

NORtheast LEA - DELAWARE POOL
 LEA COUNTY, NEW MEXICO
 ORDER No. R-8233
 AMENDED BY ORDER No. R-8340

T-19-S, R-34-E SE/4 SEC. 35
 T-20-S, R-34-E E/2 SEC. 2

PENNZOIL
 MESCALARO
 RIDGE UNIT #3

NORtheast
 LEA DELAWARE
 FIELD

SEC.
 3

SEC.
 2

ARMSTRONG ENERGY
 MOBIL LEA ST. #1

HARKEN EXPL.
 MOBIL ST. #1

ONE MILE

QUAIL RIDGE
 DELAWARE FIELD

SPECTRUM 7
 MOBIL ST. #2

READ & STEVENS
 MARK FED.



BEFORE THE
 OIL CONSERVATION DIVISION
 Santa Fe, New Mexico

Case No. 10653 Exhibit No. 5

Submitted by: Armstrong Energy Corporation

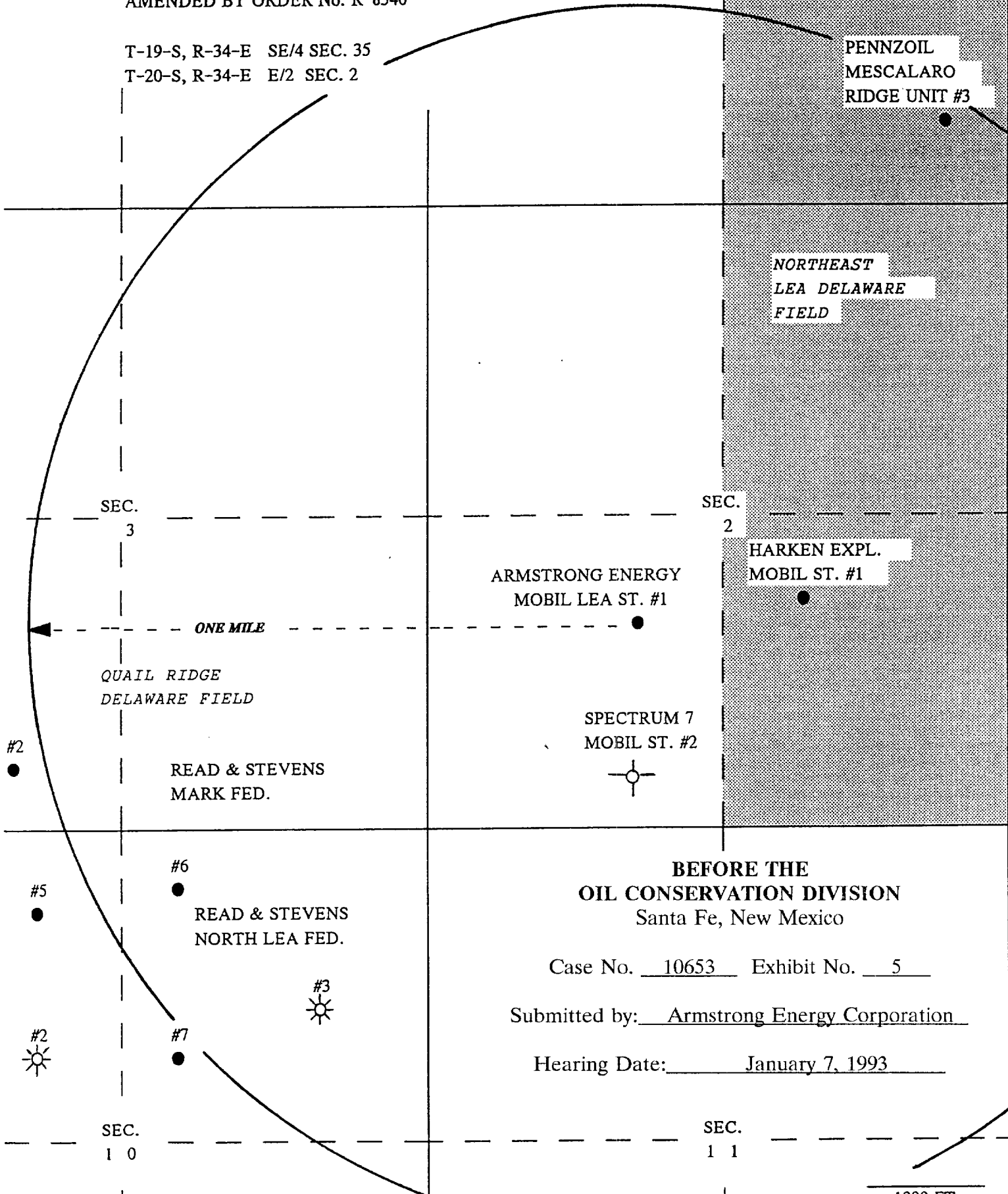
Hearing Date: January 7, 1993

SEC.
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1000 FT.



DWIGHTS CD-ROM PROPERTY LISTING
2-Jan-1993

STATE, COUNTY LOCATION	FIELD RESERVOIR	OPERATOR	WELL/LEASE INFORMATION	
NM LEA 35A 19S 34E	PEARL (QUEEN) QUEEN	QN DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35A00QN API: 30-025-21683-00	WELL#:000015 STATUS: LAST PROD DATE: 08/92
NM LEA 35B 19S 34E	PEARL (QUEEN) QUEEN	QN DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35B00QN API: 30-025-20694-00	WELL#:000007 STATUS: LAST PROD DATE: 08/92
NM LEA 35C 19S 34E	PEARL (QUEEN) QUEEN	QN DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35C00QN API: 30-025-20693-00	WELL#:000006 STATUS: LAST PROD DATE: 07/74
NM LEA 35D 19S 34E	PEARL (QUEEN) QUEEN	QN DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35D00QN API: 30-025-21613-00	WELL#:000014 STATUS: LAST PROD DATE: 08/92
NM LEA 35E 19S 34E	PEARL (QUEEN) QUEEN	QN DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35E00QN API: 30-025-21266-00	WELL#:000012 STATUS: LAST PROD DATE: 07/74
NM LEA 35F 19S 34E	PEARL (QUEEN) QUEEN	QN DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35F00QN API: 30-025-29517-00	WELL#:000018 STATUS: LAST PROD DATE: 08/92
NM LEA 35F 19S 34E	PEARL (QUEEN) QUEEN	QN ARCO OIL & GAS CO	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35FPKQN API: 30-025-21072-00	WELL#:000005 STATUS: LAST PROD DATE: 02/83
NM LEA 35G 19S 34E	PEARL (QUEEN) QUEEN	QN DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35G00QN API: 30-025-20692-00	WELL#:000004 STATUS: LAST PROD DATE: 07/74
NM LEA 35G 19S 34E	PEARL (SEVEN RIVERS) SEVEN RIVERS	SR HANSON OIL CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35GPFSR API: 30-025-21859-00	WELL#:000017 STATUS: LAST PROD DATE: 08/71
NM LEA 35H 19S 34E	PEARL (QUEEN) QUEEN	QN DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35H00QN API: 30-025-20691-00	WELL#:000003 STATUS: LAST PROD DATE: 08/92
NM LEA 35H 19S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS PENNZOIL EXPL & PRO	MESCALERO RIDGE UNIT RCI: 150,025,19S34E35HPKBS API: 30-025-23629-00	WELL#:000004 STATUS: LAST PROD DATE: 06/89
NM LEA 35I 19S 34E	PEARL (QUEEN) QUEEN	QN DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35I00QN API: 30-025-20302-00	WELL#:000001 STATUS: LAST PROD DATE: 08/92
NM LEA 35I 19S 34E	PEARL (SEVEN RIVERS) SEVEN RIVERS	SR DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35I00SR API: 30-025-21264-00	WELL#:000009 STATUS: LAST PROD DATE: 06/92
NM LEA 35J 19S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS HONDO OIL & GAS CO	MESCALERO RIDGE UNIT RCI: 150,025,19S34E35J00BS API: 30-025-23319-00	WELL#:000002 STATUS: LAST PROD DATE: 02/86

DWIGHTS CD-ROM PROPERTY LISTING
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STATE, COUNTY LOCATION	FIELD RESERVOIR	OPERATOR	WELL/LEASE INFORMATION	
NM LEA 35J 19S 34E	PEARL (QUEEN) QUEEN	QN DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35J00QN API: 30-025-20565-00	WELL#:000002 STATUS: LAST PROD DATE: 08/92
NM LEA 35K 19S 34E	PEARL (QUEEN) QUEEN	QN DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35K00QN API: 30-025-20695-00	WELL#:000008 STATUS: LAST PROD DATE: 07/74
NM LEA 35L 19S 34E	PEARL (QUEEN) QUEEN	QN DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35L00QN API: 30-025-21267-00	WELL#:000013 STATUS: LAST PROD DATE: 08/92
NM LEA 35N 19S 34E	PEARL (QUEEN) QUEEN	QN HANSON OIL CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35NPFQN API: 30-025-21464-00	WELL#:000011 STATUS: LAST PROD DATE: N/A
NM LEA 35O 19S 34E	PEARL (QUEEN) QUEEN	QN DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35O00QN API: 30-025-21858-00	WELL#:000016 STATUS: LAST PROD DATE: 07/74
NM LEA 35P 19S 34E	LEA NE (DELAWARE) DELAWARE	DL PENNZOIL EXPL & PRO	MESCALERO RIDGE UNIT RCI: 150,025,19S34E35P00DL API: 30-025-23503-00	WELL#:000003 STATUS: LAST PROD DATE: 08/92
NM LEA 35P 19S 34E	PEARL (SEVEN RIVERS) SEVEN RIVERS	SR DEVON ENERGY CORP	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35P00SR API: 30-025-21265-00	WELL#:000010 STATUS: LAST PROD DATE: 08/92
NM LEA 35P 19S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS PENNZOIL CO INC	MESCALERO RIDGE UNIT RCI: 150,025,19S34E35PPKBS API: 30-025-23503-00	WELL#:000003 STATUS: LAST PROD DATE: 07/86
NM LEA 35P 19S 34E	PEARL (QUEEN) QUEEN	QN ARCO OIL & GAS CO	MESCALERO RIDGE UNIT 35 RCI: 150,025,19S34E35PPKQN API: 30-025-21265-00	WELL#:000010 STATUS: LAST PROD DATE: 03/82
NM LEA 36D 19S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS CHEVRON U S A INC	LEA DS STATE RCI: 150,025,19S34E36DPKBS API: 30-025-23808-00	WELL#:000002 STATUS: LAST PROD DATE: 10/79
NM LEA 36D 19S 34E	PEARL (QUEEN) QUEEN	QN XERIC OIL & GAS COR	GULF STATE RCI: 150,025,19S34E36DPKQN API: 30-025-21756-00	WELL#:000003 STATUS: LAST PROD DATE: 06/86
NM LEA 36E 19S 34E	PEARL (QUEEN) QUEEN	QN MACK ENERGY CO	GULF STATE RCI: 150,025,19S34E36E00QN API: 30-025-02405-00	WELL#:000001 STATUS: LAST PROD DATE: 08/92
NM LEA 36E 19S 34E	LEA (SAN ANDRES) SAN ANDRES	SA TRAINER C W	LEA DS STATE RCI: 150,025,19S34E36E00SA API: 30-025-23611-00	WELL#:000001 STATUS: LAST PROD DATE: 11/88
NM LEA 36E 19S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS TRAINER C W	LEA DS STATE RCI: 150,025,19S34E36EPKBS API: 30-025-23611-00	WELL#:000001 STATUS: LAST PROD DATE: 02/88

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STATE, COUNTY LOCATION	FIELD RESERVOIR	OPERATOR	WELL/LEASE INFORMATION	
NM LEA 36G 19S 34E	PEARL (SEVEN RIVERS) SEVEN RIVERS	SR XERIC OIL & GAS COR	TEXAS STATE RCI: 150,025,19S34E36G00SR API: 30-025-31169-00	WELL#:000001 STATUS: LAST PROD DATE: 09/91
NM LEA 36I 19S 34E	PEARL (QUEEN) QUEEN	QN MACK ENERGY CO	PURE STATE RCI: 150,025,19S34E36I00QN API: 30-025-20078-00	WELL#:000002 STATUS: LAST PROD DATE: 08/92
NM LEA 36J 19S 34E	PEARL (QUEEN) QUEEN	QN MACK ENERGY CO	UNOCAL STATE RCI: 150,025,19S34E36J00QN API: 30-025-30852-00	WELL#:000001 STATUS: LAST PROD DATE: 08/92
NM LEA 36K 19S 34E	PEARL (QUEEN) QUEEN	QN MACK ENERGY CO	HADSON STATE RCI: 150,025,19S34E36K00QN API: 30-025-02404-00	WELL#:000001 STATUS: LAST PROD DATE: 06/92
NM LEA 36L 19S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS XERIC OIL & GAS COR	STATE 36 RCI: 150,025,19S34E36L00BS API: 30-025-23690-00	WELL#:000002 STATUS: LAST PROD DATE: 09/75
NM LEA 36L 19S 34E	PEARL (QUEEN) QUEEN	QN XERIC OIL & GAS COR	LEA K STATE RCI: 150,025,19S34E36L00QN API: 30-025-02406-00	WELL#:000001 STATUS: LAST PROD DATE: 08/90
NM LEA 36L 19S 34E	PEARL (SEVEN RIVERS) SEVEN RIVERS	SR WESTERN EQUIP CO	LEA K STATE RCI: 150,025,19S34E36L00SR API: 30-025-02406-00	WELL#:000001 STATUS: LAST PROD DATE: 12/85
NM LEA 36L 19S 34E	PEARL SOUTH (SEVEN RIVERS) SEVEN RIVERS	SR XERIC OIL & GAS COR	LEA K STATE RCI: 250,025,19S34E36L00SR API: 30-025-02406-00	WELL#:000001 STATUS: LAST PROD DATE: 10/91
NM LEA 36M 19S 34E	PEARL (QUEEN) QUEEN	QN TIPTON & DENTON	PURE STATE RCI: 150,025,19S34E36M00QN API: 30-025-20291-00	WELL#:000001 STATUS: LAST PROD DATE: 08/92
NM LEA 36M 19S 34E	PEARL (QUEEN) QUEEN	QN TIPTON & DENTON	PURE STATE RCI: 150,025,19S34E36MM1QN API: 30-025-23550-00	WELL#:000002 STATUS: LAST PROD DATE: 08/92
NM LEA 36M 19S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS TIPTON & DENTON	PURE STATE RCI: 150,025,19S34E36MPKBS API: 30-025-23550-00	WELL#:000002 STATUS: LAST PROD DATE: 09/78
NM LEA 36M 19S 34E	PEARL (QUEEN) QUEEN	QN TIPTON & DENTON	PURE STATE RCI: 150,025,19S34E36MPKQN API: 30-025-23550-00	WELL#:000002 STATUS: LAST PROD DATE: 12/90
NM LEA 36N 19S 34E	PEARL (QUEEN) QUEEN	QN MACK ENERGY CO	MINERALS STATE RCI: 150,025,19S34E36N00QN API: 30-025-21281-00	WELL#:000001 STATUS: LAST PROD DATE: 08/92
NM LEA 36O 19S 34E	PEARL (QUEEN) QUEEN	QN MACK ENERGY CO	JAMAICA STATE RCI: 150,025,19S34E36O00QN API: 30-025-31011-00	WELL#:000001 STATUS: LAST PROD DATE: 08/92

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STATE, COUNTY LOCATION	FIELD RESERVOIR	OPERATOR	WELL/LEASE INFORMATION	
NM LEA 36P 19S 34E	PEARL (QUEEN) QUEEN	QN MACK ENERGY CO	PURE STATE RCI: 150,025,19S34E36P00QN API: 30-025-20096-00	WELL#:000001 STATUS: LAST PROD DATE: 08/92
NM LEA 1A 20S 34E	PEARL (QUEEN) QUEEN	QN MACK ENERGY CO	TEXACO FEDERAL RCI: 150,025,20S34E01A00QN API: 30-025-20189-00	WELL#:000002 STATUS: LAST PROD DATE: 08/92
NM LEA 1L 20S 34E	LEA SOUTH (SAN ANDRES) SAN ANDRES	SA BRADY PRODUCTION CO	K F QUAIL FEDERAL RCI: 150,025,20S34E01L00SA API: 30-025-02408-00	WELL#:000001 STATUS: LAST PROD DATE: 05/91
NM LEA 1L 20S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS TEXACO INC	K F QUAIL FEDERAL RCI: 150,025,20S34E01LPKBS API: 30-025-02408-00	WELL#:000001 STATUS: LAST PROD DATE: 01/77
NM LEA 2A 20S 34E	LEA (PENN) PENN	PN ARMSTRONG ENERGY CO	WEST PEARL STATE COM RCI: 250,025,20S34E02A00PN API: 30-025-28583-00	WELL#:000001 STATUS: LAST PROD DATE: 08/92
NM LEA 2J 20S 34E	LEA NE (DELAWARE) DELAWARE	DL HARKEN EXPL CO	MOBIL STATE RCI: 150,025,20S34E02J00DL API: 30-025-29204-00	WELL#:000001 STATUS: LAST PROD DATE: 08/92
NM LEA 3M 20S 34E	QUAIL RIDGE (DELAWARE) DELAWARE	DL READ & STEVENS INC	MARK FEDERAL RCI: 150,025,20S34E03M00DL API: 30-025-30183-00	WELL#:000001 STATUS: LAST PROD DATE: 08/92
NM LEA 3M 20S 34E	LEA (PENN) PENN	PN READ & STEVENS INC	MARK FEDERAL RCI: 250,025,20S34E03MPKPN API: 30-025-30183-00	WELL#:000001 STATUS: LAST PROD DATE: 01/91
NM LEA 3N 20S 34E	QUAIL RIDGE (DELAWARE) DELAWARE	DL READ & STEVENS INC	MARK FEDERAL RCI: 150,025,20S34E03N00DL API: 30-025-31189-00	WELL#:000002 STATUS: LAST PROD DATE: 08/92
NM LEA 3N 20S 34E	LEA (PENN) PENN	PN GREATHOUSE & PIERCE	FEDERAL 3 RCI: 250,025,20S34E03NPGPN API: 30-025-20681-00	WELL#:000001 STATUS: LAST PROD DATE: 04/71
NM LEA 10B 20S 34E	LEA (PENN) PENN	PN GREATHOUSE & PIERCE	FEDERAL 10 RCI: 250,025,20S34E10BPHPN API: 30-025-21025-00	WELL#:000002 STATUS: LAST PROD DATE: 12/70
NM LEA 10C 20S 34E	QUAIL RIDGE (DELAWARE) DELAWARE	DL READ & STEVENS INC	NORTH LEA FEDERAL RCI: 150,025,20S34E10C00DL API: 30-025-00000-00	WELL#:000005 STATUS: LAST PROD DATE: 08/92
NM LEA 10D 20S 34E	QUAIL RIDGE (DELAWARE) DELAWARE	DL READ & STEVENS INC	NORTH LEA FEDERAL RCI: 150,025,20S34E10D00DL API: 30-025-31355-00	WELL#:000004 STATUS: LAST PROD DATE: 08/92
NM LEA 10F 20S 34E	LEA (PENN) PENN	PN READ & STEVENS INC	NORTH LEA FEDERAL RCI: 250,025,20S34E10F00PN API: 30-025-29727-00	WELL#:000002 STATUS: LAST PROD DATE: 08/92

DWIGHTS CD-ROM PROPERTY LISTING
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STATE, COUNTY LOCATION	FIELD RESERVOIR	OPERATOR	WELL/LEASE INFORMATION
NM LEA 10H 20S 34E	LEA (PENN) PENN	PN READ & STEVENS INC	NORTH LEA FEDERAL RCI: 250,025,20S34E10H00PN API: 30-025-30066-00 WELL#:000003 STATUS: LAST PROD DATE: 08/92
NM LEA 10I 20S 34E	LEA (PENN) PENN	PN READ & STEVENS INC	NORTH LEA FEDERAL RCI: 250,025,20S34E10I00PN API: 30-025-29134-00 WELL#:00001Y STATUS: LAST PROD DATE: 06/92
NM LEA 10K 20S 34E	QUAIL RIDGE (DELAWARE) DELAWARE	DL SNOW OIL & GAS INC	UNION A FEDERAL RCI: 150,025,20S34E10K00DL API: 30-025-30352-00 WELL#:000002 STATUS: LAST PROD DATE: 08/92
NM LEA 10M 20S 34E	LEA (PENN) PENN	PN ESTORIL PRODUCING C	UNION A FED. RCI: 250,025,20S34E10MPKPN API: 30-025-26675-00 WELL#:000001 STATUS: LAST PROD DATE: 10/88
NM LEA 11F 20S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS GEODYNE OPERATING C	FEDERAL 11 20 34 RCI: 150,025,20S34E11F00BS API: 30-025-00000-00 WELL#:000001 STATUS: LAST PROD DATE: 08/92
NM LEA 11F 20S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS NATIONAL COOPERATIV	FEDERAL 11 20 34 RCI: 150,025,20S34E11FPIBS API: 30-025-02426-00 WELL#:000001 STATUS: LAST PROD DATE: 09/70
NM LEA 11F 20S 34E	LEA (PENN) PENN	PN NATIONAL COOPERATIV	FEDERAL 11 20 34 RCI: 250,025,20S34E11FPKPN API: 30-025-02426-00 WELL#:000001 STATUS: LAST PROD DATE: 02/90
NM LEA 11H 20S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E11H00BS API: 30-025-02924-00 WELL#:000004 STATUS: LAST PROD DATE: 08/92
NM LEA 11H 20S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E11HPIBS API: 30-025-02424-00 WELL#:000004 STATUS: LAST PROD DATE: N/A
NM LEA 11H 20S 34E	LEA (DEVONIAN) DEVONIAN	DV MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E11HPKDV API: 30-025-02424-00 WELL#:000004 STATUS: LAST PROD DATE: 11/91
NM LEA 11H 20S 34E	LEA (PENN) PENN	PN MARATHON OIL CO	LEA UNIT RCI: 250,025,20S34E11HPHPN API: 30-025-02424-00 WELL#:000004 STATUS: LAST PROD DATE: 01/73
NM LEA 11I 20S 34E	LEA (PENN) PENN	PN NATIONAL COOPERATIV	FEDERAL 11 20 34 RCI: 250,025,20S34E11I00PN API: 30-025-30424-00 WELL#:000003 STATUS: LAST PROD DATE: 07/88
NM LEA 11J 20S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E11J00BS API: 30-025-02425-00 WELL#:000006 STATUS: LAST PROD DATE: 08/92
NM LEA 11J 20S 34E	LEA (DEVONIAN) DEVONIAN	DV MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E11JPKDV API: 30-025-02425-00 WELL#:000006 STATUS: LAST PROD DATE: 06/88

DWIGHTS CD-ROM PROPERTY LISTING
2-Jan-1993

STATE, COUNTY LOCATION	FIELD RESERVOIR	OPERATOR	WELL/LEASE INFORMATION
NM LEA 11J 20S 34E	LEA (PENN) PENN	PN MARATHON OIL CO	LEA UNIT RCI: 250,025,20S34E11JPHPN API: 30-025-02425-00 WELL#:000006 STATUS: LAST PROD DATE: 12/70
NM LEA 11K 20S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS EDWIN FOSTER B EST	LEA FEDERAL RCI: 150,025,20S34E11KPEBS API: 30-025-20490-00 WELL#:000001 STATUS: LAST PROD DATE: 07/70
NM LEA 11L 20S 34E	LEA (PENN) PENN	PN GEODYNE OPERATING C	FEDERAL 11 20 34 RCI: 250,025,20S34E11L00PN API: 30-025-30424-00 WELL#:000003 STATUS: LAST PROD DATE: 08/92
NM LEA 11N 20S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS GEODYNE OPERATING C	FEDERAL 11 20 34 RCI: 150,025,20S34E11N00BS API: 30-025-21931-00 WELL#:000002 STATUS: LAST PROD DATE: 08/92
NM LEA 11N 20S 34E	LEA (PENN) PENN	PN NATIONAL COOPERATIV	FEDERAL 11 20 34 RCI: 250,025,20S34E11NPKPN API: 30-025-21931-00 WELL#:000002 STATUS: LAST PROD DATE: 07/88
NM LEA 12B 20S 34E	LEA (PENN) PENN	PN MARATHON OIL CO	LEA UNIT RCI: 250,025,20S34E12BPKPN API: 30-025-02431-00 WELL#:000008 STATUS: LAST PROD DATE: 01/73
NM LEA 12F 20S 34E	LEA (DEVONIAN) DEVONIAN	DV MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E12F00DV API: 30-025-02428-00 WELL#:000002 STATUS: LAST PROD DATE: 08/92
NM LEA 12F 20S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E12FPHBS API: 30-025-02428-00 WELL#:000002 STATUS: LAST PROD DATE: N/A
NM LEA 12J 20S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E12J00BS API: 30-025-02429-00 WELL#:000005 STATUS: LAST PROD DATE: 06/92
NM LEA 12J 20S 34E	LEA (DEVONIAN) DEVONIAN	DV MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E12JPKDV API: 30-025-02429-00 WELL#:000005 STATUS: LAST PROD DATE: 08/78
NM LEA 12J 20S 34E	LEA (PENN) PENN	PN MARATHON OIL CO	LEA UNIT RCI: 250,025,20S34E12JPHPN API: 30-025-02429-00 WELL#:000005 STATUS: LAST PROD DATE: 06/71
NM LEA 12L 20S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E12LPHBS API: 30-025-02427-00 WELL#:000001 STATUS: LAST PROD DATE: N/A
NM LEA 12L 20S 34E	LEA (DEVONIAN) DEVONIAN	DV MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E12LPKDV API: 30-025-02427-00 WELL#:000001 STATUS: LAST PROD DATE: 01/77
NM LEA 12N 20S 34E	LEA (BONE SPRINGS) BONE SPRINGS	BS MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E12N00BS API: 30-025-02430-00 WELL#:000007 STATUS: LAST PROD DATE: 08/92

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STATE, COUNTY LOCATION	FIELD RESERVOIR	OPERATOR	WELL/LEASE INFORMATION	
NM LEA 12N 20S 34E	LEA (DEVONIAN) DEVONIAN	DV MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E12NPKDV API: 30-025-02430-00	WELL#:000007 STATUS: LAST PROD DATE: 07/82
NM LEA 12N 20S 34E	LEA SOUTH (SAN ANDRES) SAN ANDRES	SA MARATHON OIL CO	LEA UNIT RCI: 150,025,20S34E12NPKSA API: 30-025-02430-00	WELL#:000007 STATUS: LAST PROD DATE: 05/87
NM LEA 12N 20S 34E	LEA (PENN) PENN	PN MARATHON OIL CO	LEA UNIT RCI: 250,025,20S34E12NPKPN API: 30-025-02430-00	WELL#:000007 STATUS: LAST PROD DATE: 05/71

DELAWARE WELL SUMMARY

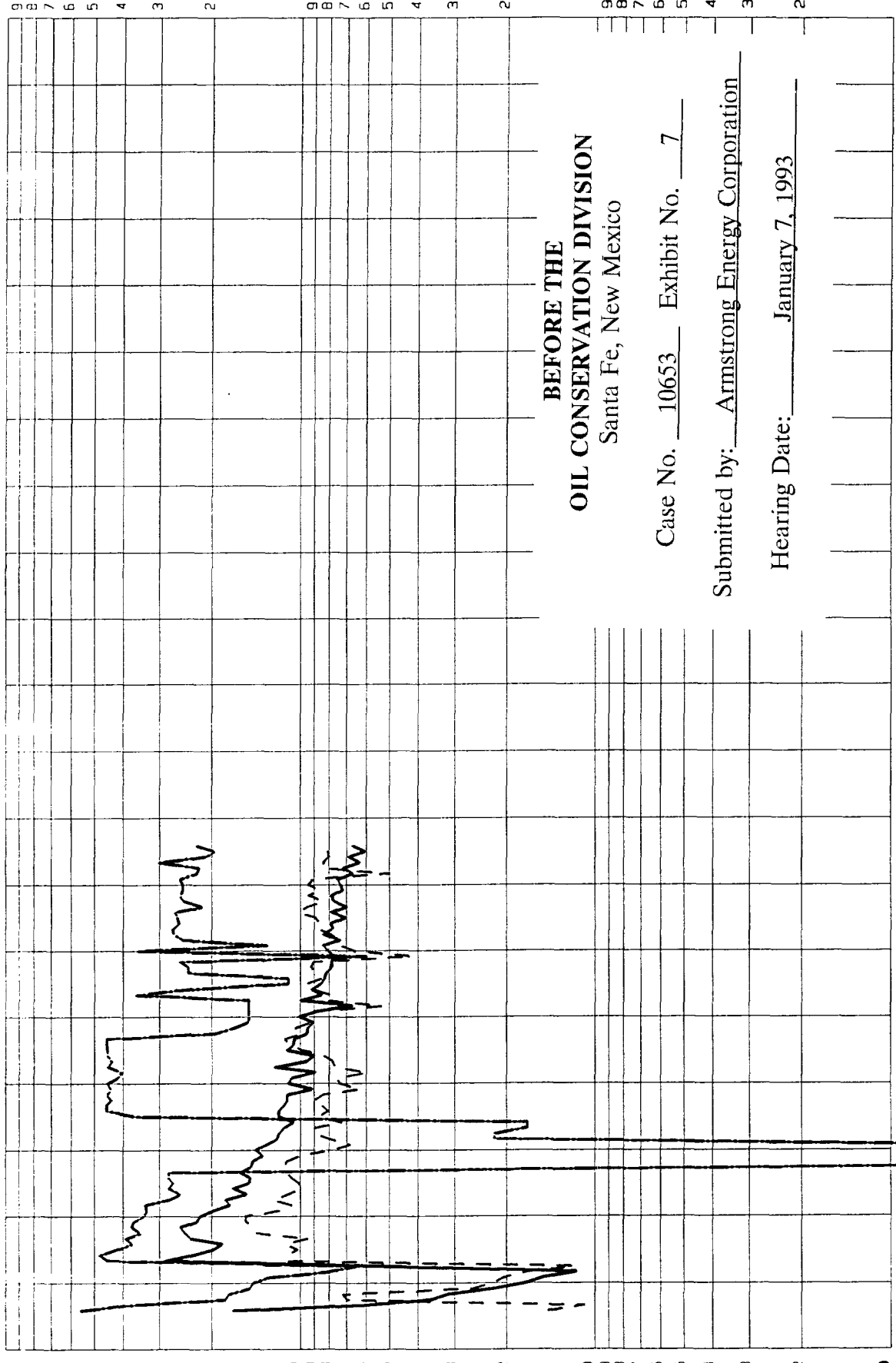
<u>WELL NAME</u>	<u>PERFORATIONS</u>		<u>COMMENTS</u>
	<u>UPPER</u>	<u>LOWER</u>	
MOBIL LEA ST. #1	5890	5930	3 RD SAND, 100+ BOPD
MESCALARO RIDGE UNIT #3	5780	5805	CUM. 23,712 BO, 5.5 BOPD
MOBIL ST. #1	5625	5695	CUM. 70,515 BO, 16 BOPD 1 ST SAND, 3 RD SAND WET
MOBIL ST. #2			TESTED 3RD SAND, WET <i>1st</i>
N. LEA FED. #1-Y			MORROW GAS WELL 3 RD SAND @ -2349', WET
N. LEA FED. #2			MORROW GAS WELL 3 RD SAND EQUIVELENT LIMED OUT
N. LEA FED. #3			MORROW GAS WELL 3 RD SAND @ -2282, WET
N. LEA FED. #4	5618	5651	1 ST SAND, 85 BOPD
N. LEA FED. #5	6058 5910 5636	6078 5925 5668	4 TH SAND, 72 BOPD LIME EQUIVELENT TO 3 RD SAND 1 ST SAND, 107 BOPD HOLE 4393'-4248', SQUEEZED HOLE 3892'-4029', SQUEEZED
N. LEA FED. #6	5900	5920	3 RD SAND, 107 BOPD, OCT. '92
N. LEA FED #7	5942	5962	3 RD SAND, WET, -2291 O/W @ -2269'
MARK FED. #1	5644	5664	100+ BOPD 3 RD SAND TIGHT, LIME
MARK FED. #2	5610	5640	1 ST SAND, 100+ BOPD
POWELL FED. #1			9 BOPD & 8 BWP, P SEC 4-T20S-R34E
UNION A FED. #2			9 BOPD & 75 BWP, K SEC 10-T20S-R34E

**BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico**

Case No. 10653 Exhibit No. 6

Submitted by: Armstrong Energy Corporation

Lease NORTHFAST LEA DELAWARE Dwight's ENERGYDATA Inc. Retrieval Code: 000, 000, SUMMARY

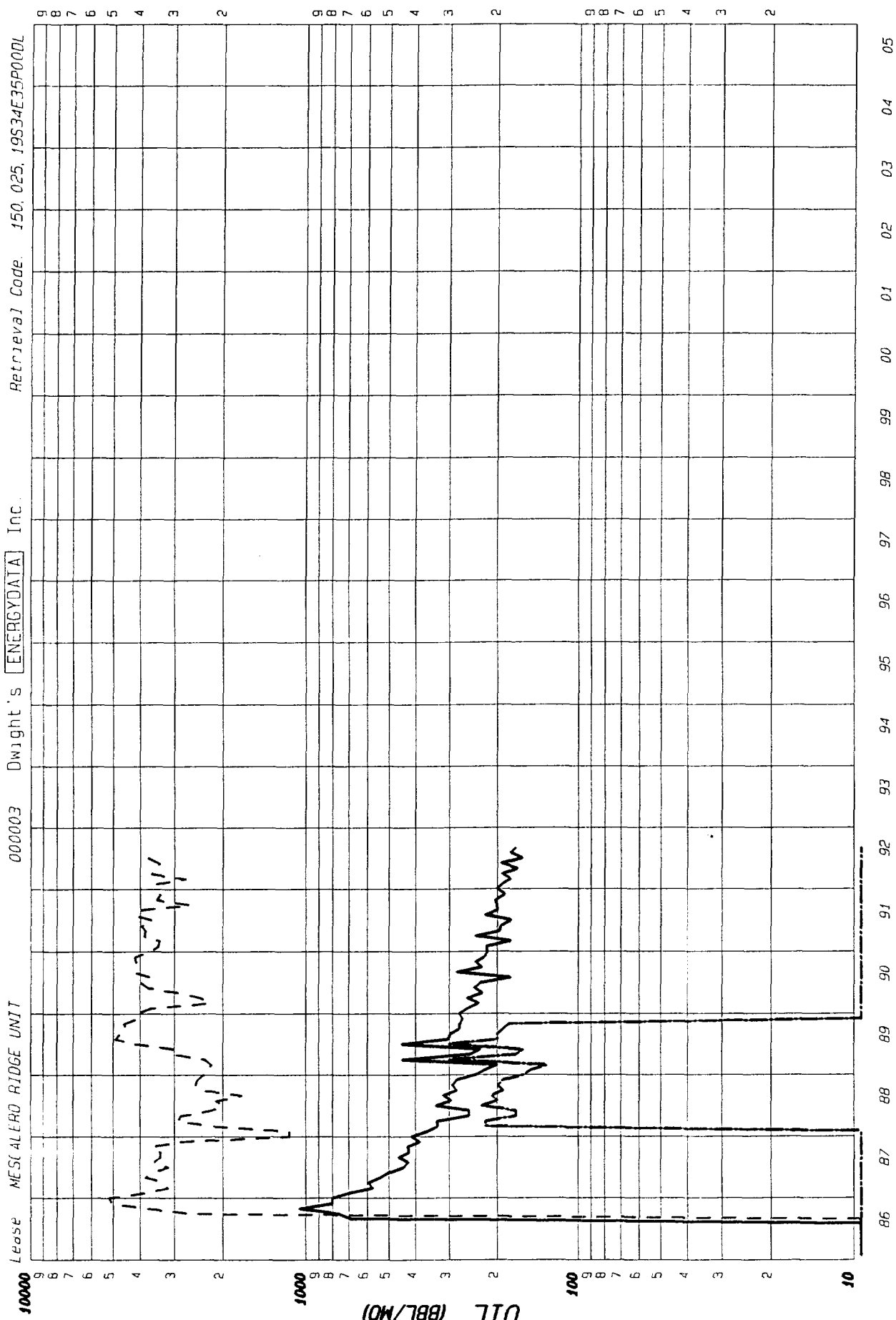


BEFORE THE
OIL CONSERVATION DIVISION
 Santa Fe, New Mexico

Case No. 10653 Exhibit No. 7
 Submitted by: Armstrong Energy Corporation
 Hearing Date: January 7, 1993

County: _____ State: _____
 Field: _____
 Reservoir: _____
 Operator: _____
 Oil Cum: 93583 Gas Cum: 72782
 Location: _____

Lease MESA LERO RIDGE UNIT 000003 Dwight's ENERGY DATA Inc. Retrieval Code: 150.025.19534E35P000DL



County: LEA State: NM
 Field: LEA NE (DELAWARE) DL
 Reservoir: DELAWARE
 Operator: PENNZOIL EXPL & PROD CO
 Oil Cum: 23712 Gas Cum: 24047
 Location: 35P 19S 34E

Dwight's Energydata, Inc. DLOOK 4.20 Record # 1 Run date: 01/01/93
 Property data from file: D:\PROD-CD\NELEA. Retrieval code: 150,025,19S34E35P00DL

```

-----
Operator (#569485)           Lease name           Well #
-----
PENNZOIL EXPL & PROD CO    MESCALERO RIDGE UNIT 000003
  
```

```

-----
Ident. #   State   Dist   County           Location           Lse/tax
-----
19S34E35P00DL NM(30)   2     025 LEA           35P 19S 34E       0
  
```

```

-----
API #           Field (#8040811 )           Reservoir
-----
30-025-23503   LEA NE (DELAWARE)           DL    DELAWARE
  
```

```

-----
Total      Perforations      Temp      N-Factor      GOR
Depth      Upper Lower      Gradient
-----
5990      5780 5805           0.000      0.000      0
  
```

```

-----
Comp      Production Dates      Status
Date      First      Last      Date      Status
-----
0         8608      9208      0         ACT
  
```

```

-----
Cumulative gas      Gas      Gas
MCF      Since      Gravity      Gatherer
-----
24047    FP Date      0.00      GPMGC
  
```

```

-----
Cumulative liquid      Liquid      Liquid
BBL      Since      Gravity      Gatherer
-----
23712    FP Date      0.00      KOCHO
  
```

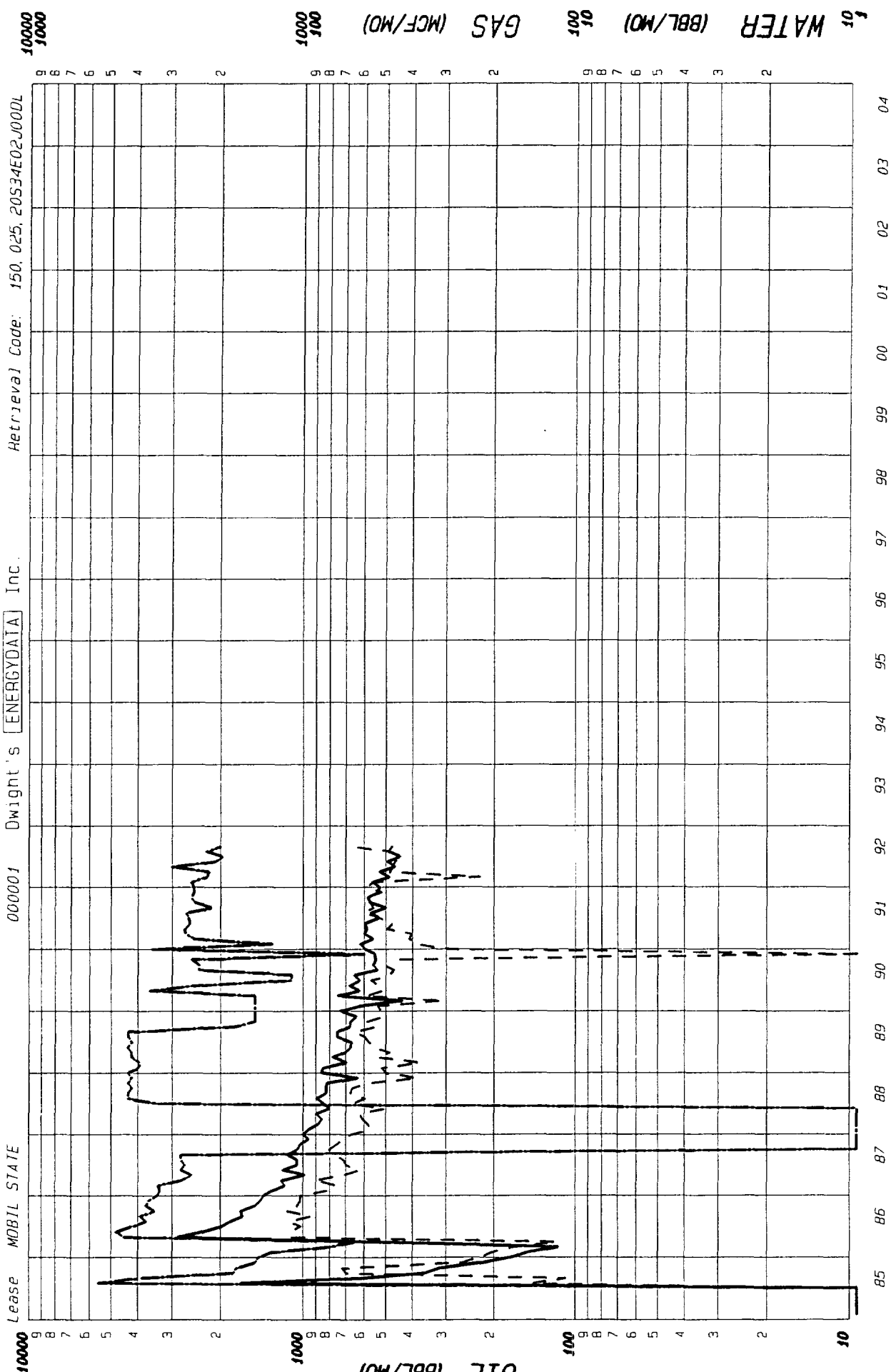
Dwight's Energydata, Inc. DLOOK 4.20 Record # 1 Run date: 01/01/93
 Production data from file: D:\PROD-CD\NELEA. Retrieval code: 150,025,19S34E35P00DL
 Lease: MESCALERO RIDGE UNIT Well #: 000003

Month	Oil bbls	Cum Oil bbls	Gas mcf	Cum Gas mcf	Water bbls	No.of Wells
Total 1986	4113	4113	1656	1656	0	1
Total 1987	5874	9987	3882	5538	0	1
Total 1988	3573	13560	2687	8225	216	1
January	222	13782	234	8459	15	1
February	200	13982	220	8679	13	1
March	445	14427	232	8911	30	1
April	251	14678	295	9206	17	1
May	231	14909	287	9493	16	1
June	446	15355	416	9909	30	1
July	303	15658	490	10399	20	1
August	298	15956	476	10875	20	1
September	276	16232	450	11325	19	1
October	274	16506	457	11782	18	1
November	268	16774	413	12195	0	1
December	276	17050	412	12607	0	1
Total 1989	3490	17050	4382	12607	198	1
January	257	17307	367	12974	0	1
February	234	17541	223	13197	0	1
March	257	17798	239	13436	0	1
April	226	18024	287	13723	0	1
May	242	18266	373	14096	0	1
June	231	18497	396	14492	0	1
July	179	18676	366	14858	0	1
August	281	18957	420	15278	0	1
September	228	19185	412	15690	0	1
October	240	19425	414	16104	0	1
November	223	19648	416	16520	0	1
December	217	19865	369	16889	0	1
Total 1990	2815	19865	4282	16889	0	1
January	219	20084	343	17232	0	1
February	178	20262	340	17572	0	1
March	239	20501	385	17957	0	1
April	195	20696	382	18339	0	1
May	194	20890	393	18732	0	1
June	178	21068	359	19091	0	1
July	221	21289	418	19509	0	1
August	199	21488	397	19906	0	1
September	201	21689	264	20170	0	1
October	203	21892	348	20518	0	1
November	187	22079	339	20857	0	1
December	201	22280	356	21213	0	1
Total 1991	2415	22280	4324	21213	0	1
January	191	22471	350	21563	0	1

Dwight's Energydata, Inc. DLOOK 4.20 Record # 1 Run date: 01/01/93
 Production data from file: D:\PROD-CD\NELEA. Retrieval code: 150,025,19S34E35P00DL
 Lease: MESCALERO RIDGE UNIT Well #: 000003

Month	Oil bbls	Cum Oil bbls	Gas mcf	Cum Gas mcf	Water bbls	No.of Wells
February	178	22649	274	21837	0	1
March	191	22840	361	22198	0	1
April	168	23008	364	22562	0	1
May	193	23201	341	22903	0	1
June	162	23363	372	23275	0	1
July	178	23541	385	23660	0	1
August	171	23712	387	24047	0	1
Total 1992	1432	23712	2834	24047	0	1

Lease MDBIL STATE 000001 Dwight's ENERGYDATA Inc. Retrieval Code: 150.025.20534E02J00DL



County: LEA State: NM
 Field: LEA NE (DELAWARE) DL
 Reservoir: DELAWARE
 Operator: HARKEN EXPL CO
 Oil Cum: 70515 Gas Cum: 49784
 Location: 2J 20S 34E

F. P. Date 07-85

Date: 01-01-93

Dwight's Energydata, Inc. DLOOK 4.20 Record # 2 Run date: 01/01/93
 Property data from file: D:\PROD-CD\NELEA. Retrieval code: 150,025,20S34E02J00DL

```

-----
Operator (#143957)          Lease name          Well #
-----
HARKEN EXPL CO            MOBIL STATE          000001
  
```

```

-----
Ident. #  State  Dist  County          Location          Lse/tax
-----
20S34E02J00DL NM(30)  2   025 LEA          2J 20S 34E          0
  
```

```

-----
API #          Field (#8040811 )          Reservoir
-----
30-025-29204  LEA NE (DELAWARE)          DL  DELAWARE
  
```

```

-----
Total          Perforations          Temp          -----
Depth          Upper Lower          Gradient          N-Factor          GOR
-----
0              0    0              0.000          0.000          0
  
```

```

-----
Comp          Production Dates          Status          -----
Date          First      Last          Date          Status
-----
0              8507      9208          0              ACT
  
```

```

-----
Cumulative gas          Gas          -----
MCF          Since          Gravity          Gatherer
-----
49784          FP Date          0.00          PHIPC
  
```

```

-----
Cumulative liquid          Liquid          -----
BBL          Since          Gravity          Gatherer
-----
70515          FP Date          0.00          SCURP
  
```


Dwight's Energydata, Inc. DLOOK 4.20 Record # 2 Run date: 01/01/93
 Production data from file: D:\PROD-CD\NELEA. Retrieval code: 150,025,20S34E02J00DL
 Lease: MOBIL STATE Well #: 000001

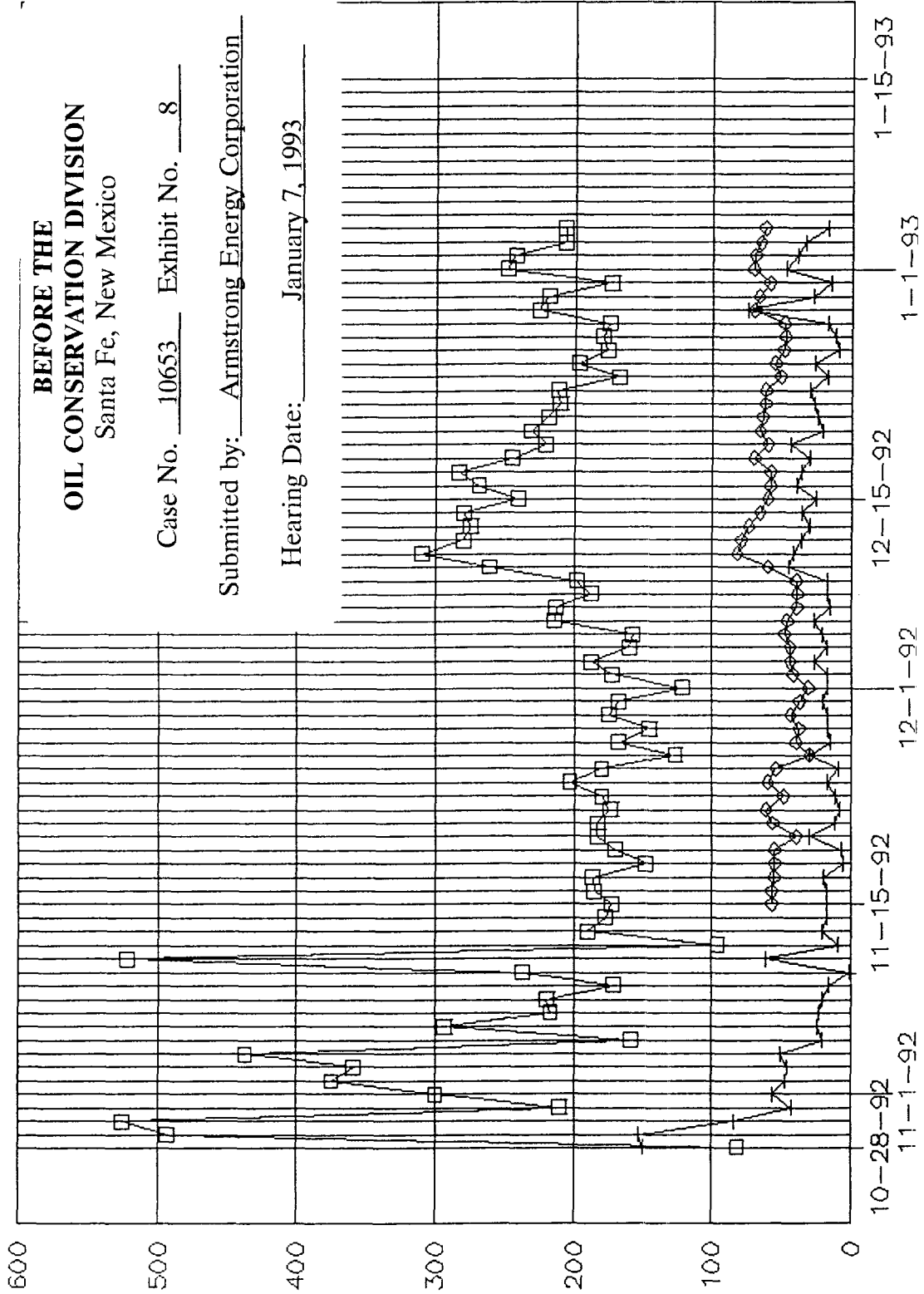
Month	Oil bbls	Cum Oil bbls	Gas mcf	Cum Gas mcf	Water bbls	No.of Wells
Total 1985	3369	3369	2151	2151	1599	1
Total 1986	17523	20892	10062	12213	3813	1
Total 1987	13131	34023	8967	21180	2309	1
Total 1988	10079	44102	6960	28140	2915	1
January	847	44949	516	28656	400	1
February	693	45642	374	29030	392	1
March	780	46422	536	29566	420	1
April	704	47126	484	30050	420	1
May	671	47797	550	30600	434	1
June	666	48463	574	31174	420	1
July	753	49216	594	31768	434	1
August	750	49966	651	32419	434	1
September	672	50638	544	32963	176	1
October	672	51310	585	33548	150	1
November	640	51950	508	34056	150	1
December	733	52683	521	34577	150	1
Total 1989	8581	52683	6437	34577	3980	1
January	619	53302	534	35111	150	1
February	434	53736	305	35416	150	1
March	747	54483	595	36011	150	1
April	622	55105	511	36522	360	1
May	675	55780	531	37053	240	1
June	621	56401	563	37616	110	1
July	651	57052	485	38101	110	1
August	539	57591	468	38569	240	1
September	554	58145	509	39078	240	1
October	545	58690	493	39571	255	1
November	549	59239	1	39572	60	1
December	595	59834	294	39866	360	1
Total 1990	7151	59834	5289	39866	2425	1
January	617	60451	395	40261	130	1
February	556	61007	410	40671	250	1
March	596	61603	402	41073	268	1
April	585	62188	494	41567	270	1
May	593	62781	471	42038	258	1
June	527	63308	528	42566	261	1
July	566	63874	601	43167	267	1
August	499	64373	554	43721	214	1
September	570	64943	572	44293	250	1
October	581	65524	589	44882	255	1
November	533	66057	520	45402	250	1
December	528	66585	586	45988	250	1
Total 1991	6751	66585	6122	45988	2923	1

Dwight's Energydata, Inc. DLOOK 4.20 Record # 2 Run date: 01/01/93
 Production data from file: D:\PROD-CD\NELEA. Retrieval code: 150,025,20S34E02J00DL
 Lease: MOBIL STATE Well #: 000001

Month	Oil bbls	Cum Oil bbls	Gas mcf	Cum Gas mcf	Water bbls	No.of Wells
January	558	67143	559	46547	255	1
February	487	67630	226	46773	225	1
March	526	68156	483	47256	220	1
April	462	68618	472	47728	300	1
May	493	69111	463	48191	210	1
June	443	69554	440	48631	195	1
July	488	70042	491	49122	225	1
August	473	70515	662	49784	200	1
Total 1992	3930	70515	3796	49784	1830	1

MOBIL LEA STATE # 1

PRODUCTION



BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 10653 Exhibit No. 8

Submitted by: Armstrong Energy Corporation

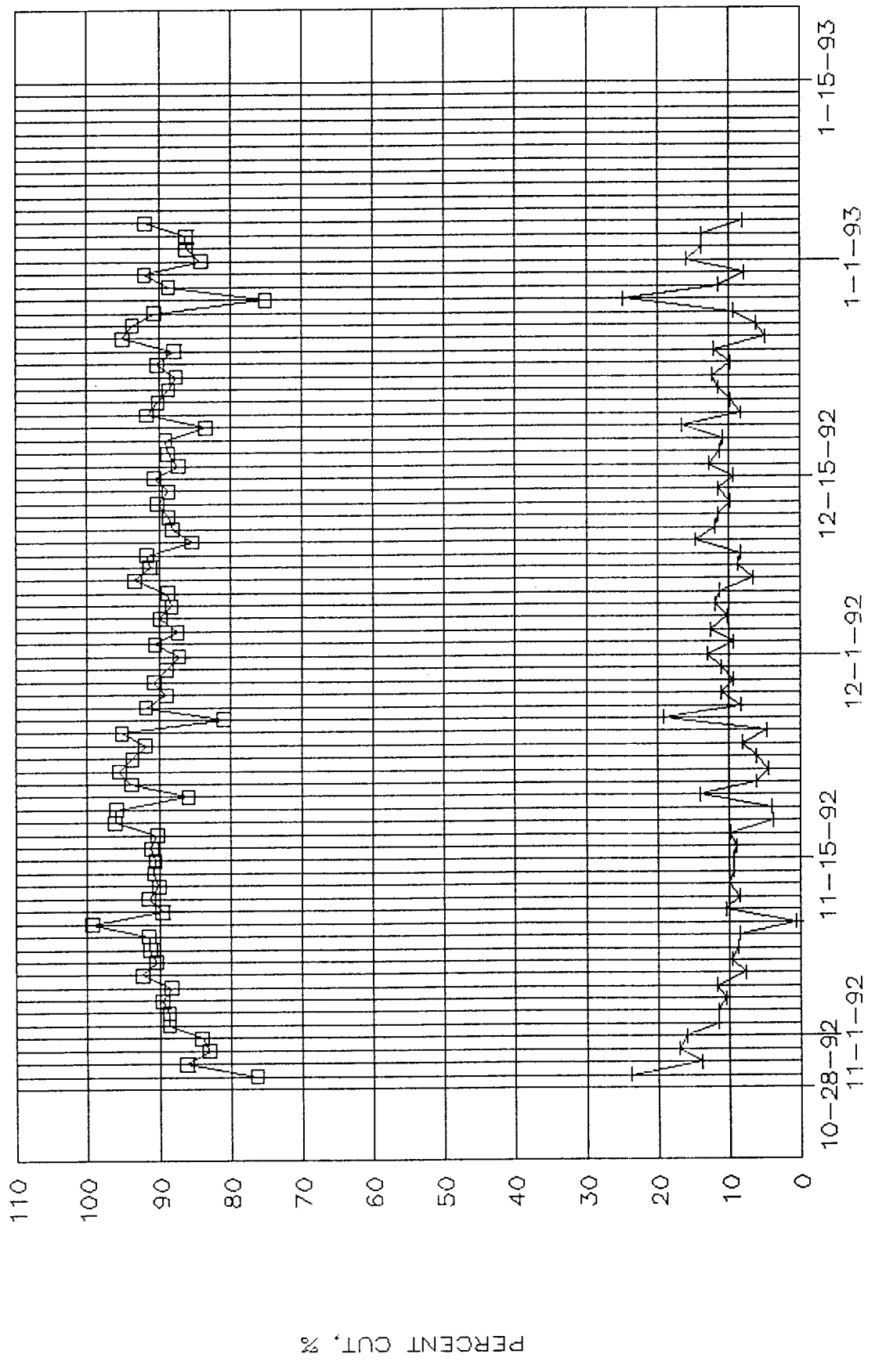
Hearing Date: January 7, 1993

BOPD-BWPD-MCFGD

□ OIL + WATER ◇ GAS

MOBIL LEA STATE # 1

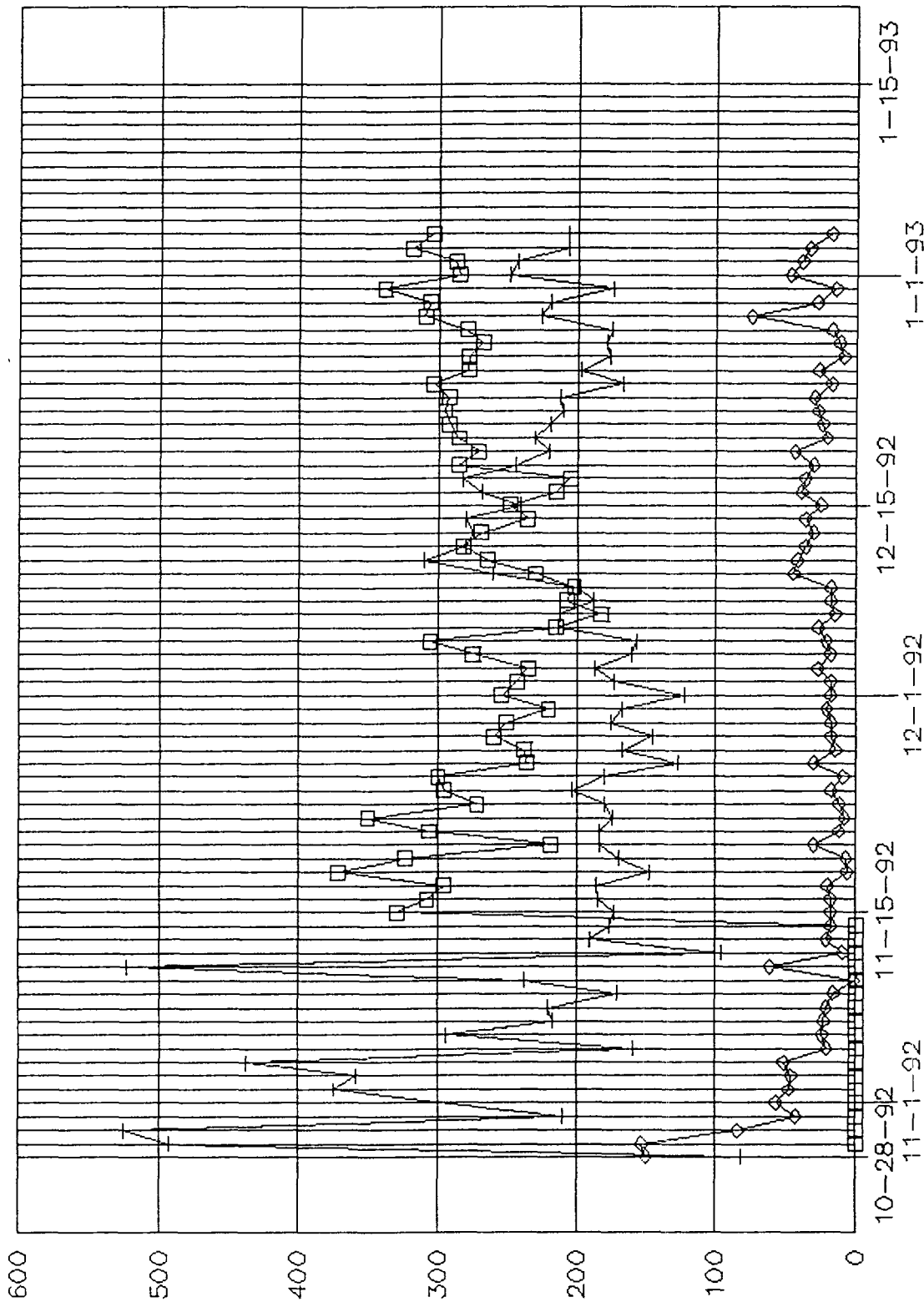
OIL & WATER CUT



□ % OIL CUT + % WATER CUT

MOBIL LEA STATE # 1

GAS OIL RATIO



GOR, BOPD, MSCGD

□ GOR, CU.FT./BBL + OIL, BOPD ◇ GAS, MCFD

PRODUCTIVITY INDEX

DECEMBER 17, 1992

OIL PRODUCTION	283 BO	
WATER PRODUCTION	36 BW	
FLUID LEVEL	48 JTS.	1488 FT.
CASING PRESSURE	220 PSI	

FLOWING BHP CALCULATION

38 GRAVITY OIL GRADIENT=	0.3898 PSI/FT.
MIDDLE OF ZONE	5905 FT.

CASING PRESSURE	220 PSI	
HYDROSTATIC PRESSURE	1722 PSI	
TOTAL	<u>1942</u> PSI	FLOWING BHP

STATIC BHP CALCULATION

BHP GRADIENT=	0.43 PSI/FT.	(DST ON N. LEA FED. #3)
MID ZONE DEPTH=	5905 FT	

STATIC BHP = DEPTH x GRADIENT = 2539 PSI

PRODUCTIVITY INDEX CALCULATION

$$J = \frac{Q_{stb}}{P_e - P_w} = \frac{283+36}{2539-1942} = 0.5343 \text{ BBL/PSI}$$

MAXIMUM PRODUCTION - PUMPED OFF CONDITION

$$Q = .5343 \text{ BBL/PSI} \times (2539 \text{ PSI} - 100 \text{ PSI}) = 1303 \text{ BPD}$$

Qoil=	88.71% x 1303 =	1156 BOPD
Qwtr=	11.29% x 1303 =	147 BWPD

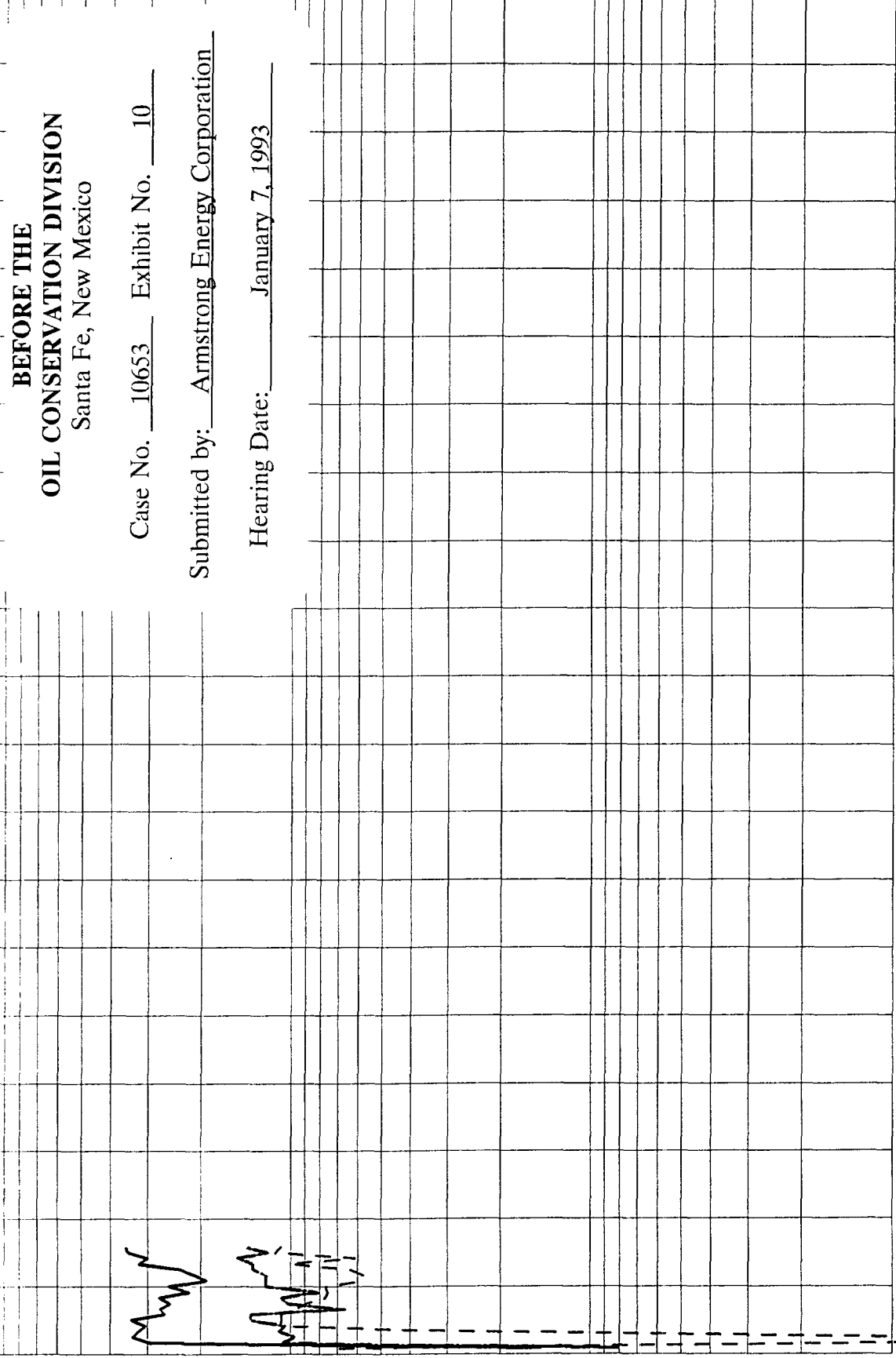
**BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico**

Case No. 10653 Exhibit No. 9

Submitted by: Armstrong Energy Corporation

Hearing Date: January 7, 1993

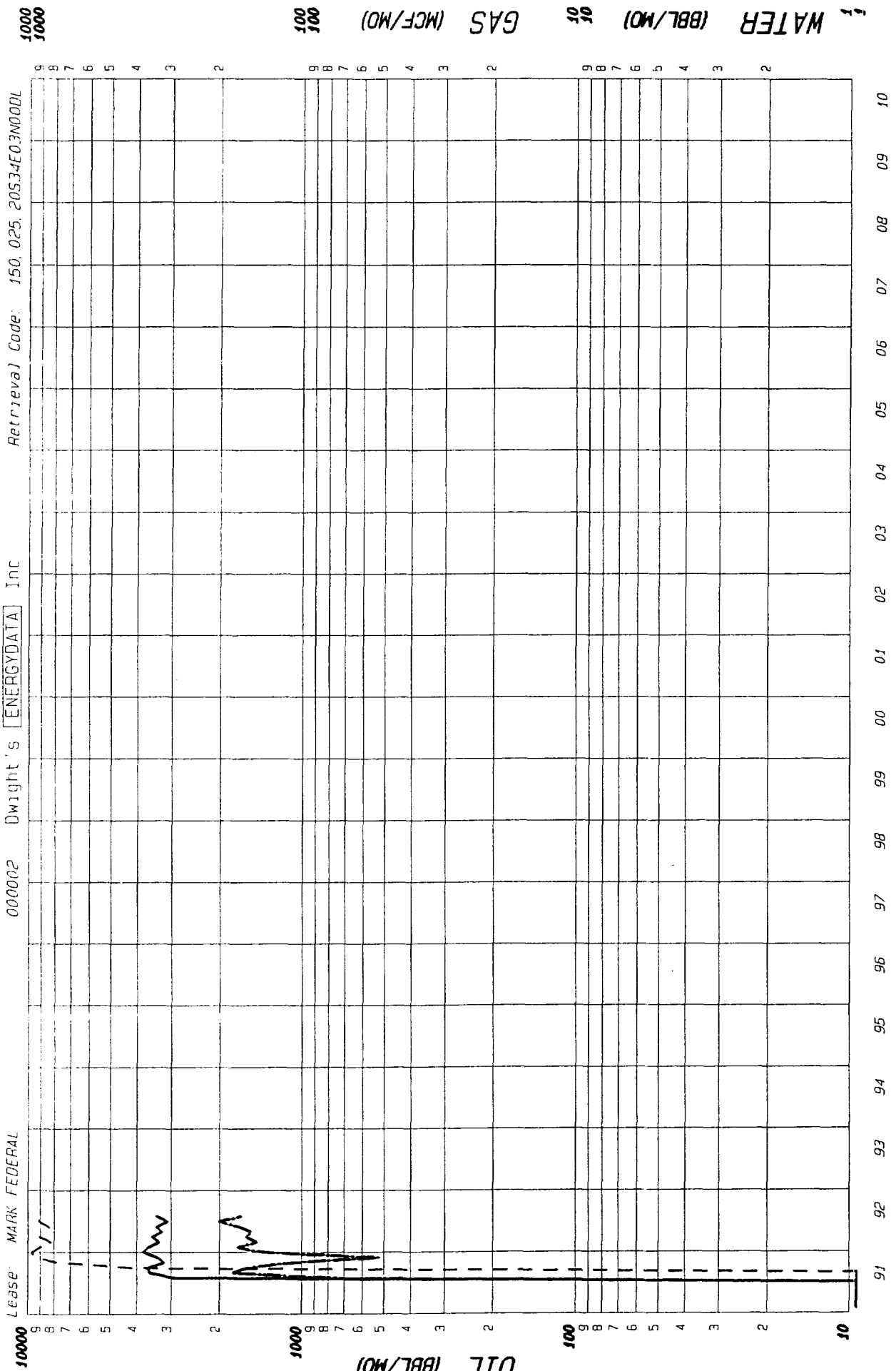
Lease: MARK FEDERAL 000001 Dwight's ENERGYDATA Inc Retrieval Code: 150.025.20534E03M00DL



BEFORE THE
OIL CONSERVATION DIVISION
 Santa Fe, New Mexico

Case No. 10653 Exhibit No. 10
 Submitted by: Armstrong Energy Corporation
 Hearing Date: January 7, 1993

County: LEA State: NM
 Field: QUAIL RIDGE (DELAWARE) DL
 Reservoir: DELAWARE
 Operator: READ & STEVENS INC
 Oil Cum: 51068 Gas Cum: 13957
 Location: 3M 20S 34E

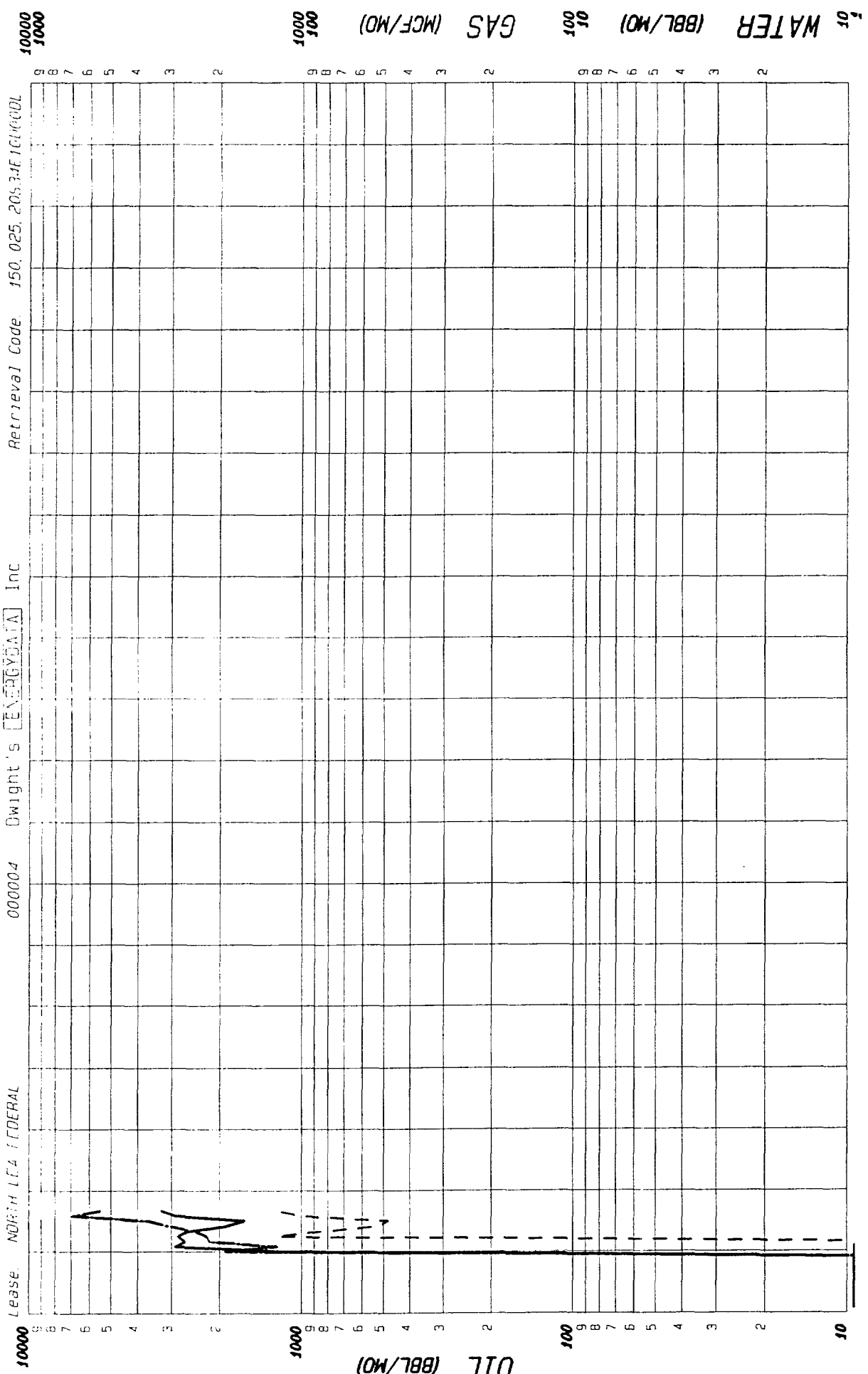


County: LEA State: NM
 Field: QUAIL RIDGE (DELAWARE) DL
 Reservoir: DELAWARE
 Operator: READ & STEVENS INC
 Oil Cum: 44020 Gas Cum: 9206
 Location: 3N 20S 34E

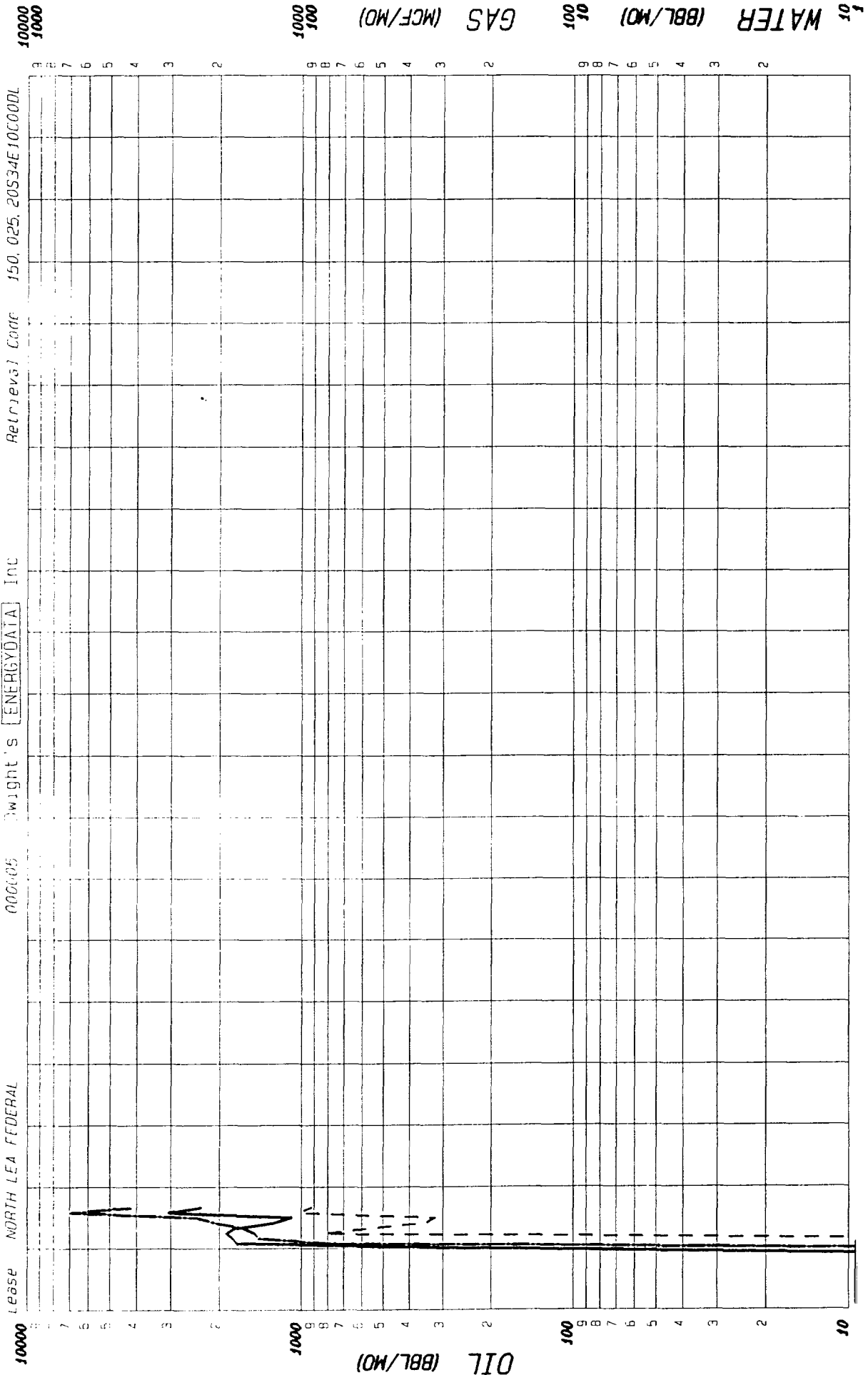
Lease: NORTH LEA FEDERAL

000004 Dwight's ENERGYDATA Inc

Retrieval Code 150.025.205.34E10100DL



County: LEA State: NM
 Field: QUAIL RIDGE (DELAWARE) DL
 Reservoir: DELAWARE
 Operator: READ & STEVENS INC
 Oil Cum: 21982 Gas Cum: 5319
 Location: 100 205 34E

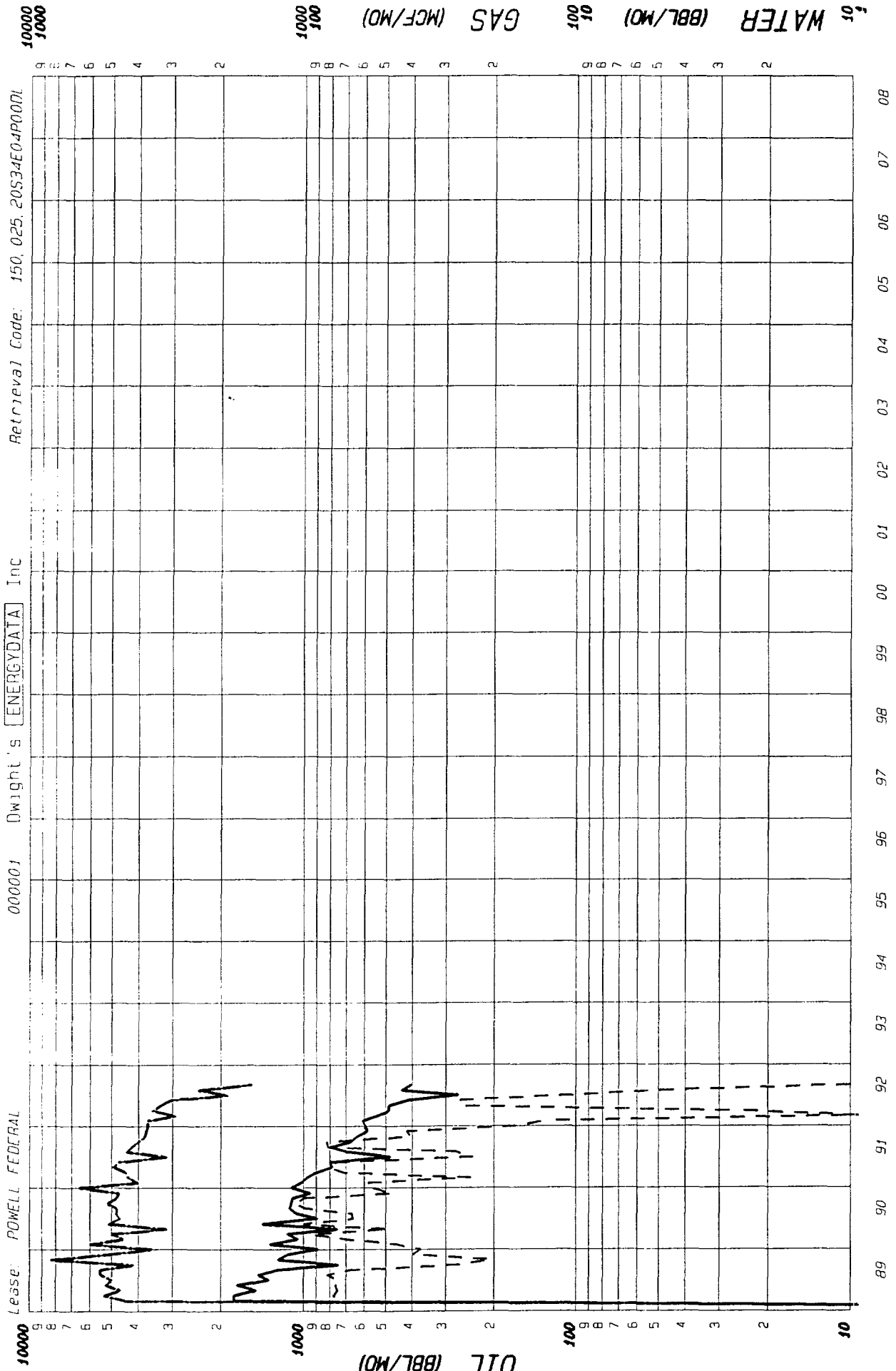


Lessee: NORTH LEA FEDERAL
 000005 Dwight's ENERGYDATA Inc
 Retrieval Code: 150, 025, 20S34E10C00DL

County: LEA State: NM
 Field: DUAL RIDGE (DELAWARE) DL
 Reservoir: DELAWARE
 Operator: READ & STEVENS INC
 Oil Cum: 15160 Gas Cum: 3991
 Location: 10C 20S 34E

F.P. Date 12-91

Date: 01-04-93



County: LEA State: NM
 Field: QUAIL RIDGE (DELAWARE) DL
 Reservoir: DELAWARE
 Operator: SNOW OIL & GAS INC
 Oil Cum: 40450 Gas Cum: 22547
 Location: 4P 20S 34E

F. P. Date 02-89

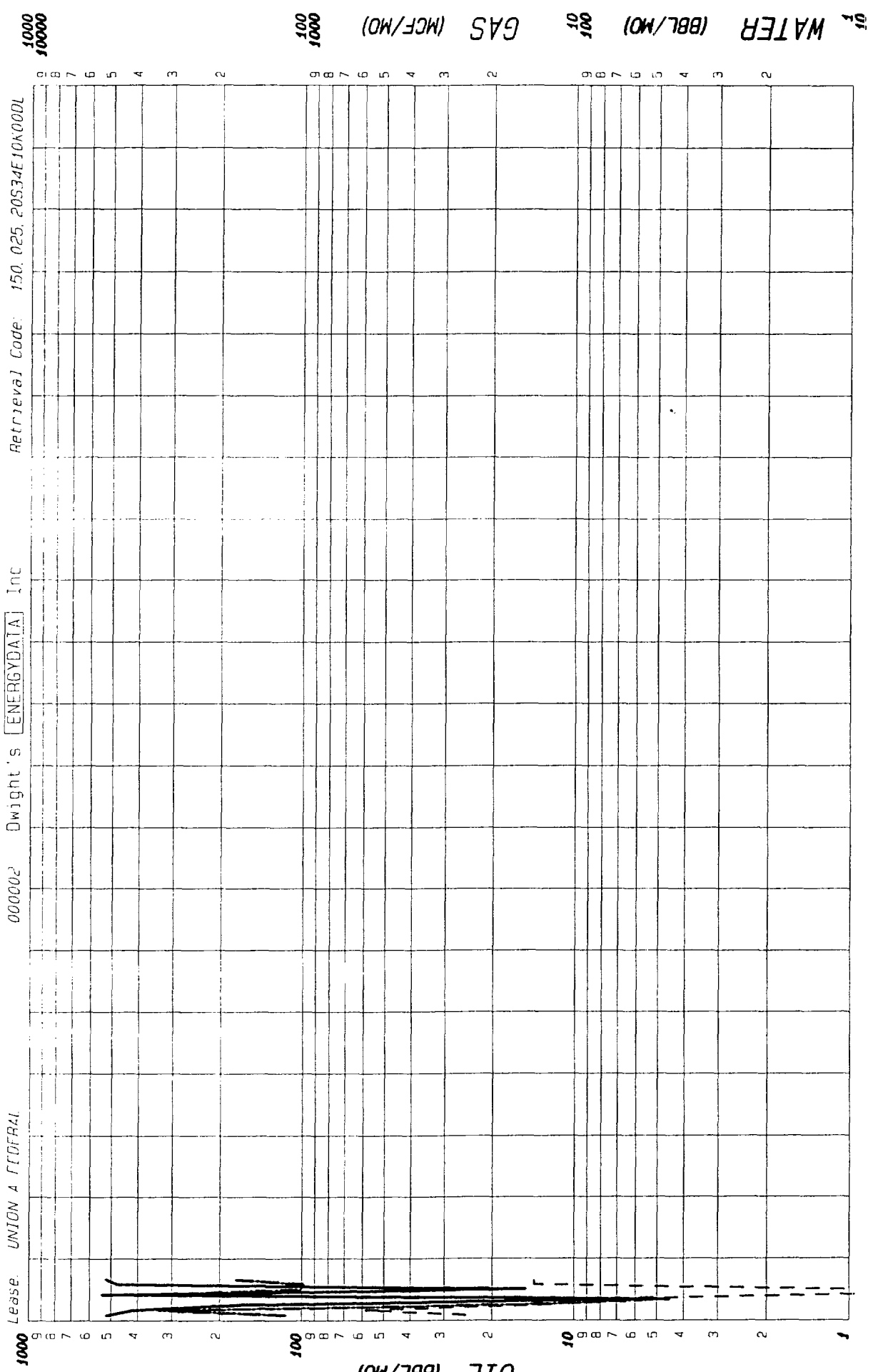
Date: 01-04-93

Lease: UNION A FEDERAL

000002

Dwight's ENERGYDATA Inc

Retrieval Code: 150.025.20534E10K000L



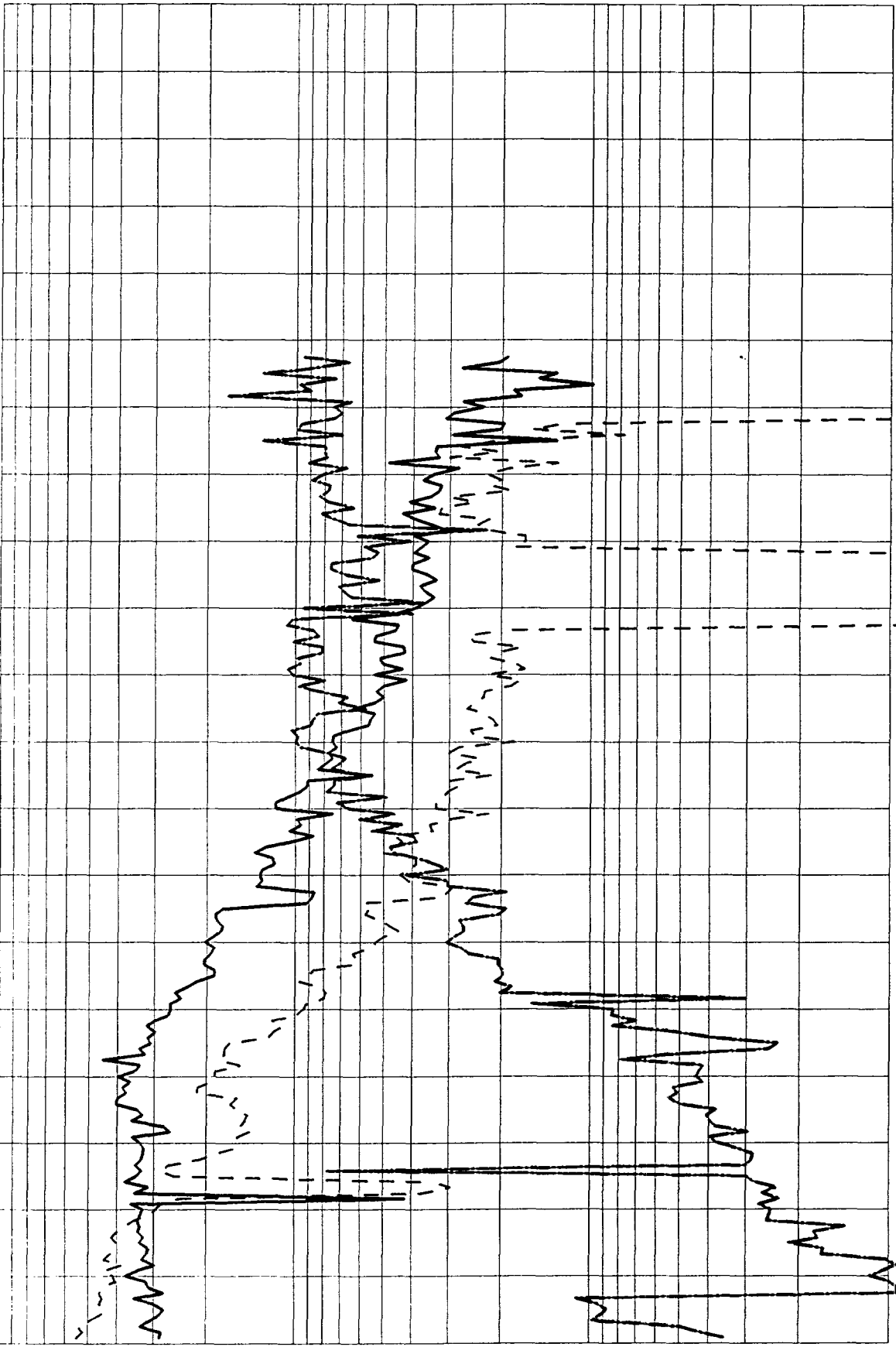
County: LEA State NM
 Field: QUAIL RIDGE (DELAWARE) Oil
 Reservoir: DELAWARE
 Operator: SNOW OIL & GAS INC
 Oil Cum: 2651 Gas Cum: 135
 Location: 10K_205_34E

F.P. Date 01-92

Date: 01-04-93

Lease: COTTON DRAW UNIT 000030 Dwight's ENERGY DATA Inc. Retrieval Code: 150.025.25532E21F00DL

10000 1000000
1000 10000
100 1000
10
OIL (BBL/MO)
GAS (MCF/MO)
WATER (BBL/MO)

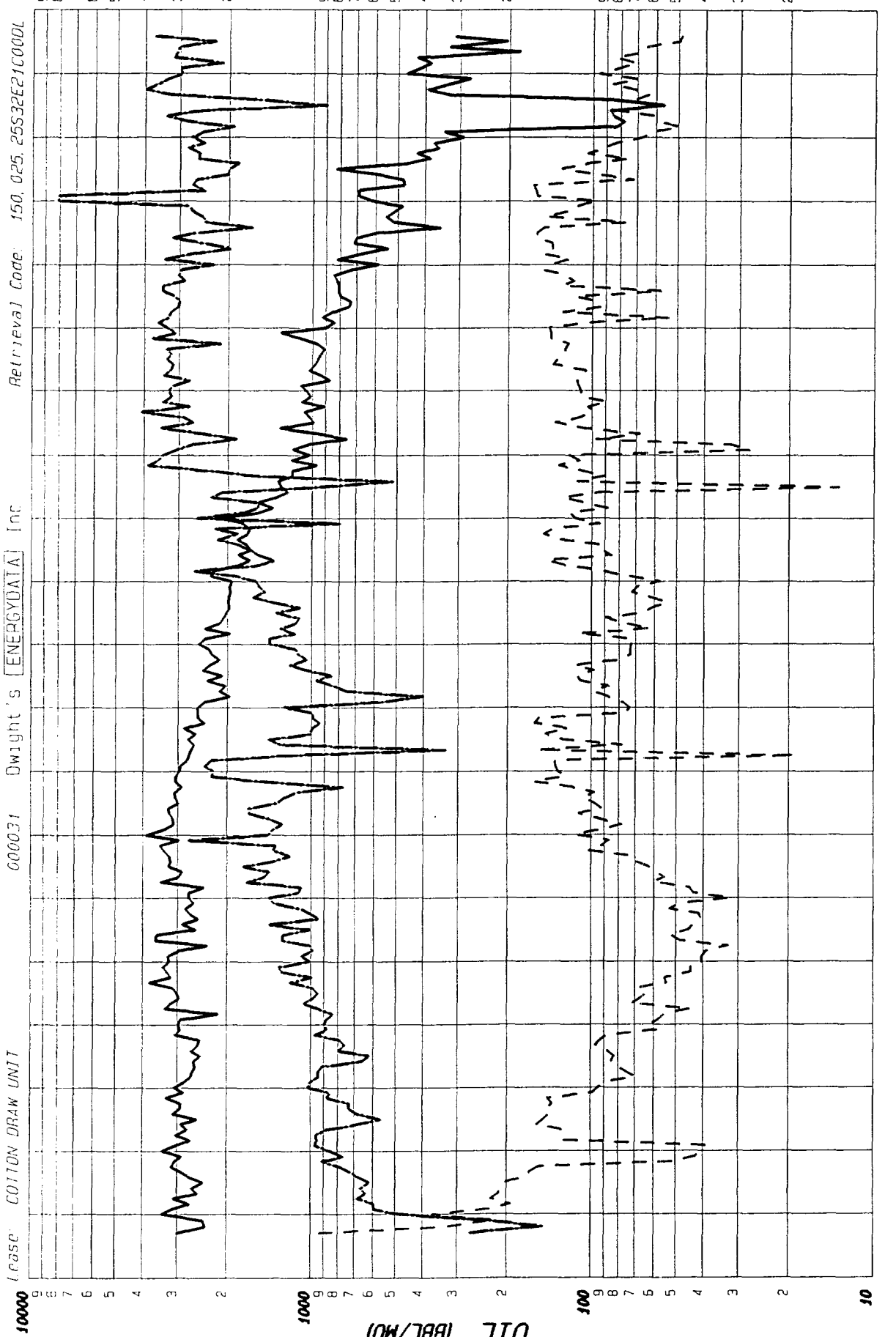


70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89

County: LEA State: NM
Field: PADUCA (DELAWARE) DL
Reservoir: DELAWARE
Operator: TEXACO EXPL & PROD INC
Oil Cum: 432577 Gas Cum: 480326
Location: 21F 255 32E

F. P. Date: 12-10-92

Case: COTTON DRAW UNIT 000031 Dwight's [ENERGYDATA] Inc. Retrieval Code: 150, 025, 25S32E21C00DL

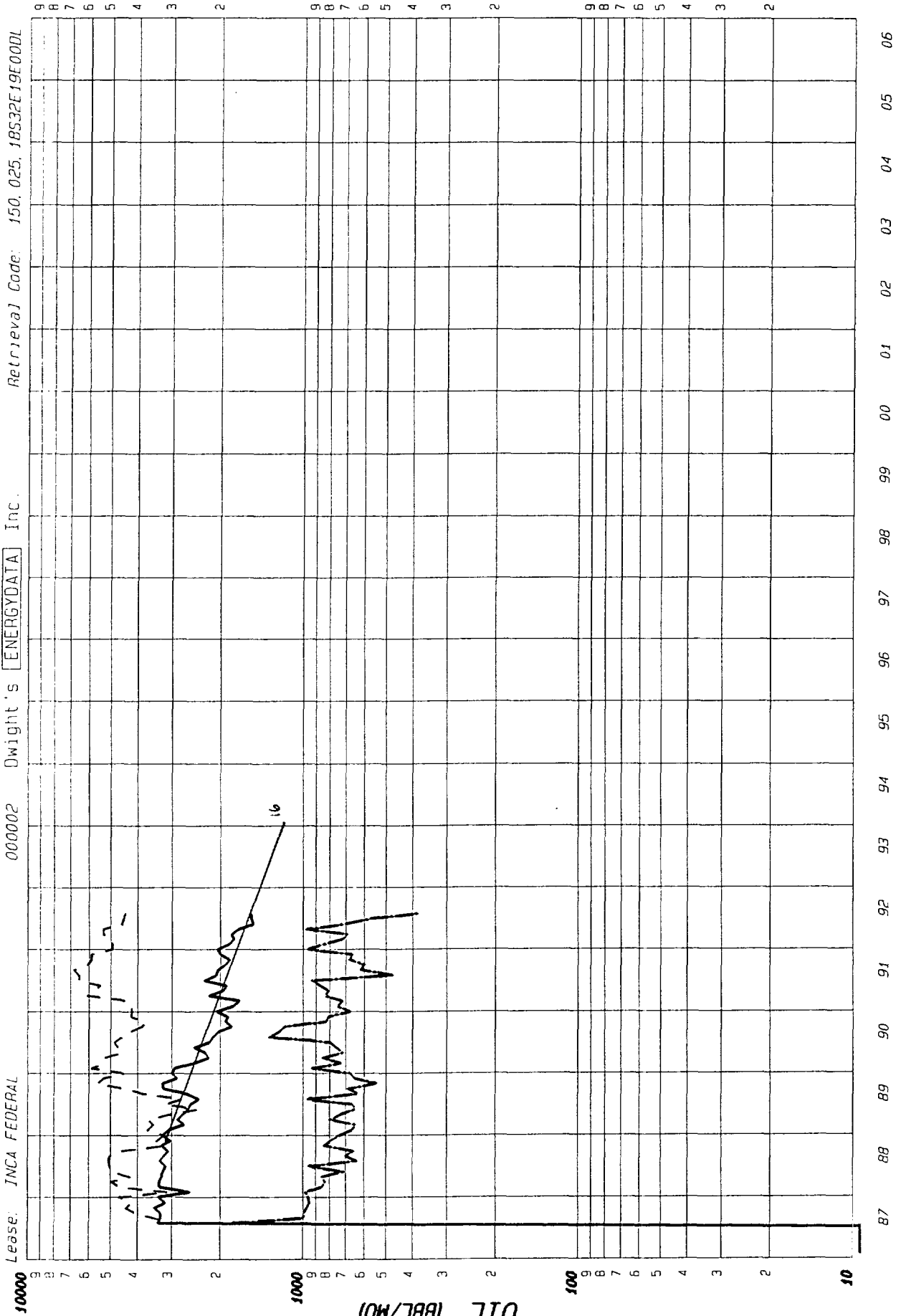


County: LEA State: NM
 Field: PADUCA (DELAWARE) DL
 Reservoir: DELAWARE
 Operator: TEXACO EXPL & PROD INC
 Oil Cum: 680235 Gas Cum: 761627
 Location: 21C 25S 32E

F. P. Date

Date: 12-10-92

Lease: INCA FEDERAL
 000002 Dwight's ENERGYDATA Inc.
 Retrieval Code: 150.025.18532E19E00DL

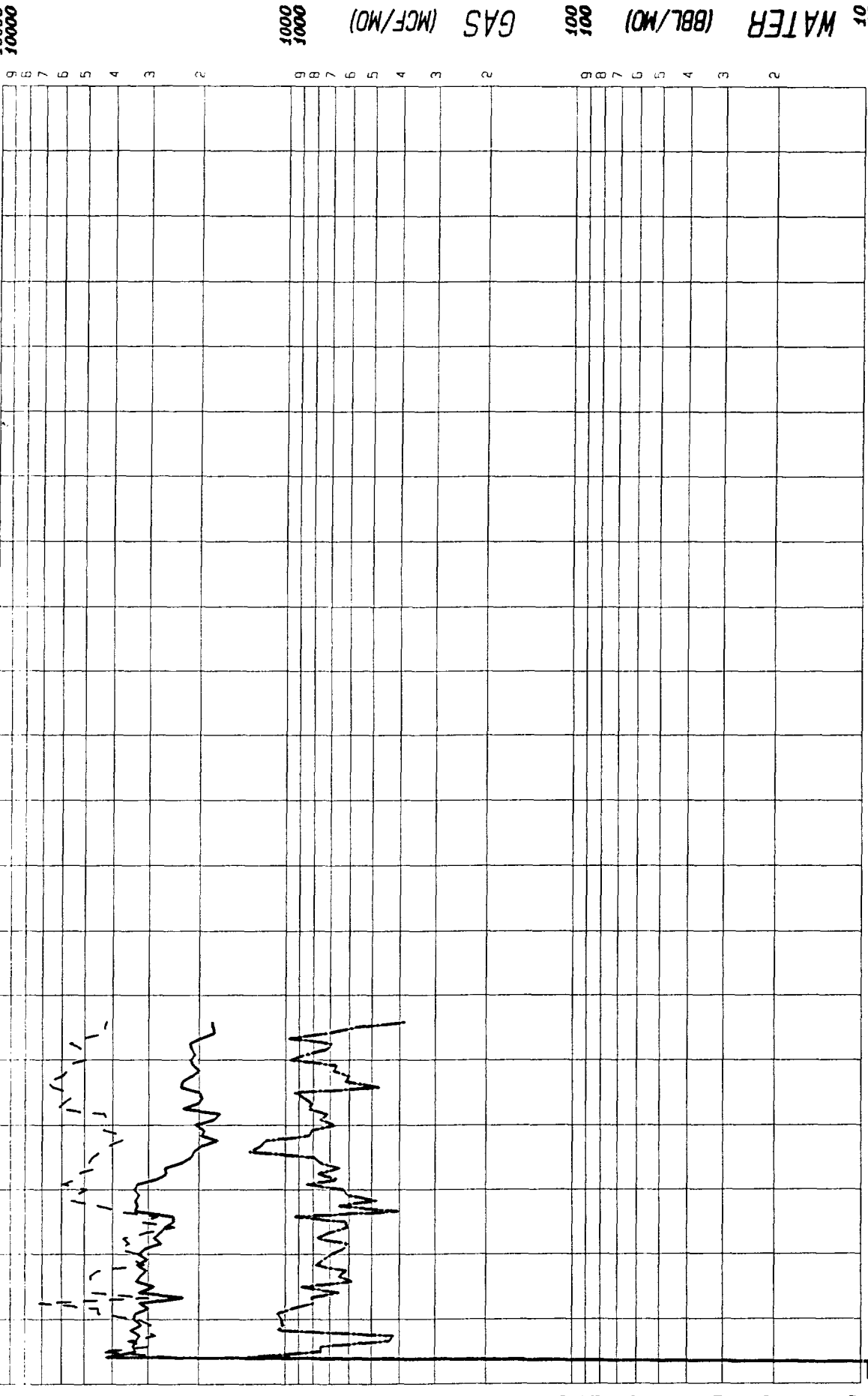


County: LEA State: NM
 Field: SHUGART EAST (DELAWARE) DL
 Reservoir: DELAWARE
 Operator: STEE OIL & GAS CORP
 Oil Cum: 153921 Gas Cum: 279037
 Location: 19E 18S 32E

F.P. Date 07-87

Date: 12-10-92

Lessee: INCA FEDERAL
 000001 Dwight's ENERGYDATA Inc.
 Retrieval Code: 150,025,18S32E19D000DL



87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06

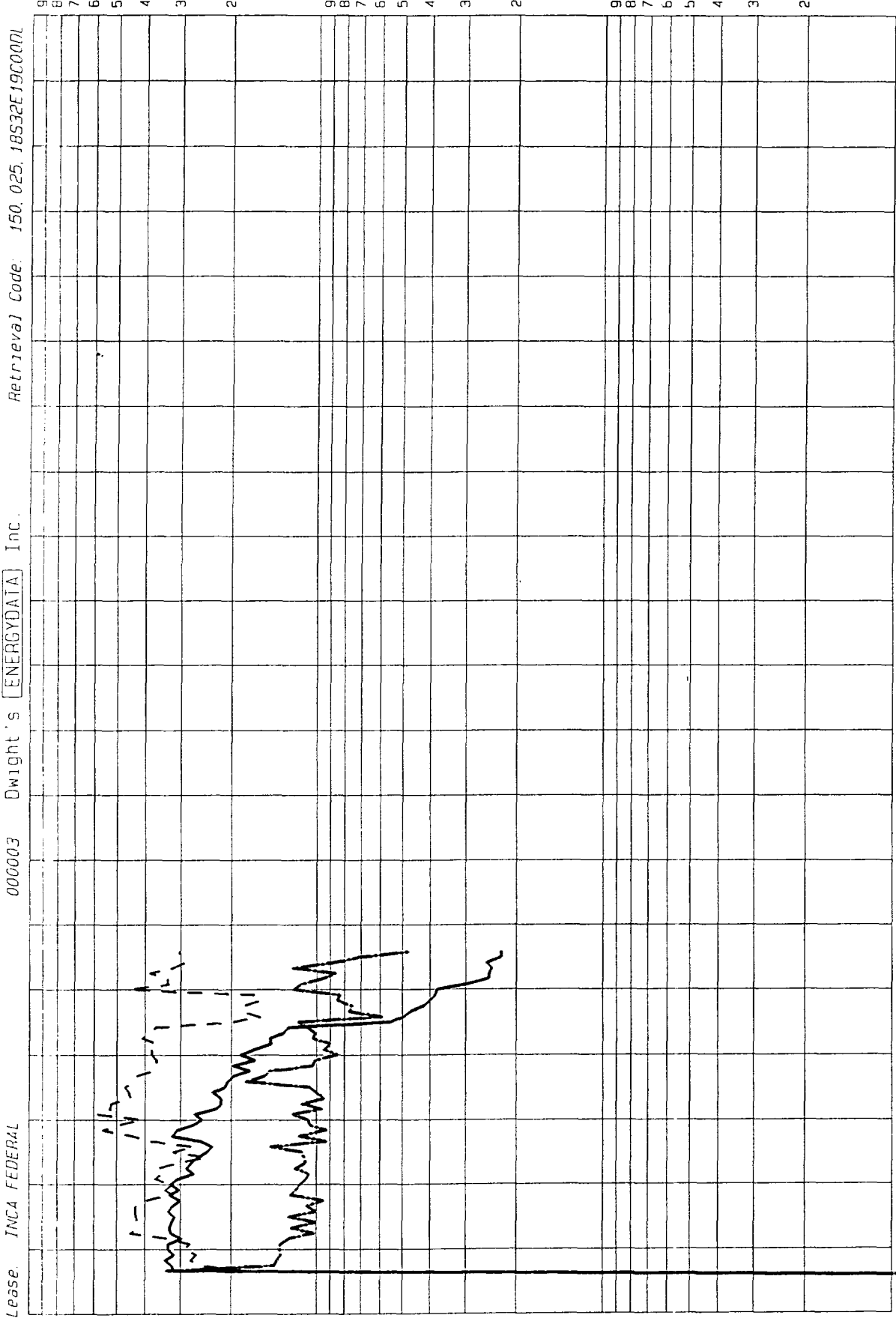
County: LEA State: NM
 Field: SHUGART EAST (DELAWARE) DL
 Reservoir: DELAWARE
 Operator: SIETE OIL & GAS CORP
 Oil Cum: 165479 Gas Cum: 279658
 Location: 190 18S 32E

F.P. Date 05-87

Date: 12-10-92

Lease: INCA FEDERAL 000003 Dwight's ENERGYDATA Inc. Retrieval Code: 150.025.18532E19C000L

10000
10000



County: LEA State: NM
 Field: SHUGART EAST (DELAWARE) DL
 Reservoir: DELAWARE
 Operator: SIETE OIL & GAS CORP
 Oil Cum: 124173 Gas Cum: 213619
 Location: 19C.18S.32E

F. P. Date 08-87

Date: 12-10-92

 * VOLUMETIC ANALYSIS *
 * OIL & GAS RESERVOIRS *

WELL NO.: MOBIL LEA STATE #1
 LOCATION: NE/SW SEC. 2-T20S-R34E
 OPERATOR: ARMSTRONG ENERGY CORP.
 FIELD : NORTH LEA DELAWARE

OIL OR GAS RESERVOIR ?
 OIL=1,GAS=2

1
 ^^^^^^^

-DATA-

INTERVAL NO.	HN FT.	POROSITY %	SW %	RECOVERY FACTOR %	RESERVES MCF	RESERVES BO
*****	*****	*****	*****	*****	*****	*****
1	10.00	19.00	44.00	20.00	11220	46751
2	10.00	21.00	40.00	20.00	13287	55363
3	10.00	20.00	43.00	20.00	12022	50091
4	10.00	19.00	46.00	20.00	10820	45082
5	10.00	18.00	47.00	20.00	10060	41918
6	6.00	17.00	50.00	20.00	5378	22409
7						
8						
9						
10						

TOTAL	56.00	*	*	*	62,787	261,613
AVERAGE	*	19.14	44.64	20.00	*	*

GAS GRAVITY : ?
 GAS FORMATION VOLUME FACTOR INITIAL Bg : ?
 FORMATION PRESSURE INITIAL PSI : 2360
 GAS FORMATION VOLUME FACTOR FINAL Bg : ?
 FORMATION PRESSURE FINAL PSI : 1000
 DRAINAGE AREA ACRES : 40
 BOTTOM HOLE TEMPERATURE F : 105

**BEFORE THE
 OIL CONSERVATION DIVISION**
 Santa Fe, New Mexico

Case No. 10653 Exhibit No. 11

Submitted by: Armstrong Energy Corporation

Hearing Date: January 7, 1993

REASONS FOR REQUESTING HIGHER ALLOWABLES

1) REDUCE WASTE BY MORE EFFICIENTLY PRODUCING THE WELLS, HIGHER RATES WOULD MEAN QUICKER RECOVERY AND REDUCED OPERATING COST. THUS RESULTING IN QUICKER PAYOUTS AND MORE CAPITAL FOR INVESTMENT.

2) THESE WELLS ARE COSTING APPROXIMATELY \$100,000 MORE TO DRILL BECAUSE OF EXTRA CASING BEING RUN AND SEVERE LOST CIRCULATION IN THE SEVEN RIVERS REEF ZONE. MORE FAVORABLE ECONOMICS WOULD MEAN QUICKER PAYOUTS AND MORE DEVELOPEMENT IN THE AREA.

3) BECAUSE OF THE SEVERE LOST CIRCULATION PROBLEMS IN THE SEVEN RIVERS REEF ZONE, THE PRIMARY CEMENT JOBS ACROSS THIS INTERVAL ARE POOR. THIS LEADS TO CASING LEAKS, BECAUSE THE PRODUCTION CASING IS EXPOSED TO THE CORROSIVE WATERS IN THIS INTERVAL. THE NORTH LEA FEDERAL No. 5 HAS HAD TWO CASING LEAKS. A CASING LEAK IN THE LATER LIFE OF ONE OF THESE WELLS WOULD RESULT IN THE PREMATURE ABANDONMENT AND LOSS OF RESERVES.

4) THERE ARE AS MANY AS FOUR DELAWARE ZONES IN THESE WELLS. BECAUSE EACH ZONE IS CAPABLE OF PRODUCTION OVER THE ALLOWABLE, SUBSEQUENT ZONES WILL NOT BE COMPLETED UNTIL THE FIRST ZONE HAS DECLINED IN PRODUDUCTION. THUS EXTENDING THE LIFE OF THE WELL AND INCREASING OPERATING COSTS AND EXPOSURE TO CASING FAILURE.

5) INCREASED ALLOWABLES WILL NOT RESULT IN RESERVOIR DAMAGE. THERE ARE MANY DELAWARE WELLS THAT PRODUCE TOTAL FLUID VOLUMES IN EXCESS OF 200 BBLS. PER DAY. THIS WELL HAS HIGH PRODUCTIVITY INDEX AND IS CAPABLE OF PRODUCING AT HIGHER RATES WITHOUT DAMAGE.

6) CORRELATIVE RIGHTS WILL BE PROTECTED. THE 3 RD SAND IN THE ARMSTONG WELL IS WET IN THE HARKEN WELL TO THE EAST AND THE SPECTRUM 7 WELL TO THE SOUTH. THE PRODUCTIVE AREA IS LOCATED IN THE WEST HALF OF SECTION 2 AND THE NORTHEAST OF SECTION 10 AND THE SOUTHEAST OF SECTION 3. THE MOBIL LEA ST. #1 IS LOCATED AT A LEGAL LOCATION 1800' FSL & 1980' FWL SEC 2-T20S-R34E.

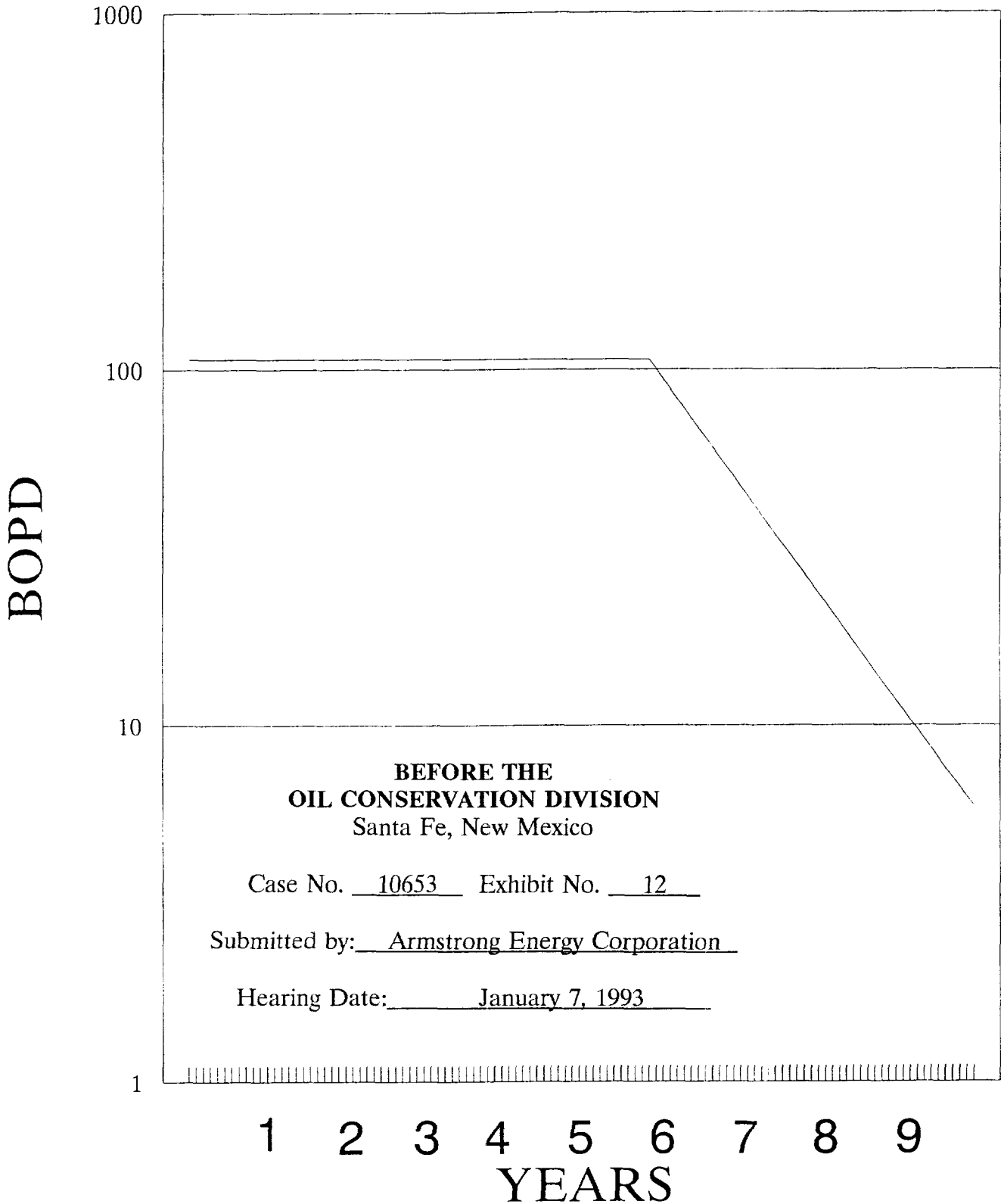
**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 10653 Exhibit No. 14

Submitted by: Armstrong Energy Corporation

Hearing Date: January 7, 1993

107 BOPD ALLOWABLE



**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 10653 Exhibit No. 12

Submitted by: Armstrong Energy Corporation

Hearing Date: January 7, 1993

— BOPD

CASE NAME: MOBILST1
 CMD NAME: ogre (130)

101 MOBIL LEA STATE # 1
 102 N.E. LEA DELEWARE
 103 LEA COUNTY, NEW MEXICO
 104 ARMSTRONG ENERGY CORP.

117 CASE \$CASE

- * 107 PREPARED FOR
- * 108 ARMSTRONG ENERGY CORP.
- * 120 12 92 12 12 1 92 10 1

	W.I. FRACTION	OP. COST (\$/W/MO)	OP. COST (\$/MO.)	ADV. TAX (PCT)	MAJOR PH. NAME	PROD DATE (MO/DY/YR)
210	1.00000000	2320.00	.00	.953	OIL	12/ 1/92

	PHASE NAME	CUM PROD (MUNITS)	REV. INT FRACTION	PRICE (\$/UNIT)	SEV. TAX (PCT)	NO. OF WELLS	RATIO TO MAJOR PH
221	OIL	.000	.74000000	20.000	7.080	1.0	
222	GAS	.000	.74000000	1.700	7.080	.0	.240

	PH. NAME	CURVE TP	DECLINE%	QI RATE	QT RATE	CUM. LIMIT	(M OR Y)	CALC VALUE
410	OIL	FLAT	.000	107.000	107.000	5.400	YRS	D
CALC	OIL	FLAT	END= .000	107.000	107.000	5.400	YRS	D 210.897 MBBL
412	OIL	EXP	50.000	LAST	EL	X	X	D
CALC	OIL	EXP	END= 50.000	107.000	5.488	9.685	YRS	D 264.352 MBBL

	INV NAME	INV. POINT	(G OR N)	TANG-M\$	INTANG-M\$	LSEHLD-M\$	RISK FRAC	OVHD FLAG
802	INVEST	.000 YRS	G	200.000	200.000	.000		

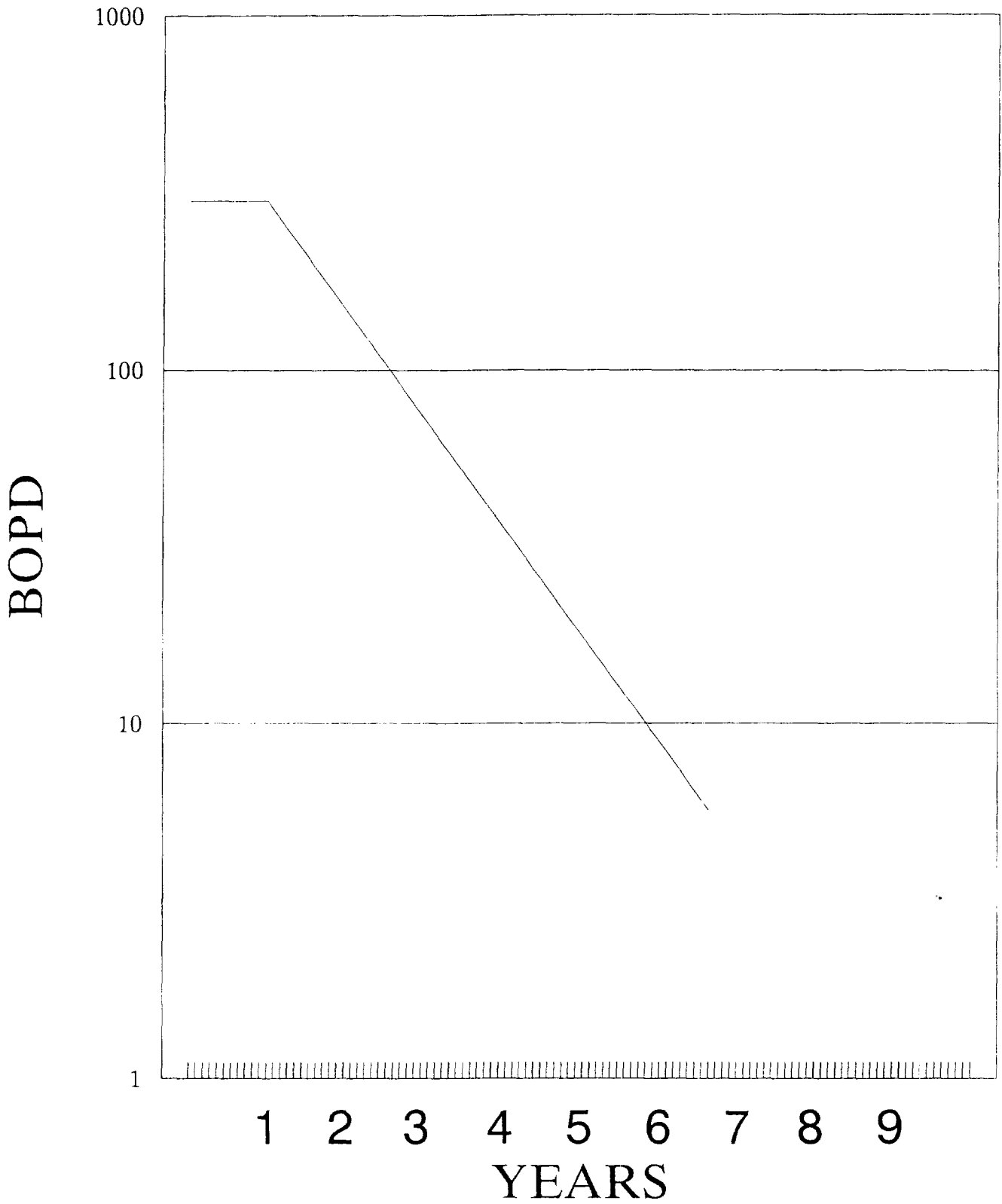
RESERVES AND ECONOMICS

PREPARED FOR
 ARMSTRONG ENERGY CORP.

AS OF DECEMBER 1, 1992

-END- MO-YR	---GROSS PRODUCTION---		---NET PRODUCTION---		--PRICES--		-----OPERATIONS, M\$-----			CAPITAL COSTS, M\$	CASH FLOW BTAX, M\$	10.00 PCT CUM. DISC BTAX, M\$	
	OIL, MMBL	GAS, MMCF	OIL, MMBL	GAS, MMCF	OIL \$/B	GAS \$/M	NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES				
12-92	3.255	.781	2.409	.578	20.00	1.70	49.163	3.916	2.320	400.000	-357.073	-357.243	
12-93	39.055	9.373	28.901	6.936	20.00	1.70	589.811	46.983	27.840	.000	514.988	130.079	
12-94	39.055	9.374	28.901	6.937	20.00	1.70	589.813	46.983	27.840	.000	514.990	573.100	
12-95	39.055	9.373	28.901	6.936	20.00	1.70	589.811	46.983	27.840	.000	514.988	975.845	
12-96	39.055	9.373	28.901	6.936	20.00	1.70	589.811	46.983	27.840	.000	514.988	1341.977	
12-97	39.055	9.373	28.901	6.936	20.00	1.70	589.811	46.983	27.840	.000	514.988	1674.824	
12-98	33.624	8.070	24.882	5.972	20.00	1.70	507.792	40.450	27.840	.000	439.502	1933.060	
12-99	17.544	4.211	12.983	3.116	20.00	1.70	264.957	21.106	27.840	.000	216.011	2048.442	
12- 0	8.772	2.105	6.491	1.558	20.00	1.70	132.469	10.552	27.840	.000	94.077	2094.125	
12- 1	4.386	1.052	3.246	.778	20.00	1.70	66.243	5.277	27.840	.000	33.126	2108.748	
12- 2	1.496	.359	1.107	.266	20.00	1.70	22.592	1.800	16.757	.000	4.035	2110.398	
S TOT	264.352	63.444	195.623	46.949	20.00	1.70	3992.273	318.016	269.637	400.000	3004.620	2110.398	
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	2110.398	
TOTAL	264.352	63.444	195.623	46.949	20.00	1.70	3992.273	318.016	269.637	400.000	3004.620	2110.398	
CUM.	.000	.000											
ULT.	264.352	63.444											
							NET OIL REVENUES (M\$)	3912.460		-----PRESENT WORTH PROFILE-----			
							NET GAS REVENUES (M\$)	79.813		DISC	PW OF NET	DISC	PW OF NET
							TOTAL REVENUES (M\$)	3992.273		RATE	BTAX, M\$	RATE	BTAX, M\$
BTAX RATE OF RETURN (PCT)			100.00				PROJECT LIFE (YEARS)	9.685	.0	3004.620	30.0	1202.778	
BTAX PAYOUT YEARS			.78				DISCOUNT RATE (PCT)	10.000	2.0	2785.797	35.0	1067.916	
BTAX PAYOUT YEARS (DISC)			.82				GROSS OIL WELLS	1.000	5.0	2499.237	40.0	954.403	
BTAX NET INCOME/INVEST			8.51				GROSS GAS WELLS	.000	8.0	2254.326	45.0	857.870	
BTAX NET INCOME/INVEST (DISC)			6.28				GROSS WELLS	1.000	10.0	2110.398	50.0	774.994	
									12.0	1979.775	60.0	640.606	
INITIAL W.I. FRACTION			1.000000				INITIAL NET OIL FRACTION	.740000	15.0	1805.417	70.0	536.848	
FINAL W.I. FRACTION			1.000000				FINAL NET OIL FRACTION	.740000	18.0	1653.119	80.0	454.666	
PRODUCTION START DATE			12- 1-92				INITIAL NET GAS FRACTION	.740000	20.0	1562.057	90.0	388.151	
MONTHS IN FIRST LINE			1.00				FINAL NET GAS FRACTION	.740000	25.0	1364.840	100.0	333.310	

300 BOPD ALLOWABLE



— BOPD

CASE NAME: MOBILST1
 CMD NAME: ogre (130)

101 MOBIL LEA STATE # 1
 102 N.E. LEA DELEWARE
 103 LEA COUNTY, NEW MEXICO
 104 ARMSTRONG ENERGY CORP.

117 CASE \$CASE
 * 107 PREPARED FOR
 * 108 ARMSTRONG ENERGY CORP.
 * 120 12 92 12 12 1 92 10 1

	W.I. FRACTION	OP. COST (\$/W/MO)	OP. COST (\$/MO.)	ADV. TAX (PCT)	MAJOR PH. NAME	PROD DATE (MO/DY/YR)
210	1.00000000	2320.00	.00	.953	OIL	12/ 1/92

	PHASE NAME	CUM PROD (MUNITS)	REV. INT FRACTION	PRICE (\$/UNIT)	SEV. TAX (PCT)	NO. OF WELLS	RATIO TO MAJOR PH
221	OIL	.000	.74000000	20.000	7.080	1.0	
222	GAS	.000	.74000000	1.700	7.080	.0	.240

	PH. NAME	CURVE TP	DECLINE%	QI RATE	QT RATE	CUM. LIMIT	(M OR Y)	CALC VALUE
410	OIL	FLAT	.000	300.000	300.000	1.000	YRS	D
CALC	OIL	FLAT	END= .000	300.000	300.000	1.000	YRS	D 109.500 MBBL
412	OIL	EXP	50.000	LAST	EL	X	X	D
CALC	OIL	EXP	END= 50.000	300.000	5.488	6.773	YRS	D 264.585 MBBL

	INV NAME	INV. POINT	(G OR N)	TANG-M\$	INTANG-M\$	LSEHLD-M\$	RISK FRAC	OVHD FLAG
802	INVEST	.000 YRS	G	200.000	200.000	.000		

R E S E R V E S A N D E C O N O M I C S
 - - - - -

PREPARED FOR
 ARMSTRONG ENERGY CORP.

AS OF DECEMBER 1, 1992

-END- MO-YR	---GROSS PRODUCTION---		---NET PRODUCTION---		--PRICES--		-----OPERATIONS, M\$-----			CAPITAL COSTS, M\$	CASH FLOW BTAX, M\$	10.00 PCT CUM. DISC BTAX, M\$
	OIL, MBBL	GAS, MMCF	OIL, MBBL	GAS, MMCF	OIL \$/B	GAS \$/M	NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES			
12-92	9.125	2.190	6.753	1.621	20.00	1.70	137.816	10.978	2.320	400.000	-275.482	-275.975
12-93	109.241	26.218	80.838	19.401	20.00	1.70	1649.742	131.415	27.840	.000	1490.487	1134.440
12-94	74.555	17.893	55.171	13.241	20.00	1.70	1125.930	89.689	27.840	.000	1008.401	2001.919
12-95	37.277	8.947	27.585	6.621	20.00	1.70	562.956	44.843	27.840	.000	490.273	2385.336
12-96	18.639	4.473	13.793	3.310	20.00	1.70	281.487	22.422	27.840	.000	231.225	2549.726
12-97	9.319	2.236	6.896	1.655	20.00	1.70	140.734	11.211	27.840	.000	101.683	2615.446
12-98	4.659	1.119	3.448	.828	20.00	1.70	70.368	5.605	27.840	.000	36.923	2637.141
12-99	1.770	.424	1.310	.314	20.00	1.70	26.734	2.130	19.189	.000	5.415	2640.076
S TOT	264.585	63.500	195.794	46.991	20.00	1.70	3995.767	318.293	188.549	400.000	3088.925	2640.076
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	2640.076
TOTAL	264.585	63.500	195.794	46.991	20.00	1.70	3995.767	318.293	188.549	400.000	3088.925	2640.076
CUM.	.000	.000					NET OIL REVENUES (M\$)	3915.880				
							NET GAS REVENUES (M\$)	79.887				
ULT.	264.585	63.500					TOTAL REVENUES (M\$)	3995.767				
									-----PRESENT WORTH PROFILE-----			
BTAX RATE OF RETURN (PCT)		100.00					PROJECT LIFE (YEARS)	6.773				
BTAX PAYOUT YEARS		.27					DISCOUNT RATE (PCT)	10.000	2.0	3088.925	30.0	2053.754
BTAX PAYOUT YEARS (DISC)		.28					GROSS OIL WELLS	1.000	5.0	2987.008	35.0	1947.520
BTAX NET INCOME/INVEST		8.72					GROSS GAS WELLS	.000	8.0	2846.405	40.0	1852.407
BTAX NET INCOME/INVEST (DISC)		7.60					GROSS WELLS	1.000	10.0	2718.785	45.0	1766.761
									12.0	2640.076	50.0	1689.232
INITIAL W.I. FRACTION		1.000000					INITIAL NET OIL FRACTION	.740000	15.0	2565.957	60.0	1554.299
FINAL W.I. FRACTION		1.000000					FINAL NET OIL FRACTION	.740000	18.0	2462.567	70.0	1440.818
PRODUCTION START DATE		12- 1-92					INITIAL NET GAS FRACTION	.740000	20.0	2367.533	80.0	1344.003
MONTHS IN FIRST LINE		1.00					FINAL NET GAS FRACTION	.740000	25.0	2308.342	90.0	1260.387
										2173.166	100.0	1187.403

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

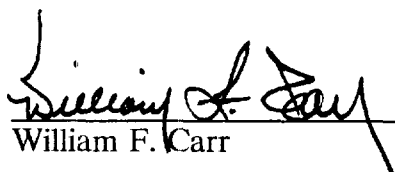
IN THE MATTER OF THE APPLICATION
OF ARMSTRONG ENERGY CORPORATION,
FOR SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

CASE NO. 10653

AFFIDAVIT OF MAILING

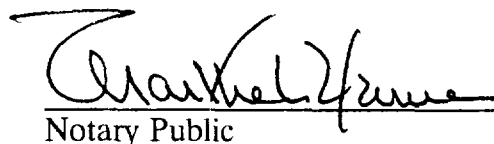
William F. Carr, being duly sworn, states that on November 16, 1992 he mailed a copy of the application of Armstrong Energy Corporation, for special pool rules, Lea County, New Mexico with letter(s) setting forth the hearing date, by regular mail, to the following individuals listed on Exhibit A attached:

Further Affiant sayeth naught.



William F. Carr

SUBSCRIBED AND SWORN to before me this 6th day of January, 1993.



Notary Public

My Commission Expires:

August 19, 1995

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 10653 Exhibit No. 15

Submitted by: Armstrong Energy Corporation

Hearing Date: January 7, 1993

EXHIBIT A

Harken Exploration Co.
Post Office Box 10626
Midland, TX 79702

Pennzoil Exploration &
Production Co.
Post Office Box 7967
Houston, TX 77252

Devon Energy Corp.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

Read & Stevens, Inc.
Post Office Box 1518
Roswell, New Mexico 88202

Snow Oil & Gas Inc.
Post Office Box 1277
Andrews, TX 79714

Bill Fenn, Inc.
Post Office Box 569
Giddings, TX 78742



CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

December 16, 1992

TO: ALL OWNERS OF INTEREST IN THE NORTHEAST LEA-DELAWARE POOL
AREA

Re: Application of Armstrong Energy Corporation for Special Pool Rules, Lea
County, New Mexico

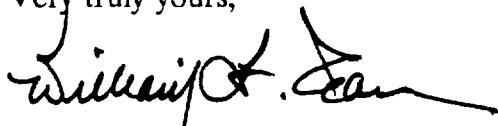
Gentlemen:

This letter is to advise you that Armstrong Energy Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking an Order promulgating Special Pool Rules and Regulations for the Northeast Lea-Delaware Pool located in Section 35, Township 19 South, Range 34 East and Section 20, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico setting a special oil allowable for the pool of 300 barrels per day.

This application has been set for hearing before an Examiner of the Oil Conservation Division on January 7, 1993. You are not required to attend this hearing, but as the owner of an interest that may be affected by this application, you may appear at that hearing and present testimony. Failure to appear at that time or otherwise become a party of record will preclude you from challenging this application at a later date.

Parties appearing in cases before the Division have been requested to file a Pre-hearing Statement substantially in the form prescribed by the Division (Oil Conservation Division Memorandum 2-90). Pre-hearing statements should be filed by 4:00 o'clock p.m., on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR ARMSTRONG ENERGY CORPORATION

WFC:mlh

Enclosure

CHARLES B. READ
PRESIDENT

Read & Stevens, Inc.

*Oil Producers
P. O. Box 1513
Roswell, New Mexico 88202*

December 30, 1992

RECEIVED
JAN - 4 1993
CAMPBELL, CARR, et. al.

Campbell, Carr, Berge & Sheridan
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Attention: William F. Carr

RE: Application of Armstrong Energy Corporation for Special Pool
Rules, Lea County, New Mexico

Gentlemen:

Read & Stevens, Inc. is in receipt of your letter dated December 16, 1992, advising Armstrong Energy Corporation has filed an application with the Oil Conservation Division seeking an order for special pool rules in the Northeast Lea-Delaware Pool. Please be advised that Read & Stevens, Inc. fully supports the application made by Armstrong Energy, and believes that an increase in the allowable is a prudent action.

Currently we operate six producing Delaware wells and are drilling a seventh Delaware well in the Quail Ridge Delaware field which is less than one mile to the west of the Armstrong Energy acreage. The producing Delaware wells that we operate are all on sucker rod pumping systems and are all pumping at top allowable rates with very high fluid levels. The high fluid levels are indicative of a formation that has a deliverability which is much greater than the existing 107 BOPD top allowable rate that we currently produce.

Sincerely,

READ & STEVENS, INC.

John C. Maxey, Jr.
John C. Maxey, Jr.
Petroleum Engineer

JCM/sr/POOLRULE.CARR

xc: Well File

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 10653 Exhibit No. 16

Submitted by: Armstrong Energy Corporation

Hearing Date: January 7, 1993

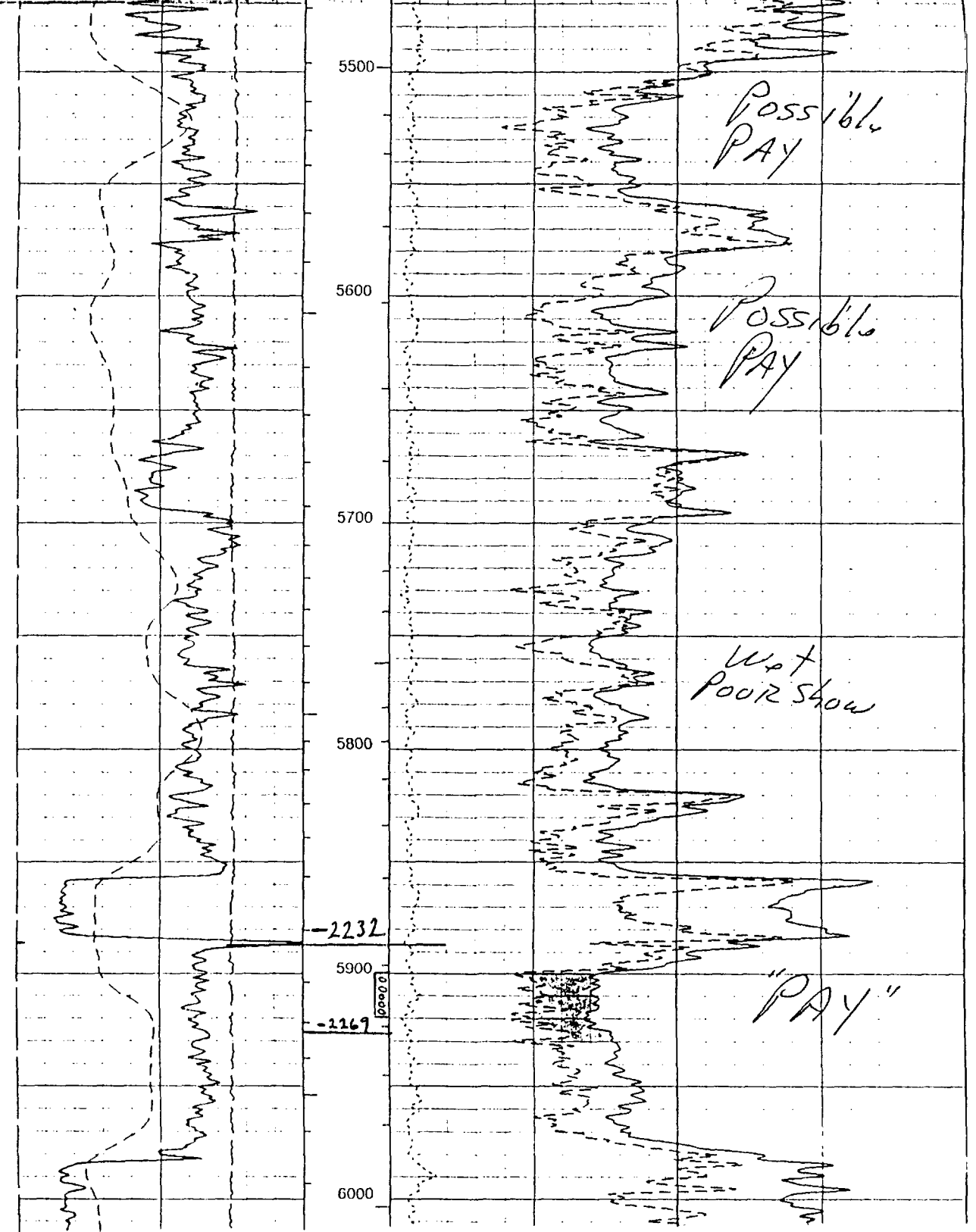
FINAL COMPOSITE
Schlumberger

**LITHO-DENSITY/
COMPENSATED NEUTRON**

County: LEA
Field: N. LEA DELAWARE
Location: 533' FNL & 2094' FEL
Well: N. LEA FEDERAL #6
Company: READ & STEVENS

Company:	READ & STEVENS	Well:	N. LEA FEDERAL #6	Field:	N. LEA DELAWARE	County:	LEA	State:	NEW MEXICO
LOCATION		533' FNL & 2094' FEL		API SERIAL NO.		SECTION	TOWNSHIP	RANGE	Other Services:
				10		20S	34E		DLL/MSFL FECOL LSS
Permeant Datum	G.L.	Elevation:	3643 F	Log Measured From		RKB	11.8	Ft. above Perm. Datum	
Drilling Measured From	RKB								

Date	15-SEP-92	24-SEP-92
Run No.	1	2
Depth-Driller	3860	6462
Depth-Logger	3854	6464
Btm. Log Interval	300	4996
Top Log Interval	13375 @ 1570	8525 @ 5000
Casing-Driller	1570	4996
Casing-Logger	11	7875
Bit Size	BRINE	SALT GEL/STARCH
Fluid Type	10.6 LB/G / 29 S	9.8 LB/G / 32 S
Dens. Visc.	7 / 0.03	10 / 5.03
pH / Fluid Loss	PT	SHAKER
Source of Sample	Rm @ Meas Temp	Rm @ Meas Temp
Rm @ Meas Temp	101 @ 70	071 @ 71
Rim @ Meas Temp	078 @ 70	062 @ 71
Rimc @ Meas Temp		
Source: Rim/Rmc	CALC	MEAS
Rm @ BHT	075 @ 97	045 @ 117
Time Circ. Stripped	0100 9-15	2000 9-23
Logger on Btm.	1153 9-15	0607 9-24
Max. Rec. Temp.	97	117
Equip. / Location	2030 / HOBBS	2033 / HOBBS
Recorded By:	BILLINGSLEY	LIEBERENZ
Witnessed By:	BRAOSHAW	BRAOSHAW





ATLAS WIRELINE SERVICES

COMPENSATED Z-DENSILOG
COMPENSATED NEUTRON
GAMMA RAY & CALLIPER

FILE NO. COMPANY ARMSTRONG ENERGY CORPORATION

WELL MOBIL LEA STATE NO. 1

API NO. FIELD N.E. LEA DELAWARE

30-025-31636 COUNTY LEA STATE NEW MEXICO

FIELD PRINT LOCATION: 1800' FSL & 1980' FML OTHER SERVICES DLL/MIL DIPLOG

PERMANENT DATUM GROUND LEVEL ELEVATION 3672.8 FT. ELEVATIONS KB 3680.8' DF 3679.8' GL 3672.8'

LOG MEASURED FROM KELLY BUSHING 8 FT. ABOVE PERMANENT DATUM

DATE 18-OCT-1992

SERVICE ORDER 94861

DEPTH DRILLER 6285

DEPTH LOGGER 6282

TOP LOGGED INTERVAL 0'

ASING - DRILLER 9-5/8" @ 1697'

ASING LOGGER 1695'

BIT SIZE 7-7/8" 8-3/4"

TYPE FLUID IN HOLE BRINE/STARCH

DENSITY / VISCOSITY 10.1 33

TH / FLUID LOSS 7.5 8.8

SOURCE OF SAMPLE HUD PIT

MEAS. AT MEAS. TEMP. 0.043 OHM @ 67 DEG. F

MEAS. AT MEAS. TEMP. 0.043 OHM @ 67 DEG. F

SOURCE OF RHM / RMC MEASURED MEASURED

M AT BHT 0.027 OHM @ 106 DEG. F

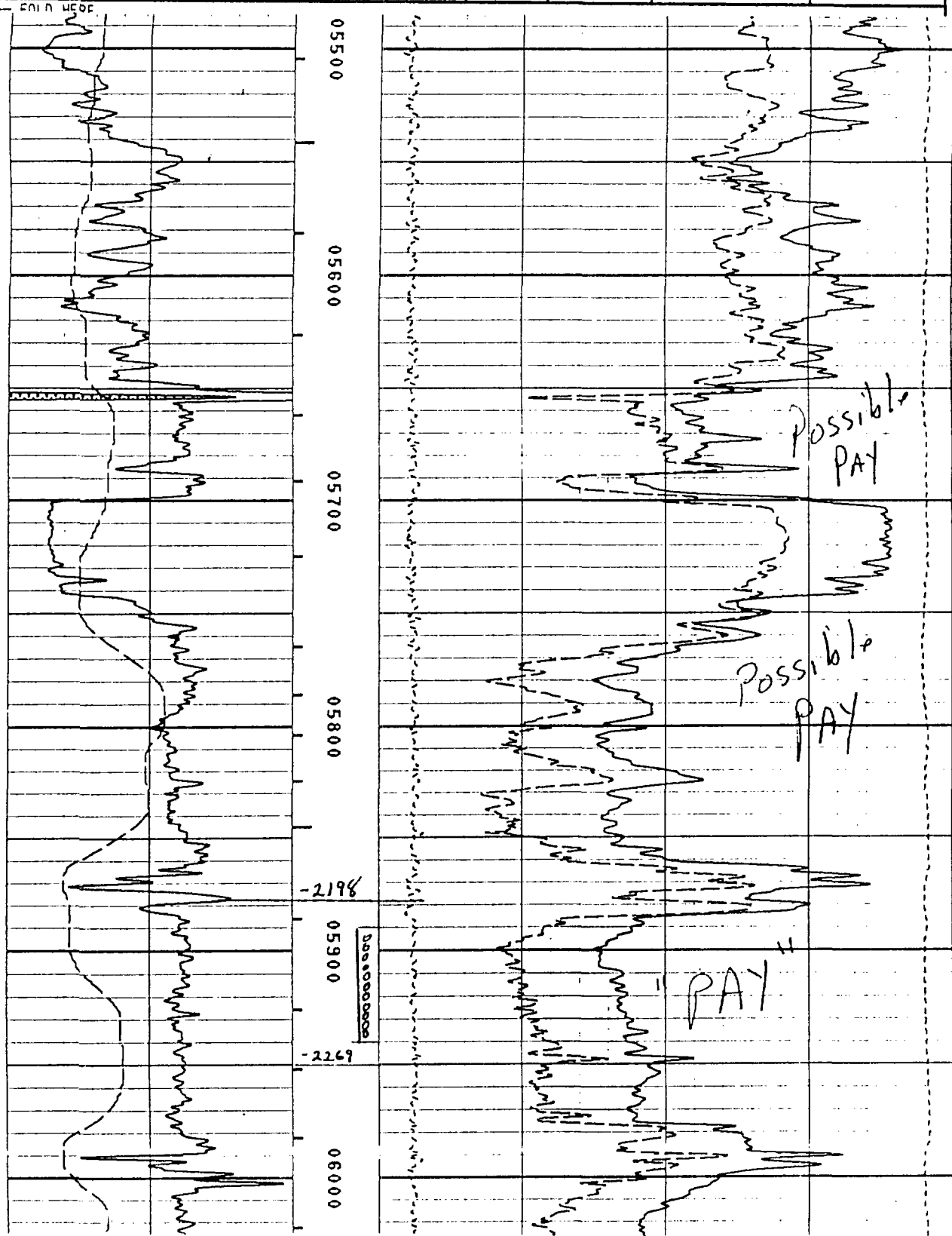
THE SINCE CIRCULATION 8 HRS.

PA. REC. TEMP. DEG. F 106 DEG. F

QUIP. NO. / LOCATION HL 6433 HO885. NH

RECORDED BY R. ECK

WITNESSED BY MR. SCROGGIN





STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

February 8, 1993

CAMBELL, CARR, BERGE
& SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10653
ORDER NO. R-9842

Dear Sir:

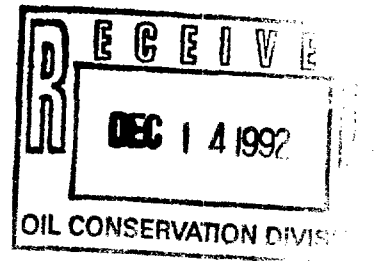
Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Sally Leichtle
Sally E. Leichtle
Administrative Secretary

cc: BLM Carlsbad Office

BEFORE THE
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ARMSTRONG ENERGY CORPORATION,
FOR SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

CASE NO. 10653

APPLICATION

COMES NOW ARMSTRONG ENERGY CORPORATION, by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order promulgating Special Pool Rules and Regulations for the Northeast Lea-Delaware Pool and in support thereof states:

1. Armstrong Energy Corporation is the operator of certain wells in the Northeast Lea-Delaware Pool which was established on June 1, 1986 by Order No. R-8223 and has been extended from time to time to include approximately 480 acres in Townships 19 and 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

2. The wells in the Northeast Lea-Delaware Pool are operated under statewide rules with a depth bracket allowable of 107 bbls per day and a gas allowable rate of 214 mcf per day at a 2000 to 1 Gas/Oil Ratio.

3. Certain wells in the Delaware formation in this care can produce at rates as high as 500 barrels per day and producing wells in this pool at the currently authorized rates will result in oil ultimately being left in the ground.

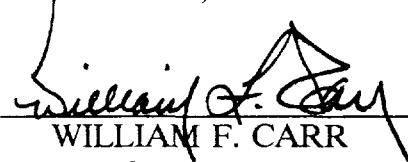
4. Armstrong Energy Corporation seeks establishment of a special oil allowable for the pool of 300 barrels of oil per day.

5. Approval of this application will result in the production of hydrocarbons which otherwise will not be produced and will otherwise be in the best interest of conservation and the protection of correlative rights.

WHEREFORE, Armstrong Energy Corporation requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on January 7, 1993 and that, after notice and hearing as required by law and the rules of the Division, the Division enter its Order promulgating Special Pool Rules and Regulations for the Northeast Lea-Delaware Pool including provisions for a special oil allowable of 300 barrels per day.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR ARMSTRONG ENERGY
CORPORATION

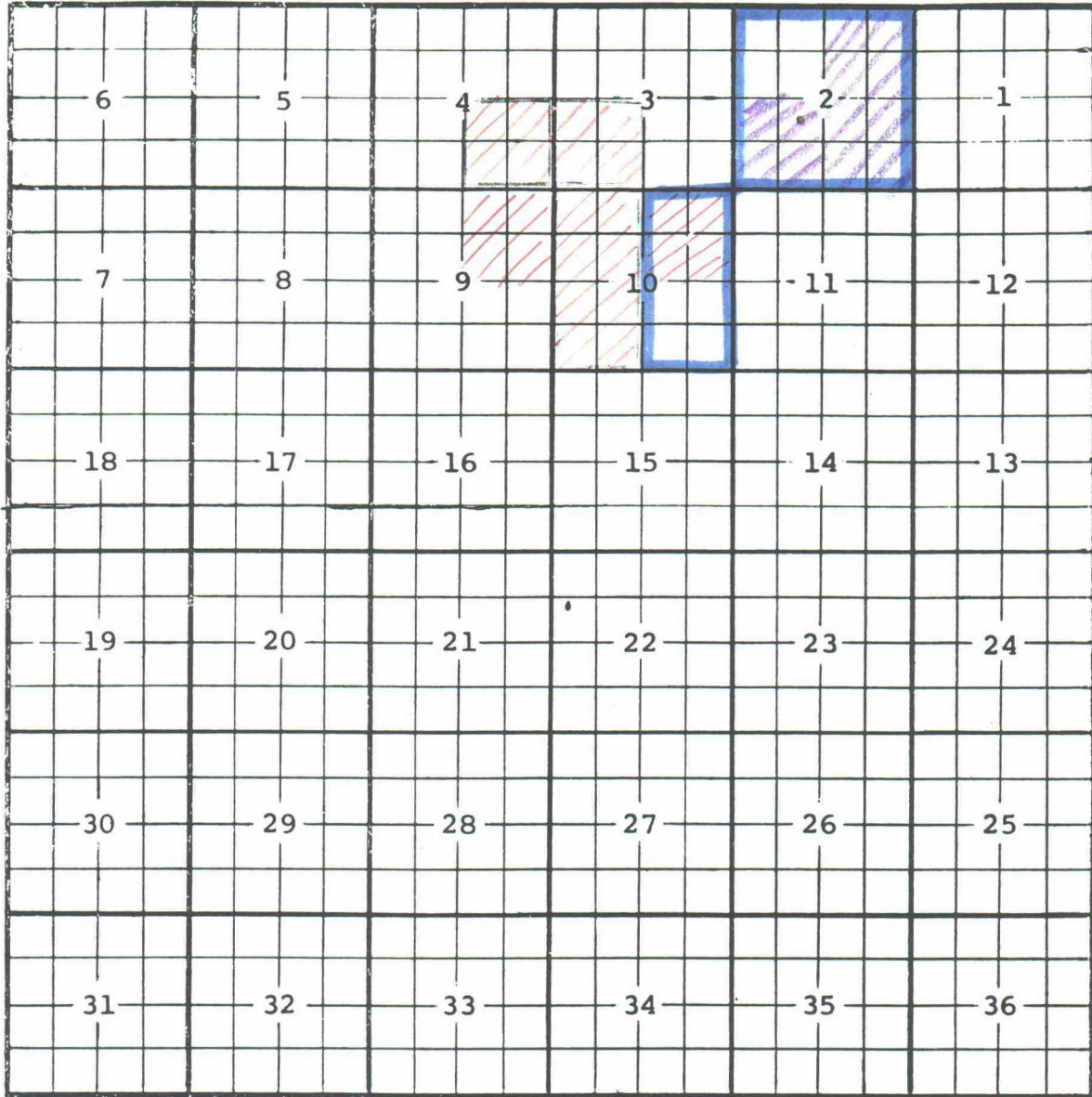
COUNTY LEA

POOL Quail Ridge - Delaware

TOWNSHIP 20 South

RANGE 34 East

NMPM



DESC: SE/4 SEC 4 (R-8901, 4-1-89) EXT: SW/4 SEC 3 (R-9472, 4-1-91)

Ext: W/2 Sec. 10 (A-9646, 3-11-92)

Productive limit - 3rd & 4th sand

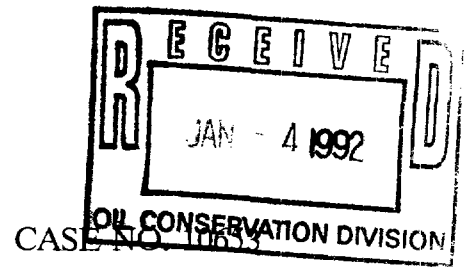
10, 20, 30, 40, 50, 60, 70, 80, 90, 100, 110, 120, 130, 140, 150, 160, 170, 180, 190, 200, 210, 220, 230, 240, 250, 260, 270, 280, 290, 300, 310, 320, 330, 340, 350, 360, 370, 380, 390, 400, 410, 420, 430, 440, 450, 460, 470, 480, 490, 500, 510, 520, 530, 540, 550, 560, 570, 580, 590, 600, 610, 620, 630, 640, 650, 660, 670, 680, 690, 700, 710, 720, 730, 740, 750, 760, 770, 780, 790, 800, 810, 820, 830, 840, 850, 860, 870, 880, 890, 900, 910, 920, 930, 940, 950, 960, 970, 980, 990, 1000

10, 20, 30

N Sea Feed #6, 7

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:



APPLICATION OF ARMSTRONG
ENERGY CORPORATION FOR
SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Armstrong Energy Corporation _____
Post Office Box 1973 _____
Roswell, New Mexico 88202 _____
Attn: Bob Armstrong _____

(505) 623-8726 _____

name, address, phone and
contact person

ATTORNEY

William F. Carr _____
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____

(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

Armstrong Energy Corporation, applicant in the above-captioned cause, seeks an order promulgating special rules and regulations for the Northeast Lea-Delaware Pool including a provision for a special oil allowable of 300 barrels of oil per day.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

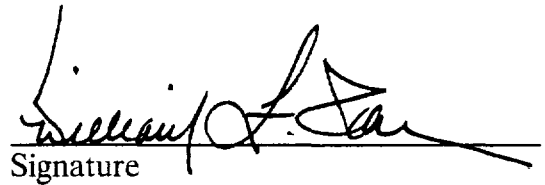
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Mike Boling, Geologist	15 Min.	Approximately 4
Bruce Stubbs, Petroleum Engineer	15 Min.	Approximately 5

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

None.


Signature

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

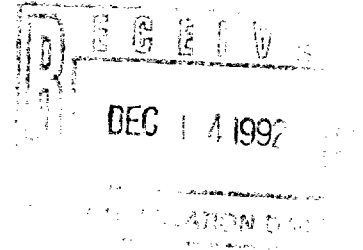
JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

December 14, 1992

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503



10653

Re: Application of Armstrong Energy Corporation for Special Pool Rules, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Armstrong Energy Corporation in the above-referenced case as well as a copy of a legal advertisement. Armstrong Energy Corporation respectfully request that this matter be placed on the docket for the January 7, 1993 Examiner hearings.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive style with a long, sweeping tail that extends downwards and to the right.

WILLIAM F. CARR

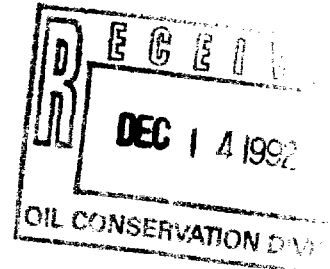
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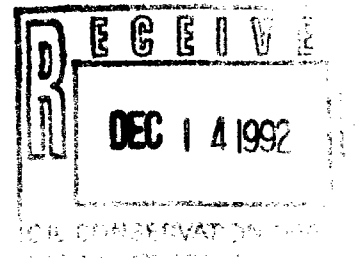
Enclosures

cc w/enclosures: Mr. Bob Armstrong

Case 10653:

Application of Armstrong Energy Corporation for special pool rules, Lea County, New Mexico. Applicant seeks an order promulgating special rules and regulations for the Northeast Lea-Delaware Pool including a provision for a special oil allowable of 300 barrels of oil per day. Said pool is located in portions of Townships 19 and 20 South, Range 34 East, being approximately ___ miles _____ of _____, New Mexico.





BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ARMSTRONG ENERGY CORPORATION,
FOR SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

CASE NO. 10653

APPLICATION

COMES NOW ARMSTRONG ENERGY CORPORATION, by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order promulgating Special Pool Rules and Regulations for the Northeast Lea-Delaware Pool and in support thereof states:

1. Armstrong Energy Corporation is the operator of certain wells in the Northeast Lea-Delaware Pool which was established on June 1, 1986 by Order No. R-8223 and has been extended from time to time to include approximately 480 acres in Townships 19 and 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico.
2. The wells in the Northeast Lea-Delaware Pool are operated under statewide rules with a depth bracket allowable of 107 bbls per day and a gas allowable rate of 214 mcf per day at a 2000 to 1 Gas/Oil Ratio.
3. Certain wells in the Delaware formation in this care can produce at rates as high as 500 barrels per day and producing wells in this pool at the currently authorized rates will result in oil ultimately being left in the ground.

4. Armstrong Energy Corporation seeks establishment of a special oil allowable for the pool of 300 barrels of oil per day.

5. Approval of this application will result in the production of hydrocarbons which otherwise will not be produced and will otherwise be in the best interest of conservation and the protection of correlative rights.

WHEREFORE, Armstrong Energy Corporation requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on January 7, 1993 and that, after notice and hearing as required by law and the rules of the Division, the Division enter its Order promulgating Special Pool Rules and Regulations for the Northeast Lea-Delaware Pool including provisions for a special oil allowable of 300 barrels per day.

Respectfully submitted,

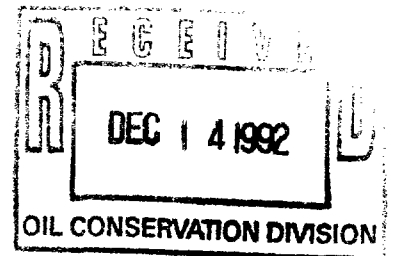
CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR ARMSTRONG ENERGY
CORPORATION

BEFORE THE
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ARMSTRONG ENERGY CORPORATION,
FOR SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

CASE NO. 10653

APPLICATION

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WHEREFORE, Armstrong Energy Corporation requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on January 7, 1993 and that, after notice and hearing as required by law and the rules of the Division, the Division enter its Order promulgating Special Pool Rules and Regulations for the Northeast Lea-Delaware Pool including provisions for a special oil allowable of 300 barrels per day.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR
Post Office Box 2208
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ATTORNEYS FOR ARMSTRONG ENERGY
CORPORATION

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF ARMSTRONG ENERGY
CORPORATION FOR SPECIAL POOL
RULES, LEA COUNTY, NEW MEXICO.

CASE NO. 10653
Order No. R-4842

2/1/93
2/3/93
2/3/93
2/3/93
2/3/93

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 7, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this _____ day of February, 1993, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Armstrong Energy Corporation, seeks an order promulgating special rules and regulations for the Northeast Lea-Delaware Pool, Lea County, New Mexico, including a provision for a special oil allowable of 300 barrels per day.

(3) The Northeast Lea-Delaware Pool, created and defined by Division Order No. R-8233 on May 29, 1986, currently comprises the SE/4 of Section 35, Township 19 South, Range 34 East, NMPM, and the E/2 of Section 2, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.

(4) The discovery well for the Northeast Lea-Delaware Pool is the Spectrum 7 Exploration Company Mobil State Well No. 1 located in Unit J of said Section 2, which was completed in the Delaware formation through perforations from 5,626 feet to 5,695 feet.

(5) The Northeast Lea-Delaware Pool is currently governed by general statewide rules and regulations, including a daily oil allowable of 107 barrels and a limiting gas-oil ratio of 2,000 cubic feet of gas per barrel of oil.

(6) According to Division records, there are two wells currently producing from the subject pool, these being the aforesaid Mobil State Well No. 1, currently operated by Harken Exploration Company, and the Mescalero Ridge Unit Well No. 3 located in Unit P of Section 35 and operated by Pennzoil Exploration & Production Company. The Mobil State Well No. 1 and the Mescalero Ridge Unit Well No. 3 are currently producing approximately 16.0 and 5.5 barrels of oil per day, respectively.

(7) The applicant has recently drilled its Mobil Lea State Well No. 1 located in Unit K of Section 2, Township 20 South, Range 34 East, NMPM. The subject well has been completed in the Northeast Lea-Delaware Pool through perforations from 5,890 feet to 5,931 feet.

(8) According to applicant's evidence and testimony, the Mobil Lea State Well No. 1 is capable of oil production far in excess of 300 barrels per day.

(9) Geologic evidence and testimony presented by the applicant indicate that:

a) the Delaware producing interval in this area consists of four distinct and separate zones each capable of oil production;

b) the Mobil Lea State Well No. 1 is currently completed in the third sand member only. The Mobil State Well No. 1 and the Mescalero Ridge Unit Well No. 3 are currently completed in the first sand member and the carbonate interval stratigraphically equivalent to the second sand member, respectively;

c) the geographic productive area of the third and fourth sand members is likely limited to Section 2 and the E/2 of Section 10; the geographic productive area of the first and second sand members comprises at least portions of Sections 2, 3 and 10;

d) the four producing intervals appear to be continuous and correlatable to wells producing from the Quail Ridge-Delaware Pool.

(10) The Quail Ridge-Delaware Pool currently comprises the SW/4 of Section 3, the SE/4 of Section 4, the NE/4 of Section 9 and the W/2 of Section 10. The allowable for the Quail Ridge-Delaware Pool is currently 107 barrels of oil per day.

(11) According to Division records, there are seven wells currently producing from the Quail Ridge-Delaware Pool operated by two different operators. Several of the wells in the Quail Ridge-Delaware Pool are currently capable or could be capable of production in excess of top allowable.

(12) The applicant submitted engineering evidence in the form of a 69-day production test run on the Mobil Lea State Well No. 1. During this production test, the subject well was produced at various rates ranging from 100 to 300 barrels per day. The results of the test indicate that the water cut and the gas-oil ratio remained fairly constant over various producing rates. ✓

(13) The applicant seeks a higher oil allowable for the Northeast Lea-Delaware Pool for the following reasons:

- a) accelerated oil recovery will result in more favorable economics and reduced operating costs which in turn will result in quicker development of the pool;
- b) accelerated oil recovery will lessen the chance for reduced recovery due to mechanical failures which have occurred in certain wells in this area due to the corrosive nature of fluids in the Seven Rivers Reef zone;
- c) higher allowables will result in accelerated development of additional productive zones in the Delaware formation within the pool.

(14) There is no evidence to indicate that mechanical well failures in this area have caused premature abandonment of wellbores and resultant loss of oil and gas reserves.

(15) There is no currently available data which would conclusively demonstrate that oil production at the proposed rate of 300 barrels per day will not cause reduced ultimate oil recovery from the third sand member due to excessive expenditure of reservoir energy.

(16) The applicant presented no evidence as to the nature or characteristics of the remaining three producing intervals within the Northeast Lea-Delaware Pool.

(17) There is no currently available data which would demonstrate that oil production at the proposed rate of 300 barrels per day will not cause reduced ultimate oil recovery from the first, second and fourth sand members due to excessive expenditure of reservoir energy.

(18) There is ample evidence in the record of this case to suggest that the Northeast Lea-Delaware Pool and the Quail Ridge-Delaware Pool should be developed as a single common source of supply, and ~~any~~ any proposed special rules applicable to only the ✓

Northeast Lea-Delaware Pool would result in the violation of correlative rights of those operators in the Quail Ridge-Delaware Pool without relief which may or may not be subsequently approved by the Division.

(19) The evidence presented in this case does not establish that a special oil allowable of 300 barrels per day will prevent waste and protect correlative rights.

(20) The application of Armstrong Energy Corporation for special rules and regulations for the Northeast Lea-Delaware Pool should be denied.

IT IS THEREFORE ORDERED THAT:

(1) The application of Armstrong Energy Corporation for the establishment of special rules and regulations for the Northeast Lea-Delaware Pool, Lea County, New Mexico, including a provision for an oil allowable of 300 barrels per day is hereby denied.

(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L