

RECEIVED 6/21/2017	REVIEWER MAM	TYPE NSL	APP NO DMAM/171236513
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

ncid
6-21-2017

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: <u>Armstrong Energy Corporation</u>	OGRID Number: <u>1092</u>
Well Name: <u>Liza Jane Federal #2</u>	API: <u>30-041-20972</u>
Pool: <u>Wildcat G-05 S053419N, Fusselman</u>	Pool Code: <u>97868</u>

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location - Spacing Unit - Simultaneous Dedication
- NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling - Storage - Measurement
- DHC CTB PLC PC OLS OLM
- [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- WFX PMX SWD IPI EOR PPR

NSL-7541

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
- B. Royalty, overriding royalty owners, revenue owners
- C. Application requires published notice
- D. Notification and/or concurrent approval by SLO
- E. Notification and/or concurrent approval by BLM
- F. Surface owner
- G. For all of the above, proof of notification or publication is attached, and/or,
- H. No notice required

FOR OCD ONLY
<input type="checkbox"/> Notice Complete
<input type="checkbox"/> Application Content Complete

3) **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

Print or Type Name

Signature

6-20-17
Date

575-625-2222
Phone Number

kalpers@aecnm.com
e-mail Address

DISTRICT I
1220 S. FRANCIS DR. HOBBS, NM 88240
Phone: (575) 233-6121 Fax: (575) 233-0720

DISTRICT II
511 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1223 Fax: (575) 748-0720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3450 Fax: (505) 476-3452

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-041-20972	Pool Code 97868	Pool Name WILDCAT G-05 S053419N;FUSSELMAN
Property Code 317732	Property Name LIZA JANE FEDERAL	Well Number 1
OGRID No 1092	Operator Name ARMSTRONG ENERGY	Elevation 4331.2'

OCD - HOBBS
05/03/2017
RECEIVED

Surface Location

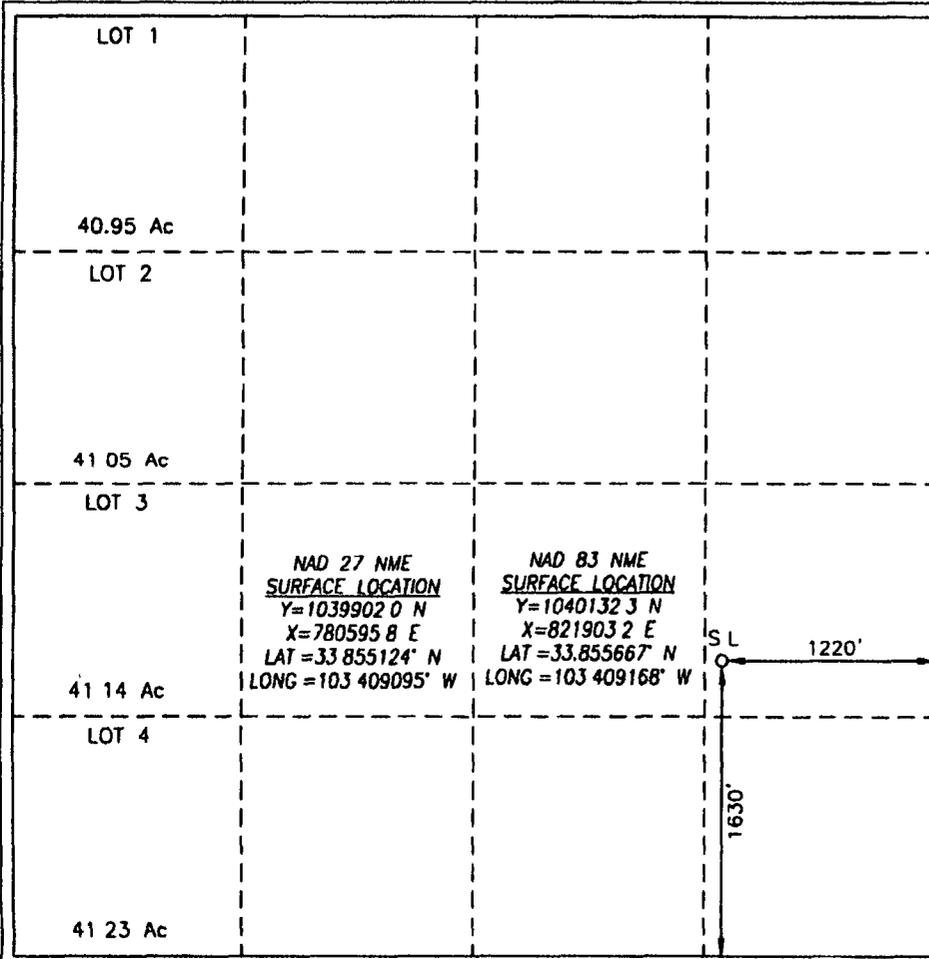
UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	19	5-S	34-E		1630	SOUTH	1220	EAST	ROOSEVELT

Bottom Hole Location If Different From Surface

UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

[Signature] **5/1/17**
Signature Date
Kyle Alpers
Printed Name
kapers@ecnm.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 31, 2017
Date of Survey

Signature & Seal of Professional Surveyor

[Signature] **4/4/17**
Certificate No. **CHAD HARCROW 17777**
W O # 17-368 DRAWN BY: VD



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

June 21, 2017

New Mexico Oil Conservation Division
1220 South St Francis Drive
Santa Fe, New Mexico 87505
Attn Mr Leonard Lowe
Engineering/Geological Services

Re Liza Jane Federal #1
Roosevelt County, NM
API # 3004120972

Gentlemen

With regard to our APD to drill the captioned well located 1630' FSL & 1220' FEL (Unit I) of Section 19, T5S-R34E, Roosevelt County, New Mexico, you have advised that we must apply for a non-standard location and a letter explaining our reason for a non-standard location. The location for this well is governed and determined by our seismic data which indicates this location to be the most prospective for a successful well.

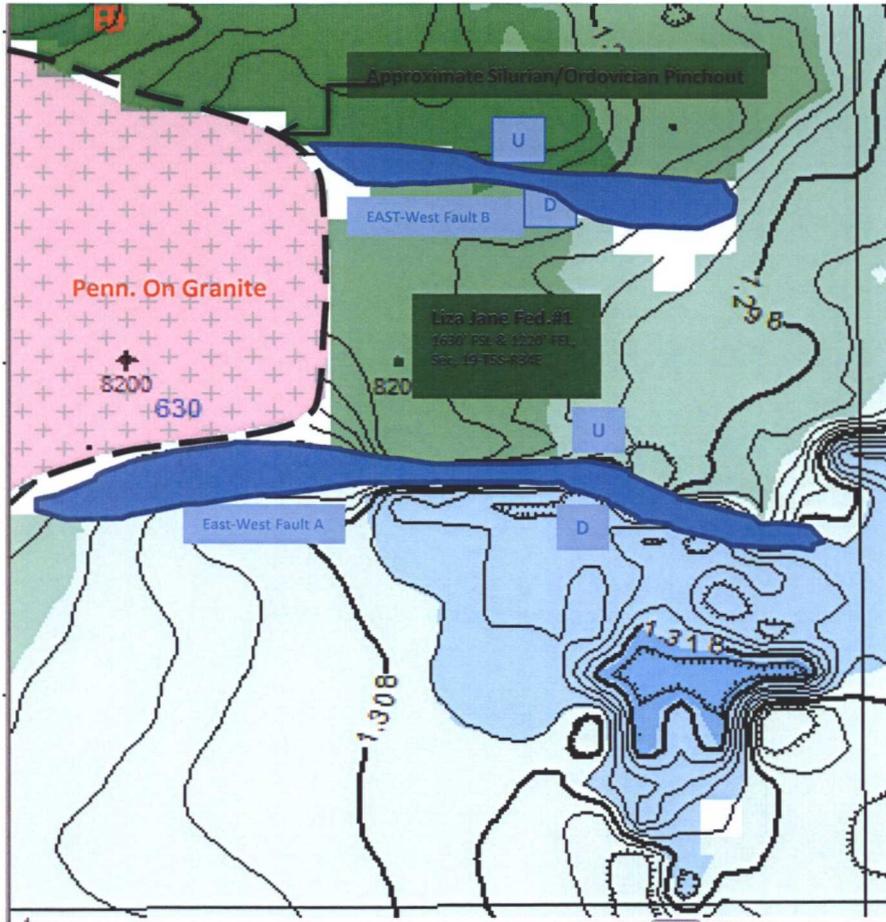
Also the well is located on federal minerals and federal lease NMNM-118119 which covers all of the SE/4 Section 19-T5S-R34E. With the well being located in Unit I (NE/4SE/4), the offsetting encroached Units L and P to the south, Units L and J to the west and Units L and O to the southwest have common federal mineral ownership.

If you need anything further in this regard, please contact me at 575-623-2999 X315

Respectfully,

A handwritten signature in cursive script, appearing to read "Robert H. Watson".

Robert H Watson
Land Manager



Time map on a Silurian/Ordovician, (S/O) Horizon picked from Armstrong Energy Corp. (AEC) 3D Seismic Survey

SE/4, Sec.19-T55-R34E

The Liza Jane Fed. #1 location was established using data from a 3D seismic survey establishing the Silurian/Ordovician, (S/O) formation reservoir as it's primary objective. The AMOCO Fed. #1 reached it's total depth in granite, having no S/O reservoir formation make it a critical well to tie into the seismic. AEC believes the S/O pinch out can clearly be seen on the seismic. The pink area on the map is an area with no S/O formation, having Pennsylvanian formation on Granite. The Liza Jane Fed. #1 should have good S/O reservoir formation before drilling into granite and with no established Oil/Water contact for the Liza Jane Fed #1's paleo structure it's important to be as high as possible on the S/O formation as possible. In conclusion AEC believes the Liza Jane Fed. #1 location will achieve having good S/O reservoir formation and be structurally high enough above a Oil / Water contact.

McMillan, Michael, EMNRD

From: Kyle Alpers <kalpers@armstrongenergycorp.com>
Sent: Wednesday, June 21, 2017 2:18 PM
To: McMillan, Michael, EMNRD
Subject: RE: LJ

Works for me, if you think it's sufficient

Kyle Alpers
Operations Manager

kalpers@aecnm.com

PO Box 1973

Roswell, NM 88202

(O) 575-623-2999 Ext 305

(C) 575-626-2727

(F) 575-622-2512



"This communication is confidential and intended only for the addressee. If you are not the intended recipient, you may not copy, disclose, or distribute this message to anyone else, any such actions may be unlawful. The company reserves the right to amend statements made herein in the event of a mistake. Unless expressly stated herein to the contrary, only agreements in writing signed by an authorized officer of the company may be enforced against it."

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Wednesday, June 21, 2017 2:17 PM
To: kalpers@aecnm.com
Subject: RE: LJ

How is this for a synopsis?

The Applicant's location is based on 3-D seismic, which shows the proposed well should have reservoir rock above the oil-water contact

From: Kyle Alpers [mailto:kalpers@armstrongenergycorp.com]
Sent: Wednesday, June 21, 2017 2:09 PM
To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: RE: LJ

Yes sir I believe that only reflects the SE/4 of Section 19.

Kyle Alpers

Operations Manager

kalpers@aecnm.com

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From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]

Sent: Wednesday, June 21, 2017 2:06 PM

To: kalpers@aecnm.com

Subject: RE: LJ

Does this include only the SE/4? I told Tom that I only want data the SE/4, and that I would not accept anything else Mike

From: Kyle Alpers [<mailto:kalpers@armstrongenergycorp.com>]

Sent: Wednesday, June 21, 2017 2:00 PM

To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>

Subject: FW: LJ

Mike,

Will this suffice from Tom?

Thanks

Kyle Alpers

Operations Manager

kalpers@aecnm.com

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Roswell, NM 88202

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(C) 575-626-2727

(F) 575-622-2512



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From: Tom King [<mailto:tking@armstrongenergycorp.com>]
Sent: Wednesday, June 21, 2017 1:50 PM
To: 'Kyle Alpers'
Subject: LJ