Submit 1 Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., 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-103
October 13, 2009

| | |
|---|---|
| WELL API NO. | 30-005-62781 |
| 5. Indicate Type of Lease | STATE ☒ FEE ☐ |
| 6. State Oil & Gas Lease No. | VA-1952 |
| 7. Lease Name or Unit Agreement Name | Sunfish State |
| 8. Well Number | 1 |
| 9. OGRID Number | 001092 |
| 10. Pool name or Wildcat | Foor Ranch; San Andres (Gas) |

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other
2. Name of Operator: Armstrong Energy Corporation
3. Address of Operator: P.O. Box 1973, Roswell, NM 88202-1973
4. Well Location
Unit Letter J : 1980 feet from the South line and 1980 feet from the East line
Section 32 Township 9S Range 27E NMPM Chaves County
11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3925' KB

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO: | | | | SUBSEQUENT REPORT OF: | | | |
|---|---|---|---|---|---|---|---|
| PERFORM REMEDIAL WORK | ☐ | PLUG AND ABANDON | ☒ | REMEDIAL WORK | ☐ | ALTERING CASING | ☐ |
| TEMPORARILY ABANDON | ☐ | CHANGE PLANS | ☐ | COMMENCE DRILLING OPNS. | ☐ | P AND A | ☐ |
| PULL OR ALTER CASING | ☐ | MULTIPLE COMPL | ☐ | CASING/CEMENT JOB | ☐ | | |
| DOWNHOLE COMMINGLE | ☐ | | | | | | |
| OTHER: | ☐ | | | OTHER: | ☐ | | |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Armstrong Energy Corporation intends to permanently plug and abandon the captioned wellbore as follows:

- Notify NMOCD at least 24 hrs before beginning work.
- Use tubing to set CIBP @ 1950', test casing to 500psi. If tests good, circulate MLF & spot 25sx plug on top of CIBP. - WOC & TAG
- Spot 100' cement plug from 1460' to 1560' across 8 5/8" shoe. WOC 4 hrs, tag plug.
- Perforate 5.5" casing @ 400' and pump 110 sx cement plug into wellbore and 5.5"x8.625" annular space, circulate to surface. WOC 4 hrs and tag.
- Spot 60' surface plug, 60' – 0'
- Cut off wellhead and install dry hole marker.
- Cut off anchors and clean location.
- Remove caliche and reseed road and location.
- Notify OCD for final inspection.
-

PERF @ SQ WOC & TAG

Approved for plugging of well bore only. Liability under bond is retained pending receipt of C-103 (Subsequent Report of Well Plugging) which may be found at OCD Web Page under Forms, www.emnrd.state.nm.us/ocd.

NM OIL CONSERVATION
ARTESIA DISTRICT
JAN 25 2017
RECEIVED

Spud Date: Rig Release Date:

WELL MUST BE PLUGGED BY 1/26/18

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

SIGNATURE TITLE Operations Manager DATE 1/23/2017

Type or print name Kyle S. Alpers E-mail address: kalpers@aecnm.com PHONE: (575) 625-2222

**For State Use Only**

APPROVED BY: TITLE COMPLIANCE OFFICER DATE 1/26/17

Conditions of Approval (if any):

SEE ATTACHED COA-S

Armstrong ENERGY CORPORATION

*CURRENT WELLBORE DIAGRAM*

*LAST UPDATED*
*1/16/2017*

3,913' GR

12 1/4" hole

*San Andres - 1,427'*

7 7/8" hole

*Glorietta - 2,662'*

*Tubb -4,072'*

*Abo - 4,822'*

*Wolfcamp - 5,490'*

*Cisco - 6,044'*

*Miss - 6,302'*

*Montoya - 6,359'*
*CORES - 6,365' - 6,387'*

est. TOC @ 864' (2016 sqz)
8 5/8" J-55 24#/ft @ 1,510'KB
800sx Lite/C - 5sx Circ

**San Andres P1 (2016)**
2007'-2052' 66 shots
CIBP @ 2075' (2016)
**San Andres P2 (2016)**
2080'-2116' 32 shots
CIBP @ 2210' w/35' cement
**San Andres P3 (2016)**
2229'-2257' 27 shots
Retainer @ 2527' w/74' cem below, 83' cement above
sqz perfs @ 2600', 335sx C (2016)
Est. TOC 3,000'

CIBP @ 4,875' w/35'cement (2016)
9.5# mud (2016)

CIBP @ 5,460' w/35'cement (2016)
**Wolfcamp (2016)**
5510'-5526' 51 shots
CIBP @ 5,775' w/35'cement (2016)

| **Wolfcamp (2016)** | **Stimulation** |
|---|---|
| 5853'-5865' 39 shots<br>5884'-5890' 21 shots<br>5895' 4 shots | 2000 gallons 15% NEFE HCL |

CIBP @ 5,990' w/35'cement (2016)

CIBP @ 6,350' w/40'cement (2016)

| **Fusselman** | **Stimulation** |
|---|---|
| 6,384' - 6,396' 24 shots | 3000 gallons 20% HCL |

CIBP @ 6,530' w/35'cement

| **Abandoned** | **Stimulation** |
|---|---|
| 6,584' - 6,690' 44 shots | none |

5.5" 15.5# & 17# K-55 LTC @ 6,782'. 600sx Super H.
TD 6,782'. PA'd in 1990, did not run pipe PBTD 6,752'

Armstrong Energy Corporation

## Sunfish State #1

UL J, 1,980' FSL & 1,980' FEL
Section 32, T9S, R27E
Chaves County, New Mexico

API Number ***30-005-62781***
State O&G Lease No. ***VA-1952***
Spud Date: 5/22/1990
Re-Entry Date: 3/6/01 (Elk)
POOL: Foor Ranch Pre-Permian

**Downhole Production Equipment**
2.375" w/pkr set @ 6,303'

**Surface Production Equipment**

Gas Production Unit
Tank Battery

**Notes**

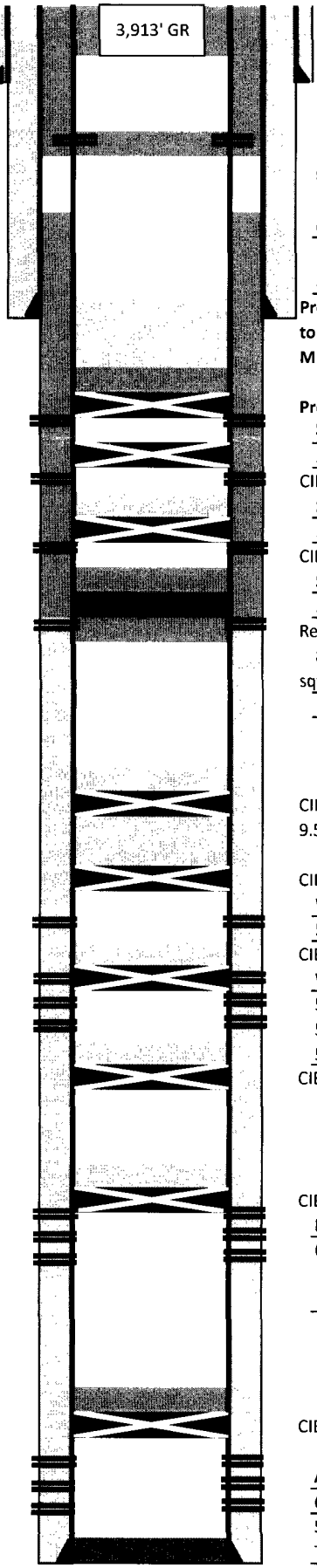
PA'd in 1990 w/out running pipe. Re-entered by Elk in March 2001, completed in Fusselman.

**300 PPM H2S**

Armstrong ENERGY CORPORATION

**PROPOSED PLUGGING DIAGRAM**

*LAST UPDATED*
*1/16/2017*




12 1/4" hole

*San Andres - 1,427'*

7 7/8" hole

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*Wolfcamp - 5,490'*

*Cisco - 6,044'*

*Miss - 6,302'*

*Montoya - 6,359'*
*CORES - 6,365' - 6,387'*

**Proposed 60' surface plug**

**Proposed sqz perfs @ 400' w/110 sx squeeze to circ annulus.**

est. TOC @ 864' (2016 sqz)
8 5/8" J-55 24#/ft @ 1,510'KB
800sx Lite/C - 5sx Circ

**Proposed 100' cement plug from 1460' to 1560'** ← PERF HERE & SQUEEZE WOC & TAG
**Mud Laden Fluid**

**Proposed CIBP @ 1950' w/25' cement** WOC & TAG
**San Andres P1 (2016)**
2007'-2052' 66 shots
CIBP @ 2075' (2016)
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2080'-2116' 32 shots
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Armstrong Energy Corporation

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State O&G Lease No. ***VA-1952***
Spud Date: 5/22/1990
Re-Entry Date: 3/6/01 (Elk)
POOL: Foor Ranch Pre-Permian

**Downhole Production Equipment**

**Surface Production Equipment**

Gas Production Unit
Tank Battery

**Notes**

San Andres attempt in 2016 by AEC, unproductive.
Prep to P&A Jan 2017

## CONDITIONS FOR PLUGGING AND ABANDONMENT

### District II / Artesia N.M.

The following is a guide or checklist in preparation of a plugging program, this is not all inclusive and care must be exercised in establishing special plugging programs in unique and unusual cases, **Notify NMOCD District Office II at (575)-748-1283 at least 24 hours before beginning work.**

1. A notice of intent to plug and abandon a wellbore is required to be approved before plugging operations are conducted. A cement evaluation tool is required in order to ensure isolation of producing formations, protection of water and correlative rights. A cement bond log or other accepted cement evaluation tool is to be provided to the division for evaluation if one has not been previously run or if the well did not have cement circulated to surface during the original casing cementing job or subsequent cementing jobs.
2. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to a permitted disposal location.
3. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall be able to produce a copy upon request of an NMOCD Field inspector.
4. Filing a subsequent C-103 will serve as notification that the well has been plugged.
5. A final C-103 shall be filed (and a site inspection by NMOCD Inspector to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to Meet NMOCD standards) before bonding can be released.
6. **Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.**
7. Produced water **will not** be used during any part of the plugging operation.
8. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
9. All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
10. **Class 'C' cement will be used above 7500 feet.**
11. **Class 'H' cement will be used below 7500 feet.**
12. **A cement plug is required to be set 50' above and 50' below, casing stubs, DV tools, attempted casing cut offs, cement tops outside casing, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged**
13. **All Casing Shoes Will Be Perforated and Attempted to be Squeezed, cement needs to be 50' above and 50' Below Casing Shoe inside the Production Casing** — 50' BELOW SHOE DEPTH
14. When setting the top out cement plug in production, intermediate and surface casing, wellbores should remain full at least 30 minutes after plugs are set
15. **A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.**
16. A CIBP with 35' of cement may be used in lieu of the 100' plug if set with a bailer. This plug will be placed within 100' of the top perforation, **(WOC 4 hrs and tag).**

17. No more than **3000' is allowed between cement plugs in cased hole and 2000' in open hole.**
18. Formations to be isolated with cement plugs, SOME ARE: THESE PLUGS TO BE SET TO ISOLATE FORMATION TOPS.
    A) Fusselman
    B) Devonian
    C) Morrow
    D) Wolfcamp
    E) Bone Springs
    F) Delaware
    G) Any salt sections
    H) Abo
    I) Glorieta
    J) Yates.
    K) **Potash---** (In the R-111-P Area (Potash Mine Area), a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, **WOC 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.**
19. **If cement does not exist behind casing strings at recommended formation depths,** the casing can be cut and pulled with plugs set at recommended depths. If casing is not pulled, perforations will be shot and cement squeezed behind casing, WOC and tagged. These plugs will be set 50' below formation bottom to 50' above formation top inside the casing

**DRY HOLE MARKER REQUIRMENTS**

The operator shall mark the exact location of the plugged and abandoned well with a steel marker not less than four inches in diameter, 3' below ground level with a plate of at least ¼" welded to the top of the casing and the dry hole marker welded on the plate with the following information welded on the dry hole marker:

**1. Operator name 2. Lease and Well Number 3.API Number 4. Unit Letter 5. Quarter Section (feet from the North, South, East or West) 6. Section, Township and Range 7. Plugging Date 8. County**

**(SPECIAL CASES)**

**AGRICULTURE OR PRARIE CHICKEN BREEDING AREAS**

In these areas, a below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to NMOCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)