

Armstrong
ENERGY CORPORATION

500 NORTH MAIN STREET
P. O. BOX 1973
ROSWELL, NEW MEXICO 88202-1973
575/625-2222
FAX 575/622-2512

SEP 15 2008
OCD-ARTESIA

September 11, 2008

Oil Conservation Division
1301 W. Grand Avenue
Artesia, New Mexico 88210

Re: Cobra Federal #2
Township 11 South, Range 27 East, NMPM
Section 19
Chaves County, New Mexico 30-005-63735

Dear Sir/Madam:

Enclosed are two (2) copies of the Release Notification and Corrective Action, Form C-141, for the captioned well to be filed with your office.

If you have any questions, please contact Bruce Stubbs at 505-625-2222.

Sincerely,

ARMSTRONG ENERGY CORPORATION

By: Irma Cunningham
Irma Cunningham, Land Secretary

Enclosures

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

SEP 15 2008
OCD-ARTESIA

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.	575-625-2222
Facility Name	Cobra Federal #2	Facility Type	Tank Battery
Surface Owner	Alton Munson	Mineral Owner	BLM
		Lease No.	NM-58803

30 005 63735

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	19	11S	27E	1710	South	950	West	Chaves

Latitude 33.3477 N Longitude 104.28161 W

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	208 BBLS.	Volume Recovered	None
Source of Release	500 BBL. Fiberglass Water Storage Tank	Date and Hour of Occurrence	7-3-08 7:00 PM	Date and Hour of Discovery	7-3-08 7:00 PM
Was Immediate Notice Given?	X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Called OCD office in Artesia and left message		
By Whom?	Rocky Ray	Date and Hour	7-3-08 7:30 PM		
Was a Watercourse Reached?	<input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.	N.A.		

If a Watercourse was Impacted, Describe Fully.* N.A.

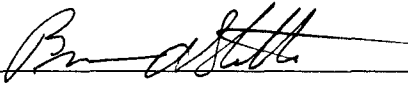
Describe Cause of Problem and Remedial Action Taken.*

Remove dirt approximately 100' x 50' down to clean dirt. See Cardinal Laboratories analysis dated 08/20/08. Filled excavation with clean soil. Rebuilt battery. See attached photos.

Describe Area Affected and Cleanup Action Taken.*

Remove dirt under old tank battery, approximately 100' x 50', down to clean dirt. See Cardinal Laboratories analysis dated 08/20/08. Filled excavation with clean soil. Rebuilt battery. See attached photos.

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 A. Stubbs	Approved by District Supervisor: T Cum by SB		
Title: Vice President	Approval Date: 9-30-08	Expiration Date: N/A	
E-mail Address: bastubbs@zianet.com	Conditions of Approval: N/A	Attached <input type="checkbox"/> N/A	
Date: 9-11-08 Phone: 575-625-2222			2RP-194

* Attach Additional Sheets If Necessary



ANALYTICAL RESULTS FOR
ARMSTRONG ENERGY CORP.
ATTN: ROCKY RAY
P.O. BOX 1973
ROSWELL, NM 88202
FAX TO: (575) 622-2512

RECEIVED AUG 29 2008

Receiving Date: 08/21/08
Reporting Date: 08/25/08
Project Number: NOT GIVEN
Project Name: COBRA FED #2
Project Location: NOT GIVEN

Sampling Date: 08/20/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB/HM

		GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	CI* (mg/kg)
LAB NUMBER	SAMPLE ID			
ANALYSIS DATE		08/22/08	08/22/08	08/22/08
H15785-1	WEST 1/2 TANK PAD	<10.0	<10.0	32
H15785-2	EAST 1/2 TANK PAD	<10.0	<10.0	16
Quality Control		553	411	500
True Value QC		500	500	500
% Recovery		111	82.2	100
Relative Percent Difference		3.8	4.1	3.9

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl⁻: Std. Methods 4500-Cl⁻B

*Analyses performed on 1:4 w:v aqueous extracts.

Date _____

H15785 TCL AE

PLEASE NOTE **Liability and Damages.** **Cardinal's** liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by **Cardinal** within thirty (30) days after completion of the applicable service. In no event shall **Cardinal** be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by **Cardinal**, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
ARMSTRONG ENERGY CORP.
ATTN: ROCKY RAY
P.O. BOX 1973
ROSWELL, NM 88202
FAX TO: (575) 622-2512

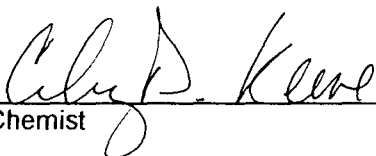
Receiving Date: 08/21/08
Reporting Date: 08/22/08
Project Number: NOT GIVEN
Project Name: COBRA FED #2
Project Location: NOT GIVEN

Sampling Date: 08/20/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: ZL

LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE		08/21/08	08/21/08	08/21/08	08/21/08
H15785-1	WEST 1/2 TANK PAD	<0.050	<0.050	<0.050	<0.150
H15785-2	EAST 1/2 TANK PAD	<0.050	<0.050	<0.050	<0.150
Quality Control		0.049	0.044	0.045	0.149
True Value QC		0.050	0.050	0.050	0.150
% Recovery		98.0	88.0	90.0	99.3
Relative Percent Difference		16.1	2.0	3.9	2.5

METHOD: EPA SW-846 8021B

TEXAS NELAP CERTIFICATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
AND TOTAL XYLENES.



Chemist





Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims shall be waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



(575) 393-2326 Fax (575) 393-2476

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice and all costs of collections, including attorney's fees.

Sampler Relinquished		Date: <u>10:00 Am</u>		Received By: <u>W. H. But</u>		Phone Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Phone #:	
 Relinquished By:		Time: <u>8-21-08</u>		REMARKS:		Fax Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Fax #:	
		Date: _____				Received By: _____	
Time: _____		Temp _____		Sample Condition		CHECKED BY:	
Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Cool <input checked="" type="checkbox"/> Intact <input type="checkbox"/> <input type="checkbox"/> Yes <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No		(Initials) 			

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

Collec Federal #2
Sec 19-11-6-R27E
CHRYSLER CORP. / INM

Diff. from old battery elec.

Completed rehabilitation of spill area.

COBRA FEDERAL #2
UNIT L SEC 19 T1S R27E
1710 FSL & 950 FWL
CHAVES CO., NM #NM-58803
APN #30-005-62755