

DATE IN 5/09/2014	SUSPENSE	ENGINEER MAM	LOGGED IN 5/06/2014	TYPE WSL	APP NO. PMAM/1412656815
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - 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

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]  
 [A] Location - Spacing Unit - Simultaneous Dedication  
 X NSL ☐ NSP ☐ SD

Maybellene #1  
 Sec. 31-T6S-R34E  
 1524' FEL & 1435' FSL  
 Roosevelt County, NM

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM  
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR  
 [D] Other: Specify \_\_\_\_\_

- WSL  
 - Armstrong Energy Corp  
 167733

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

- [A] X Working, Royalty or Overriding Royalty Interest Owners  
 [B] ☐ Offset Operators, Leaseholders or Surface Owner  
 [C] ☐ Application is One Which Requires Published Legal Notice  
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E] X For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F] ☐ Waivers are Attached

- well  
 - MAYBELLENE #1  
 30-041-Pending  
 Pool  
 - WC-041  
 G05S0634315;  
 Fusselman  
 98069

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.**

Bruce A. Stubbs  
 Print or Type Name

Signature

V.P. Operations/Engineering  
 Title

5-1-2014  
 Date

bastubbs@armstrongenergycorp.com  
 e-mail Address

# ARMSTRONG ENERGY CORP.

Peterson South Todd Prospect

4-Maybellene #1 Sec 31-T6S-R34E

Unconformity Time Map  
C13 mls

3-14-14a ARB Seismic line

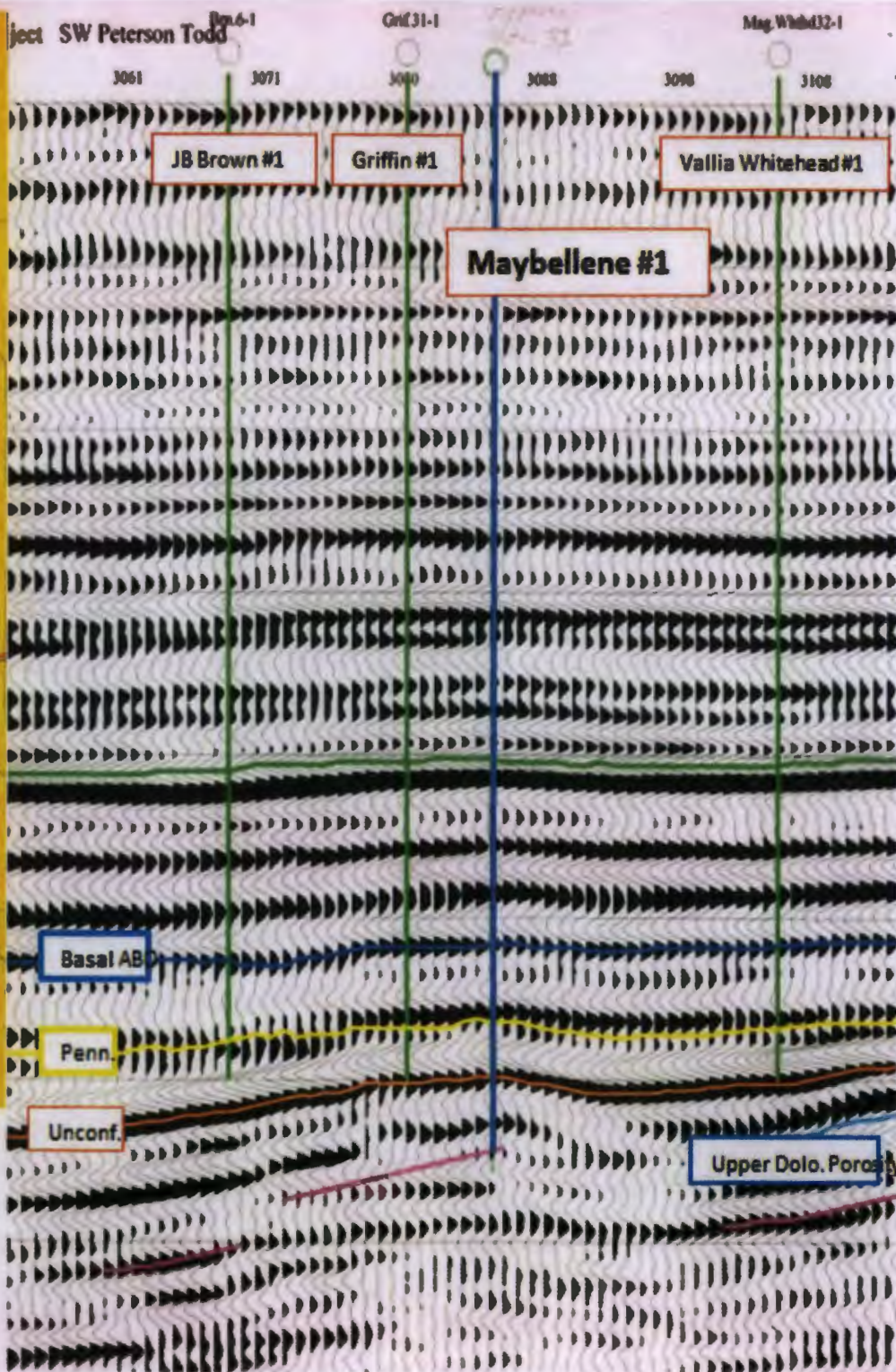


Exhibit A



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 Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**Exhibit B**

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

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number		Pool Code	Pool Name
Property Code	Property Name <b>MAYBELLENE</b>		Well Number <b>1</b>
OGRID No.	Operator Name <b>ARMSTRONG ENERGY CORPORATION</b>		Elevation <b>4340'</b>

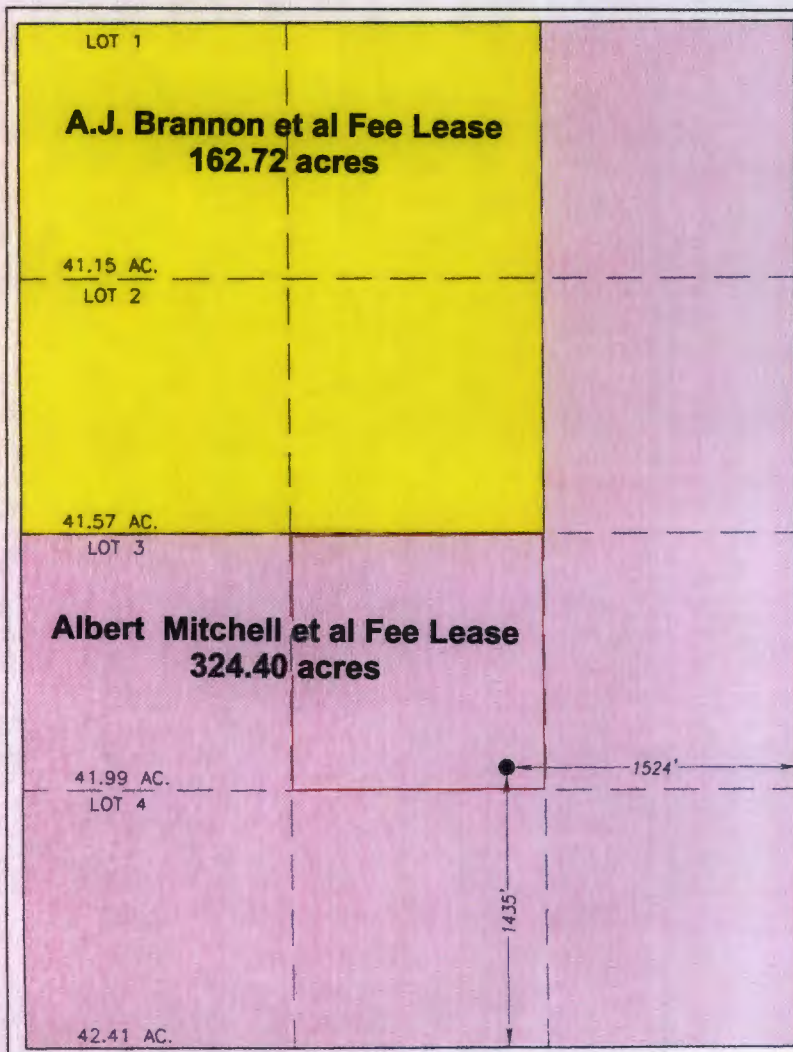
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>J</b>	<b>31</b>	<b>6-S</b>	<b>34-E</b>		<b>1435</b>	<b>SOUTH</b>	<b>1524</b>	<b>EAST</b>	<b>ROOSEVELT</b>

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 <b>40</b>		Joint or Infill	Consolidation Code		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



GEODETIC COORDINATES  
NAD 27 NME

SURFACE LOCATION  
Y=1000935.1 N  
X=753127.1 E

LAT.=33.748688° N  
LONG.=103.500602° W

GEODETIC COORDINATES  
NAD 83 NME

SURFACE LOCATION  
Y=1000999.4 N  
X=794303.3 E

LAT.=33.748780° N  
LONG.=103.501113° W

**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.

**Bruce A. Stubbs**

5-1-2014

Signature

Date

**Bruce A. Stubbs**

Printed Name

**bastubbs@armstrongenergycorp.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 28, 2014**

Date of Survey

Signature & Seal of Professional Surveyor:



Certificate Number **Gary G. Eidson 12641**  
**Ronald J. Eidson 3239**

ACK REV. 11/14 JWSC W.O.: 14.11.0304



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

May 1, 2014

Mr. Richard Ezeanyim  
Oil Conservation Division  
New Mexico Department of Energy, Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Armstrong Energy Corporation  
Application for administrative approval – Non-standard well location  
Maybellene #1  
1435' FSL & 1524' FEL (NW/SE, Unit J)  
Section 31-T6S-R34E, NMPM  
Wildcat Fusselman  
Roosevelt County, New Mexico

Dear Mr. Ezeanyim:

Armstrong Energy Corporation (AEC) hereby seeks administrative approval pursuant to NMAC 19.15.15.13 for a non-standard well location for its Maybellene #1 well ("Well"). The well will be drilled to granite to test Fusselman oil production from approximately 8,000 feet.

The proposed location is 1524' FEL & 1435' FSL, Section 31, T6S-R34E. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This location is located 204' from the east boundary and 115' from the south boundary of the NW/SE 40-acre unit.

This non-standard location is based on a 3-D seismic survey AEC performed last fall. The survey identified a small structure (Exhibit A) with the apex at X=753,127, Y=1,000,935 (NAD 27). By drilling the proposed well on the apex of the structure oil and gas recoveries will be maximized and prevent waste.

The proposed well encroaches on the NE/SE, SE/SE and SW/SE quarter sections in Section 31. The mineral/royalty ownership under these tracts and the drillsite tract is common to and is subject to AEC oil and gas leases that cover the E/2NE/4, SE/4 and lots 3 and 4 of Section 31 (Albert Mitchell et al Fee Lease). The mineral/royalty ownership under lots 1 and 2 and W/2NE/4 is not common to the drillsite tract but is also subject to separate AEC oil and gas leases (A.J. Brannon et al Fee Lease). The working interest is common throughout all of Section 31. Leases and their

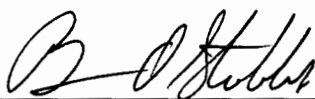
ARMSTRONG ENERGY CORPORATION

relation to the 40-acre drillsite are shown in Exhibit B. The royalty owners (Exhibit C) have been notified of the application for this non-standard location. Copies of the Certified, Return Receipts are attached.

Should you need any additional information, please call me at 575-624-2800.

Sincerely,

ARMSTRONG ENERGY CORPORATION



Bruce A. Stubbs  
Vice President Operations/Engineering

xc: Mr. Paul Kautz  
New Mexico Oil Conservation Division - District 1  
1625 N. French Drive  
Hobbs, New Mexico 88240

**Exhibit C**

**A.J. Brannon et al Fee Lease  
162.72 acres  
Royalty Owners  
Notification List**

Glenda Kay Kieschnik and husband, Robert Kieschnik  
15684 CR #132 West  
Vernon, TX 76384

A.J. Brannon and wife, Janet Brannon  
2919 Sunset Circle  
Vernon, TX 76384

Charles Ray Brannon and wife, Debbie Brannon  
2730 Center Drive  
Vernon, TX 76384

Michael Don Brannon  
P.O. Box 4127  
Waco, TX 76708



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

May 1, 2014

***CERTIFIED MAIL***  
***RETURN RECEIPT REQUESTED***

TO: Glenda Kay Kieschnik and  
husband, Robert Kieschnik  
15684 CR #132 West  
Vernon, TX 76384

Charles Ray Brannon and  
wife, Debbie Brannon  
2730 Center Drive  
Vernon, TX 76384

A.J. Brannon and  
wife, Janet Brannon  
2919 Sunset Circle  
Vernon, TX 76384

Michael Don Brannon  
P.O. Box 4127  
Waco, TX 76708

Re: Armstrong Energy Corporation  
Application for Administrative Approval – Non-Standard Well Location  
Maybellene #1  
1435' FSL & 1524' FEL (NW/SE, Unit J)  
Section 31-T6S-R34E, NMPM  
Wildcat Fusselman  
Roosevelt County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the proposed application by Armstrong Energy Corporation ("AEC") for authorization to drill the Maybellene #1 at the non-standard oil well location described above to test the Fusselman formation. The well will be dedicated to a 40-acre spacing and proration unit comprising the NW/4 of the SE/4 of Section 31.

This non-standard location is based on a 3-D seismic survey AEC performed last fall. The survey identified a small structure (Figure 1) with the apex at X=753,127, Y=1,000,935 (NAD 27). By drilling the proposed well on the apex of the structure oil and gas recoveries will be maximized and prevent waste.

As owners of an interest that may be affected by the proposed non-standard oil well location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within twenty (20) days from the date this notice was sent to you.

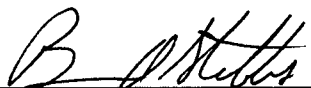
ARMSTRONG ENERGY CORPORATION

If no objections are received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

Should you have any questions, please call me at 575-624-2800.

Sincerely,

ARMSTRONG ENERGY CORPORATION

A handwritten signature in cursive script, appearing to read "B. A. Stubbs", is written over a horizontal line.

Bruce A. Stubbs  
Vice President Operations/Engineering  
P.O. Box 1973  
Roswell, New Mexico 88202



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**OFFICIAL USE**

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Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.19

Postmark  
Here

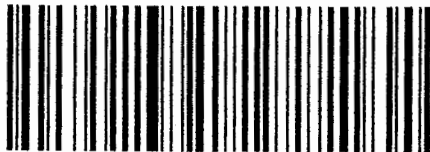
Sent To

Street, Apt. No.,  
or PO Box No. Mr. Michael Don Brannon  
City, State, Zip+4 P.O. Box 4127  
Waco, TX 76708

PS Form 3800, August 2006

See Reverse for Instructions

7012 1010 0003 5781 0237  
7012 1010 0003 5781 0237



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OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.19

Postmark  
Here

Sent To

Street, Apt. No.,  
or PO Box No. Glenda Kay Kieschnik and Robert Kieschnik  
City, State, Zip+4 15684 CR #132 West  
Vernon, TX 76384

PS Form 3800, August 2006

See Reverse for Instructions

7008 1830 0409 2000 0881 8002  
7008 1830 0409 2000 0881 8002



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Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.19

Postmark  
Here

Sent To

Street, Apt. No.,  
or PO Box No. Mr. & Mrs. A.J. Brannon  
City, State, Zip+4 2919 Sunset Circle  
Vernon, TX 76384

PS Form 3800, August 2006

See Reverse for Instructions

U.S. Postal Service<sup>TM</sup>  
**CERTIFIED MAIL<sup>TM</sup> RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

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Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.19

Postmark  
Here

Sent To

Street, Apt. No.,  
or PO Box No. Mr. & Mrs. Charles Ray Brannon  
City, State, Zip+4 2730 Center Drive  
Vernon, TX 76384

PS Form 3800, August 2006

See Reverse for Instructions

7012 1010 0003 5781 0237  
7012 1010 0003 5781 0237



## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Glenda Kay Kieschnik  
Robert Kieschnik  
15684 CR #132 West  
Vernon, TX 76384

2. Article Number

(Transfer from service label)

7008 1830 0002 6040 1174

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Robert Kieschnik

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

5-3-14

D. Is delivery address different from item 1?

☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. & Mrs. Charles Ray Brannon  
2730 Center Drive  
Vernon, TX 76384

2. Article Number

(Transfer from service label)

7012 1010 0003 5781 2484

3 Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Charles Brannon

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

5-3-14

D. Is delivery address different from item 1?

☐ YesIf YES, enter delivery address below: ☒ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Michael Don Brannon  
P.O Box 4127  
Waco, TX 76708

2. Article Number

(Transfer from service label)

7012 1010 0003 5781 0237

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X Michael D Brannon

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. & Mrs. A.J. Brannon  
2919 Sunset Circle  
Vernon, TX 76384

2. Article Number

(Transfer from service label)

7012 1010 0003 5781 2491

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X A.J. Brannon

☐ Agent☐ Addressee

B. Received by (Printed Name)

A.J. BRANNON

C. Date of Delivery

5-5-14

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

## McMillan, Michael, EMNRD

---

**From:** Kautz, Paul, EMNRD  
**Sent:** Wednesday, May 07, 2014 9:31 AM  
**To:** McMillan, Michael, EMNRD  
**Subject:** RE: Sec. 31 T6S 34E Roosevelt Co. Fusselman NSL

Pool code: 98069 Pool name: WC-041 G-05 S063431J;FUSSELMAN

Paul

---

**From:** McMillan, Michael, EMNRD  
**Sent:** Wednesday, May 07, 2014 9:21 AM  
**To:** Kautz, Paul, EMNRD  
**Subject:** RE: Sec. 31 T6S 34E Roosevelt Co. Fusselman NSL

Unit J Section 31 T6S 34E 1435 FSL and 1524FEL. Roosevelt Co. approximately 8000 feet.

Thanks

Mike

---

**From:** Kautz, Paul, EMNRD  
**Sent:** Wednesday, May 07, 2014 9:06 AM  
**To:** McMillan, Michael, EMNRD  
**Subject:** RE: Sec. 31 T6S 34E Roosevelt Co. Fusselman NSL

Hi Michael,

It will be a wildcat. I have not created any wildcat pools in that area, since I have not received any APD's yet. If you need a wildcat pool created please send me the unit letter of the surface location and approximate depth and I can create a pool and e-mail it back to you.

Paul

---

**From:** McMillan, Michael, EMNRD  
**Sent:** Wednesday, May 07, 2014 8:38 AM  
**To:** Kautz, Paul, EMNRD  
**Subject:** Sec. 31 T6S 34E Roosevelt Co. Fusselman NSL

Paul:

What pool would the well which is located in Sec. 31 T6S 34E Fusselman Formation, Roosevelt Co. be assigned to?  
Thank You

## Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division  
1220 South St. Francis Dr., Santa Fe NM 87505  
O: 505.476.3448 F. 505.476.3462