

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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-025-33806

9. Indicate Type of Lease

STATE ☒ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

SV Chipshot

8. Well Number

2

9. OGRID Number

1092

10. Pool name or Wildcat

Vacuum; Drinkard, East

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.)

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 M : 966 feet from the South line and 481 feet from the West line
Section 11 Township 16S Range 36E NMPM Lea 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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

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.

1. Set CIBP @ 10,550' with 35' cement cap, tag *Fish. in Hole can't Remove RIH w/ PKR to 8850 TRY Squeeze 10030 Class H*
2. Set 100' cement plug across DV tool from 7102'-7112'
3. Cut and pull ~5,500' 5.5" 17# casing.
4. Set 100' stub plug at casing cut point, 50' in/50' out, tag
5. Set 100' cement plug across intermediate shoe @ 4373'. 50' in and 50' out, 4323' – 4423', tag
6. Set 100' plug across surface casing shoe @ 406'. 50' in and 50' out, 356' – 456', tag
7. Set 10sx or 60' surface cement plug, whichever is greater.

Attached Well Bore Diagrams – Current & Proposed

see Revised procedure
**See Attached
Conditions of Approval**

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 [Signature] TITLE VP – Engineering DATE 02/04/2019Type or print name Kyle Alpers E-mail address: kelpers@aecn.com PHONE: 575-625-2222APPROVED BY: Kerry Fortner TITLE Compliance Officer A DATE 2-12-19

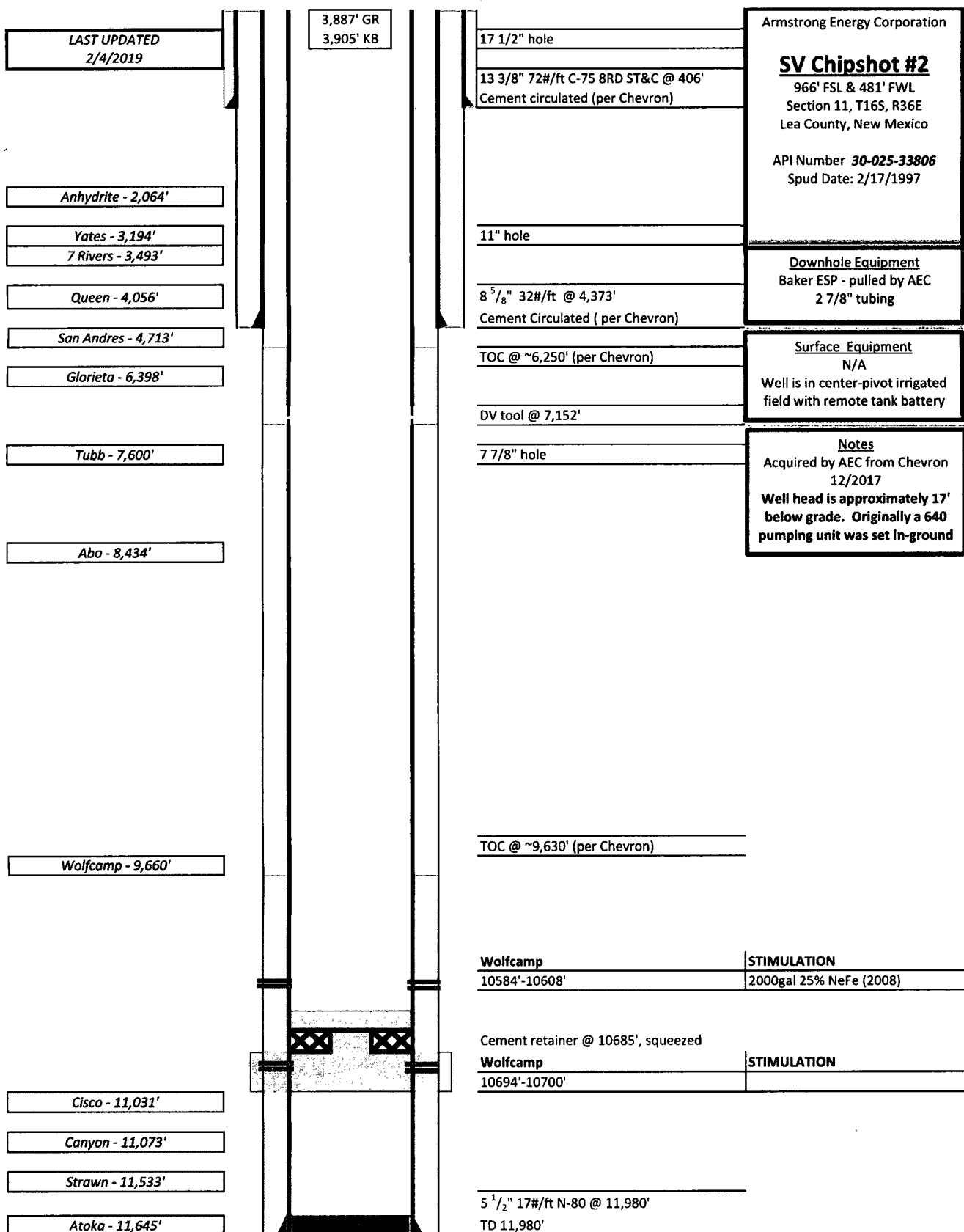
Conditions of Approval (if any):

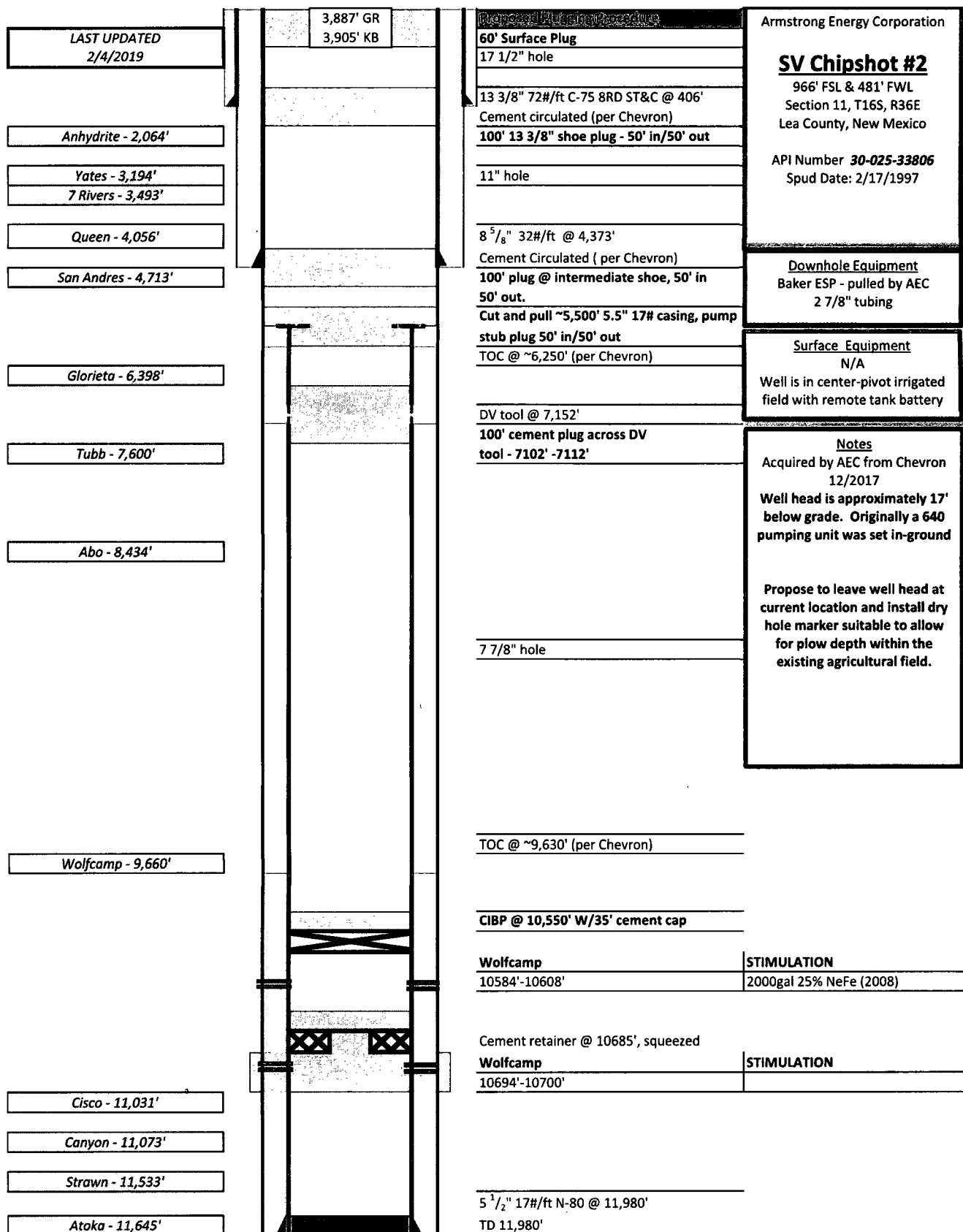
ARMSTRONG ENERGY

SV CHIPSHOT #2

30-025-33806

1. RIH set PKR @ 8850 attempt to pump 100 sx Class H past fish, if not successful spot 25 sx Class H on top of fish
2. P&S 60 sx Class H @ 8000
- 3 Spot 25 sx Class H 7102-7112 (DV tool)
4. P&S 50 sx Class C 4430-4320 (Shoe plug)
5. P&S 50 sx Class C 1950 (Top of salt)
6. P&S 120 sx Class C 450 Circ to surf (Shoe plug)
7. Cut off wellhead Verify Cement to surface Install below ground marker





Armstrong Energy Corporation

SV Chipshot #2

966' FSL & 481' FWL
Section 11, T16S, R36E
Lea County, New Mexico

API Number 30-025-33806
Spud Date: 2/17/1997

Downhole Equipment
Baker ESP - pulled by AEC
2 7/8" tubing

Surface Equipment
N/A
Well is in center-pivot irrigated field with remote tank battery

Notes
Acquired by AEC from Chevron 12/2017
Well head is approximately 17' below grade. Originally a 640 pumping unit was set in-ground

Propose to leave well head at current location and install dry hole marker suitable to allow for plow depth within the existing agricultural field.



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

HOBBS OCD
FEB 08 2019
RECEIVED

February 4, 2019

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

Re: SV Chipshot #2
Township 16 South, Range 36 East, NMPM
Section 11
Lea County, New Mexico

Dear Mr. Kautz:

Enclosed is the C-103 Sundry Notice and Reports on Wells, Notice of Intent to Plug and Abandon, for the SV Chipshot #2. Also enclosed are copies of the Wellbore Diagrams, Current and Proposed.

If you have any questions, please contact Kyle Alpers at 575-625-2222.

Sincerely,

ARMSTRONG ENERGY CORPORATION

By: Irma Cunningham
Irma Cunningham, Geo Tech

Enclosures

GENERAL CONDITIONS OF APPROVAL:

- 1) Insure all bradenheads have been exposed, identified, and valves are operational prior to rigging up on well.
- 2) Contact the appropriate NMOCD District Office no later than 24 hours prior to moving in and rigging up.
- 3) A copy of the approved C103 intent to P&A should be distributed to the onsite company and plugging representatives. Approved procedures are good for a period of one year from approved date, unless otherwise specified on the C103 intent. Approvals past this date will require the submission and approval of a new C103 intent.
- 4) A company representative is required to be present to witness all operations including setting CIBP's, circulation of mud laden fluids, perforating, squeezing or spotting cement plugs, tags, or any other operations approved on the C103 intent to P&A. Company representative should contact the NMOCD and report all operations.
- 5) Any changes that may be required during plugging operations should be approved by the NMOCD before proceeding.
- 6) A closed loop system is to be used for all plugging operations. Contents of the steel pits to be hauled to a NMOCD permitted disposal facility.
- 7) Mud laden fluids must be placed between all cement plugs mixed at 25 sacks of salt gel per 100 barrels of brine.
- 8) All cement plugs will be 100' or 25 sacks cement, whichever is greater. Class 'C' cement will be used above 7500' and Class 'H' below 7500'. Plugs should be no more than 3000' apart
- 9) Site remediation due within one year of well plugging completion.