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Armstrong E	Energy Corp	V		AUG 28	20	#1		
P. O. Box 1	973. Roswe	11. NM 882	202	AUG 20	03	10. FIELD AND POOL,	OR WILDCAT	
4. LOCATION OF WELL (Re At surface	eport location clearly	and in accordance w		te requirements.	D. X0	Red Lake	8-6-5A	
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14. DISTANCE IN MILES	ND DIRECTION FROM	NEAREST TOWN OR POR	ST OFFICE.			12. COUNTY OR PARIS	H 13. STATE	
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18. DISTANCE FROM PROP TO NEAREST WELL, D OR APPLIED FOR, ON TH	RILLING, COMPLETED,	330'				ble Tool		
21. ELEVATIONS (Show who GR-3536	ether DF, RT, GR, etc.	.)				22. APPROX. DATE W 8-30-89		
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### \*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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ISTRICT ] O. Box 1980, Hobbs, NM 88240

ISTRICT II O. Drawer DD, Artesia, NM \$\$210

ISTRICT III Ĵ

## State of New Mexico Energy, Minerals and Natural Resources Department

# OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

## WELL LOCATION AND ACREAGE DEDICATION PLAT

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#### APPLICATION FOR DRILLING

Armstrong Energy Corp. Red Lake Pederal, Vell Ho. 1 1980' FSL & 1650' FVL, Sec. 10-175-28E Eddy County, New Mexico Lease Wo.: WM-59035 (Development Vell)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Armstrong Energy Corp., submits the following items of pertinent information in accordance with BLM requirements:

- 1. The geologic surface formation is Quaternary (Qa) Alluvium of stream beds.
- 2. The estimated tops of geologic markers are as follows:

402' Tates Seven Rivers 639 -----1,161' Queen SS Penrose SS 1,404' Grayburg 1,610' Loco Hills SS 1,688' 1,775' Netex SS L. Netex SS 1.813' 1,932' Prenier SS San Andres 2,071' San Andres Pay 2,351' 1.D. 2.700'

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

```
Water: 275'; 1235'
011: 639'; 1600'; 1775'; 1013'; 1932'; 2351'
Gas: 1161'; 1404'
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- 4. Proposed Casing Program: See Form 3160-3.
- 5. Proposed Control Equipment: None
- 6. Nud Program: See Form 3160-3.
- 7. Auxiliary Equipment: None
- 8. Testing, Logging, and Coring Program:

Drill Stem Tests: None

Logging: CHL-FDC 1300' - TD; CHL-GR 2700' - suface

Coring: None

- 9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified.
- Anticipated starting date: \$/30/89. Anticipated completion of drilling operations: Approximately 108 days.

#### MULTI POINT SURFACE USE AND OPERATIONS PLAN

#### Armstrong Energy Corp.

Red Lake Federal, Well No. 1 1980' FSL and 1650' FWL, Sec. 10-178-28B Eddy County, New Mexico Lease No.: NN-59035 (Development Well)

This plan is submitted with the Application for Permit to Drill the above-described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operations.

- 1. EXISTING ROADS:
  - A. Exhibit "A" is a portion of a Eddy County Highway map showing the location of proposed well and access road as staked, in relation to existing roads and highway. The well is approximately 17 miles east of Artesia, New Mexico. The 17 miles consists of 13 miles east on EM-82, 4 miles morth on Red Lake Road, then 300' east on lease road to the location of the Red Lake Federal No. 1.
  - B. Directions: Travel 13 miles east of Artesia on WM-82, turn morth and travel 4 miles on Red Lake Road, turn east and travel 300' on existing lease road to the Red Lake Federal Well No. 1.
- 2. ACCESS ROAD:
  - A. Length and Width: The existing access road will enter the Northwest side of the well pad and no additional road construction is planed.
  - B. Construction: The existing access road will enter the Northwest side of the well pad and no additional road construction is planed.
  - C. Turnouts: none planned
  - D. Culverts: none planned
  - E. Cuts and Fills: none planned
  - F. Gates, Cattleguards: none required

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Armstrong Bnergy Corp. Red Lake Federal, Vell No. 1 Page 2

## 3. LOCATION OF BRISTING WELLS:

A. Bristing vells within a two-mile radius are shown on Brhibit "C".

## 4. LOCATION OF BRISTING AND/OR PROPOSED FACILITIES:

- A. There are no production facilities on this lease at the present time.
- B. If the well proves to be commercial, the mecessary production facilities, gas separation-process equipment and tank battery will be installed on the drilling pad.
- 5. LOCATION & TYPE OF WATER SUPPLY:
  - A. It is planned to drill the proposed well with fresh water which will be obtained from commercial or private sources. The water will be transported over existing and proposed access roads either by truck or fast line.
- 6. SOURCE OF CONSTRUCTION NATERIALS:
  - A. Caliche for surfacing the wellsite pad, only as needed, will be obtained from existing State or Pederal Pits.
- 7. NETHODS OF HANDLING WASTE DISPOSAL:
  - A. Drill cuttings will be disposed of in the reserve pits.
  - 8. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
  - C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
  - D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to the BLM for approval.
  - 8. Oil produced during operations will be stored in tanks until sold.
  - F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
  - G. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
  - H. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

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		Red Lake Fed. #1 -Existing Wells-
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Armstrong Energy Corp. Red Lake Pederal, Well No. 1 Page 3

#### 8. ANCILIARY PACILITIES:

- A. None Required.
- 9. WELLSITE LAYOUT:
  - A. Brhibit "D" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area has been staked and flagged.
  - B. Mat Size: Max. Pad size: 200' K/S and 200' V/B
  - C. Cut and Fill: none planned
  - D. The surface will be topped with compacted caliche and the reserve pits will be plastic lined.
- 10. PLANS FOR RESTORATION OF THE SURFACE:
  - A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pit liner will be cut off below the normal surface of the ground and pits will be filled and the location cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
  - B. Any unguarded pits containing fluids will be fenced until they are filled.
  - C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.
- 11. OTHER INFORMATION:
  - A. Topography: The land surface in the vicinity of the wellsite and access road is on a gently-dipping Southwest slope (10' of elevation every 700' SW) filled with low relief sand dunes.
  - B. Soil: The topsoil at the wellsite is reddish-brown sand dunes.
  - C. Flora and Fauna: The vegetative cover is generally sparse and consists of scrub oak, yucca, cacti, sumac, sage, snakeweed, creosote bush, and grasses of gramma, dropseed, and threeawn. The wildlife consists of rabbits, coyotes, antelope, some mule deer, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
  - D. Residences and Other Structures: There are no residences, powerlines on this lease. Several pipelines are crossing this lease but no pipelines cross the proposed well pad.





Exhibit "D" - Armstrong Energy Corp. Red Lake Fed. #1 -Rig Layout-

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Armstrong Energy Corp. Red Lake Pederal, Vell No. 1 Page 4

- E. Ponds and Streams: none
- P. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed wellsite and access road is on Federal surface whose grazing rights are leased to Bogle Farms, P. O. Drawer 460, Dexter, WN 88230. The minerals are Federal.
- H. There is no evidence of archaeological, historical or cultural sites in the area. An archaeological survey has been conducted by James V. Sciscenti and his report has been submitted to the appropriate government agencies.

#### 12. OPERATOR'S REPRESENTATIVE:

The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

Armstrong Energy Corp. P. O. Box 1973 Roswell, NM \$8202 Office phone: 505-623-8726

#### 13. CERTIFICATION:

I hereby certify that I have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in the plan, to the best of my knowledge true and correct; and, that the work associated with the operations proposed herein will be performed by Armstrong Energy Corp. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for filing of a false statement.

July 31, 1989

Kors E.MC.Kamery

Agent for: Armstrong Energy Corp