

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 185405

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address ARMSTRONG ENERGY CORP P.O. Box 1973 Roswell, NM 88202		2. OGRID Number 1092
		3. API Number 30-041-20959
4. Property Code 37814	5. Property Name PEP 36 STATE	6. Well No. 003

7. Surface Location

UL - Lot M	Section 36	Township 05S	Range 33E	Lot Idn	Feet From 990	N/S Line S	Feet From 430	E/W Line W	County Roosevelt
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8. Proposed Bottom Hole Location

UL - Lot M	Section 36	Township 05S	Range 33E	Lot Idn M	Feet From 990	N/S Line S	Feet From 430	E/W Line W	County Roosevelt
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9. Pool Information

TANNEYHILL;FUSSELMAN, EAST	58067
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 4277
16. Multiple N	17. Proposed Depth 7930	18. Formation Fussleman	19. Contractor	20. Spud Date 6/16/2014
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	40	25	0
Surf	12.25	8.625	24	1850	1120	0
Prod	7.875	5.5	15.5	6700	110	1650
Prod	7.875	5.5	17	7910	200	6700

Casing/Cement Program: Additional Comments

This will be an open hole, 7910'-7930'
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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	1000	

<p>23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/>, if applicable.</p> <p>Signature:</p> <p>Printed Name: Electronically filed by Irma Cunningham</p> <p>Title: Geo Tech</p> <p>Email Address: icunningham@armstrongenergycorp.com</p> <p>Date: 4/30/2014</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 4/30/2014</p> <p>Expiration Date: 4/30/2016</p> <p>Conditions of Approval Attached</p>
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Form C-102
August 1, 2011

Permit 185405

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-041-20959	2. Pool Code 58067	3. Pool Name TANNEYHILL;FUSSELMAN, EAST
4. Property Code 37814	5. Property Name PEP 36 STATE	6. Well No. 003
7. OGRID No. 1092	8. Operator Name ARMSTRONG ENERGY CORP	9. Elevation 4277

10. Surface Location

UL - Lot M	Section 36	Township 05S	Range 33E	Lot Idn	Feet From 990	N/S Line S	Feet From 430	E/W Line W	County Roosevelt
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. Joint or Infill			14. Consolidation Code				15. Order No.	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto; position: relative;"><div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; background-color: #cccccc;"></div><div style="position: absolute; top: 50%; left: 50%; width: 10px; height: 10px; background-color: #ff00ff; transform: translate(-50%, -50%);"></div></div>	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Irma Cunningham Title: Geo Tech Date: 4/30/2014</p>	
	<p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: Ronald J. Eidson Date of Survey: 11/13/2013 Certificate Number: 3239</p>	

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Form APD Comments

Permit 185405

PERMIT COMMENTS

Operator Name and Address: ARMSTRONG ENERGY CORP [1092] P.O. Box 1973 Roswell, NM 88202		API Number: 30-041-20959
		Well: PEP 36 STATE #003
Created By	Comment	Comment Date
pkautz	See conditions of approval concerning changes in casing set depth and top of cement requirements	4/30/2014

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Form APD Conditions

Permit 185405

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: ARMSTRONG ENERGY CORP [1092] P.O. Box 1973 Roswell, NM 88202	API Number: 30-041-20959
	Well: PEP 36 STATE #003

OCD Reviewer	Condition
pkautz	1) SURFACE - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into surface casing --
pkautz	Surface casing must not be set more than 25' below top of Rustler Anhydrite in order to seal off protectable water from the salt zone. Approximate depth of Rustler Anhydrite is 1825'