

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 246150

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
4. Property Code 320513		3. API Number 30-025-44295
5. Property Name SLEDGEHAMMER STATE		6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	23	18S	35E	J	2310	S	2310	E	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	23	18S	35E	J	2310	S	2310	E	Lea

9. Pool Information

REEVES;PENN	52060
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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 3876
16. Multiple N	17. Proposed Depth 11500	18. Formation Strawn	19. Contractor	20. Spud Date 1/15/2018
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	54.5	1900	1655	0
Int1	12.25	9.625	40	4800	1170	0
Prod	7.875	5.5	17	11500	910	4500
Prod	7.875	5.5	20	11500	0	4500

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	3750	Shaffer

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. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Irma Cunningham	Approved By: Paul Kautz
Title: Geo Tech	Title: Geologist
Email Address: icunningham@armstrongenergycorp.com	Approved Date: 12/22/2017 Expiration Date: 12/22/2019
Date: 12/21/2017 Phone: 575-625-2222	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 246150

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-44295	2. Pool Code 52060	3. Pool Name REEVES;PENN
4. Property Code 320513	5. Property Name SLEDGEHAMMER STATE	6. Well No. 001
7. OGRID No. 1092	8. Operator Name ARMSTRONG ENERGY CORP	9. Elevation 3876

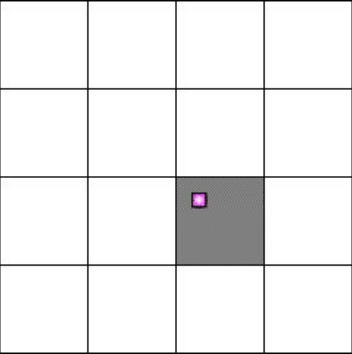
10. Surface Location

UL - Lot J	Section 23	Township 18S	Range 35E	Lot Idn J	Feet From 2310	N/S Line S	Feet From 2310	E/W Line E	County Lea
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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

	OPERATOR CERTIFICATION <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> E-Signed By: Irma Cunningham Title: Geo Tech Date: 12/21/2017 SURVEYOR CERTIFICATION <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> Surveyed By: Chad Harcrow Date of Survey: 11/14/2017 Certificate Number: 17777
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Form APD Comments

Permit 246150

PERMIT COMMENTS

Operator Name and Address: ARMSTRONG ENERGY CORP [1092] P.O. Box 1973 Roswell, NM 88202		API Number: 30-025-44295
		Well: SLEDGEHAMMER STATE #001

Created By	Comment	Comment Date
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Form APD Conditions

Permit 246150

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

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: ARMSTRONG ENERGY CORP [1092] P.O. Box 1973 Roswell, NM 88202	API Number: 30-025-44295
	Well: SLEDGEHAMMER STATE #001

OCD Reviewer	Condition
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	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 45 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.