

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address ARMSTRONG ENERGY CORP P.O. Box 1973 Roswell, NM 88202		2. OGRID Number 1092
		3. API Number 30-05-63887
4. Property Code 36245	5. Property Name VOLLEYBALL STATE	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	2	12S	26E	O	660	S	660	E	CHAVES

8. Pool Information

LEA LAKE; PRE-PERMIAN (G)	97406
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3675
14. Multiple N	15. Proposed Depth 6500	16. Formation Silurian	17. Contractor	18. Spud Date 2/15/2007
Depth to Ground water 100		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 8000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input checked="" type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	40	25	0
Surf	12.25	8.625	24	1075	700	0
Prod	7.875	5.5	17	6500	750	1000

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	1000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/>.	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Cynthia Landfair	Approved By: Bryan Arrant
Title: Manager	Title: Geologist
Email Address: clandfair@zianet.com	Approved Date: 1/8/2007 Expiration Date: 1/8/2008
Date: 1/5/2007 Phone: 505-625-2222	Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

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) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 44315

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-05-63887	2. Pool Code 97406	3. Pool Name LEA LAKE; PRE-PERMIAN (G)
4. Property Code 36245	5. Property Name VOLLEYBALL STATE	6. Well No. 001
7. OGRID No. 1092	8. Operator Name ARMSTRONG ENERGY CORP	9. Elevation 3675

10. Surface Location

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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 322.21		13. Joint or Infill		14. Consolidation Code		15. Order No.			

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
	<p><i>I hereby certify that the information contained 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(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Cynthia Landfair Title: Manager Date: 1/5/2007</p>
	SURVEYOR CERTIFICATION
	<p><i>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.</i></p> <p>Surveyed By: John Jaquess Date of Survey: 11/28/2006 Certificate Number: 6290</p>

Permit Conditions of Approval

Operator: ARMSTRONG ENERGY CORP , 1092

Well: VOLLEYBALL STATE #001

API: 30-05-63887

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	As noted, opearator to drill surface hole with fresh water mud.
BArrant	Please notify OCD time of spud and time to witness the cementing of the water protection string of casing.
BArrant	Opearator to verify tie back of production string by CBL or temperature survey.