

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 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

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

Form C-101  
August 1, 2011  
Permit 137612

**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 30-041-20947
4. Property Code 38813	5. Property Name PEGGY SUE 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
I	36	05S	33E	I	2310	S	330	E	ROOSEVELT

**8. Pool Information**

TANNEYHILL;FUSSELMAN, EAST	58067
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4292
14. Multiple N	15. Proposed Depth 8400	16. Formation Fusselman	17. Contractor	18. Spud Date 9/26/2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

**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	54	40	20	0
Surf	12.25	8.625	24	2383	1030	0
Prod	7.875	5.5	17	8400	450	6000

**Casing/Cement Program: Additional Comments**

Drill to 2383' w/ fresh water and set 8-5/8" casing. Drill to 8400' with cut brine and set 5-1/2" casing. Test Fusselman Zones. BOP Program: 2383'-8400', Double Ram BOP, 3000 psi WP, 1000 psi test pressure. Maximum SI pressure 500 psi, frac gradient .7 psi/ft at the 8-5/8" casing shoe.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	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 type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Irma Cunningham Title: Geo Tech Email Address: icunningham@armstrongenergycorp.com Date: 9/16/2011      Phone: 575-625-2222	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Paul Kautz	
	Title: Geologist	
	Approved Date: 9/26/2011	Expiration Date: 9/26/2013
	Conditions of Approval Attached	

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**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 137612

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-041-20947	2. Pool Code 58067	3. Pool Name TANNEYHILL;FUSSELMAN, EAST
4. Property Code 38813	5. Property Name PEGGY SUE STATE	6. Well No. 001
7. OGRID No. 1092	8. Operator Name ARMSTRONG ENERGY CORP	9. Elevation 4292

**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	36	05S	33E		2310	S	330	E	ROOSEVELT

**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 40.00	13. Joint or Infill	14. Consolidation Code N/A	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**

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## Permit Comments

Operator: ARMSTRONG ENERGY CORP , 1092

Well: PEGGY SUE STATE #001

API: 30-041-20947

Created By	Comment	Comment Date
pkautz	Land s/S	9/16/2011
DMULL	OCD Hobbs office has received form C-144CLEZ. OCD Permit Number P1-03745.	9/26/2011

# Permit Conditions of Approval

Operator: ARMSTRONG ENERGY CORP , 1092

Well: PEGGY SUE STATE #001

API: 30-041-20947

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string