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THE LAW OUT WEST



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2009 JUN 23 P 3:56

June 23, 2009

HAND-DELIVERED

Mr. Mark Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Energy, Minerals &
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 14341

Re: Application of Armstrong Energy Corporation for approval of a Unit Agreement, Chaves County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the Application of Armstrong Energy Corporation in the above-referenced case as well as a copy of a legal advertisement. Armstrong Energy Corporation requests that this matter be placed on the docket for the July 23, 2009 Examiner hearings.

Very truly yours,

William F. Carr
Attorney for Armstrong Energy Corporation

Enclosures

cc: Mr. Bruce Stubbs
Armstrong Energy Corporation
Post Office Box 1973
Roswell, New Mexico 88202-1973

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STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

JUN 23 P 4: 00

APPLICATION OF ARMSTRONG ENERGY CORPORATION FOR APPROVAL OF A
UNIT AGREEMENT, CHAVES COUNTY, NEW MEXICO.

CASE NO. 14341

APPLICATION

ARMSTRONG ENERGY CORPORATION (Armstrong), through its undersigned attorneys, hereby makes application for an order approving its Round Tank-Queen Waterflood Unit and in support of this application states:

1. The proposed Unit Area consists of 1922.72 acres, more or less, of State of New Mexico and Federal lands, situated in Chaves County, New Mexico. The horizontal limits of said unit are described as follows:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM

Section 24: E/2, E/2 W/2,

Section 25: E/2

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM

Irregular Section 19: Lots 1 through 4, E/2 W/2
(W/2 Equivalent), E/2

Irregular Section 30: Lots 1 through 4, E/2W/2,
(W/2 Equivalent), E/2.

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. The Applicant, Armstrong Energy Corporation, is designated as Unit Operator in said Unit Agreement and all oil and gas in the all formations are unitized.

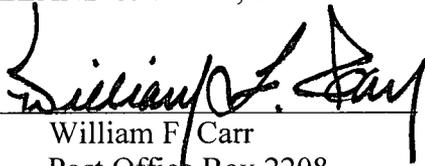
4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

5. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Armstrong Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 23, 2009, that notice be given as required by law and the rules of the Division, and that the Round Tank Queen-Waterflood Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

William F Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR ARMSTRONG ENERGY
CORPORATION

CASE NO. 1434: Application of Armstrong Energy Corporation for approval of a Unit Agreement, Chaves County, New Mexico. Applicant seeks approval of the Round Tank-Queen Waterflood Unit for an area comprising 1922.72 acres of State of New Mexico and Federal lands located in portions of Sections 24 and 25 of Township 15 South, Range 28 East and Sections 19 and 30 of Township 15 South, Range 29 East, N.M.P.M. which is located approximately 13 miles northwest of Loco Hills, New Mexico.