<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-8161 Fax:(575) 393-0720

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 186102

|  | me and Address<br>MSTRONG ENER | GY CORP           |                             |                     |                      |                         |                   | 2. OGRID Number<br>1092      |                     |
|--|--------------------------------|-------------------|-----------------------------|---------------------|----------------------|-------------------------|-------------------|------------------------------|---------------------|
|  | . Box 1973<br>swell, NM 88202  |                   |                             |                     |                      |                         |                   | 3. API Number<br>30-041      | -20961              |
| Property Co.<br>313                    | de<br>3245                     |                   | 5. Property Name<br>OLD HIP | PIE                 |                      |                         |                   | 6. Well No.<br>001           |                     |
|  |                                |                   |                             | 7.                  | Surface Location     |                         |                   |                              |                     |
| JL - Lot<br>K                          | Section 32                     | Township<br>06S   | Range 34                    | Lot Idn             | Feet From 2035       | N/S Line<br>S           | Feet From<br>2122 | E/W Line<br>W                | County<br>Roosevelt |
|  |                                |                   |                             | 8. Propos           | sed Bottom Hole Lo   | ocation                 |                   |                              |                     |
| UL - Lot<br>K                          | Section 32                     | Township<br>06S   | Range<br>34E                | Lot Idn<br>K        | Feet From 2035       | N/S Line<br>S           | Feet From<br>2122 | E/W Line<br>W                | County<br>Roosevelt |
|  | 10                             | 98                | 46                          | 9.                  | Pool Information     | 2)                      | \$30<br>100       | **                           | **                  |
| WC-041 G-0                             | 5 S063431J;FUS                 | SELMAN            |                             |                     |                      |                         |                   |                              | 98069               |
|  |                                |                   |                             | Additi              | onal Well Informat   | ion                     |                   |                              |                     |
| 11. Work Type<br>Nev                   | v Well                         | 12. Well Typ<br>O |                             | 13. Cable/Rotary    |                      | 14. Lease Type<br>Priva | 1007              | . Ground Level Eleva<br>4336 | tion                |
| 16. Multiple 17. Proposed Depth N 8700 |                                |                   | 18. Formation<br>Fussier    |                     |                      | 20. Spud Date           |                   |                              |                     |
| Depth to Groun                         | nd water                       |                   |                             | Distance from neare | est fresh water well |                         | Di                | stance to nearest surfa      | oe water            |
| We will be                             | using a closed-lo              | oop system in lie | eu of lined pits            | 21. Proposed        | Casing and Ceme      | nt Program              |                   |                              |                     |
| Type                                   | Hole Size                      | Casing            | Size                        | Casing Weight/ft    |                      | ting Depth              | Sacks of          | Cement                       | Estimated TOC       |
| Surf                                   | 17.5                           | 13.3              | 375                         | 48                  |                      | 40                      | 2                 | 5                            | 0                   |
| Surf                                   | 12.25                          | 8.6               |                             | 32                  |                      | 40                      | 2                 | 0                            | 0                   |
| 06                                     | 40.05                          | 0.0               |                             | 0.4                 |                      | 0000                    |                   | 40                           | ^                   |

| 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       | 32               | 40            | 20              | 0             |
| Surf | 12.25     | 8.625       | 24               | 2380          | 1110            | 0             |
| Surf | 12.25     | 8.625       | 32               | 2530          | 70              | 0             |
| Prod | 7.875     | 5.5         | 17               | 600           | 0               | 6000          |
| Prod | 7.875     | 5.5         | 17               | 8200          | 360             | 6000          |
| Prod | 7.875     | 5.5         | 17               | 8700          | 90              | 6000          |

## Casing/Cement Program: Additional Comments

### 22. Proposed Blowout Prevention Program

|                       | 22. Froposed blowout Frevendon Frogram |               |              |  |  |  |
|-----------------------|--|---------------|--------------|--|--|--|
| Type Working Pressure |  | Test Pressure | Manufacturer |  |  |  |
|                       | Double Ram                             | 2000          | 1000         |  |  |  |

| 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 ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable. |  |                    |                | OIL CONSERVATION DIVISION |                            |  |
|---|--|--------------------|----------------|---------------------------|----------------------------|--|
| Signature:  |  |                    | 5,             |                           |                            |  |
| Printed Name:   | Electronically filed by Irma Cunningham      |                    |                | Paul Kautz                |                            |  |
| Title:  | Geo Tech                                     |                    | Title:         | Geologist                 |                            |  |
| Email Address:  | Address: icunningham@armstrongenergycorp.com |                    | Approved Date: | 5/14/2014                 | Expiration Date: 5/14/2016 |  |
| Date:   | 5/13/2014                                    | Conditions of Appr | oval Attached  | -                         |                            |  |

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

Form C-102 August 1, 2011

Permit 186102

## WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number 2. Pool Code |                       | 3. Pool Name                   |  |  |  |  |
|----------------------------|-----------------------|--------------------------------|--|--|--|--|
| 30-041-20961 98069         |                       | WC-041 G-05 S063431J;FUSSELMAN |  |  |  |  |
| 4. Property Code           | 5. Property Name      | 8. Well No.                    |  |  |  |  |
| 313245                     | OLD HIPPIE            | 001                            |  |  |  |  |
| 7. OGRID No.               | 8. Operator Name      | 9. Elevation                   |  |  |  |  |
| 1092                       | ARMSTRONG ENERGY CORP | 4336                           |  |  |  |  |

10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County    |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|-----------|
| K        | 32      | 06S      | 34E   |         | 2035      | S        | 2122      | W        | Roosevelt |

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 |
|---|------------------------------|---------|---------------------|-------|------------------------|-----------|---------------|-----------|----------|--------|
| Ì | 12. Dedicated Acres<br>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

| OPERATOR CERTIFICATION  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 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 pool agreement or a compulsory pooling order heretofore entered by the division. |
|---|
| E-Signed By: Irma Cunningham  |
| Title: Geo Tech   |
| Date: 5/13/2014   |
| SURVEYOR CERTIFICATION  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 supervisand that the same is true and correct to the best of my belief.  |
| Surveyed By: Gary G. Eidson   |
| Date of Survey: 3/28/2014   |
| Certificate Number: 12641   |

Form APD Comments

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

Permit 186102

### **PERMIT COMMENTS**

| Operator Name and Address:   | API Number:     |
|------------------------------|-----------------|
| ARMSTRONG ENERGY CORP [1092] | 30-041-20961    |
| P.O. Box 1973                | Well:           |
| Roswell, NM 88202            | OLD HIPPIE #001 |
|                              |                 |

| Created By | Comment  | Comment Date |
|------------|----------|--------------|
| pkautz     | Land p/P | 5/14/2014    |

Form APD Conditions

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

Permit 186102

### PERMIT CONDITIONS OF APPROVAL

| Operator Name and Address:   | API Number:     |
|------------------------------|-----------------|
| ARMSTRONG ENERGY CORP [1092] | 30-041-20961    |
| P.O. Box 1973                | Well:           |
| Roswell, NM 88202            | OLD HIPPIE #001 |

| OCD<br>Reviewer | Condition  |
|-----------------|--|
| pkautz          | 1) SURFACE CASING - Cement must circulate to surface   |
| pkautz          | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |
| pkautz          | If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.  |
| pkautz          | Surface casing must be set at 350' and at least 50' into the red beds whichever is greater.  |