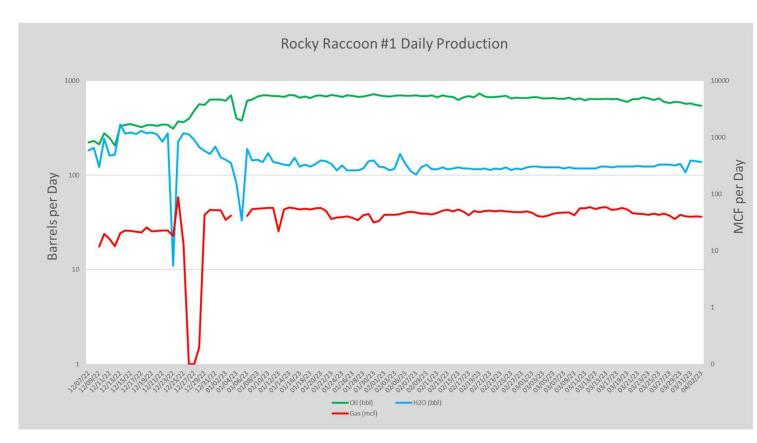
The formation volume factor has also been calculated to be very small (~1.06bbl/STB), confirming that there is very little gas entrained in the oil and production at these rates is not wasting reservoir energy via this method, as gas solution drive is contributing very little.



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Exhibit A-5 Rocky Raccoon #1 Reservoir Data – Water Encroachment

Water encroachment is also closely monitored. Water encroachment, or coning, would be a significant inhibitor to project economics and create waste. The water production has remained steady to date. Should the water cut begin to increase, it is possible to choke the well back further to slow water ingress. Water production here will eventually increase, given historical Devonian production and the drive mechanism. Armstrong Energy Corporation is producing this well as efficiently as possible to delay this. The continuation of these production rates via an increased allowable will enable a favorable balance between project economics, reservoir energy conservation, and elimination of waste by maximizing the well's productive life.



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. 23393

SELF-AFFIRMED STATEMENT OF KELSEY GARNER

1. I am the Geology Exploration Manager at Armstrong Energy Corporation ("Armstrong") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division").

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-1** is a regional locator map that identifies the Rocky Raccoon project area for the Reeves; Devonian Pool that is the subject of this application.

4. **Exhibit B-2** is a Devonian Structure map on the top of the Devonian formation in TVD subsea with a contour interval of 40 ft. The map identifies the location of a cross-section running from A-A' in proximity to the proposed well. The data points are indicated by red values. The map demonstrates the formation is dipping north and west-southwest.

5. **Exhibit B-3** is a structure map of the Devonian formation with contour intervals of 10' each. The map also shows an outline of the oil water contact for the Rocky Raccoon reservoir. The map demonstrates the oil column of the reservoir to be targeted. It also identifies the location of the Rocky Raccoon well cross-section running from A-A', which penetrate the targeted interval

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and are in proximity to the proposed well. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

6. Exhibit B-4 is a stratigraphic cross-section penetrating through the Devonian target interval using the representative wells identified on Exhibits B-2 and Exhibit B-3. They each contain gamma ray, neutron and sonic logs.

7. Based on my geologic study of the area, the Well is capable of producing above the Pool's depth bracket allowable of 410 barrels of oil per day for a standard 40-acre oil spacing and proration unit.

8. In my opinion, based on the above-referenced information, the proposed increase in allowable to 800 BOPD within the Pool will not result in decreased ultimate recovery or harm the reservoir.

9. In my opinion, the granting of Armstrong's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

10. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

<u>-3-23</u>

ENERGY CORPORATION

Produced from Reeves Devonian Pool

Devonian Reeves Pool

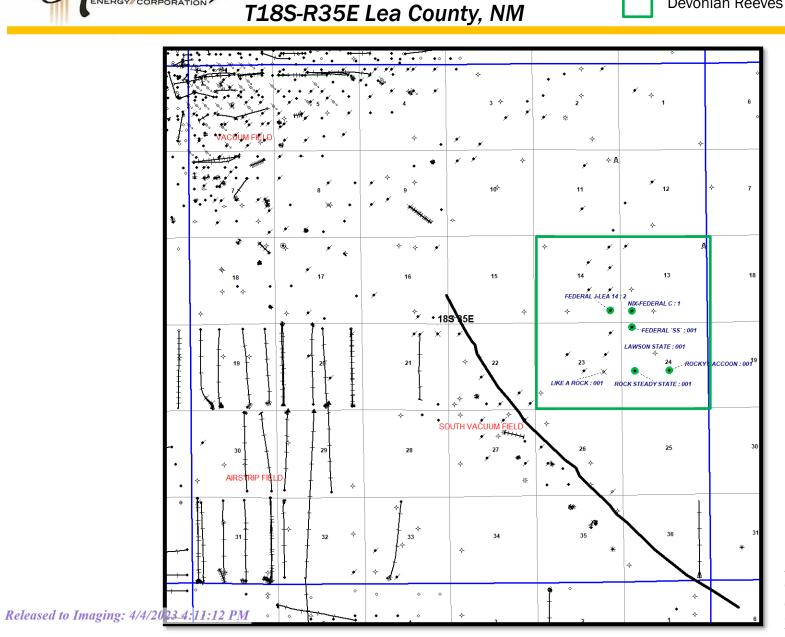
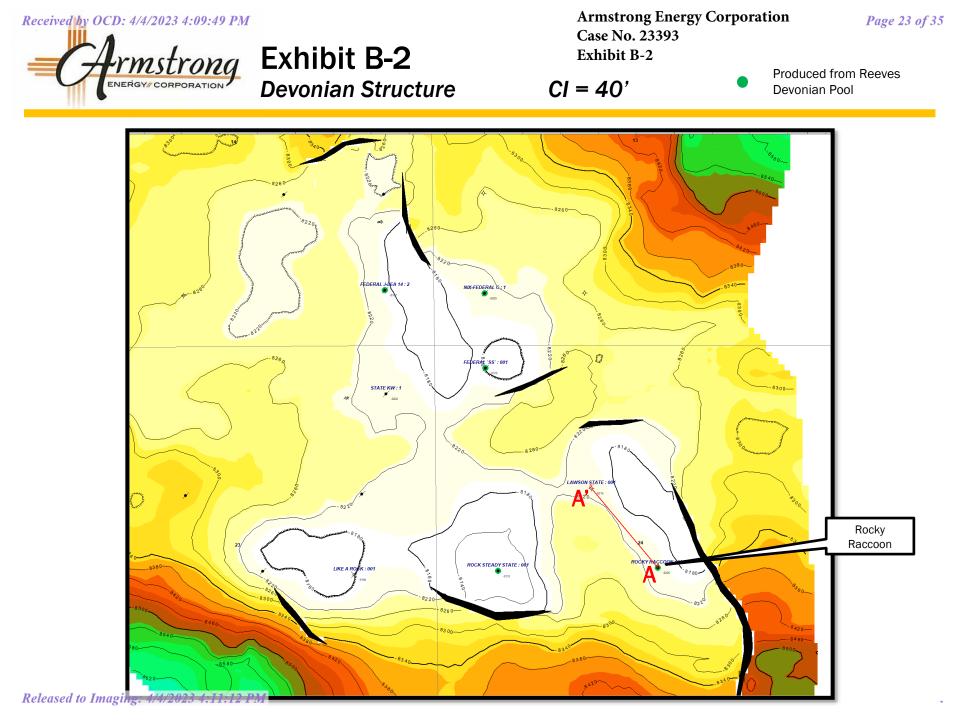


Exhibit B-1

Armstrong Energy Corporation Case No. 23393 **Exhibit B-1**



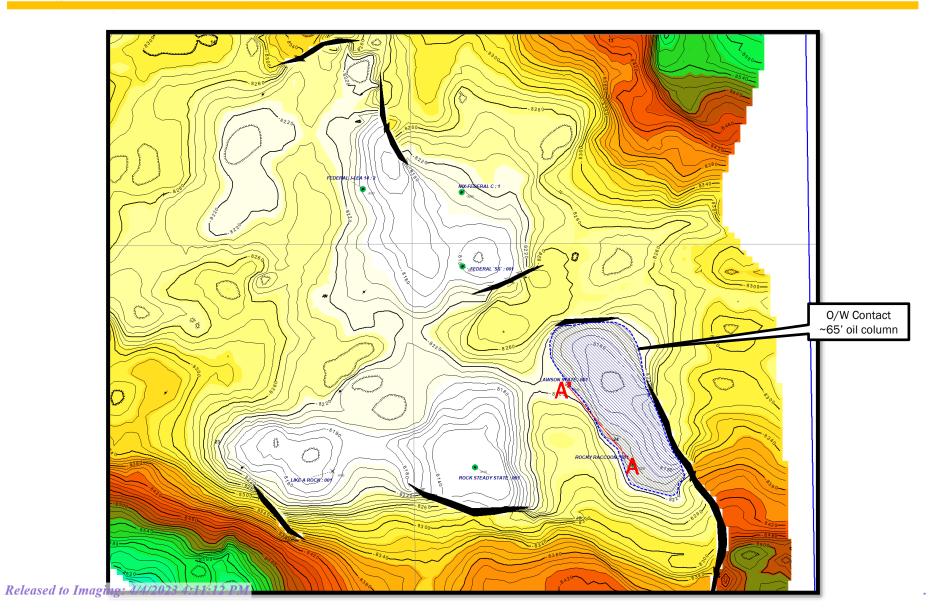


Armstrong Energy Corporation Case No. 23393 Exhibit B-3

Estimated Oil Column Rocky Raccoon Reservoir

Exhibit B-3

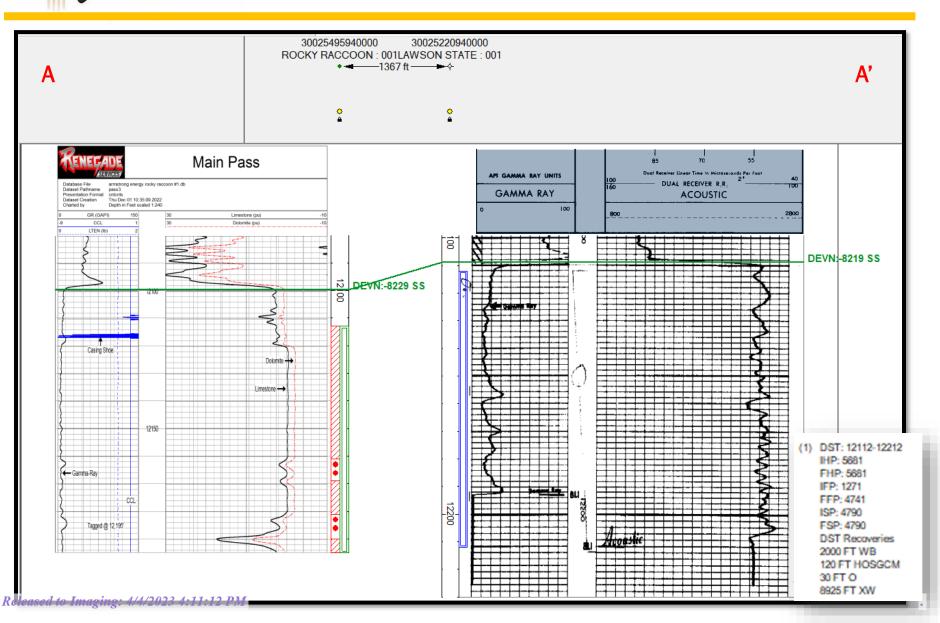
CI 10'



Received by OCD: 4/4/2023 4:09:49 PM



Armstrong Energy Corporation Case No. 23393 Exhibit B-4



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. 23393

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

1. I am attorney in fact and authorized representative of Armstrong Energy Corporation, the Applicant herein.

2. I am familiar with the Notice Letters attached as **Exhibit B-1** and caused the Notice Letters, along with the Application in this case, to be sent to the parties set out in the charts attached

as Exhibit B-2.

3. Exhibit B-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit B-3** as supporting documentation for proof of mailing and the information provided on Exhibit B-2.

5. On February 8, 2023, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit B-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

<u>/s/ Dana S. Hardy</u> Dana S. Hardy <u>April 4, 2023</u> Date

> Armstrong Energy Corporation Case No. 23393 Exhibit C



HINKLE SHANOR LLP

ATTORNEYS AT LAW P.O. BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

February 2, 2023

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23393 – Application of Armstrong Energy Corporation for Special Pool Rules and Regulations for the Reeves; Devonian Pool, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. This application requests that the Division increase the allowable for production in the Reeves, Devonian Pool. The hearing will be conducted on **March 2, 2023**, beginning at 8:15a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/) or via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please do not hesitate to contact me if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy Dana S. Hardy

Armstrong Energy Corporation Case No. 23393 Exhibit C-1

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

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.

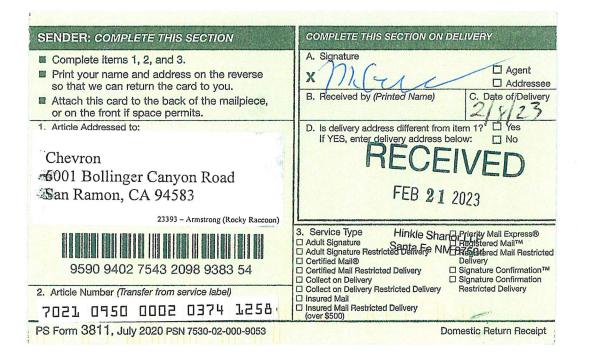
CASE NO. 23393

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Chevron	02/02/23	02/21/23
6001 Bollinger Canyon Road		
San Ramon, CA 94583		
Conoco Phillips	02/02/23	02/21/23
925 N. Eldridge Parkway		
Houston, TX 77079		
Cross Timbers Energy, LLC	02/02/23	02/13/23
400 W. 7th Street		
Fort Worth, TX 76102		
Franklin Mountain Energy 3, LLC	02/02/23	02/13/23
44 Cook Street		
Suite 1000		
Denver, CO 80206		
New Mexico State Land Office	02/02/23	02/08/23
P.O. Box 1148		
Santa Fe, NM 87504		
John H Trigg	02/02/23	02/16/23
PO Box 520		
Roswell, NM 88202		

Armstrong Energy Corporation Case No. 23393 Exhibit C-2





Armstrong Energy Corporation Case No. 23393 Exhibit C-3

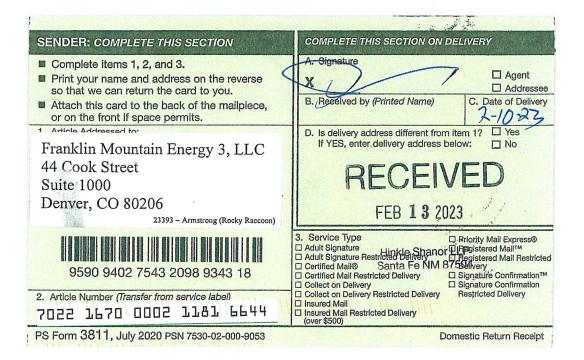
EE†	U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only
μĻ	For delivery information, visit our website at www.usps.com [®] .
47E0 5000	Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) Certified Mail Restricted Delivery Certified Mail Restricted Delivery Adult Signature Required \$
0950	Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees
7027	S Conoco Phillips 925 N. Eldridge Parkway Houston, TX 77079 23393 – Amistrong (Rocky Raccoon)
	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions







+	U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only
4499	For delivery information, visit our website at www.usps.com ^e .
1101	Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate)
2000	Return Receipt (hardcopy) \$
1670	Adult Signature Restricted Dolivery \$ Postage \$ Total Postage and Fees
7022	S USPS Franklin Mountain Energy 3, LLC 44 Cook Street Suite 1000 Denver, CO 80206 23393 – Armstrong (Rocky Raccoon)
	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

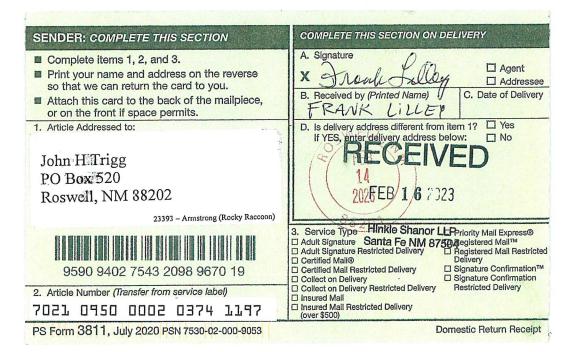


5593	Domestic Mail Only For delivery information, visit our website at www.usps.com [®] .
	OFFICIALUSE.
LLGL	\$ Extra Services & Fees (check box, add fee as appropriate)
2000	□ Return Receipt (hardcopy) \$
1670	Postage \$ Total Postage and Fees
2022	New Mexico State Land Office P.O. Box 1148 Santa Fe, NM 87504



Released to Imaging: 4/4/2023 4:11:12 PM





Released to Imaging: 4/4/2023 4:11:12 PM

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated February 08, 2023 and ending with the issue dated February 08, 2023.

Publisher

Sworn and subscribed to before me this 8th day of February 2023.

Black

Business Manager

My commission expires January 29, 2027

(Seal) STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE February 8, 2023

This is to notify all interested parties, including Chevron, ConocoPhillips Company, John H Trigg, Cross Timbers Energy, LLC, Franklin Mountain Energy 3, LLC, and the New Mexico State Land Office, and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Armstrong Energy Corporation (Case No. 23393). The hearing will be conducted remotely on March 2, 2023, beginning at 8:15 a.m. To participate in the OCD Hearings website for that date: https://www.emnrd.nm.gov/ocd/hearing-info/ Armstrong Energy Corporation ("Applicant") seeks an order instituting special rules and regulations for the Reeves; Devonian Pool (Code 51940) (the "Pool"). 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 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. The Well was completed on July 14, 2022. The Well is capable of producing above the Pool's oil allowable. 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 producing above the Pool's oil allowable. 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 producing above the Pool's oil allowable. Applicant requests that special rules and regulations for the Pool be made effective retroactive to the date of producing above the Pool's oil allowable. Applicant requests that special rules and regulations for the Pool be made effective retroactive to the date of approximately 16.4 miles west of Hobbs, New

02107475

GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504 00275574

Armstrong Energy Corporation Case No. 23393 Exhibit C-4