

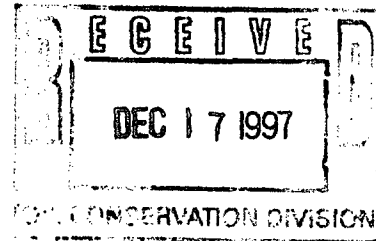
DHC 1/6/98

PECOS PETROLEUM ENGINEERING, Inc.
200 W. FIRST ST., SUITE 536
P.O. BOX 2885
ROSWELL, NEW MEXICO 88202
505-624-2800

MS3

December 11, 1997

Mr. David Catanach
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505-6429



Re: Armstrong Energy Corporation
Mobil "24" Federal #1
Section 24, T19S-R34E
Lea County, New Mexico

Dear Mr. Catanach:

Armstrong Energy Corporation has attempted a completion of a Delaware zone in the Mobil "24" Federal #1. This zone tested at 11 BOPD and 93 BWPD from a depth of 8,130'-8,156'. Because of high costs associated with water disposal and lifting fluid from over 8,000', this zone was determined to have marginal economics.

230 BOPD

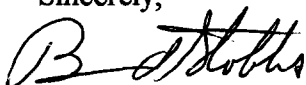
To improve the economics of this project and maximize recovery, we have decided to make an application to commingle the new Delaware zone and the existing Bone Spring zone. Total production from the combined zones is anticipated to be 19 BOPD, 115 BWPD and gas volumes too small to measure.

Attached is a copy of Form 3106-5, Sundry Notice and Reports on Wells, outlining the workover on the well, Form 3106-4, Well Completion or Recompletion Report and Log, for the completion in the Delaware zone, Form C-102, Well Location and Acreage Dedication Plat, showing the acreage dedicated to the Delaware zone, and a Form C-107-A, Application for Downhole Commingling.

Notification and a copy of the C-107-A has been sent to the Bureau of Land Management office in Roswell, New Mexico, three copies have been mailed to Mr. Chris Williams at the Hobbs, New Mexico OCD office and notification with copies of the application have been sent to the offset operators.

Should you require any additional information concerning this project, please contact me at your convenience.

Sincerely,


Bruce A. Stubbs

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONTACT RECEIVING
OFFICE FOR NUMBER
OF COPIES REQUIRED

BLM Roswell District
Modified Form No.
NM060-3160-3

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/> WELL WELL		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
b. TYPE OF COMPLETION: NEW <input type="checkbox"/> WORK <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> OTHER <input type="checkbox"/> WELL OVER BACK RESVR		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR Armstrong Energy Corporation		3a. Area Code & Phone No. 505-623-8726	
3. ADDRESS OF OPERATOR P. O. BOX 1973 ROSWELL, NEW MEXICO 88202-1973		8. FARM OR LEASE NAME Mobil 24 Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) * At surface 1650' FSL & 2310' FWL At top prod. interval reported below Same At total depth Same		9. WELL NO. #1	
9a. API Well No. 30-025-30839		10. FIELD AND POOL, OR WILDCAT Undesignated Delaware & Lea B.S.	
14. PERMIT NO. 30-25-30839		12. COUNTY OR PARISH Lea	
DATE ISSUED 3/21/90		13. STATE NM	
15. DATE SPUDDED 5/21/90	16. DATE T.D. REACHED 6/16/90	17. DATE COMPL. (Ready to prod.) 7/13/90 & 11/14/97	18. ELEVATIONS (DF, RKB, RT, GR, ETC.) * 3798.6' GR
19. ELEV. CASINGHEAD 3798.6		20. TOTAL DEPTH, MD & TVD 10,797'	
21. PLUG BACK T.D., MD & TVD 9,590'		22. IF MULTIPLE COMPL., HOW MANY * →	
23. INTERVALS DRILLED BY →		24. PRODUCING INTERVAL(S) OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD) * 8130'-8156' Delaware & 9546'-9590' Bone Spring	
25. WAS DIRECTIONAL SURVEY MADE No		26. TYPE ELECTRIC AND OTHER LOGS RUN CND w/GR & DLL w/Micro	
27. WAS WELL CORED No			

CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	54.5#	406'	17 1/2"	425 sacks	Circ.
8 5/8"	32#	3591'	12 1/4"	1900 sacks	Circ.
5 1/2"	17#	10797'	7 7/8"	1550 sacks	TOC 1250'

LINER RECORD				TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT *	SIZE	DEPTH SET (MD)	PACKER SET (MD)
				2 7/8"	9387'	

31. PERFORATION RECORD (Interval, Size and Number)	32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
New 8130'-8156'; 11 Shots	DEPTH INTERVAL (MD)
Existing 9546'-9689'; P.B. to 9590', 9 Shots	AMOUNT AND KIND OF MATERIAL USED
Abandoned 10241; 2 Shots, 9751' & 9755' 1 Shot	8130'-8156' 1750 gals. 12 1/2% FE Acid w/ balls
Abandoned 10397'-10437'; 14 Shots	Frac W/ 20,000 gals. & 40,000 lbs. 16/30 Ottawa sand @ 10 BPM

33. * Delaware 8130-8156'		PRODUCTION METHOD (Flowing, Gas Lift, Pumping - size and type of pump)		WELL STATUS (Producing or Shut-In)	
DATE FIRST PRODUCTION 10/25/97		Pumping 2" X 1 1/2" X 20' RXBC		Shut-in	
DATE OF TEST 11/14/97	HOURS TESTED 24	CHOKE SIZE 30#	PROD'N FOR TEST PERIOD 11	OIL - BBL. 0	GAS - OIL RATIO 0
FLOW. TUBING PRESS.	CASING PRESSURE 30#	CALCULATED 24 - HOUR RATE 11	GAS - MCF. 0	TSTM 93	WATER - BBL. 93
34. DISPOSITION OF GAS (Sold, Used for Fuel, Ventiled, etc.) Used on lease				TEST WITNESSED BY T.K. Scroggin	

35. LIST OF ATTACHMENTS
Commingling Application to produce Delaware & Bone Spring

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

SIGNED  TITLE **Engineer** DATE **12/10/97**

*(See Instructions and Spaces for Additional Data on Reverse Side)

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Armstrong Energy Corporation			Lease Mobil Federal 24		Well No. 1
Unit Letter K	Section 24	Township 19 South	Range 34 East	County Lea	
Actual Footage Location of Well: 1650 feet from the South line and 2310 feet from the West line					
Ground level Elev. 3798.6	Producing Formation Delaware		Pool Undesignated		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

OPERATOR CERTIFICATION

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

Signature

Robert G. Armstrong

Printed Name

President

Position

Armstrong Energy Corp.

Company

March 6, 1990

Date

SURVEYOR CERTIFICATION

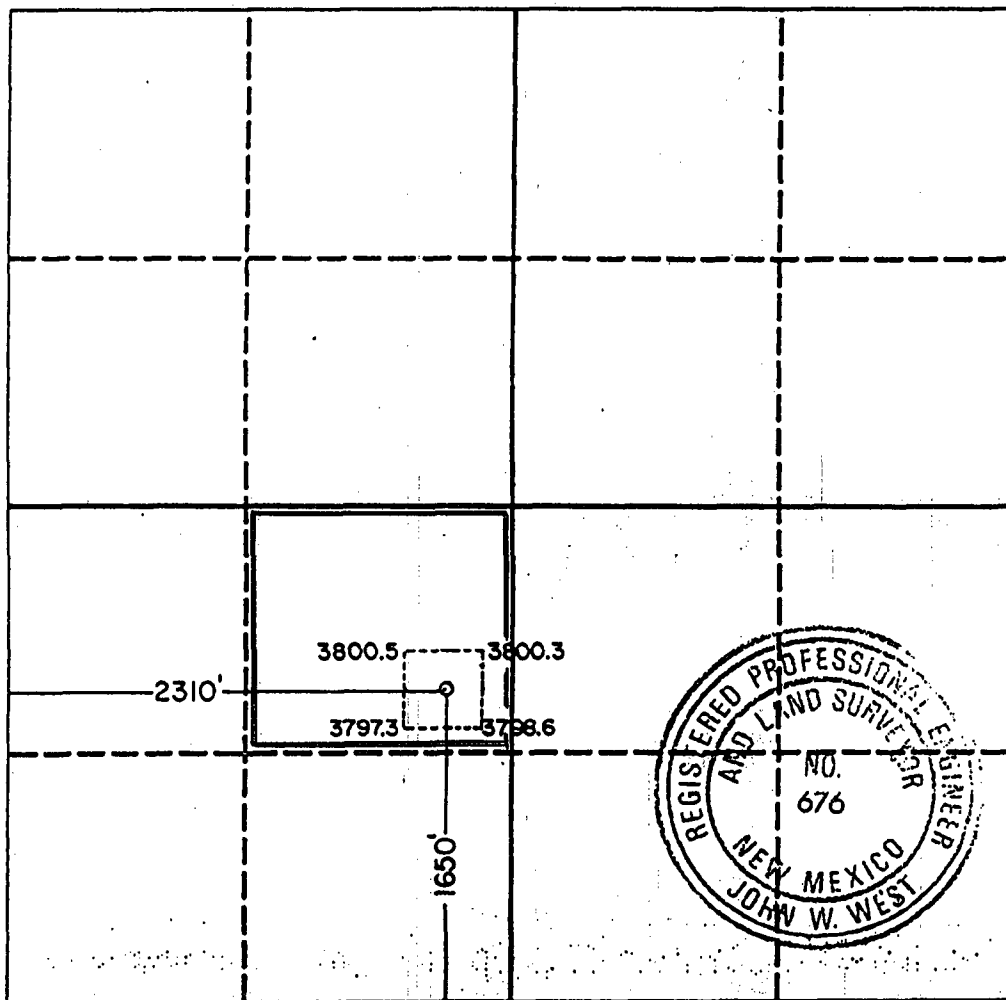
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

February 15, 1990

Signature & Seal of
Professional Surveyor

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND AMANGEMENT

FORM APPROVED
BUDGET BUREAU NO. 1004-0135
EXPIRES: MARCH 31, 1993

5. Lease Designation and Serial No.

NM-0381550-C

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Mobil 24 Federal

9. API Well No.

#1

10. Field and Pool, or Exploratory Area

Undesignated

11. County or Parish, State

Lea

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT-" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Gas
☒ Well ☐ Well ☐ Other

2. Name of Operator

Armstrong Energy Corporation

3. Address and Telephone No.

P.O. Box 1973
Roswell, New Mexico 88202-1973 505-623-8726

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1650' FSL & 2310' FWL

Section 24, T19S-R34E

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

☐ Abandonment
☒ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ OTHER

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

10-15-97 Set CIBP at 9446', dumped 50' of cement on top of CIBP. PBTD 9396'.
10-17-97 Perforate Delaware at 8130, 31, 37, 38, 46, 47, 49, 50, 54, 55, and 56, 11 shots
10-18-97 Acidize with 1750 gallons 12 1/2% FE acid with ballsealers. Formation broke at 3140 psi, avg. pressure 2700 psi, balledout, Rate 3 BPM, ISIP 2055 psi, 15 min. 1915 psi. 91 BLTR. Swab back load and test.
10-22-97 Frac with 20,000 gals. Delta Frac "20" carrying 40,000 lbs. 16/30 Ottawa Sand. Avg. rate 10 BPM, Avg. pressure 2700 psi. ISIP 1986 psi, 15 min. 1931 psi. 610 BLTR.
10-23-97 TIH with tubing and pumping assembly, Total of 256 joints 2 3/8" N-80 tubing, SN, perforated sub, and mud anchor.
10-24-97 Set TAC at 7731.84', SN at 7984', ran rods and pump. Started pumping at 5:00 pm.
11-14-97 Testing 11 BO and 93 BW in 24 hours, gas TSTM.
12-5-97 TIH and cleanout to 9461'.
12-6-97 Drilled out CIBP and cleaned out to 9590', PBTD 9590'.
12-7-97 SD, waiting on commingling application to commingle production from the Delaware and Bone Spring zones.

14. I hereby certify that the foregoing is true and correct.

Signed

B. A. Stoltz

Title Engineer

Date 12-11-97

(This space for Federal or State use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person to knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87401

State of New Mexico
Energy, Minerals and Natural Resource Department

OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505-6429
APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A
New 3-12-96

APPROVAL PROCESS:
☒ Administrative ☐ Hearing
EXISTING WELLBORE
☒ Yes ☐ No

Armstrong Energy Corporation P.O. Box 1973 Roswell, New Mexico 88202
Operator Address
Lease Mobil "24" Federal 1 K-24-19S-34E Lea
Well No. Unit Ltr. - Sec - Twp - Rge County
Spacing Unit Lease Type: (Check 1 or more)
OGRID NO. 001092 Property Code 018462 API NO. 30-025-30839 Federal ☒ State (And/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Undesignated		Lea Bone Spring 37570
2. Top and Bottom of Pay Section (Perforations)	8130 - 8156		9546 - 9590
3. Type of Production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift Rod Pumping		Artificial Lift Rod Pumping
5. Bottomhole Pressure Oil Zones - Artificial lift: Estimate Current	a. (Current) 3090 psi	a.	a. 500 psi
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.
All Gas Zones: Estimated Or Measured Originals	3090 psi		3820 psi
6. Oil Gravity (° API) or Gas BTU Content	39.7° @ 60° F		38.5° @ 60° F
7. Producing or Shut-in?	Shut-in		Shut-in
Production Marginal? (yes or no)	Yes		Yes
If shut-in, give date and oil/gas/water rates of last production	Date: 11-14-97 Rates: 11 BOPD, 0 MCFG, & 93 BWPD	Date: Rates:	Date: 10-14-97 Rates: 7.8 BOPD, 0 MCFG, & 22 BWPD
Note: For new zones with no production history, applicant shall be required to attach production data and supporting data			
If producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed percentage Allocation Formula - % for each zone	Oil: 58.5 % Gas: 0 %	Oil: % Gas: %	Oil: 41.5 % Gas: 0 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No
11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application ☒ Yes ☐ No
15. NMOC Reference Cases for Rule 303(C) Exceptions: ORDER NO(S). DHC-1434, DHC-1559, DHC-1563, DHC-1639 & DHC-1665
16. ATTACHMENTS:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimate production rates and supporting data.
Data to support allocation method or formula.
Notification list of all offset operators.
Notification list of working, overriding, and royalty interests for uncommon interest cases.
Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Bruce A. Stubbs TITLE Engineer DATE 12-10-97
TYPE OR PRINT NAME Bruce A. Stubbs TELEPHONE NO. (505) 623-8726

Attachment to Application for Downhole Commingling
Armstrong Energy Corporation
Mobil "24" Federal #1
Section 24, T19S-R34E
Lea County, New Mexico

9. The allocation formula is based on the historical production from the Bone Spring Zone and test rates from the Delaware Zone. The historical production from the Bone Spring has followed a predictable hyperbolic decline since completion in 1990. The attached decline curve indicates the historical production and a curve fit of the data. The Delaware Zone has approximately two weeks of production tests, that show a stabilized rate of 11 BOPD, 93 BWPD and gas rates TSTM. A proposed allocation for the oil production would be based on a total oil rate of 18.8 BOPD and individual zone allocations of: Delaware Zone $11/18.8=58.5\%$ and Bone Spring Zone $7.8/18.8=41.5\%$.
11. Although the existing Bone Spring Zone is in a depleted condition with an estimated BHP of 500 psi and the new Delaware Zone has an estimated BHP of 3090 psi, cross-flow will not occur due to artificial lift equipment maintaining a pumped-off condition. Annular pressure will be maintained as low as surface production equipment can efficiently function.
13. Both zone produce sweet crude with similar gravities. No reduction in the price received for this product will result from the commingling.

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Armstrong Energy Corporation			Lease Mobil Federal 24		Well No. 1
Unit Letter K	Section 24	Township 19 South	Range 34 East	County Lea	
Actual Footage Location of Well: 1650 feet from the South line and 2310 feet from the West line					
Ground level Elev. 3798.6	Producing Formation Delaware		Pool Undesignated	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

OPERATOR CERTIFICATION

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

Signature

Robert G. Armstrong

Printed Name

President

Position

Armstrong Energy Corp.
Company

March 6, 1990

Date

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 knowledge and belief.

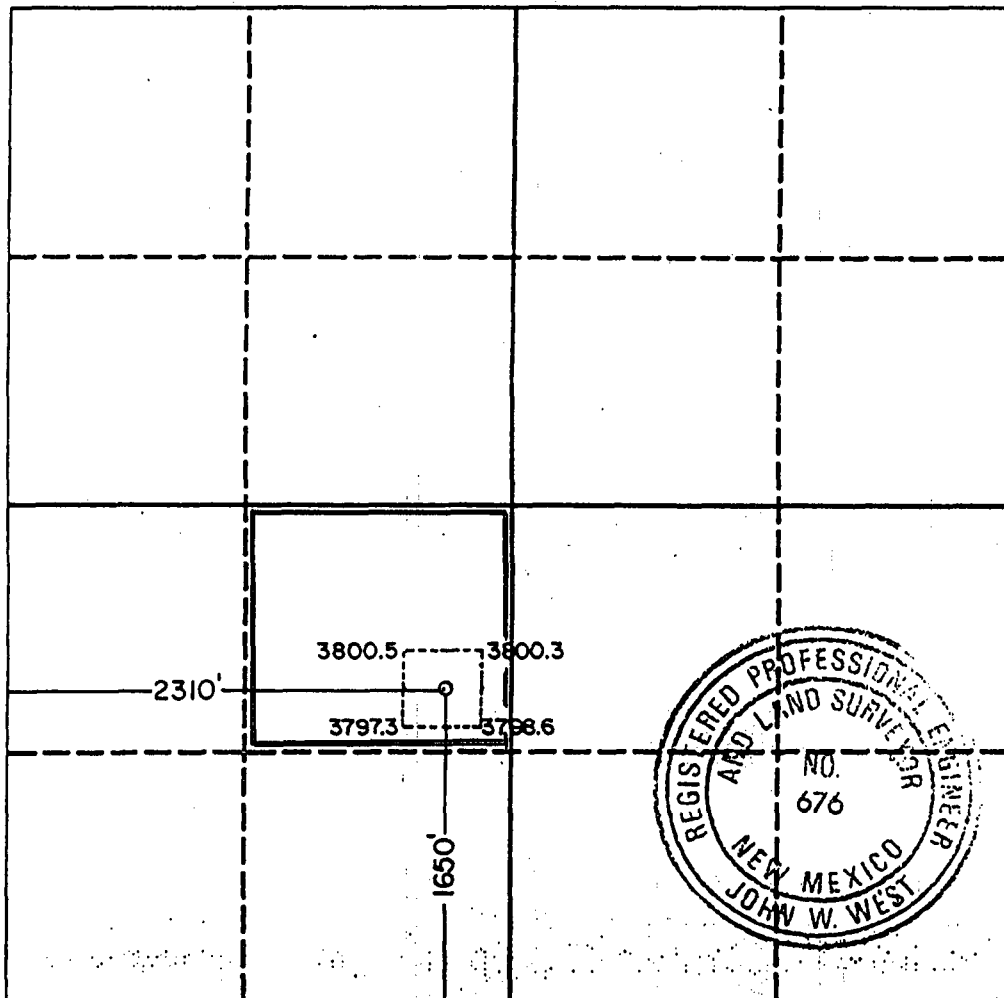
Date Surveyed

February 15, 1990

Signature & Seal of
Professional Surveyor

John W. West

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239



125630

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

Energy, Minerals and Natural Resources Department

Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

RECEIVED

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

MAR 9 10 39 AM '90

Operator ARMSTONG ENERGY CORP.			Lease Mobil Federal 24		CARL AREA ...	Well No. ...
Unit Letter K	Section 24	Township 19 South	Range 34 East	County NMNM	Lea ...	
Actual Footage Location of Well: 1650 feet from the South line and 2310 feet from the West line						
Ground level Elev. 3798.6	Producing Formation Bone Springs		Pool Lea Bone Springs		Dedicated Acreage: 80 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

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OPERATOR CERTIFICATION

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

Signature

Printed Name

Position

Company

Date

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 knowledge and belief.

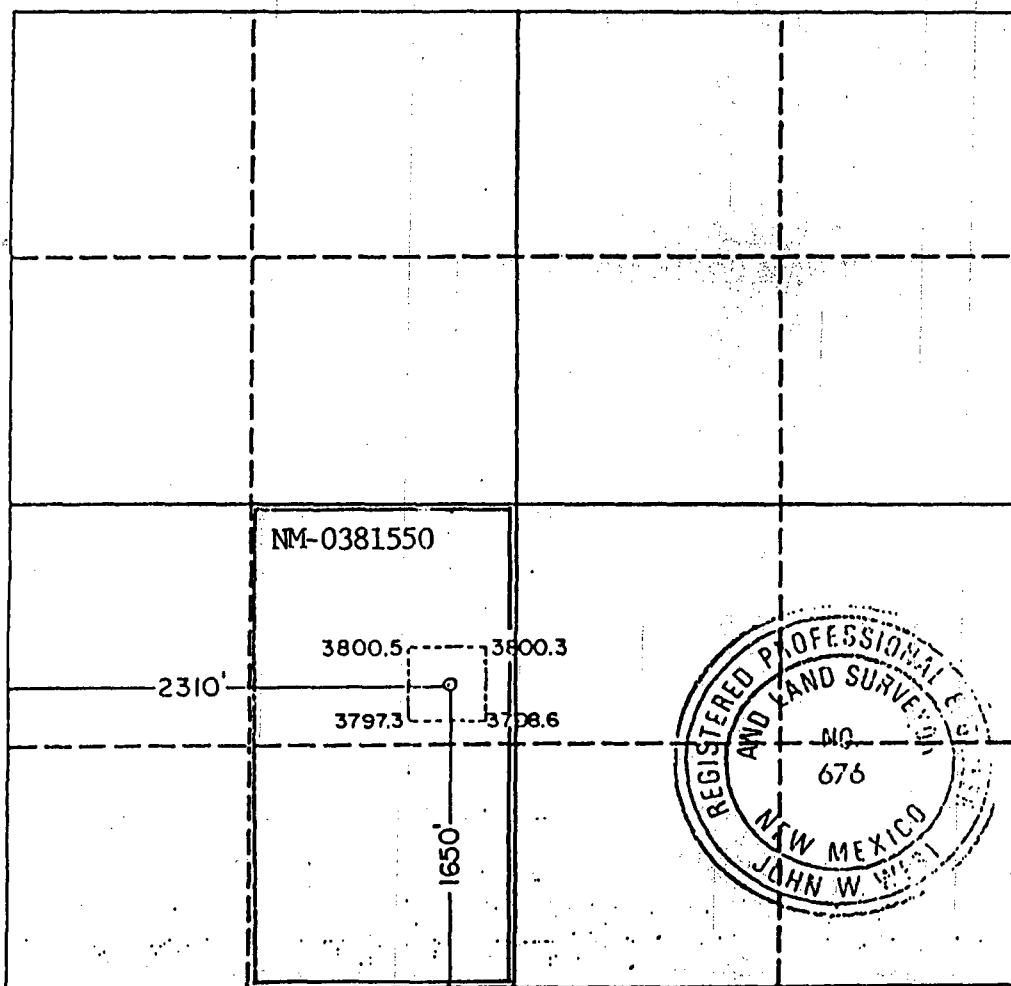
Date Surveyed

February 15, 1990

Signature & Seal of Professional Surveyor

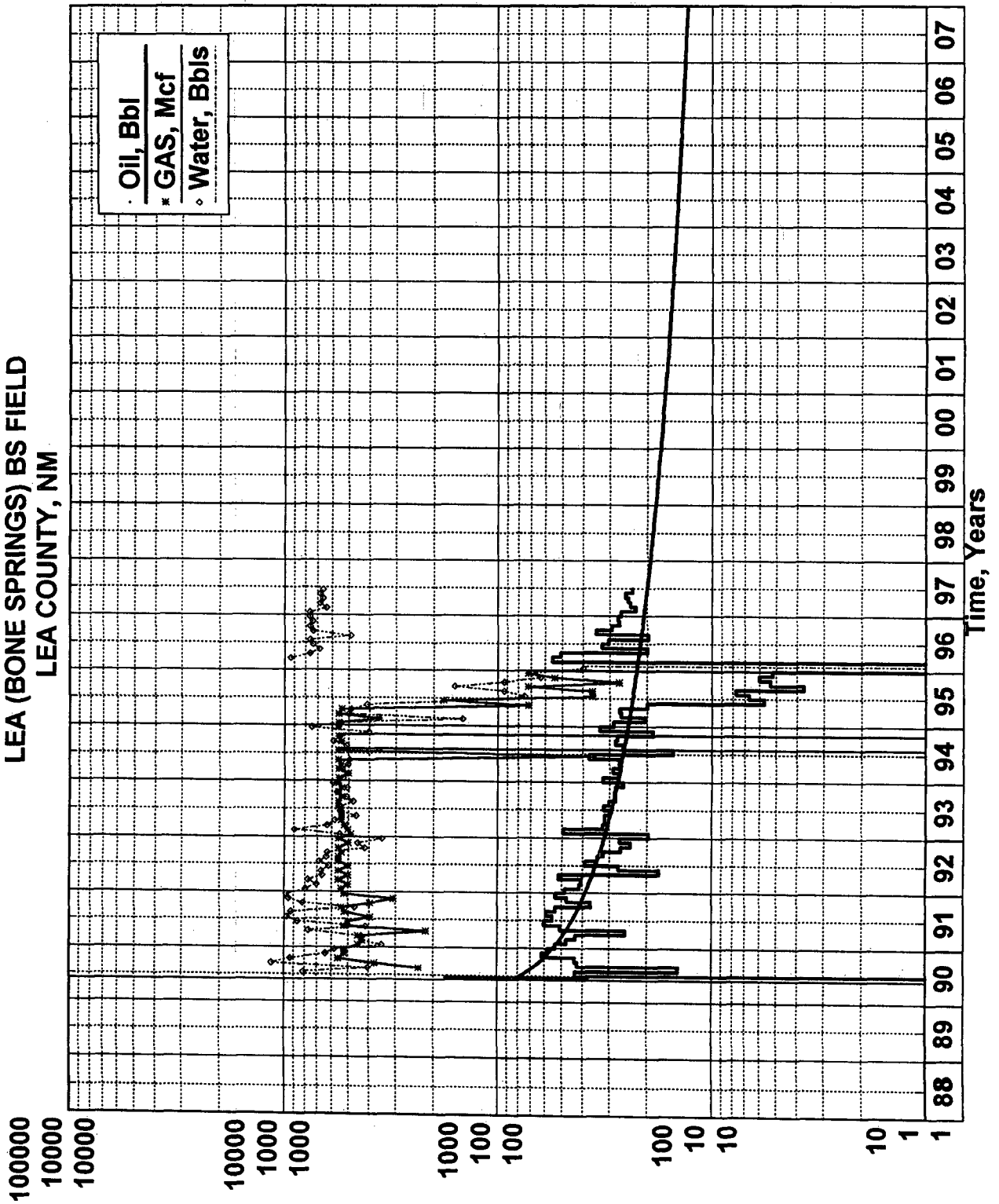
Certificate No. **JOHN W. WEST, 676**

RONALD J. EIDSON, 3239

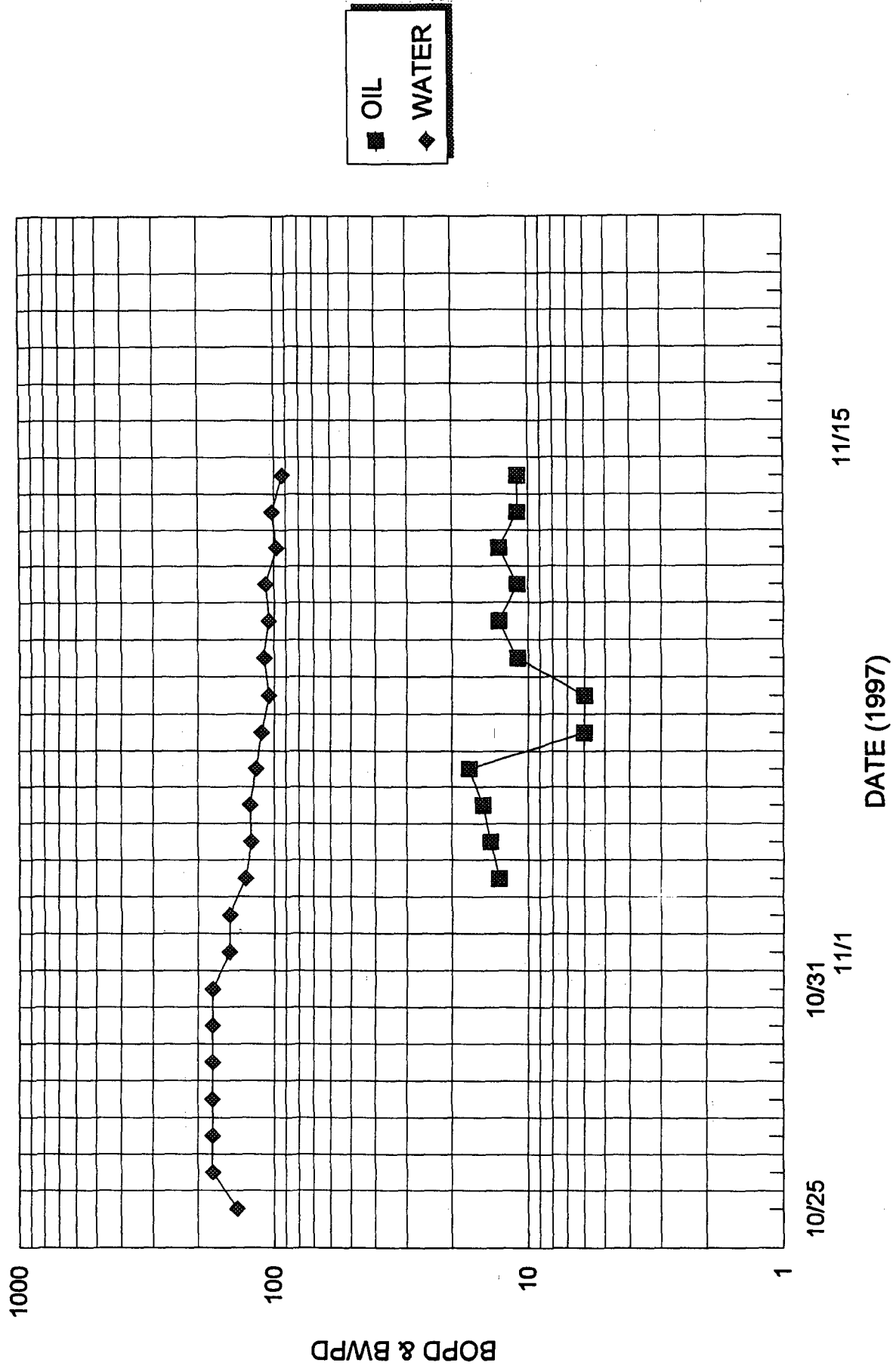


MOBIL 24 FEDERAL 1
LEA (BONE SPRINGS) BS FIELD
LEA COUNTY, NM

PSD	06/01/1990
Phase	OIL
Type	Hyp-200%
Decline(%)	70.0
qi	852
Cum(M) 06/1997	25.840
Remaining(M)	49.190
Ultimate(M)	49.190
OGRE Cum(M)	0.000
OGRE Ult(M)	49.190
Segment	#01
Type	Hyp-200%
Decline(%)	70.0
qi	852
Limit	240 IMOS
Forecast	06/01/1990
Decline(%)	70.0
q	813
q actual	0
Cum(M) 05/1990	0.000
Remaining(M)	49.190
OGRE Cum(M)	0.000



MOBIL "24" #1
DELAWARE



Xeric O&G
06413

"Cactus"

2 OF Feather-stone.

III

Notification List of Offset Operators

Downhole Commingling Application

Armstrong Energy Corporation
Mobil "24" Federal #1
Section 24, T19S-R34E
Lea County, New Mexico

Guy's Oil & Gas, Ltd., Co.
P.O. Box 5115
Hobbs, New Mexico 88241-5115
Attn: Jerry Guy

St. Clair Energy Corporation
P.O. Box 1392
Midland, Texas 79702
Attn: D.W. St. Clair

Manzano Oil Corporation
P.O. Box 2107
Roswell, New Mexico 88202-2107
Attn: Ken D. Reynolds

Smith & Marrs, Inc.
P.O. Box 863
Kermit, Texas 79745
Attn: Rickey Smith

Mobil Exploration & Producing U.S. Inc.
12450 Greenpoint Drive
Houston, Texas 77060-1991
Attn: David Collins

Bureau Of Land Management Notification

Mr. Tony Ferguson
Bureau of Land Management
2909 West Second Street
Roswell, New Mexico 88201



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

12/16/97

GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	
DHC	X
NSL	
NSP	
SWD	
WFX	
PMX	

Gentlemen:

I have examined the application for the:

<i>Armstrong Energy Corp</i>	<i>Mobil 24 Federal</i>	<i>#1-K-24-19-34</i>
Operator	Lease & Well No. Unit	S-T-R

and my recommendations are as follows:

None

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed