

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

JUL 02 2013

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised August 8, 2011

RECEIVED

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

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company	Armstrong Energy Corporation	Contact	Bruce Stubbs
Address	P.O. Box 1973, Roswell, NM 88202	Telephone No.	575-624-2800
Facility Name	Mustang Sally #1	Facility Type	Producing well
Surface Owner	Roy Lee Criswell	Mineral Owner	Radcliff, et al
		API No.	30-041-20943

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	19	5S	34E	461	South	2085	West	Roosevelt

Latitude 33.85189 Longitude 103.41567

NATURE OF RELEASE

Type of Release	Oil, gas, water	Volume of Release	25 bbls	Volume Recovered	20 bbls
Source of Release	Stuffing box	Date and Hour of Occurrence	1:00 am 5/26/13	Date and Hour of Discovery	2:30 am 5/26/13
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	E.L. Gonzales		
By Whom?	Bruce Stubbs	Date and Hour	11:40 a.m. on 5-26-2013		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	-----		

If a Watercourse was Impacted, Describe Fully.*

SEE ATTACHED REPORT

Describe Cause of Problem and Remedial Action Taken.*

SEE ATTACHED REPORT

Describe Area Affected and Cleanup Action Taken.*

SEE ATTACHED REPORT

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature:		OIL CONSERVATION DIVISION	
Printed Name:	Bruce A. Stubbs	Approved by Environmental Specialist:	
Title:	Vice President - Operations	Approval Date:	Expiration Date:
E-mail Address:	bastubbs@armstrongenergycorp.com	Conditions of Approval:	
Date:	July 1, 2013	Phone:	575-624-2800
			Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

DEC 22 2013



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

July 1, 2013

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

Attention: E.L. Gonzales

HOBBS OCD

JUL 02 2013

RECEIVED

ELG 7-2-2012

Re: Mustang Sally #1
Township 5 South, Range 34 East, NMPM
Section 19N
Roosevelt County, New Mexico

Dear Mr. Gonzales:

Enclosed is the C-141 - Release Notification and Corrective Action, Final Report, for the Mustang Sally #1, with attachments, to be filed with your office.

If you have any questions, please contact Bruce Stübbs at 505-625-2222.

Sincerely,

ARMSTRONG ENERGY CORPORATION

By: *Irma Cunningham*
Irma Cunningham, Geo Tech

Enclosures

**Armstrong Energy Corporation
Mustang Sally #1
Section 19 N T5S-R34E
Roosevelt County, New Mexico
June 28, 2013**

**HOBBS OCD
JUL 02 2013
RECEIVED**

Sometime before 2:00 am on the morning of May 26, 2013 the line pressure on Targa's gathering system increased and caused the high-low valve to shut the well in. Pressure increased and caused the stuffing box packing to blowout. The well was pumping normally at 10:00 pm and the rancher's son discovered the leak at 2:30 am. The pumper was notified and the rod B.O.P. was shut-in to stop the flow. The weather conditions were clear and warm with a 20+ mph wind from the south-southwest. Most of the liquid was contained inside the location, but the wind carried a mist of oil north-northeast approximately 750 feet. The heavily misted area next to location had visible droplets on the plant leaves, while the lightly misted area had visible stain and residue when the vegetation was wiped.

Remedial Action:

A vacuum truck, crew with squeegees and a steam unit were called Sunday morning and worked until 7:00 pm cleaning the equipment and recovering the liquid from location. Approximately 20 barrels of oil, gas and wash water were recovered. The recovered fluids were hauled to Gandy-Marley's disposal.

Cleanup Action:

1. The heavily misted area next to location, approximately one (1) acre, was treated with Biomax Enzyme / Fertilizer solution and the area next to the fence was treated with BCC SOP 1 Liquid Calcium. The medium and lightly misted area was washed with 800 bbls. fresh water.
2. Approximately 150 cu. yds. of contaminated caliche was removed from the location and three (3) samples were collected from the areas that had the worst puddling. The samples were tested and the results were:

20' south of well	Cl 256 mg/kg	DRO 137 mg/kg
20' north of well	Cl 1620 mg/kg	DRO <10 mg/kg
40' north of well	Cl 2680 mg/kg	DRO 145 mg/kg

3. An additional 150 cu. yds. of contaminated caliche was removed from the location, to a depth of 3 feet. Three (3) samples were collected from the same areas and the results were:

20' south of well	Cl 112 mg/kg	DRO <10 mg/kg
20' north of well	Cl <16 mg/kg	DRO <10 mg/kg
40' north of well	Cl <16 mg/kg	DRO <10 mg/kg

4. 384 cu. yds. of clean caliche was hauled to location and used to fill the excavated area and level the location.
5. Contaminated caliche was hauled to the Gandy-Marley disposal facility.
6. The area north of the fence that was heavily misted, was seeded with gamma grass and buffalo grass.
7. Since June 1st, they area has received 6+ inches of rain and the pasture is greening up.
8. Remediation was completed June 28, 2013.



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

HOBBS OCD

JUL 02 2013

RECEIVED

June 06, 2013

BRUCE STUBBS

ARMSTRONG ENERGY CORP

P. O. BOX 1973

ROSWELL, NM 88202

RE: MUSTANG SALLY #1

Enclosed are the results of analyses for samples received by the laboratory on 06/03/13 13:20.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Celey D. Keene", written in a cursive style.

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 ARMSTRONG ENERGY CORP
 BRUCE STUBBS
 P. O. BOX 1973
 ROSWELL NM, 88202
 Fax To: (575) 622-2512

 Received: 06/03/2013
 Reported: 06/06/2013
 Project Name: MUSTANG SALLY #1
 Project Number: NONE GIVEN
 Project Location: NOT GIVEN

 Sampling Date: 06/03/2013
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: 20' S. OF WELL (H301292-01)

BTEX 8021B		mg/kg		Analyzed By: AP				S-04		
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	06/05/2013	ND	2.24	112	2.00	6.40		
Toluene*	<0.050	0.050	06/05/2013	ND	2.02	101	2.00	9.20		
Ethylbenzene*	<0.050	0.050	06/05/2013	ND	2.19	109	2.00	10.4		
Total Xylenes*	<0.150	0.150	06/05/2013	ND	6.37	106	6.00	8.90		
Total BTEX	<0.300	0.300	06/05/2013	ND						

Surrogate: 4-Bromofluorobenzene (PIC) 135 % 39.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: DW						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	256	16.0	06/05/2013	ND	400	100	400	0.00		

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	06/05/2013	ND	212	106	200	3.07		
DRO >C10-C28	137	10.0	06/05/2013	ND	222	111	200	3.64		

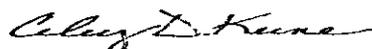
Surrogate: 1-Chlorooctane 105 % 65.2-140

Surrogate: 1-Chlorooctadecane 105 % 63.6-154

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 ARMSTRONG ENERGY CORP
 BRUCE STUBBS
 P. O. BOX 1973
 ROSWELL NM, 88202
 Fax To: (575) 622-2512

Received:	06/03/2013	Sampling Date:	06/03/2013
Reported:	06/06/2013	Sampling Type:	Soil
Project Name:	MUSTANG SALLY #1	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: 20' N. OF WELL (H301292-02)

BTEX 8021B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	06/05/2013	ND	2.24	112	2.00	6.40		
Toluene*	<0.050	0.050	06/05/2013	ND	2.02	101	2.00	9.20		
Ethylbenzene*	<0.050	0.050	06/05/2013	ND	2.19	109	2.00	10.4		
Total Xylenes*	<0.150	0.150	06/05/2013	ND	6.37	106	6.00	8.90		
Total BTEX	<0.300	0.300	06/05/2013	ND						

Surrogate: 4-Bromofluorobenzene (PIE) 123 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: DW						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	1620	16.0	06/05/2013	ND	400	100	400	0.00		

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	06/05/2013	ND	212	106	200	3.07		
DRO >C10-C28	<10.0	10.0	06/05/2013	ND	222	111	200	3.64		

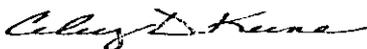
Surrogate: 1-Chlorooctane 104 % 65.2-140

Surrogate: 1-Chlorooctadecane 108 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 ARMSTRONG ENERGY CORP
 BRUCE STUBBS
 P. O. BOX 1973
 ROSWELL NM, 88202
 Fax To: (575) 622-2512

Received:	06/03/2013	Sampling Date:	06/03/2013
Reported:	06/06/2013	Sampling Type:	Soil
Project Name:	MUSTANG SALLY #1	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: 40' N. OF WELL (H301292-03)

BTEX 80218		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	06/05/2013	ND	2.24	112	2.00	6.40		
Toluene*	<0.050	0.050	06/05/2013	ND	2.02	101	2.00	9.20		
Ethylbenzene*	<0.050	0.050	06/05/2013	ND	2.19	109	2.00	10.4		
Total Xylenes*	<0.150	0.150	06/05/2013	ND	6.37	106	6.00	8.90		
Total BTEX	<0.300	0.300	06/05/2013	ND						

Surrogate: 4-Bromofluorobenzene (PIE) 125 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: DW						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	2680	16.0	06/05/2013	ND	400	100	400	0.00		

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	06/05/2013	ND	212	106	200	3.07		
DRO >C10-C28	145	10.0	06/05/2013	ND	222	111	200	3.64		

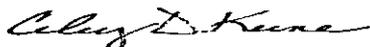
Surrogate: 1-Chlorooctane 104 % 65.2-140

Surrogate: 1-Chlorooctadecane 105 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 ARMSTRONG ENERGY CORP
 BRUCE STUBBS
 P. O. BOX 1973
 ROSWELL NM, 88202
 Fax To: (575) 622-2512

Received:	06/03/2013	Sampling Date:	06/03/2013
Reported:	06/06/2013	Sampling Type:	Soil
Project Name:	MUSTANG SALLY #1.	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: PASTURE SAMPLE (H301292-04)

BTEX 8021B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	06/05/2013	ND	2.24	112	2.00	6.40		
Toluene*	<0.050	0.050	06/05/2013	ND	2.02	101	2.00	9.20		
Ethylbenzene*	<0.050	0.050	06/05/2013	ND	2.19	109	2.00	10.4		
Total Xylenes*	<0.150	0.150	06/05/2013	ND	6.37	106	6.00	8.90		
Total BTEX	<0.300	0.300	06/05/2013	ND						

Surrogate: 4-Bromofluorobenzene (PIC) 123 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: DW						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	<16.0	16.0	06/05/2013	ND	400	100	400	0.00		

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	06/05/2013	ND	212	106	200	3.07		
DRO >C10-C28	<10.0	10.0	06/05/2013	ND	222	111	200	3.64		

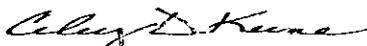
Surrogate: 1-Chlorooctane 102 % 65.2-140

Surrogate: 1-Chlorooctadecane 108 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

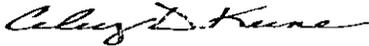
Notes and Definitions

- S-04 The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.
- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

June 13, 2013

BRUCE STUBBS
ARMSTRONG ENERGY CORP
P. O. BOX 1973
ROSWELL, NM 88202

HOBBS OCD
JUL 02 2013
RECEIVED

RE: MUSTANG SALLY #1

Enclosed are the results of analyses for samples received by the laboratory on 06/11/13 11:40.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

 ARMSTRONG ENERGY CORP
 BRUCE STUBBS
 P. O. BOX 1973
 ROSWELL NM, 88202
 Fax To: (575) 622-2512

Received:	06/11/2013	Sampling Date:	06/11/2013
Reported:	06/13/2013	Sampling Type:	Soil
Project Name:	MUSTANG SALLY #1	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: 40' N. (H301340-01)

BTEX 8021B		mg/kg		Analyzed By: DW						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	06/12/2013	ND	1.66	83.1	2.00	9.02		
Toluene*	<0.050	0.050	06/12/2013	ND	1.83	91.7	2.00	8.76		
Ethylbenzene*	<0.050	0.050	06/12/2013	ND	2.00	100	2.00	8.87		
Total Xylenes*	<0.150	0.150	06/12/2013	ND	6.17	103	6.00	8.28		
Total BTEX	<0.300	0.300	06/12/2013	ND						

Surrogate: 4-Bromofluorobenzene (PIE) 111 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: DW						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	<16.0	16.0	06/12/2013	ND	416	104	400	0.00		

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	06/12/2013	ND	204	102	200	5.50		
DRO >C10-C28	<10.0	10.0	06/12/2013	ND	212	106	200	4.22		

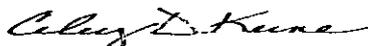
Surrogate: 1-Chlorooctane 101 % 65.2-140

Surrogate: 1-Chlorooctadecane 103 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 ARMSTRONG ENERGY CORP
 BRUCE STUBBS
 P. O. BOX 1973
 ROSWELL NM, 88202
 Fax To: (575) 622-2512

Received:	06/11/2013	Sampling Date:	06/11/2013
Reported:	06/13/2013	Sampling Type:	Soil
Project Name:	MUSTANG SALLY #1	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: 20' N. (H301340-02)

BTEX 8021B		mg/kg		Analyzed By: DW						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	06/12/2013	ND	1.66	83.1	2.00	9.02		
Toluene*	<0.050	0.050	06/12/2013	ND	1.83	91.7	2.00	8.76		
Ethylbenzene*	<0.050	0.050	06/12/2013	ND	2.00	100	2.00	8.87		
Total Xylenes*	<0.150	0.150	06/12/2013	ND	6.17	103	6.00	8.28		
Total BTEX	<0.300	0.300	06/12/2013	ND						

Surrogate: 4-Bromofluorobenzene (PIE) 110 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: DW						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	<16.0	16.0	06/12/2013	ND	416	104	400	3.77		

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	06/12/2013	ND	204	102	200	5.50		
DRO >C10-C28	<10.0	10.0	06/12/2013	ND	212	106	200	4.22		

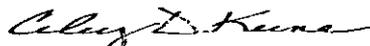
Surrogate: 1-Chlorooctane 105 % 65.2-140

Surrogate: 1-Chlorooctadecane 105 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 ARMSTRONG ENERGY CORP
 BRUCE STUBBS
 P. O. BOX 1973
 ROSWELL NM, 88202
 Fax To: (575) 622-2512

Received:	06/11/2013	Sampling Date:	06/11/2013
Reported:	06/13/2013	Sampling Type:	Soil
Project Name:	MUSTANG SALLY #1	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: 20' S. (H301340-03)

BTEX 8021B		mg/kg		Analyzed By: DW						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	06/12/2013	ND	1.66	83.1	2.00	9.02		
Toluene*	<0.050	0.050	06/12/2013	ND	1.83	91.7	2.00	8.76		
Ethylbenzene*	<0.050	0.050	06/12/2013	ND	2.00	100	2.00	8.87		
Total Xylenes*	<0.150	0.150	06/12/2013	ND	6.17	103	6.00	8.28		
Total BTEX	<0.300	0.300	06/12/2013	ND						

Surrogate: 4-Bromofluorobenzene (PIE) 110 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: DW						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	112	16.0	06/12/2013	ND	416	104	400	3.77		

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	06/12/2013	ND	204	102	200	5.50		
DRO >C10-C28	<10.0	10.0	06/12/2013	ND	212	106	200	4.22		

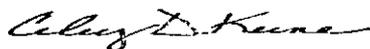
Surrogate: 1-Chlorooctane 101 % 65.2-140

Surrogate: 1-Chlorooctadecane 106 % 63.6-154

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

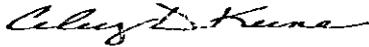
Notes and Definitions

- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



CARDINAL Laboratories

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

BILL TO

ANALYSIS REQUEST

Company Name: ARMSTRONG ENERGY
Project Manager: Bruce Hubbard

P.O. #:
Company:

Address:
City: State: Zip:

Company:
Address:
City: State: Zip:

Phone #: Fax #:
Project Owner:

Address:
City: State: Zip:

Project #: Project Name: Mustang Sally #1

City: State: Zip:

Project Location: Rocky Bay

Phone #: Fax #:

Sampler Name: Rocky Bay

FOR LAB USE ONLY

Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX							DATE	TIME	REMARKS
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:			

H301340	40' North		4							6/1/13	9:30	CL- TPH BTEX
	20' North		1							6/1/13	9:35	
	20' South		1							6/1/13	9:40	

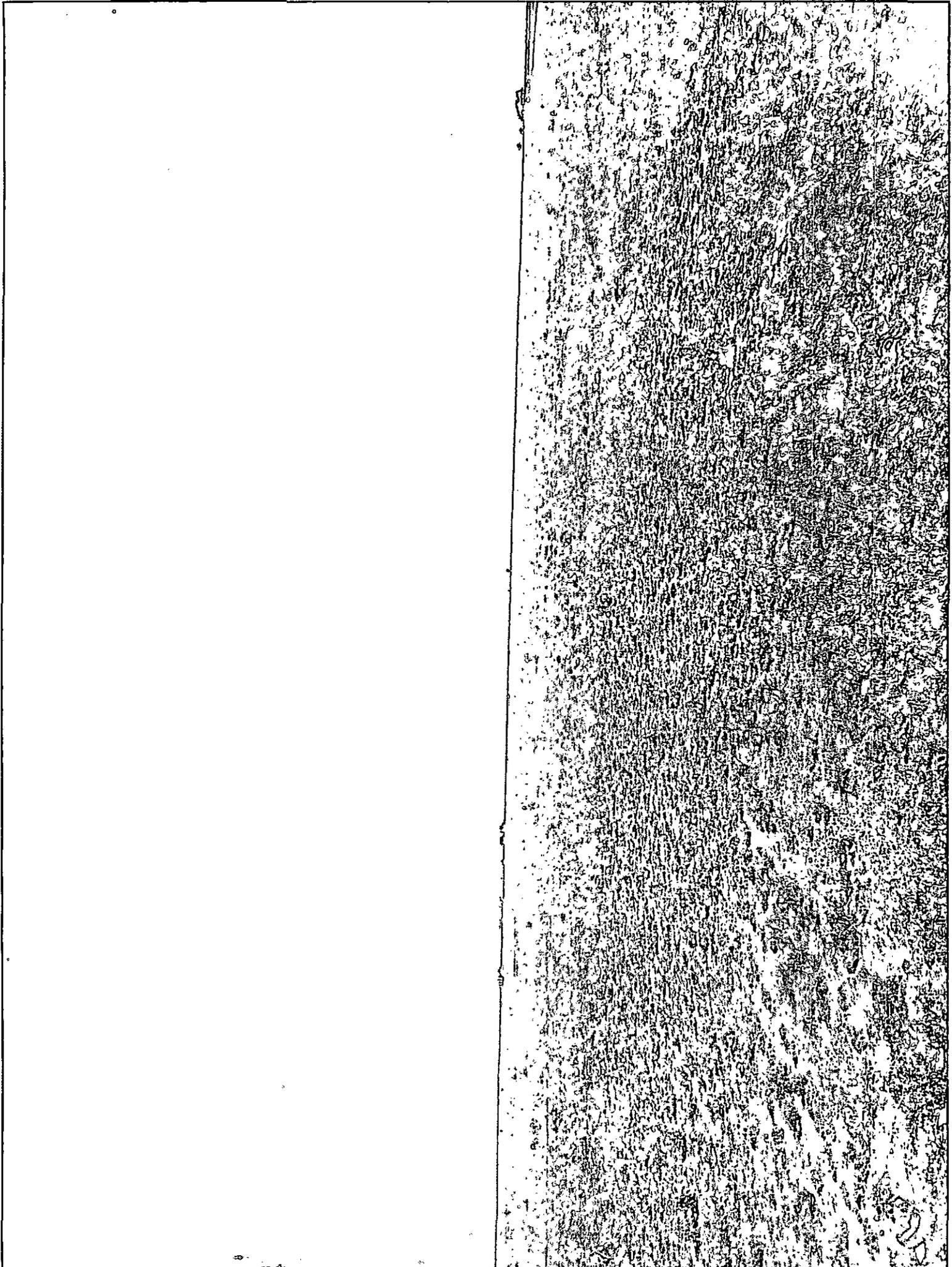
PLEASE NOTE: Liability and Damages, Contractor liability and client's employee liability for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. This waiver shall constitute the basis for Cardinal's or Commercial's damages, including without limitation, business interruption, loss of use, or loss of profits sustained by client, its subsidiaries, affiliates or successors arising out of or in connection with the performance of services provided by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

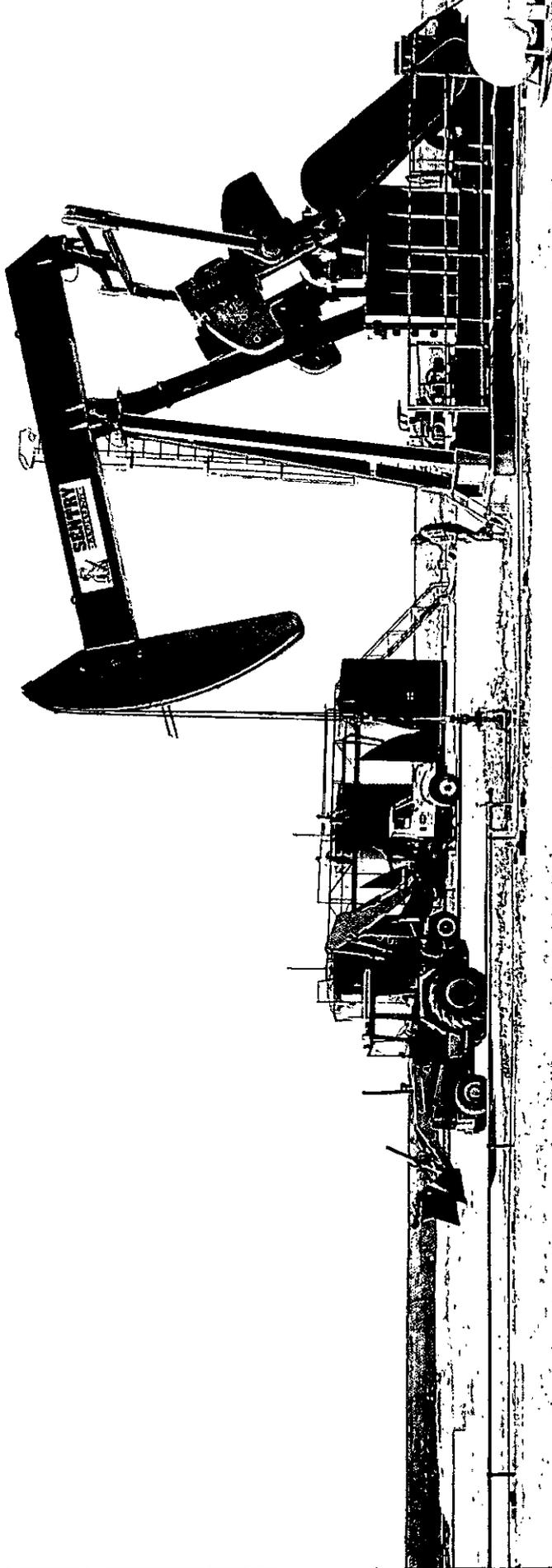
Relinquished By: [Signature] Date: 6/1/13 Received By: [Signature] Date: 6/1/13
Time: 11:40 Relieved By: [Signature]

Delivered By: (Circle One) UPS UPS Bus Other: 59
Cool Intact Yes No
Sample Condition: 59 Yes No

CHECKED BY: [Signature]
Phone Result: Yes No Add'l Phone #:
Fax Result: Yes No Add'l Fax #:
REMARKS:

† Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-2326 #54





Submit 2 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87818
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-103
Revised August 1, 2011

RECEIVED JUN 11 2013 HOBBS OGD		WELL API NO. 30-041-20943
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		6. State Oil & Gas Lease No.
2. Name of Operator Armstrong Energy Corporation		7. Lease Name or Unit Agreement Name Mustang Sally
3. Address of Operator P.O. Box 1973, Roswell, N.M. 88202		8. Well Number 1
4. Well Location Unit Letter <u>N</u> : <u>461</u> feet from the <u>South</u> line and <u>2085</u> feet from the <u>West</u> line Section <u>19</u> Township <u>5S</u> Range <u>34E</u> NMPM Roosevelt County		9. OGRID Number 001092
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4347' KB		10. Pool name or Wildcat Wildcat : Fusselman

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ARMSTRONG
REMEDIATION PLAN
5/30/13 RCU 6/11/13

See attached remediation plan for a stuffing box leak that occurred on M:

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE B. Stubbs TITLE Vice President DATE May 30, 2013

Type or print name Bruce A. Stubbs E-mail address: bastubbs@armstrongenergycorp.com PHONE: 575-625-2222
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____

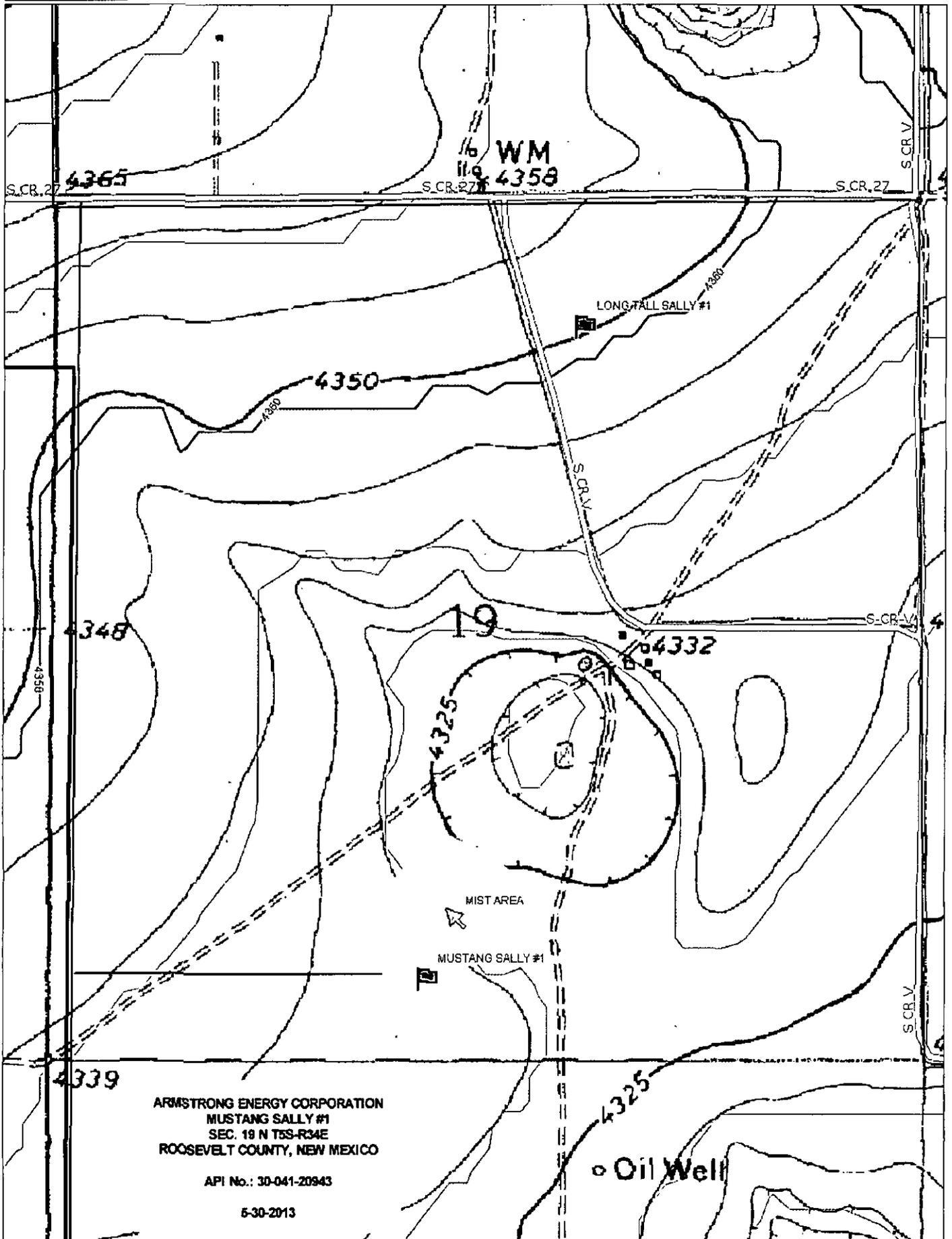
**Armstrong Energy Corporation
Mustang Sally #1
Section 19 N T5S-R34E
Roosevelt County, New Mexico
May 30, 2013**

Sometime before 2:00 am on the morning of May 26, 2013 the line pressure on Targa's gathering system increased and caused the high-low valve to shut the well in. Pressure increased and caused the stuffing box packing to blowout. The well was pumping normally at 10:00 pm and the rancher's son discovered the leak at 2:30 am. The pumper was notified and the rod B.O.P. was shut-in to stop the flow. The weather conditions were clear and warm with a 20+ mph wind from the south-southwest. Most of the liquid was contained inside the location, but the wind carried a mist of oil north-northeast approximately 750 feet. The heavily misted area next to location had visible droplets on the plant leaves, while the lightly misted area had visible stain and residue when the vegetation was wiped.

A vacuum truck, crew with squeegees and a steam unit were called Sunday morning and worked until 7:00 pm cleaning the equipment and recovering the liquid from location. Approximately 20 barrels of oil , gas and wash water were recovered. The recovered fluids were hauled to Gandy-Marley's disposal.

The rehabilitation plan is proposed as follows:

1. The contaminated caliche will be removed from the location and three (3) samples will be collected from the areas that had the worst puddling. The samples will be tested to ensure all contaminated caliche is removed. Fresh caliche will be hauled to location and the surface restored to it's original condition.
2. The heavily misted area next to location, approximately one (1) acre, will be treated with Biomax Enzyme / Fertilizer solution and the area next to the fence will also be treated with BCC SOP 1 Liquid Calcium.
3. The remaining misted area will be washed with fresh water.
4. The area will be monitored to determine if additional remediation is necessary.



ARMSTRONG ENERGY CORPORATION
 MUSTANG SALLY #1
 SEC. 19 N T5S-R34E
 ROOSEVELT COUNTY, NEW MEXICO

API No.: 30-041-20943

6-30-2013

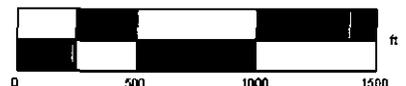
Data use subject to license.

© DeLorme. Topo North America™ 9.

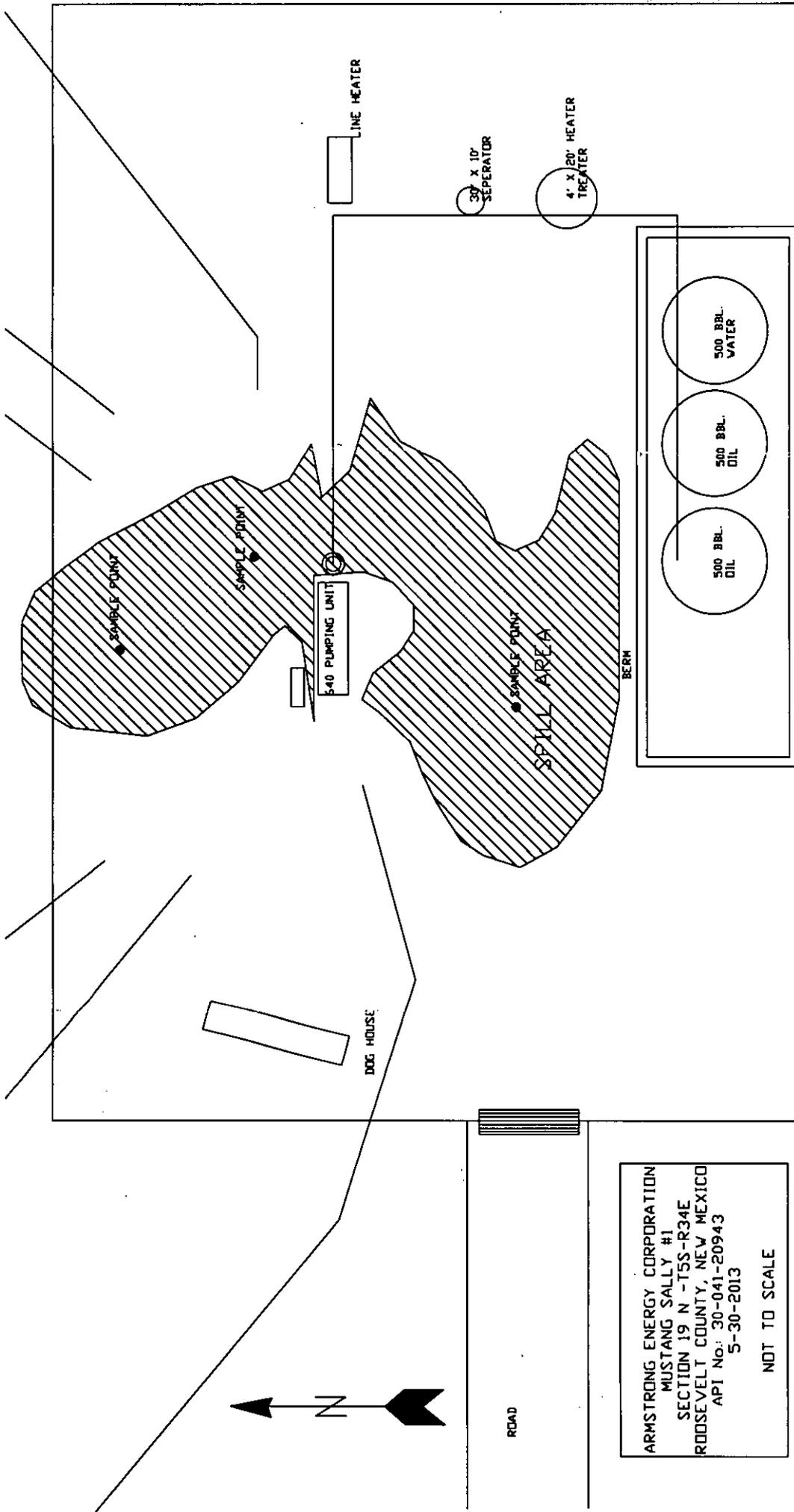
www.delorme.com



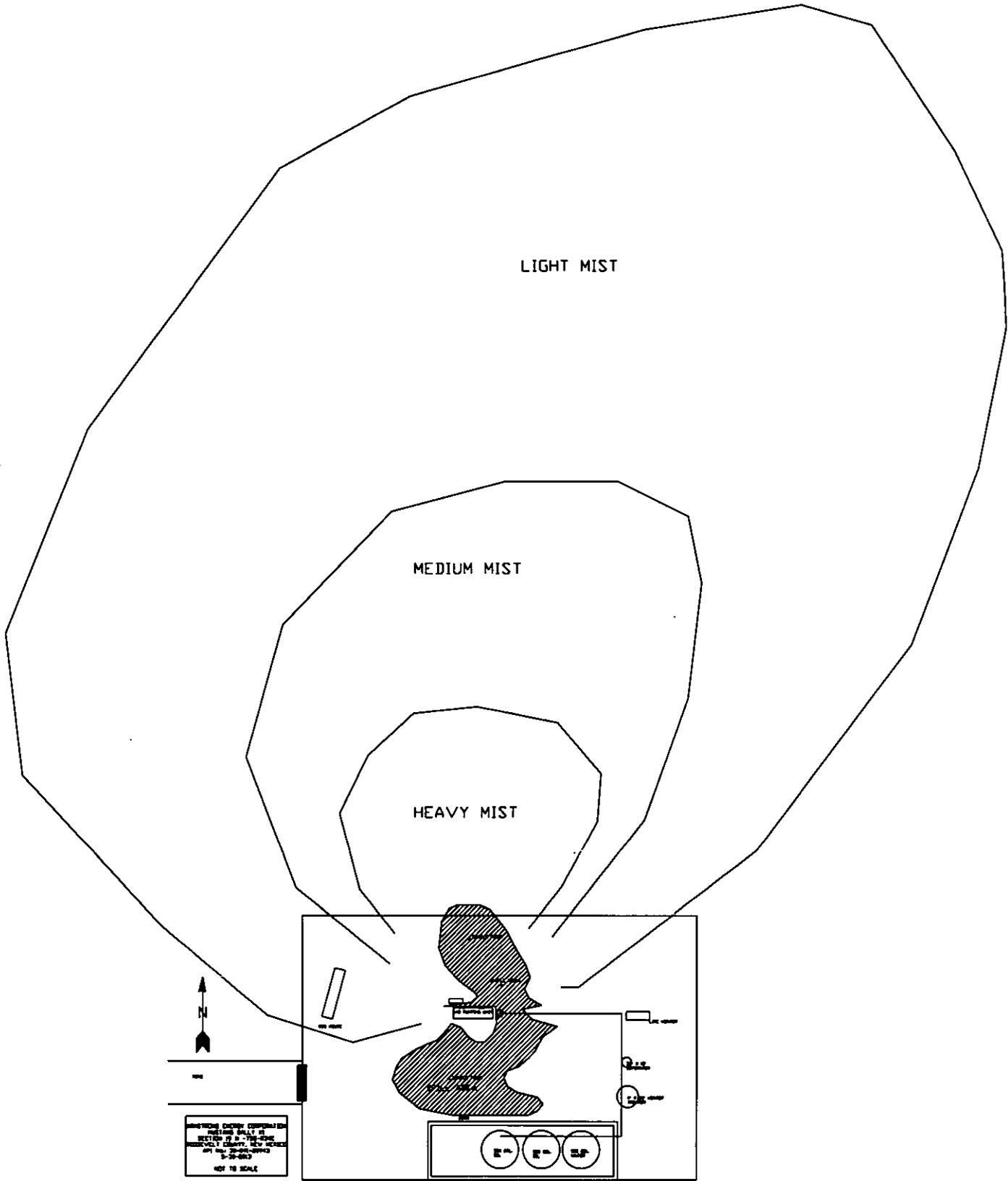
MN (7.4° E)



Data Zoom 14-1



ARMSTRONG ENERGY CORPORATION
 MUSTANG SALLY #1
 SECTION 19 N - T5S-R34E
 ROOSEVELT COUNTY, NEW MEXICO
 API No.: 30-041-20943
 5-30-2013
 NOT TO SCALE





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

June 10, 2013

RECEIVED

JUN 11 2013

HOBBS OCD

Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

Attention: Geoffrey R. Leking

Re: Mustang Sally #1
Township 5 South, Range 34 East, NMPM
Section 19
Roosevelt County, New Mexico

Dear Mr. Leking:

Enclosed is the Sundry Notices and Reports on Wells (C-103) with an attached remediation plan for a stuffing box leak, Mustang Sally #1 well, to be filed in your office.

If you have any questions, please contact Bruce Stubbs at 575-625-2222.

Sincerely,

ARMSTRONG ENERGY CORPORATION

By: 
Irma Cunningham, Geo Tech

Enclosures