Submit 1 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 87410
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 July 18, 2013

WELL API NO.	30-005-64315
5. Indicate Type of Lease	STATE ☒ FEE ☐
6. State Oil & Gas Lease No.	

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.)

NM OIL CONSERVATION
ARTESIA DISTRICT
JAN 14 2019
RECEIVED

7. Lease Name or Unit Agreement Name	Huckleberry State
8. Well Number	1
9. OGRID Number	1092
10. Pool name or Wildcat	

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator: ARMSTRONG ENERGY CORPORATION

3. Address of Operator: P.O. Box 1973, Roswell, NM 88202-1973

4. Well Location
Unit Letter J : 2402 feet from the South line and 1610 feet from the East line
Section 10 Township 15S Range 28E NMPM Chaves County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☒	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER:	☐			OTHER:	☐		

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.

Notify OCD 24 hrs. prior to any work done.

Armstrong Energy Corporation intends to permanently plug and abandon the captioned wellbore as follows:

1. Set CIBP @ 7625' and cap with 25' of cement – Class H Cmt – WOC & Tag
2. Set 100' (25sx) cement plug inside 5.5" @ top of Abo @ 5450'
3. Cut and recover ~2,250' of 5.5" casing
4. Set 100' (25sx) cement plug 50' in/50' out of 8 5/8" shoe @ 2258'-2158' – WOC & Tag
5. Set 100' (25sx) cement plug across 13 3/8" shoe depth inside 8 5/8" @ 465'-365'
6. Set Surface plug
7. Install Dry Hole Marker

ENTERED 1-22-19

Spud Date: 08/30/2018 Rig Release Date: 09/20/2018

* See Attached COA's Must be Plugged by 1/18/20

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

SIGNATURE _____ TITLE VP – Engineering DATE 1/14/2019

Type or print name Kyle Alpers E-mail address: kalpers@aecnm.com PHONE: 575-625-2222

APPROVED BY: _____ TITLE Staff Mgr DATE 1/18/19

Conditions of Approval (if any):

Armstrong ENERGY CORPORATION

LAST UPDATED 1/11/2019

3,593' GR

San Andres - 2,035'

Tubb - 4767'

Abo - 5540'

Wolfcamp - 6860'

Penn - 7375'

Canyon - 8025'

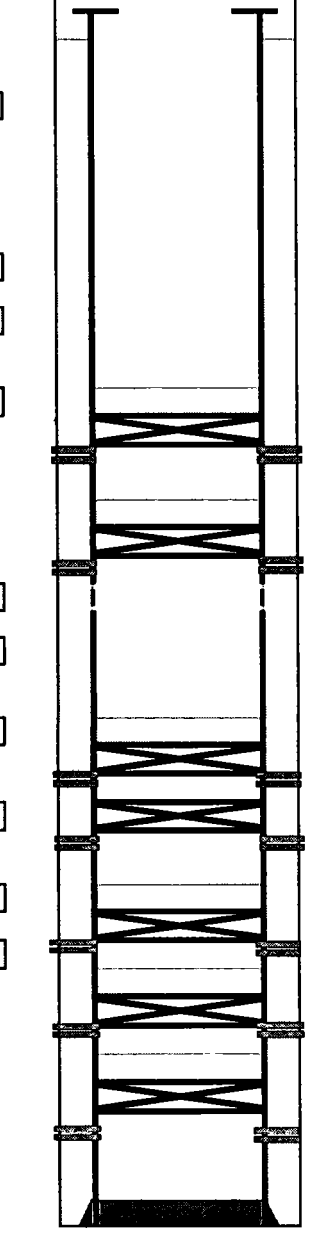
Strawn - 8580'

Atoka - 8884'

Miss Chester - 9028'

Woodford - 9882'

Devonian - 9860'



PROPOSED PLUGGING PROCEDURE

Set surface plug

17 1/2" hole

13 3/8" 48#/ft H-40 ST&C @ 415"
Cement w/415 sx, circulated

Set 100' (25sx) plug across 13 3/8" shoe @ 465-365

12 1/4" hole

$^{85}/_{8}$" 32#/ft J-55 @ 2,208'
950sx Circulated

Set 100' (25sx) plug, 50' in/50' out of 8 5/8" shoe - 2258'-2158'

Cut and recover ~2250' 5.5"
TOC @ ~2,400' CBL

100' (25sx) cement plug inside 5.5" across @ 5450' across Abo

CIBP @ 7625' w/two 40' bailers of cement

Penn	STIMULATION
7726'-7735', 7764'-7772', 7786'-7794', 7803'-7812' 2 spf	500gal 15% NEFE

CIBP @ 7875' w/two 40' bailers of cement

Penn	STIMULATION
7948'-7954', 7916'-7938', 7890'-7892' 2spf	500gal 15% NEFE

DV tool @ 8,017'
Stage 1 - 330 sx "H", circ 45sx
Stage 2 - 740sx lead EconoC 12.9#, 1.875 yld, 150 sx C tail, 14.8#, 1.328yld

CIBP @ 8960' w/two 40' bailers of cement

Atoka	STIMULATION
9007-9014' 2 spf	500gal 15% NEFE

CIBP @ 9050'

Chester	STIMULATION
9078'-9080', 9062'-9069' 2 spf	500gal 15% NEFE

CIBP @ 9830' w/two 40' bailers of cement

Devonian	STIMULATION
9872'-9876' 2spf	500 gal 15% NEFE

CIBP @ 9888' w/20' bailer of cement, added 40' bailer more after above perfs

Devonian	STIMULATION
9892'-9901', 9906'-9912' 2spf	2500 gal 20% NEFE

CIBP @ 9942' w/40' bailer of cement, added 40' bailer more after above perfs

Devonian	STIMULATION
9946'-9960', 2spf	2500 gal 20% NEFE

$5\ ^{1}/_{2}$" 17#/ft HCL-80 @ 10,030'
TD 10,030'

Armstrong Energy Corporation

Huckleberry State #1

Unit J 2402' FSL & 1610' FEL
Section 10, T15S, R28E
Chaves County, New Mexico

API Number ***30-005-64315***
Spud Date: 8/30/2018

Downhole Equipment

Surface Equipment

Notes

Armstrong ENERGY CORPORATION

LAST UPDATED
1/11/2019

3,593' GR

Armstrong Energy Corporation

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Notes

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CONDITIONS FOR PLUGGING AND ABANDONMENT

District II / Artesia N.M.

The following is a guide or checklist in preparation of a plugging program, this is not all inclusive and care must be exercised in establishing special plugging programs in unique and unusual cases, **Notify NMOCD District Office II at (575)-748-1283 at least 24 hours before beginning work.**

1. A notice of intent to plug and abandon a wellbore is required to be approved before plugging operations are conducted. A cement evaluation tool is required in order to ensure isolation of producing formations, protection of water and correlative rights. A cement bond log or other accepted cement evaluation tool is to be provided to the division for evaluation if one has not been previously run or if the well did not have cement circulated to surface during the original casing cementing job or subsequent cementing jobs.
2. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to a permitted disposal location.
3. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall be able to produce a copy upon request of an NMOCD Field inspector.
4. Filing a subsequent C-103 will serve as notification that the well has been plugged.
5. A final C-103 shall be filed (and a site inspection by NMOCD Inspector to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to Meet NMOCD standards) before bonding can be released.
6. If the well is not plugged within 1
7. If work has not begun within 1 Year of the approval of this procedure, an extension request must be file stating the reason the well has not been plugged.
8. **Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.**
9. Produced water **will not** be used during any part of the plugging operation.
10. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
11. All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
12. **Class 'C' cement will be used above 7500 feet.**
13. **Class 'H' cement will be used below 7500 feet.**
14. **A cement plug is required to be set 50' above and 50' below, casing stubs, DV tools, attempted casing cut offs, cement tops outside casing, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged**
15. **All Casing Shoes Will Be Perforated 50' below shoe depth and Attempted to be Squeezed, cement needs to be 50' above and 50' Below Casing Shoe inside the Production Casing**

16. When setting the top out cement plug in production, intermediate and surface casing, wellbores should remain full at least 30 minutes after plugs are set
17. **A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.**
18. A CIBP with 35' of cement may be used in lieu of the 100' plug if set with a bailer. This plug will be placed within 100' of the top perforation, **(WOC 4 hrs and tag).**
19. No more than **3000' is allowed between cement plugs in cased hole and 2000' in open hole.**
20. Some of the Formations to be isolated with cement plugs are: These plugs to be set to isolate formation tops
    A) Fusselman
    B) Devonian
    C) Morrow
    D) Wolfcamp
    E) Bone Springs
    F) Delaware
    G) Any salt sections
    H) Abo
    I) Glorieta
    J) Yates.
    K) **Potash---** (In the R-111-P Area (Potash Mine Area), a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, **WOC 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.**
21. **If cement does not exist behind casing strings at recommended formation depths,** the casing can be cut and pulled with plugs set at recommended depths. If casing is not pulled, perforations will be shot and cement squeezed behind casing, WOC and tagged. These plugs will be set 50' below formation bottom to 50' above formation top inside the casing

DRY HOLE MARKER REQUIRMENTS

The operator shall mark the exact location of the plugged and abandoned well with a steel marker not less than four inches in diameter, 3' below ground level with a plate of at least ¼" welded to the top of the casing and the dry hole marker welded on the plate with the following information welded on the dry hole marker:

1. Operator name 2. Lease and Well Number 3.API Number 4. Unit Letter 5. Quarter Section (feet from the North, South, East or West) 6. Section, Township and Range 7. Plugging Date 8. County (SPECIAL CASES)-------AGRICULTURE OR PRARIE CHICKEN BREEDING AREAS

In these areas, a below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to NMOCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)