DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
10/4/12		WVJ	10/4/12	SWD 1360	pWVJ

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☑ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☑ Offset Operators, Leaseholders or Surface Owner

[C] ☑ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

KYLE ALPERS		ENGINEER	
Print or Type Name	Signature	Title	Date

Kalpers@armstrongenergy.com
e-mail Address

Armstrong
ENERGY// CORPORATION

500 North Main Street, Suite 200
P.O. Box 1973
Roswell, New Mexico 88202-1973
(575) 625-2222
Fax (575) 622-2512

October 3, 2012

Via Certified-Return Receipt

Mr. Will Jones
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Dora Dean 24 #1 Water Disposal Well
NE/4 24-T5S-R33E
Roosevelt County, New Mexico

Dear Sir:

Armstrong Energy Corporation operates the Dora Dean 24 #1 in the NE/4 of Section 24-T5S-R33E, Roosevelt County, New Mexico. The Dora Dean 24 #1 was drilled and completed as a producing well in the Fusselman formation in early 2010. The well was found to be nonproductive and has since been shut in. Armstrong proposes to convert the Dora Dean 24 #1 from a producer to a water disposal well. The plan calls for the injection of approximately 300 barrels per day of produced water from Armstrong's surrounding wells, into the Fusselman formation at low anticipated injection pressure. The use of this well as a disposal well will greatly decrease the amount of truck traffic through the area, as it will eliminate the need to haul produced water from these wells.

Enclosed is an original and one copy of the C-108 "Application for Authorization to Inject" for the conversion of the Dora Dean 24 #1 to an injector. Injection will be over an interval which contains both perforations (8212'-8245') and open hole (8406'-8515'). The anticipated injection rate is approximately 300 barrels of water per day, at an anticipated injection pressure of 0 psi.

Also enclosed is proof of mailing by Certified, Return-Receipt mail to each surface owner along with a copy of the Affidavit of Legal Publication in the Portales New-Tribune, published October 2, 2012. Should you have any questions, please contact me at Armstrong Energy Corporation, 575-625-2222.

Sincerely,

ARMSTRONG ENERGY CORPORATION

Kyle S. Alpers
Field Engineer

Enclosures
cc: Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance __X__ Disposal _____ Storage
Application qualifies for administrative approval? __X__ Yes _____ No

II. OPERATOR: Armstrong Energy Corporation

ADDRESS: P.O. Box 1973, Roswell NM, 88202-1973

CONTACT PARTY: Kyle Alpers PHONE: (575)625-2222

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes __X__ No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

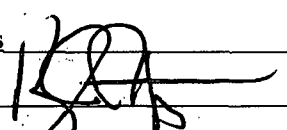
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Kyle Alpers TITLE: Field Engineer

SIGNATURE:  DATE: 9/28/12

E-MAIL ADDRESS: kalpers@armstrongenergycorp.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 1

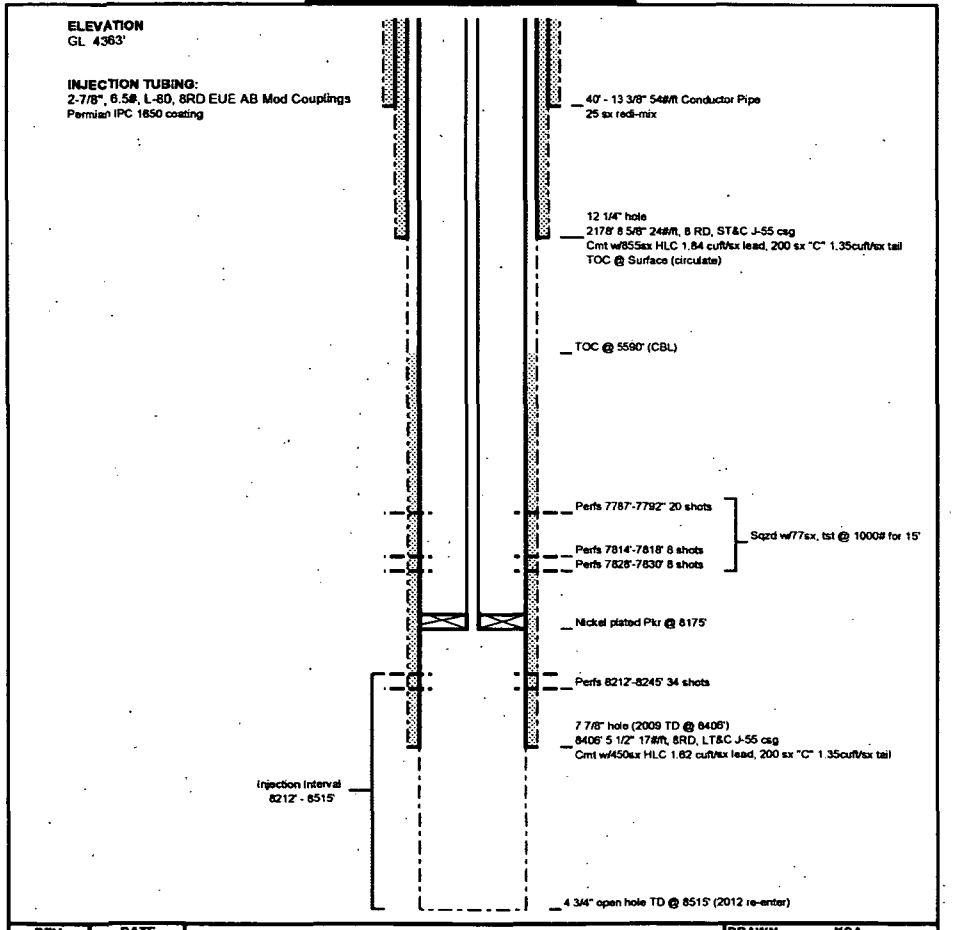
INJECTION WELL DATA SHEET

OPERATOR: Armstrong Energy Corporation

WELL NAME & NUMBER: Dora Dean 24 #1

WELL LOCATION:	990'FNL 1700'FEL	B	24	T5S	R33E
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 12 ¼"

Cemented with: 1055 sx. *or* _____ ft³

Top of Cement: Surface Method Determined: Circ

Intermediate Casing

Hole Size: N/A Casing Size: _____

Cemented with: _____ sx. *or* _____ ft³

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" Casing Size: 5 ½" 17#/ft

Cemented with: 650 sx. *or* _____ ft³

Top of Cement: 5590' Method Determined: CBL

Total Depth: OH TD @ 8515' (5 ½" EOC @ 8406')

Injection Interval

8212' feet to 8515' (both Perforated and OH)

(Perforated or Open Hole; indicate which)

Side 2

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: IPC

Type of Packer: Nickel Plated

Packer Setting Depth: 8175'

Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? ____Yes __X__No

   If no, for what purpose was the well originally drilled? _____

   Well originally drilled to test Fusselman/Penn production

2. Name of the Injection Formation: Fusselman

3. Name of Field or Pool (if applicable): _____

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. 7787'-7792' 20 shots

   7788'-7791' 12 shots, 7814'-7818' 8 shots, 7828'-7830' 4 shots,. Squeezed all existing perfs with 77 sx cement. Perfs from 8212'-8245' (34 shots) are in injection zone and have not been sqeezed.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

   Next highest zone is Pennsylvanian @ 7718' (top)

C-108 Well Data – Page 1

I. See form

II. See form

III. WELL DATA

A.

(1) Dora Dean 24 #1 S24 T5S R33E, 990'FNL 1700'FEL

(2) Surface Casing 8 $^{5}/_{8}$" 24#/ft, 2178', 1055sx, 12 ¼" hole, TOC @ Surface, circ

Production Casing 5 ½" 17#/ft, 8406', 650sx, 7 $^{7}/_{8}$" hole, TOC @ 5590', CBL

(3) Tubing 2 7/8" 6.5#/ft L-80 EUE 8RD w/AB mod couplings, Permian IPC 1850 coating

(4) Packer Nickel plated, @ 8175'

B.

(1) Fusselman

(2) Injection Interval is from 8212' – 8515', as follows:

8175'-8406' cased hole with perforations @ 8212'-8245', 34 shots

8406'-8515' non-cased, open hole

(3) Well originally drilled to test Fusselman production. Also tested Penn production.

(4) Additional Perfs 7788'-7791' 12 shots

7787'-7792' 20 shots

7814-7818' 8 shots

7828'-7830' 4 shots

All perforations from 7787' – 7830' squeezed with 77sx.

(5) Next higher oil or gas zone is the Pennsylvanian, top @ 7718'

IV. See form

V. See attached maps

VII.

(1) Proposed average daily injection rate 300bpd

Proposed max daily injection rate 400bpd

(2) This will be a closed system

(3) Proposed average injection pressure 0 psi

Proposed max injection pressure 100psi

C-108 Well Data – Page 2

(4) Injection fluid will be re-injected produced water from Fusselman and Penn wells in the area.

Mustang Sally #1 Fusselman Water		Pep 36 State #1 Penn Water	
S.G.	1.075	S.G.	1.081
pH	6.10	pH	6.880
Ca	10,500	Ca	2,850
Mg	11,100	Mg	1,498
Cl	64,500	Cl	70,984
SO_4	>1600	SO_4	2,550
HCO_3	567	HCO_3	628
Fe	>500	Fe	98.5

(5) Zone is productive of oil or gas within one mile of the proposed well.

VIII. Lithological Detail Dolomite

Geologic name Fusselman
Thickness 300'
Depth 8200'
Drinking Water – Causey Lingo Basin, at +/- 300'.

IX. Breakdown perforations with 5000 gallons 15% NEFE acid.

X. Logs submitted to OCD when well was drilled, mudlog for new interval attached with this application.

XI. There are three fresh water wells within a 1 mile radius of the Dora Dean 24 #1. Water samples from each of these wells have been obtained and are attached. The wells are designated North, North East, and South West on the attached analyses summary from Halliburton Services, according to their location relative to the proposed injector.

XII. Re: Dora Dean 24 #1

We have examined the available geological and engineering data and find no evidence of open faults or any other hydraulic connection between the injection zone and any underground source of drinking water.

Armstrong Energy Corporation

Date: 9/28/12

Kyle S. Alpers, Field Engineer

XIII. Public notice for the application will be published October 2nd, 2012 in the Portales News Tribune in Portales, New Mexico. Copies of application and notices will be mailed via certified mail to all affected parties on September 28, 2012.

WELL LOGS

K Z

API number:	30-041-20938			
OGRID:		Operator:	ARMSTRONG ENERGY CORP	
		Property:	DORA DEAN 24	# 1

surface	ULSTR:	B	24	T	05S	R	33E
			990	FNL	1700	FEL	

BH Loc	ULSTR:	B	24	T	05S	R	33E
			990	FNL	1700	FEL	

Ground Level:	4363	DF:	4376	KB:	4378	
Datum:	KB			TD:	8406	

Land:	FEE	Completion Date: (1)	1/16/2010
		Date Logs Received:	1/20/2010
		Date Logs Due in: (2)	

Confidential:	NO			Date out:		

Confidential period: 90 Days for State & Fee, 1 Year for federal

Date Due In: (1) is equal to Completion Date (1) + 20 days

Logs	Depth interval		
TD LD CN/GR	200	8289	Three Detector Litho-Density
HRLA	2178	8289	High Resolution Laterolog

K Z **OCD TOPS**

Rustler	1820	Strawn			
Tansill		Atoka			
Yates	2184	Morrow			
7 rvrs					
		Austin			
		Chester			
Queen	2650	Miss Lime	8008		
Penrose		Fussleman	8204		
Grayburg	2966				
San Andres	3219				
Glorieta	4560				
Yeso	4659				
Tubb	5882				
Lwr Yeso (Drinkard)	6260				
Abo	6640				
Wolfcamp	7400				
Penn	7718				

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 deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this 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 shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates	T. Miss 8008'	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	T. Devonian	T. Cliff House	T. Leadville
T. Queen 2650'	T. Silurian 8204'	T. Menefee	T. Madison
T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres 3218'	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	T. McKee	T. Gallup	T. Ignacio Otzte
T. Paddock	T. Ellenburger	Base Greenhorn	T. Granite
T. Blinebry	T. Gr. Wash	T. Dakota	
T. Tubb 5882'	T. Delaware Sand	T. Morrison	
T. Drinkard	T. Bone Springs	T. Todilto	
T. Abo 6634'	T.	T. Entrada	
T. Wolfcamp 7368'	T.	T. Wingate	
T. Penn 7718'	T.	T. Chinle	
T. Cisco (Bough C)	T.	T. Permian	

OIL OR GAS SANDS OR ZONES

No. 1, from.....8204'.....to.....8260'..... No. 3, from.....to.....

No. 2, from.....7788'.....to.....7830'..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

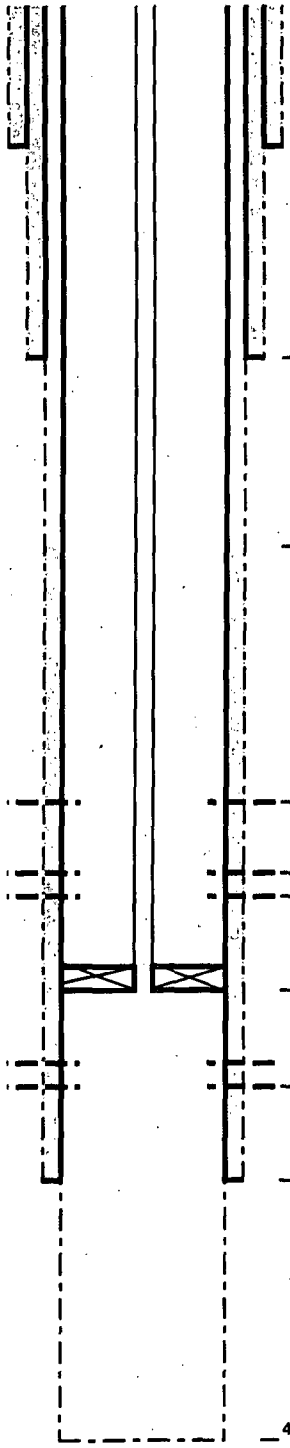
No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
2178'	7368'	5190	Red Shale, Lime, Sand & Dolomite				
7368'	7718'	350	Lime, Dolomite, Gray Shales				
7718'	8008'	290	Lime				
8008'	8204'	196	Lime				
8204'	8292'	88	Dolomite				

ELEVATION
GL 4363'

INJECTION TUBING:
2-7/8", 4.7#, N-80, 8Rd IPC



40' - 13 3/8" 54#/ft Conductor Pipe
25 sx redi-mix

12 1/4" hole
2178' 8 5/8" 24#/ft, 8 RD, ST&C J-55 csg
Cmt w/855sx HLC 1.84 cuft/sx lead, 200 sx "C" 1.35cuft/sx tail, circ

TOC @ 5590' (CBL)

Perfs 7787'-7792" 20 shots

Perfs 7814'-7818' 8 shots
Perfs 7828'-7830' 8 shots

Pkr @ 8175'

Perfs 8245'-8212' 34 shots

7 7/8" hole (2009 TD @ 8406')
8406' 5 1/2" 17#/ft, 8RD, LT&C J-55 csg
Cmt w/450sx HLC 1.62 cuft/sx lead, 200 sx "C" 1.35cuft/sx tail

4 3/4" open hole TD @ 8515' (2012 re-enter)

REV.	DATE

Dora Dean 24 #1 (Proposed Configuration)
Sec. 24, T5S-R33E

API NO. 30-041-20938
Roosevelt County, NM

DRAWN	KSA
APP'D	
SCALE	NTS
DATE	8/22/2012

SHEETS	SHEET

Armstrong Energy Corporation

SHANKSLOG

P. O. Box 1179
Carlsbad, N.M. 88220
(575)-885-0458
DAVE SHANKS

COMPANY: ARMSTRONG ENERGY CORPORATION
WELL: DORA DEAN 24 #1 (DEEPEN)
FIELD: FUSSELMAN TEST COUNTY: ROOSEVELT STATE: NEW MEXCIO
LOCATION: 990' FNL & 1700' FEL, SEC. 24 T5S R33E

Interval Logged: 8406' To: 8516 G.L.: 4363' K.B: 4378'
Date Logged: 8/17/2012 To: 8-21-12 Spud Date: _
Rig: TWS INC Unit No.: 6
Loggers: Paul Amancio
Api No.: 30-041-20938
Filename: dora_dean_24_-1__deepen_.mlw
Geologist: TOM KING

Abbreviations:

NB...New Bit	DST...Drill Stem Test
CO...Circ Out	DS...Directional Survey
NR...No Returns	CG...Connection gas
TG...Trip Gas	LAT...Logged After Trip
WOB...Wt on Bit	PP...Pump Pressure
RPM...Rev/Min	SPM...Strokes/Min
SG...Survey Gas	DTG...Down Time Gas

Mud Data

WT..Weight	V..Viscosity
PH..Acidity	F..Filtrate
CHL..Chlorides	SC..Solids Content

Lithology Symbols:

Anhydrite	Salt	Granite
Siltstone	Chert	Sandstone
Dolomite	Conglomerat	Limestone
Coal	Shale	Bentonite
Carb Shale	Granite Was	Quartz Wash
Red Sh	Org Sh	Green Sh
Cust Sh1	Cust Sh2	Cust Sh3
Cust Sh4	Cust Sh5	Cust Sh6

Accessories

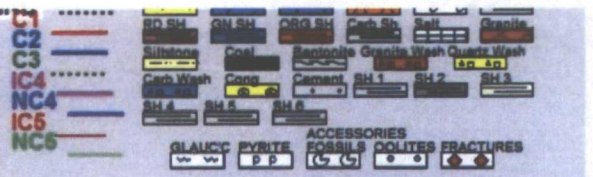
Glauconite, Pyrite, Fossils, Oolites, Fractures, Cement

Gas Chromatograph Analysis:

HW, C1, C2, C3, IC4, NC4, IC5

Drilling Rate MIN/FT	Vis Por Tr / p f g	Lithology	% Oil Flu Tr / p f g	Cut Tr / p f g	Descriptions/Remarks	Total Gas/Chromatograph
2 4 6 8 10 12 14					PULLING UNIT TWS INC DRILL OUT PLUGS TAG FORMATION @ 8406'	25 50 100 200 300 400 500
8400					REVERSE CIRCULATION SAMPLE LAG 16 min. @ SPM 121	
TAG FORMATION 3:00 pm MDT 8/17/12						

From 1970 To 8406 KB=4378.0



COMPANY:	Armstrong Energy Corporation	DATES LOGGED:	10/18/09 to 11/12/2009	GEOLOGIST:	Tom King
WELL:	Dora Dean 24 #1	DEPTHS LOGGED:	2055 to 8406'		
LOCATION:	990' FNL & 1700'FEL--- Sec. 24 T5S R33E	GL:	4363'		
		KB:	4378'		
	Roosevelt Co., New Mexico	UNIT No:	4		
API NO.:	30-041-20938	LOGGERS:	J.Norris/P.Amancio		

Drill Rate Min/Ft | Por | Lithology | Flu | Cut | Gas Units

2 4 6 8 10 12 14

C.O. SAMPLES
-JMN-

50

WOB 40
RPM 80
PP 1400
SPM 110

11/10-11/09,11/12/09
TOH RUN E-LOGS
NB #6 HTC HR44CH RR

8300

2 4 6 8 10 12 14

50

PA

WOB 40
RPM 70
SPM 110
PP 1450

8400

T.D. 8406'

shly,tr LS in rd shly mtrx

DOLO:crm,v/lt brn,sme med brn,f xln,sme f-v/f xln,frm,cln,sme vis f-med xtl faces,vis f intrxln poro,5% lt-med yell fluor,tr slw even lt yell wht wet cut,tr fst pale yell wht dry cut

DOLO:tn,dk tn,bff,off wht,v/fn-fn xln,gd-fr intr xln poro,tr md xl rhombs,tr crs xln free calcite,sm sli lmy,5% dll ylw fluor,no cut

DOLO:tn,dk tn,bff,off wht,wht crm,v/fn-fn xln,gd intr xln poro tr md-crs calc xlns tr fn-md rhomb face w/ fn xln edgng,inc silic incr chrty,10% dll ylw fluor,v/fnt wht wet cut,sl petro odor

LOG RUN UNSUCCESSFUL-TIH- CIRC & COND MUD

DOLO:tn,crm,bff,off wht,tr lt brn,v/fn-mic xln,tr fn xln edge frm-mod hrd,chrty,tr intrxln poro,5-10% dll ylw fluor,no cut

DOLO:off wht,lt tn,tn crm,v/fn-fn xln,tr mic xln,incr sucro,frm-mod hrd,tr intrxln poro sm sl calc,tr chrty 5% brt med ylw fluor no vis cut

DOLO:off wht,v/lt brn, crm,lt tn,v/f xln,dns, frm,mod-v/cln,sme f sucro,tr f rexln,pc mod-v/imy ip,tr chrty, sme w/f clr edge xtls, 5% dull yell gold w/tr spatt med brt yell fluor,no vis cut

LS:off wht,v/lt brn,crm wht,v/f xln,dns,frm-sft,cln-sli argil,sme v/chlky,sme rexln,mod-v/dolo ip,tr w/or carb anclu,tr lamn w/brn DOLO

T.D. 8406' 1:50pm MST on 11/12/2009.C.O.

25 50 75 100 125 150 175

CARBIDE TRAP TEST

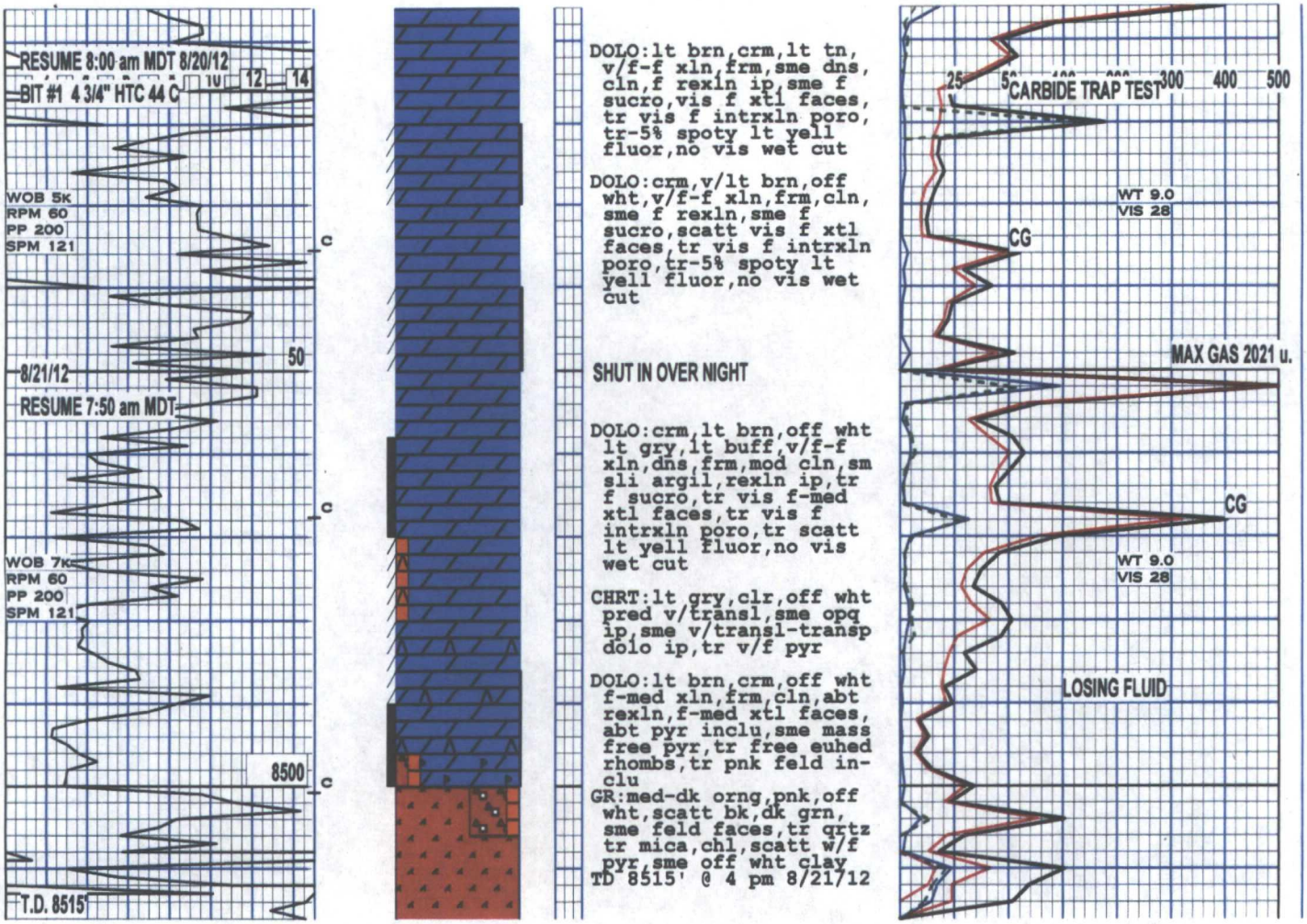
WT 10
VIS 55
PH 10
CHL 160K
FIL 10
FIL/CK 1/32

93u TRIP GAS

MW 10.4, VI

25 50 75 100 125 150 175

MW 10.4
VIS 65
FIL 10
PH 10
CHL 173K


RESUME 8:00 am MDT 8/20/12
BIT #1 4 3/4" HTC 44 C
10
12
14
WOB 5K
RPM 60
PP 200
SPM 121
C
50
8/21/12
RESUME 7:50 am MDT
C
WOB 7K
RPM 60
PP 200
SPM 121
8500
C
T.D. 8515'
DOLO:lt brn,crm,lt tn, v/f-f xln,frm,sme dns, cln,f rexln ip,sme f sucro,vis f xtl faces, tr vis f intrxln poro, tr-5% spoty lt yell fluor,no vis wet cut
DOLO:crm,v/lt brn,off wht,v/f-f xln,frm,cln, sme f rexln,sme f sucro,scatt vis f xtl faces,tr vis f intrxln poro,tr-5% spoty lt yell fluor,no vis wet cut
SHUT IN OVER NIGHT
DOLO:crm,lt brn,off wht lt gry,lt buff,v/f-f xln,dns,frm,mod cln,sm sli argil,rexln ip,tr f sucro,tr vis f-med xtl faces,tr vis f intrxln poro,tr scatt lt yell fluor,no vis wet cut
CHRT:lt gry,clr,off wht pred v/transl,sme opq ip,sme v/transl-transp dolo ip,tr v/f pyr
DOLO:lt brn,crm,off wht f-med xln,frm,cln,abt rexln,f-med xtl faces, abt pyr inclu,sme mass free pyr,tr free euhed rhombs,tr pnk feld in-clu
GR:med-dk orng,pnk,off wht,scatt bk,dk grn, sme feld faces,tr qrtz tr mica,chl,scatt w/f pyr,sme off wht clay
TD 8515' @ 4 pm 8/21/12
25
5
300
400
500
CARBIDE TRAP TEST
WT 9.0
VIS 28
CG
MAX GAS 2021 u.
CG
WT 9.0
VIS 28
LOSING FLUID

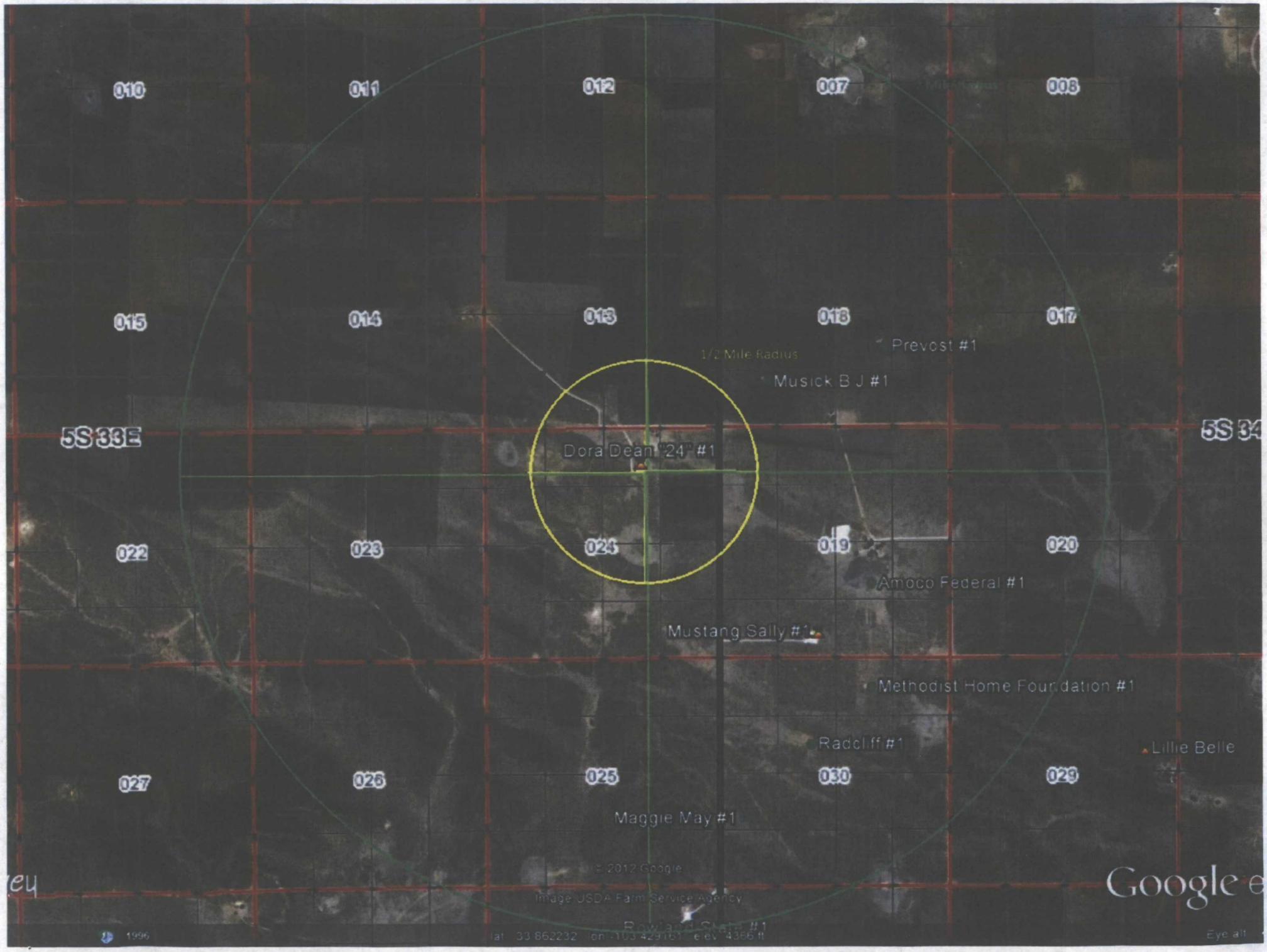

010
011
012
007
008
015
014
013
018
017
1/2 Mile Radius
Prevost #1
Musick B J #1
5S 33E
5S 34
Dora Dean "24" #1
022
023
024
019
020
Amoco Federal #1
Mustang Sally #1
Methodist Home Foundation #1
Radcliff #1
Lillie Belle
027
026
025
030
029
Maggie May #1
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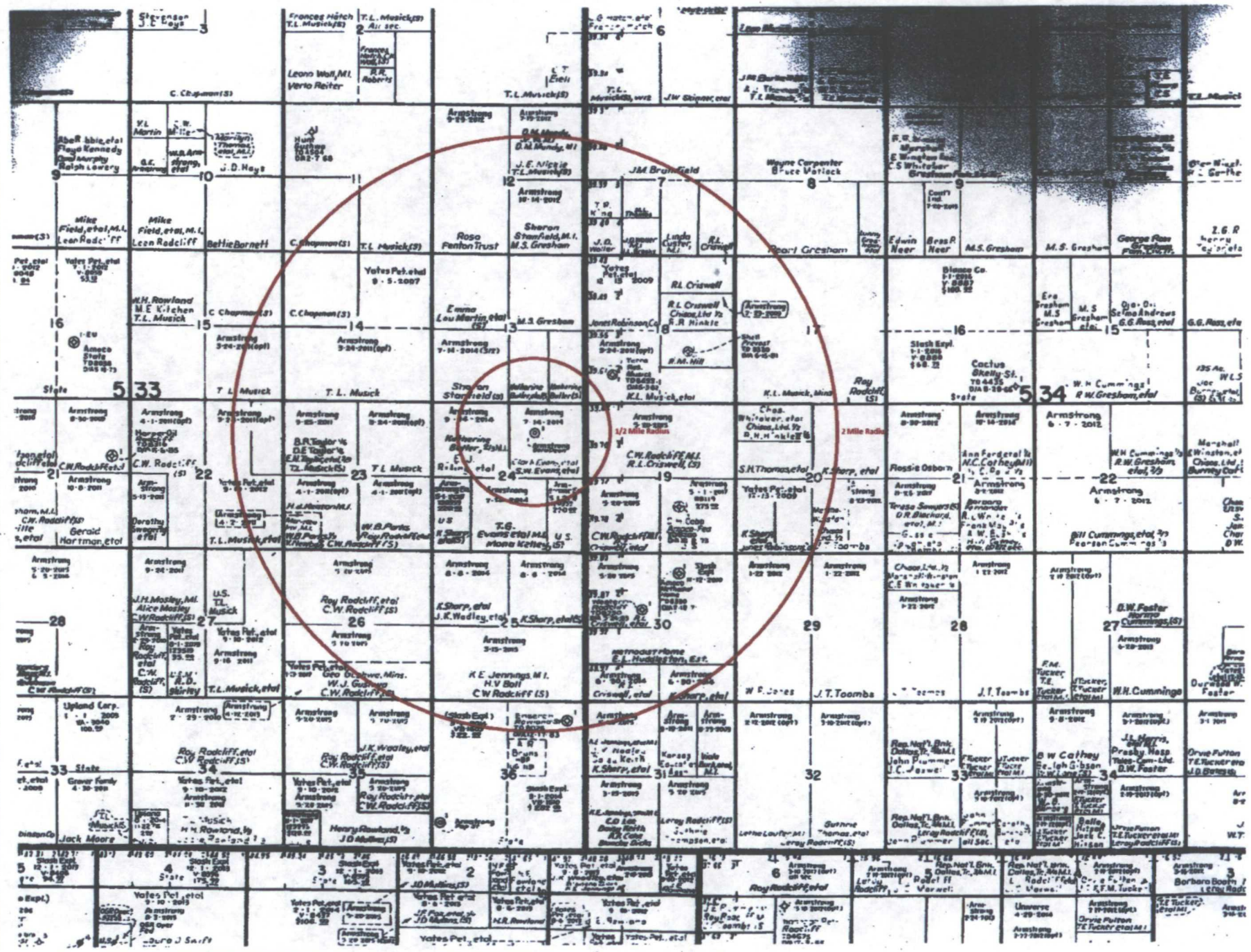
Image USDA Farm Service Agency
Google e
1996
Eye alt


1/2 Mile Radius
2 Mile Radius

Permian Treating
WATER ANALYSIS REPORT

SAMPLE

Oil Co. : **Armstrong Energy**
Lease : **pet 36** Pep 36 State
Well No.: **1**
Location:
Attention:

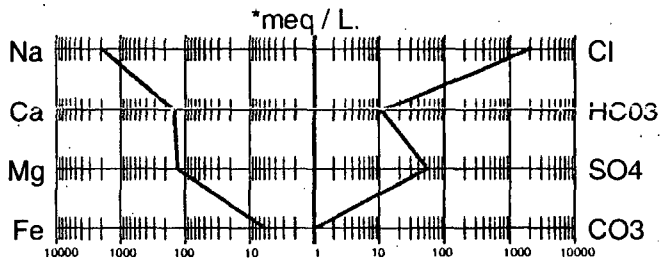
Date Sampled :
Date Analyzed: **15-February-2010**
Lab ID Number: **Feb1510.002- 1**
Salesperson :
File Name : **Feb1510.002**

ANALYSIS

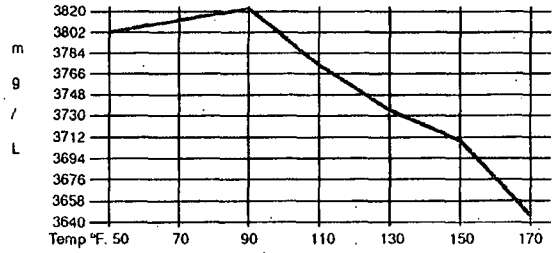
1.	Ph			**6.880**		
2.	Specific Gravity 60/60 F.			**1.081**		
3.	CACO3 Saturation Index		@ 80F	**0.514**	**Mild**	
			@140F	1.404	Severe	

	Dissolved Gasses			MG/L.	EQ. WT.	*MEQ/L
4.	Hydrogen Sulfide			**Not Present**		
5.	Carbon Dioxide			**Not Determined**		
6.	Dissolved Oxygen			**Not Determined**		
	Cations					
7.	Calcium	(Ca++)		**2,850**	/ 20.1 =	**141.79**
8.	Magnesium	(Mg++)		**1,498**	/ 12.2 =	**122.79**
9.	Sodium	(Na+)	(Calculated)	**41,385**	/ 23.0 =	**1,799.35**
10.	Barium	(Ba++)		**Not Determined**		
	Anions					
11.	Hydroxyl	(OH-)		**0**	/ 17.0 =	**0.00**
12.	Carbonate	(CO3=)		**0**	/ 30.0 =	**0.00**
13.	Bicarbonate	(HCO3-)		**628**	/ 61.1 =	**10.28**
14.	Sulfate	(SO4=)		**2,550**	/ 48.8 =	**52.25**
15.	Chloride	(Cl-)		**70,984**	/ 35.5 =	**1,999.55**
16.	Total Dissolved Solids			**119,895**		
17.	Total Iron	(Fe)		**98.50**	/ 18.2 =	**5.41**
18.	Manganese	(Mn++)		**Not Determined**		
19.	Total Hardness as CaCO3			**13,284**		
20.	Resistivity @ 75 F. (Calculated)			**0.068** Ohm · meters		

LOGARITHMIC WATER PATTERN



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

COMPOUND	*meq/L	X	EQ. WT.	=	mg/L.
Ca(HCO3)2	**10.28**		81.04		**833**
CaSO4	**52.25**		68.07		**3,557**
CaCl2	**79.26**		55.50		**4,399**
Mg(HCO3)2	**0.00**		73.17		**0**
MgSO4	**0.00**		60.19		**0**
MgCl2	**122.79**		47.62		**5,847**
NaHCO3	**0.00**		84.00		**0**
NaSO4	**0.00**		71.03		**0**
NaCl	**1,797.50**		58.46		**105,082**

* milliequivalents per Liter

Elisabeth Andrews

Elisabeth Andrews, Analyst

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY
WATER ANALYSIS REPORT
HOBBS, NEW MEXICO

COMPANY: Armstrong Energy
#1 Sample Mustang Sally #1
#2 Sample Lillie Belle #1

REPORT: W11-070
DATE: September 7, 2011
DISTRICT:

SUBMITTED BY: Rocky

TANK SAMPLE	Mustang Sally	Lillie Belle			
Sample Temp.	73 °F	73 °F	°F	°F	°F
RESISTIVITY					
SPECIFIC GR.	1.075	1.067			
pH	6.10	5.85			
CALCIUM	10,500 mpl	7,000 mpl	mpl	mpl	mpl
MAGNESIUM	11,100 mpl	6,900 mpl	mpl	mpl	mpl
CHLORIDE	64,500 mpl	57,620 mpl	mpl	mpl	mpl
SULFATES	>1600 mpl	>1600 mpl	mpl	mpl	mpl
BICARBONATES	567 mpl	366 mpl	mpl	mpl	mpl
SOLUBLE IRON	>500 mpl	>500 mpl	mpl	mpl	mpl
KCL	Negative	Negative			
Sodium	mpl	mpl	mpl	mpl	mpl
TDS	mpl	mpl	mpl	mpl	mpl
OIL GRAVITY	@ 60 °F	@ 60 °F	@ 60 °F	@ 60 °F	@ 60 °F

REMARKS: Proposed injection water for Dora Dean 24 #1

MPL = Milligrams per litter
Resitivity measured in: Ohm/m2/m

ANALYST: SH/TR

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY
WATER ANALYSIS REPORT
HOBBS, NEW MEXICO

COMPANY: Armstrong Energy
LEASE: Dora Dean 25 #1

REPORT W12-191
DATE August 30, 2012
DISTRICT Hobbs

SUBMITTED BY

TANK SAMPLE	North	North East	South West		
Sample Temp.	70 °F	70 °F	70 °F	°F	°F
RESISTIVITY	15.8	15.8	15.8		
SPECIFIC GR.	1.001	1.001	1.001		
pH	7.43	7.61	7.60		
CALCIUM	100 mpl	145 mpl	100 mpl	mpl	mpl
MAGNESIUM	90 mpl	105 mpl	96 mpl	mpl	mpl
CHLORIDE	113 mpl	122 mpl	95 mpl	mpl	mpl
SULFATES	<400 mpl	<400 mpl	<400 mpl	mpl	mpl
BICARBONATES	238 mpl	195 mpl	244 mpl	mpl	mpl
SOLUBLE IRON	0 mpl	0 mpl	0 mpl	mpl	mpl
KCL	Neg	Neg	Neg		
Sodium	mpl	mpl	mpl	mpl	mpl
TDS	mpl	mpl	mpl	mpl	mpl
OIL GRAVITY	@ 60 °F	@ 60 °F	@ 60 °F	@ 60 °F	@ 60 °F

REMARKS Water analyses for surrounding fresh water wells with respect to Dora Dean 24 #1

MPL = Milligrams per litter
Resitivity measured in: Ohm/m2/m

ANALYST: LF

AFFIDAVIT OF LEGAL PUBLICATION

LEGAL # 7985

Copy of Publication attached

STATE OF NEW MEXICO
COUNTY OF CURRY:

The undersigned, being duly sworn, says:
That she is a Legal Clerk of
The Portales New-Tribune, a daily
Newspaper of general circulation,
published in English at Clovis,
said county and state, and that the
hereto attached

LEGAL NOTICE

was published in said Portales New-Tribune,
a daily newspaper duly
qualified for that purpose within
the meaning of Chapter 167 of the
1937 Session Laws of the State of
New Mexico for 1 consecutive
days/weeks on the same days as follows:

First Publication: October 2, 2012
Second Publication:
Third Publication:
Fourth Publication:

Legal Clerk

Subscribed and sworn to before me
October 2, 2012

Notary Public

OFFICIAL SEAL
LESLIE NAGY
NOTARY PUBLIC - STATE OF NEW MEXICO

My Commission Expires: May 24, 2015

Legal 7985
October 2, 2012

Legal Notice

Notice is hereby given that Armstrong Energy Corporation, P.O. Box 1973, Roswell, NM 88202-1973 has submitted an Application for Authorization to Inject for the Dora Dean 24 #1.

Armstrong proposes to begin disposal of produced water into the Fusselman formation by converting the Dora Dean 24 #1 to injection. The well is located in Township 5 South, Range 33 East, Section 24, 990 FNL & 1700 FEL in Roosevelt County, New Mexico. Injection will be into a perforated interval from 8212-8245' as well as an lower, non-cased open hole interval from 8406-8515. The anticipated injection rate is 300 BWPD at 0 psi.

An objection to this application or a request for hearing must be filed with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days of this notice. Should you have any questions please contact Kyle Alpers with Armstrong Energy Corporation at 575-625-2222.

September 28, 2012

Via Certified-Return Receipt

Katherine Sharon Butler
417 Tierra Berrenda Dr.
Roswell, NM 88201

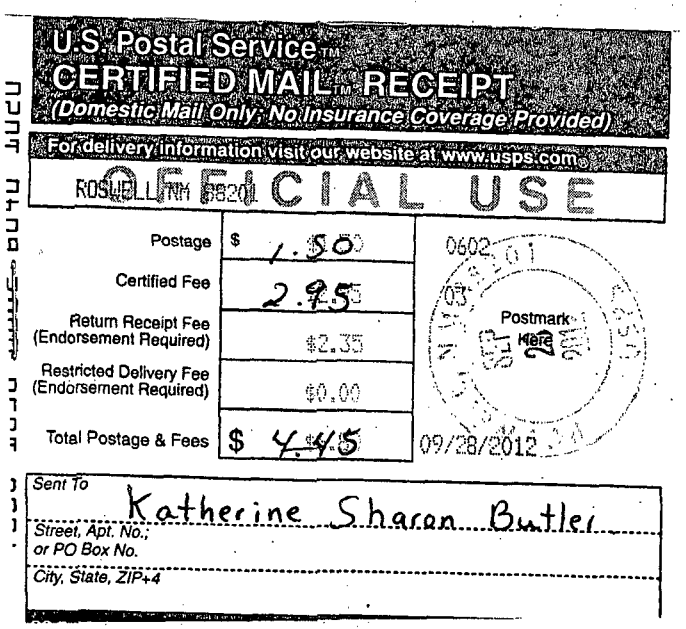
Re: Dora Dean 24 #1 Water Disposal Well
NE/4 24-T5S-R33E
Roosevelt County, New Mexico

Dear Mrs. Butler:

Armstrong Energy Corporation operates the Dora Dean 24 #1 in the NE/4 of Section 24-T5S-R33E, Roosevelt County, New Mexico. The Dora Dean 24 #1 was drilled and completed as a producing well in the Fusselman formation in early 2010. The well was found to be nonproductive and has since been shut in. Armstrong proposes to convert the Dora Dean 24 #1 from a producer to a water disposal well. The plan calls for the injection of approximately 300 barrels per day of produced water from Armstrong's surrounding wells, into the Fusselman formation at low anticipated injection pressure. The use of this well as a disposal well will greatly decrease the amount of truck traffic through the area, as it will eliminate the need to haul produced water from these wells.

Enclosed is a copy of the C-108 "Application for Authorization to Inject" for the conversion of the Dora Dean 24 #1 to an injector. Injection will be over an interval which contains both perforations (8212'-8245') and open hole (8406'-8515'). The anticipated injection rate is approximately 300 barrels of water per day, at an anticipated injection pressure of 0 psi.

An objection to this application or a request for hearing must be filed with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days of this notice. Should you have any questions please contact Kyle Alpers with Armstrong Energy Corporation at 575-625-2222.



Sincerely,

ARMSTRONG ENERGY CORPORATION

Kyle S. Alpers
Field Engineer

September 28, 2012

Via Certified-Return Receipt

Lisa Nelson
11501 Santa Monica Ave., NE
Albuquerque, NM 87122

Re: Dora Dean 24 #1 Water Disposal Well
NE/4 24-T5S-R33E
Roosevelt County, New Mexico

Dear Mrs. Nelson:

Armstrong Energy Corporation operates the Dora Dean 24 #1 in the NE/4 of Section 24-T5S-R33E, Roosevelt County, New Mexico. The Dora Dean 24 #1 was drilled and completed as a producing well in the Fusselman formation in early 2010. The well was found to be nonproductive and has since been shut in. Armstrong proposes to convert the Dora Dean 24 #1 from a producer to a water disposal well. The plan calls for the injection of approximately 300 barrels per day of produced water from Armstrong's surrounding wells, into the Fusselman formation at low anticipated injection pressure. The use of this well as a disposal well will greatly decrease the amount of truck traffic through the area, as it will eliminate the need to haul produced water from these wells.

Enclosed is a copy of the C-108 "Application for Authorization to Inject" for the conversion of the Dora Dean 24 #1 to an injector. Injection will be over an interval which contains both perforations (8212'-8245') and open hole (8406'-8515'). The anticipated injection rate is approximately 300 barrels of water per day, at an anticipated injection pressure of 0 psi.

An objection to this application or a request for hearing must be filed with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days of this notice. Should you have any questions please contact Kyle Alpers with Armstrong Energy Corporation at 575-625-2222.

Sincerely,

ARMSTRONG ENERGY CORPORATION

Kyle S. Alpers
Field Engineer

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PS Form 3800, August 2006 See Reverse for Instructions

September 28, 2012

Via Certified-Return Receipt

Samuel Stanfield
11207 Margarite NW
Albuquerque, NM 87144

Re: Dora Dean 24 #1 Water Disposal Well
NE/4 24-T5S-R33E
Roosevelt County, New Mexico

Dear Sir:

Armstrong Energy Corporation operates the Dora Dean 24 #1 in the NE/4 of Section 24-T5S-R33E, Roosevelt County, New Mexico. The Dora Dean 24 #1 was drilled and completed as a producing well in the Fusselman formation in early 2010. The well was found to be nonproductive and has since been shut in. Armstrong proposes to convert the Dora Dean 24 #1 from a producer to a water disposal well. The plan calls for the injection of approximately 300 barrels per day of produced water from Armstrong's surrounding wells, into the Fusselman formation at low anticipated injection pressure. The use of this well as a disposal well will greatly decrease the amount of truck traffic through the area, as it will eliminate the need to haul produced water from these wells.

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Sincerely,

ARMSTRONG ENERGY CORPORATION

Kyle S. Alpers
Field Engineer

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September 28, 2012

Via Certified-Return Receipt

Randy Wayne Evans
800 Daniel Boone
Green River, WY 82935

Re: Dora Dean 24 #1 Water Disposal Well
NE/4 24-T5S-R33E
Roosevelt County, New Mexico

Dear Sir:

Armstrong Energy Corporation operates the Dora Dean 24 #1 in the NE/4 of Section 24-T5S-R33E, Roosevelt County, New Mexico. The Dora Dean 24 #1 was drilled and completed as a producing well in the Fusselman formation in early 2010. The well was found to be nonproductive and has since been shut in. Armstrong proposes to convert the Dora Dean 24 #1 from a producer to a water disposal well. The plan calls for the injection of approximately 300 barrels per day of produced water from Armstrong's surrounding wells, into the Fusselman formation at low anticipated injection pressure. The use of this well as a disposal well will greatly decrease the amount of truck traffic through the area, as it will eliminate the need to haul produced water from these wells.

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Sincerely,

ARMSTRONG ENERGY CORPORATION

Kyle S. Alpers
Field Engineer

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7011 0470 0000 0000 0000

September 28, 2012

Via Certified-Return Receipt

Kenneth L. Musick
1656 South Roosevelt Road H
Rogers, NM 88130

Re: Dora Dean 24 #1 Water Disposal Well
NE/4 24-T5S-R33E
Roosevelt County, New Mexico

Dear Sir:

Armstrong Energy Corporation operates the Dora Dean 24 #1 in the NE/4 of Section 24-T5S-R33E, Roosevelt County, New Mexico. The Dora Dean 24 #1 was drilled and completed as a producing well in the Fusselman formation in early 2010. The well was found to be nonproductive and has since been shut in. Armstrong proposes to convert the Dora Dean 24 #1 from a producer to a water disposal well. The plan calls for the injection of approximately 300 barrels per day of produced water from Armstrong's surrounding wells, into the Fusselman formation at low anticipated injection pressure. The use of this well as a disposal well will greatly decrease the amount of truck traffic through the area, as it will eliminate the need to haul produced water from these wells.

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Sincerely,

ARMSTRONG ENERGY CORPORATION

Kyle S. Alpers
Field Engineer

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Sent To: Kenneth L. Musick

Street, Apt. No.; or PO Box No.

City, State, ZIP+4

PS Form 3800, August 2006

September 28, 2012

Via Certified-Return Receipt

Roy Lee Criswell
P.O. Box 35
Pep, NM 88126

Re: Dora Dean 24 #1 Water Disposal Well
NE/4 24-T5S-R33E
Roosevelt County, New Mexico

Dear Sir:

Armstrong Energy Corporation operates the Dora Dean 24 #1 in the NE/4 of Section 24-T5S-R33E, Roosevelt County, New Mexico. The Dora Dean 24 #1 was drilled and completed as a producing well in the Fusselman formation in early 2010. The well was found to be nonproductive and has since been shut in. Armstrong proposes to convert the Dora Dean 24 #1 from a producer to a water disposal well. The plan calls for the injection of approximately 300 barrels per day of produced water from Armstrong's surrounding wells, into the Fusselman formation at low anticipated injection pressure. The use of this well as a disposal well will greatly decrease the amount of truck traffic through the area, as it will eliminate the need to haul produced water from these wells.

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Sincerely,

ARMSTRONG ENERGY CORPORATION

Kyle S. Alpers
Field Engineer

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Street, Apt. No., or PO Box No.:
City, State, ZIP+4:

7011 2000 0000 0000 0000

September 28, 2012

Via Certified-Return Receipt

Mona Kay (Kelley) Crow
1933 FM 1780
Morton, TX 79346

Re: Dora Dean 24 #1 Water Disposal Well
NE/4 24-T5S-R33E
Roosevelt County, New Mexico

Dear Ms. Crow:

Armstrong Energy Corporation operates the Dora Dean 24 #1 in the NE/4 of Section 24-T5S-R33E, Roosevelt County, New Mexico. The Dora Dean 24 #1 was drilled and completed as a producing well in the Fusselman formation in early 2010. The well was found to be nonproductive and has since been shut in. Armstrong proposes to convert the Dora Dean 24 #1 from a producer to a water disposal well. The plan calls for the injection of approximately 300 barrels per day of produced water from Armstrong's surrounding wells, into the Fusselman formation at low anticipated injection pressure. The use of this well as a disposal well will greatly decrease the amount of truck traffic through the area, as it will eliminate the need to haul produced water from these wells.

Enclosed is a copy of the C-108 "Application for Authorization to Inject" for the conversion of the Dora Dean 24 #1 to an injector. Injection will be over an interval which contains both perforations (8212'-8245') and open hole (8406'-8515'). The anticipated injection rate is approximately 300 barrels of water per day, at an anticipated injection pressure of 0 psi.

An objection to this application or a request for hearing must be filed with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days of this notice. Should you have any questions please contact Kyle Alpers with Armstrong Energy Corporation at 575-625-2222.

Sincerely,

ARMSTRONG ENERGY CORPORATION

Kyle S. Alpers
Field Engineer

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Postmark Here
SEP 28 2012
09/28/2012

Sent To: Mona Kay (Kelley) Crow
Street, Apt. No.; or PO Box No.:
City, State, ZIP+4:

September 28, 2012

Via Certified-Return Receipt

Karen Sharp
1673 Newcastle Drive
Abilene, TX 79601

Re: Dora Dean 24 #1 Water Disposal Well
NE/4 24-T5S-R33E
Roosevelt County, New Mexico

Dear Ms. Sharp:

Armstrong Energy Corporation operates the Dora Dean 24 #1 in the NE/4 of Section 24-T5S-R33E, Roosevelt County, New Mexico. The Dora Dean 24 #1 was drilled and completed as a producing well in the Fusselman formation in early 2010. The well was found to be nonproductive and has since been shut in. Armstrong proposes to convert the Dora Dean 24 #1 from a producer to a water disposal well. The plan calls for the injection of approximately 300 barrels per day of produced water from Armstrong's surrounding wells, into the Fusselman formation at low anticipated injection pressure. The use of this well as a disposal well will greatly decrease the amount of truck traffic through the area, as it will eliminate the need to haul produced water from these wells.

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Return Receipt Fee (Endorsement Required)	$2.35
Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ 4.45

0602
Postmark Here
SEP 28 2012
09/28/2012

Sent To: Karen Sharp
Street, Apt. No.; or PO Box No.:
City, State, ZIP+4:

PS Form 3800, August 2006 See Reverse for Instructions

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, October 12, 2012 12:32 PM
To: 'kalpers@armstrongenergycorp.com'; Phillips, Dorothy, EMNRD
Cc: Gonzales, Elidio L, EMNRD
Subject: RE: Disposal application from Armstrong Energy Corporation: Dora Dean 24 #1 30-041-20938 Fusselman perfs and open hole from 8212 to 8515 feet

Kyle,
It does look like Armstrong needs one single well bond – see this link ... and work with Dorothy Phillips of this office to get that posted.
https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/Report/Stats/InactiveWellFinancialAssuranceReport.aspx?Operator=1092

Not a big deal, but I can't release the SWD permit without all bonding in place.
Let me know when this is done because I am onto other applications and will not know unless you tell me.

Thank You,

Will Jones

From: Jones, William V., EMNRD
Sent: Friday, October 12, 2012 12:23 PM
To: 'kalpers@armstrongenergycorp.com'
Cc: Gonzales, Elidio L, EMNRD
Subject: Disposal application from Armstrong Energy Corporation: Dora Dean 24 #1 30-041-20938 Fusselman perfs and open hole from 8212 to 8515 feet

Hello Kyle,

You noticed lots of surface owners, but who is the surface owner at the well site?
If it is Randy Evans – he is probably related to the basketball player I knew from Dora years ago.

Lots of gas effect on that log – when will you get a pipeline?

Application looks great – only thing missing is the "Administrative Application Checklist" form but I filled one out for you.

Have a great weekend,

William V. Jones, P.E.
505-476-3448W 505-476-3462F
Engineering Bureau, Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Jones, William V., EMNRD

From: Kyle Alpers <kalpers@armstrongenergycorp.com>
Sent: Monday, October 15, 2012 10:28 AM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from Armstrong Energy Corporation: Dora Dean 24 #1 30-041-20938 Fusselman perfs and open hole from 8212 to 8515 feet

Will,

Thanks for filling out the Administrative Application Checklist for me. How did I miss that, and do you need further information from me for it?

With respect to the pipeline, as soon as we get an approved permit we will lay poly to the location. We are aware of the required plugging bond and have been working on it for some time now as we also have an APD in limbo as a result of it. JP Morgan has not been exactly speedy and so on Friday we put in motion other measures which I hope to have in effect today or tomorrow so we can move forward. I will let you know as soon as I hear something.

In addition, to answer your question regarding surface ownership, I apologize for not making it clear – the surface owner is Sharon Butler and her children Lisa Nelson and Samuel Stanfield.

Hopefully I will be back in touch with you very soon.

Thanks

Kyle Alpers
Field Engineer
kalpers@armstrongenergycorp.com
(O) 575-623-2999 Ext. 305
(C) 575-626-2727
(F) 575-622-2512

Armstrong
P.O. Box 1973
Roswell, New Mexico 88203

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Friday, October 12, 2012 12:32 PM
To: kalpers@armstrongenergycorp.com; Phillips, Dorothy, EMNRD
Cc: Gonzales, Elidio L, EMNRD
Subject: RE: Disposal application from Armstrong Energy Corporation: Dora Dean 24 #1 30-041-20938 Fusselman perfs and open hole from 8212 to 8515 feet

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Jones, William V., EMNRD

From: Kyle Alpers <kalpers@armstrongenergycorp.com>
Sent: Tuesday, October 16, 2012 3:55 PM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from Armstrong Energy Corporation: Dora Dean 24 #1 30-041-20938 Fusselman perfs and open hole from 8212 to 8515 feet

Will,

I was notified that our plugging bond you mentioned (For the NE Kemnitz #10) should have been taken care of and entered into your system sometime this morning. Hopefully this will facilitate the approval of our SWD application.

Thanks, and please let me know if there's anything further you need from me.

Kyle Alpers
Field Engineer
kalpers@armstrongenergycorp.com
(O) 575-623-2999 Ext. 305
(C) 575-626-2727
(F) 575-622-2512

Armstrong
P.O. Box 1973
Roswell, New Mexico 88203

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Friday, October 12, 2012 12:32 PM
To: kalpers@armstrongenergycorp.com; Phillips, Dorothy, EMNRD
Cc: Gonzales, Elidio L, EMNRD
Subject: RE: Disposal application from Armstrong Energy Corporation: Dora Dean 24 #1 30-041-20938 Fusselman perfs and open hole from 8212 to 8515 feet

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Not a big deal, but I can't release the SWD permit without all bonding in place.
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Thank You,

Will Jones

From: Jones, William V., EMNRD
Sent: Friday, October 12, 2012 12:23 PM
To: 'kalpers@armstrongenergycorp.com'

10/16/09 SPUD

30-025-01932

Injection Permit Checklist (11/15/2010)

WFX ______ PMX ______ SWD 1360 Permit Date 10/20/12 UIC Qtr (O N/D)

Wells 1 Well Name(s): DORA Dean 24 #1

API Num: 30-0 41-20938 Spud Date: ~~[illegible]~~ New/Old: N (UIC primacy March 7, 1982)

Footages 990 FNL / 1700 FEL Unit B Sec 24 Tsp 5S Rge 33E County ROOSEVELT

General Location:

Operator: ARMSTRONG Energy CORPORATION Contact KYLE ALPERS

OGRID: 001092 RULE 5.9 Compliance (Wells) 2/84 (Finan Assur) X IS 5.9 OK? ~~[illegible]~~ well Needed X

Well File Reviewed ✓ Current Status: ~~[illegible]~~ Fusselman Test 2012 (OH), SI, SQZED Penn @ 7787-7830

Planned Work to Well: SQZ UPPER Perfs / RUN TBG / DISPOSE

Diagrams: Before Conversion ____ After Conversion ✓ Elogs in Imaging File: ✓ Run on LIME (LOTS of XOVER) N/D

2009

Well Details:	Sizes Hole.......Pipe	Setting Depths	Stage Tool	Cement Sx ~~or Cf~~	Determination Method
New __ Existing ✓ Surface	12 1/4 8 5/8	2178'	—	855+200	CIRC
~~New__Existing__Interm~~					
New __ Existing ✓ LongSt	7 7/8 5 1/2	8406'	—	450+200	5590 CBL
New __ Existing __ Liner					
New __ Existing ✓ OpenHole	4 3/4	8406-8515'			

2012

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above	7718 ft	Penn	✓
	8204 ft	Fusselman	✓
Injection TOP:	8212-8245 (Perfs)	Fusselman	Max. PSI 1642 OpenHole ✓ Perfs ✓
Injection BOTTOM:	8406-8515 (OH)		Tubing Size 2 7/8 Packer Depth ____
Formation(s) Below	8500	Granite	✓

8008 = MISS

~~Capitan Reef? (Potash? Noticed?) [WIPP? Noticed?]~~ Salado Top/Bot ______ ~~Cliff House?~~

Fresh Water: Depths: 300' Formation OGallala Wells? 3 Analysis? ✓ Affirmative Statement ✓

Disposal Fluid Analysis? ✓ Sources: Fusselman ✓ / Penn ✓

Disposal Interval: Analysis? ✓ Production Potential/Testing: See MUDLOG

Notice: Newspaper Date 10/2/12 Surface Owner Sharon Butler / LISA Nelson / Sara Stanfield Mineral Owner(s) Fee

RULE 26.7(A) Affected Persons: 9/28/12 (all Armstrong)

AOR: Maps? ✓ Well List? — Producing in Interval? NO Wellbore Diagrams? —

.......Active Wells 0 Repairs? WhichWells? —

.........P&A Wells 0 Repairs? — Which Wells? —

Issues: Request Sent ______ Reply: ______