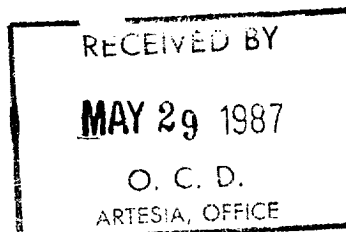


STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501



Form C-104  
Revised 10-01-78  
Format 06-01-83  
Page 1

REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I. Operator  
Armstrong Energy Corporation

Address  
P. O. Box 1973, Roswell, New Mexico 88201

Reason(s) for filing (Check proper box)

<input type="checkbox"/> New Well	<input type="checkbox"/> Change in Transporter of:	<input type="checkbox"/> Dry Gas
<input type="checkbox"/> Recompletion	<input type="checkbox"/> Oil	<input type="checkbox"/> Condensate
<input checked="" type="checkbox"/> Change in Ownership	<input type="checkbox"/> Casinghead Gas	

Other (Please explain)  
Change of Operator to Armstrong Energy Corporation

If change of ownership give name and address of previous owner  
Aceco Petroleum Company, 2106 West Richey, Artesia, New Mexico 88210

II. DESCRIPTION OF WELL AND LEASE

Lease Name High Lonesome Penrose Unit	Well No. 2	Pool Name, including Formation High Lonesome Queen	Kind of Lease State, Federal or Fee Federal	Lease No. NM05523
Location Unit Letter <u>G</u> : <u>1980'</u> Feet From The <u>North</u> Line and <u>1980'</u> Feet From The <u>East</u> Line of Section <u>15</u> Township <u>16 South</u> Range <u>29 East</u> , NMPM, <u>Eddy</u> County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Navajo Refining Company	Address (Give address to which approved copy of this form is to be sent) Box 159, Artesia, New Mexico 88210	
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent) Post ID-3 8-12-87 cf. pp.	
If well produces oil or liquids, give location of tanks.	Unit G	Sec. 15
	Twp. 16S	Rge. 29E
	Is gas actually connected? No	

If this production is commingled with that from any other lease or pool, give commingling order number:

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

Robert S. [Signature]  
(Signature)  
President  
(Title)  
May 27, 1987  
(Date)

OIL CONSERVATION DIVISION

APPROVED JUN 8 1987, 19  
BY Original Signed By  
Mike Williams  
TITLE Oil & Gas Inspector

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.

Separate Forms C-104 must be filed for each pool in multiply completed wells.