

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

| | | | |
|-----------------|---|---------------|------------------------------------|
| Name of Company | Armstrong Energy Corporation | Contact | Bruce Stubbs |
| Address | P.O. Box 1973, Roswell, NM 88202 | Telephone No. | 505-625-2222 |
| Facility Name | Mobil Lea State #8 water injection pump | Facility Type | Water supply tank & Injection Pump |
| Surface Owner | U.S. | Mineral Owner | U.S. |
| | | Lease No. | NM-086 |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| K | 2 | 20S | 34E | 1800 | South | 1980 | West | Lea |

100'

Latitude 32.59976 N Longitude 103.53254 W

NATURE OF RELEASE

| | | | | | |
|-----------------------------|--|--|---------------|----------------------------|-----------------|
| Type of Release | Produced Water & Oil | Volume of Release | 5 to 10 bbls. | Volume Recovered | 5 bbls. |
| Source of Release | Ran Tank Over | Date and Hour of Occurrence | 7-13-06 AM | Date and Hour of Discovery | 7-13-06 9:00 AM |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Not Required | If YES, To Whom? | Gary Wink | | |
| By Whom? | Bruce Stubbs | Date and Hour | 7-13-06 Noon | | |
| Was a Watercourse Reached? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse | N/A | | |

If a Watercourse was Impacted, Describe Fully.*

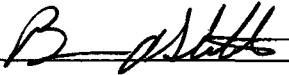
N/A

Describe Cause of Problem and Remedial Action Taken.*

Injection Pump went down and supply water filled tank and ran it over. Called vacuum truck and sucked up fluid and used backhoe to cleanup.

Describe Area Affected and Cleanup Action Taken.* Area around water tank and a low area behind the battery. An Area approximately 6 ft. x 50 ft. was affected. Used vacuum truck to remove fluid and backhoe to cleanup.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

| | | | |
|--|-------------------------|----------------------------------|-----------------------------------|
| Signature:  | | OIL CONSERVATION DIVISION | |
| Printed Name: Bruce Stubbs | | Approved by District Supervisor: | |
| Title: Engineer | Approval Date: | Expiration Date: | |
| E-mail Address: pecos@lookingglass.net | Conditions of Approval: | | Attached <input type="checkbox"/> |
| Date: 7-14-06 | Phone: 505-625-2222 | | |

* Attach Additional Sheets If Necessary

Facility - SPAC 0619942210
incident - NPAC 0619942318
application - PPAC 0619942957

RP# 961