

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

**APPLICATION OF ARMSTRONG ENERGY
CORPORATION FOR COMPULSORY POOLING,
CHAVES COUNTY, NEW MEXICO,**

CASE NO. _____

APPLICATION

In accordance with NMSA 1978, § 70-2-17 and NMAC 19.15.16.15(B)(5), Armstrong Energy Corporation (“AEC” or “Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) seeking an order: (1) establishing a 40-acre, more or less, vertical well unit comprised of the SW/4 SE/4 of Section 11, Township 11 South, Range 31 East, Chaves County, New Mexico (“Unit”); and (2) pooling all uncommitted interests in the Devonian formation underlying the Unit. In support of this application, AEC states the following.

1. Applicant (OGRID No. 1092) is a working interest owner in the Unit and has the right to drill thereon.
2. Applicant seeks to dedicate the Unit to the **Rocket Man #1** well (“Well”), which will be a vertical well drilled from a surface hole to a bottom hole located in the SW/4 SE/4 (Unit O) of Section 11.
3. The completed interval of the Well will be orthodox.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the interest owners in the Unit.
5. The pooling of interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the proposed vertical well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the vertical well in the Unit;
- C. Designating Applicant as the operator of the Unit and the vertical well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

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