

07/16/2014 DATE IN	SUSPENSE	fb mAm ENGINEER	07/16/2014 LOGGED IN	NSL TYPE	PEH1419756984 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

NSL  
ARMSTRONG ENERGY CORPORATION  
167733  
P251

well  
- whiskey  
River #1  
30-041-Pending

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Bruce A. Stubbs  
Print or Type Name

Signature

*B. Stubbs*

V.P. Operations/Engineering  
Title

07-14-14  
Date

bastubbs@armstrongenergycorp.com  
e-mail Address

**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 Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
**Energy, Minerals & Natural Resources Department**  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**Exhibit C**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name <b>WHISKEY RIVER</b>	
OGRID No.	Operator Name <b>ARMSTRONG ENERGY CORPORATION</b>	Well Number <b>1</b>
		Elevation <b>4406'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>O</b>	<b>15</b>	<b>6-S</b>	<b>33-E</b>		<b>1135</b>	<b>SOUTH</b>	<b>1989</b>	<b>EAST</b>	<b>ROOSEVELT</b>

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres <b>40</b>	Joint or Infill	Consolidation Code	Order No.
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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

<p style="text-align: center;"><b>Taylor Heirs et al Fee Lease 120 Acres</b></p> <p style="text-align: right;"> <b>GEODETIC COORDINATES NAD 27 NME</b>   <b>SURFACE LOCATION</b>  Y=1015971.7 N  X=738151.5 E   LAT.=33.790332° N  LONG.=103.549488° W </p> <p style="text-align: right;"> <b>GEODETIC COORDINATES NAD 83 NME</b>   <b>SURFACE LOCATION</b>  Y=1016036.0 N  X=779327.8 E   LAT.=33.790423° N  LONG.=103.550000° W </p>	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p style="text-align: right;"><b>Bruce A. Stubbs 6-16-2014</b></p> <p>Signature _____ Date _____</p> <p style="text-align: right;"><b>Bruce A. Stubbs</b></p> <p>Printed Name _____</p> <p style="text-align: right;"><b>bastubbs@armstrongenergycorp.com</b></p> <p>E-mail Address _____</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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 style="text-align: right;"><b>APRIL 4, 2014</b></p> <p>Date of Survey _____</p> <p>Signature &amp; Seal of Professional Surveyor: _____</p> <div style="text-align: center;"> </div> <p>Certificate Number <b>Gary G. Eidson 12641</b>  <b>Ronald J. Eidson 3239</b></p> <p>ACK <span style="float: right;">TWSC W.O.: 14.11.0302</span></p>
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500 North Main Street, Suite 200  
P.O. Box 1973  
Roswell, New Mexico 88202-1973  
(575) 625-2222  
Fax (575) 622-2512

2014 JUL 15 10 33 AM

July 14, 2014

Mr. Richard Ezeanyim  
Oil Conservation Division  
New Mexico Department of Energy, Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Armstrong Energy Corporation  
Application for administrative approval – Non-standard well location  
Whiskey River #1  
1135' FSL & 1989' FEL (SW/SE, Unit O)  
Section 15-T6S-R33E, NMPM  
Wildcat Fusselman  
Roosevelt County, New Mexico

Dear Mr. Ezeanyim:

Armstrong Energy Corporation (AEC) hereby seeks administrative approval pursuant to NMAC 19.15.15.13 for a non-standard well location for its Whiskey River #1 well ("Well"). The well will be drilled to granite to test Fusselman oil production from approximately 8,100 feet.

The proposed location is 1989' FEL & 1135' FSL, section 15, T6S-R33E. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This location is located 185' from the north boundary of the SW/SE 40 acre unit.

This non-standard location is based on a 3-D seismic survey AEC performed last fall. The survey identified a small structure (Exhibit A and B) with the apex at X=779,327, Y=1,015,971 (NAD 27). By drilling the proposed well on the apex of the structure, oil and gas recoveries will be maximized and prevent waste.

The proposed well encroaches on the NW/SE quarter section in section 15. The mineral/royalty ownership under this tract and the drillsite tract is common to and is subject to AEC oil and gas leases that covers the N/2SE/4 and the SW/SE/4 of section 15 (Taylor Heirs et al Fee Lease). The working interest is common throughout all of the 120 acre Taylor Heirs et al Fee Lease. Leases and their relation to the 40 acre drillsite are shown in Exhibit C.

**ARMSTRONG ENERGY CORPORATION**

The only proration unit that is affected by the encroachment has common ownership and Armstrong Energy Corporation is the operator/lessor of both 40 acre tracts. Pursuant to 19.15.4.12 (2) (c) NMAC, notification is not necessary. As a courtesy, copies of this application are being mailed to the royalty owners.

Should you need any additional information, please call me at 575-624-2800.

Sincerely,

ARMSTRONG ENERGY CORPORATION



Bruce A. Stubbs

Vice President Operations/Engineering

Enclosures

xc: Mr. Paul Kautz  
New Mexico Oil Conservation Division -  
District 1  
1625 N. French Drive  
Hobbs, New Mexico 88240

**Taylor Heirs, et al, Fee Lease**  
Kyla Taylor Thompson  
1122 Green Valley Road N.W.  
Los Ranchos, New Mexico 87107

Ray D. Taylor  
P.O. Box 723  
Tatum, New Mexico 88267

Alice Holeman Crouch  
4508 Banister Lane  
Austin, Texas 78754

Nettie Cecilia Holeman Crouch  
11094CR 2464  
Terrell, Texas 75160

Druella Holeman Wilbanks  
P.O. Box 84  
Maljamar, New Mexico 88264

**ARMSTRONG ENERGY CORPORATION**

**Taylor Heirs, et al, Fee Lease  
120.00 acres  
N/2 SE/4, SW/4 SE/4 Section 15, T6S-R33E  
Roosevelt County, New Mexico**

**Armstrong Energy Corporation  
Operator/Lessor**

**Lessees:**

Kyla Taylor Thompson  
1122 Green Valley Road N.W.  
Los Ranchos, New Mexico 87107

Kyla Taylor Thompson  
1122 Green Valley Road N.W.  
Los Ranchos, New Mexico 87107

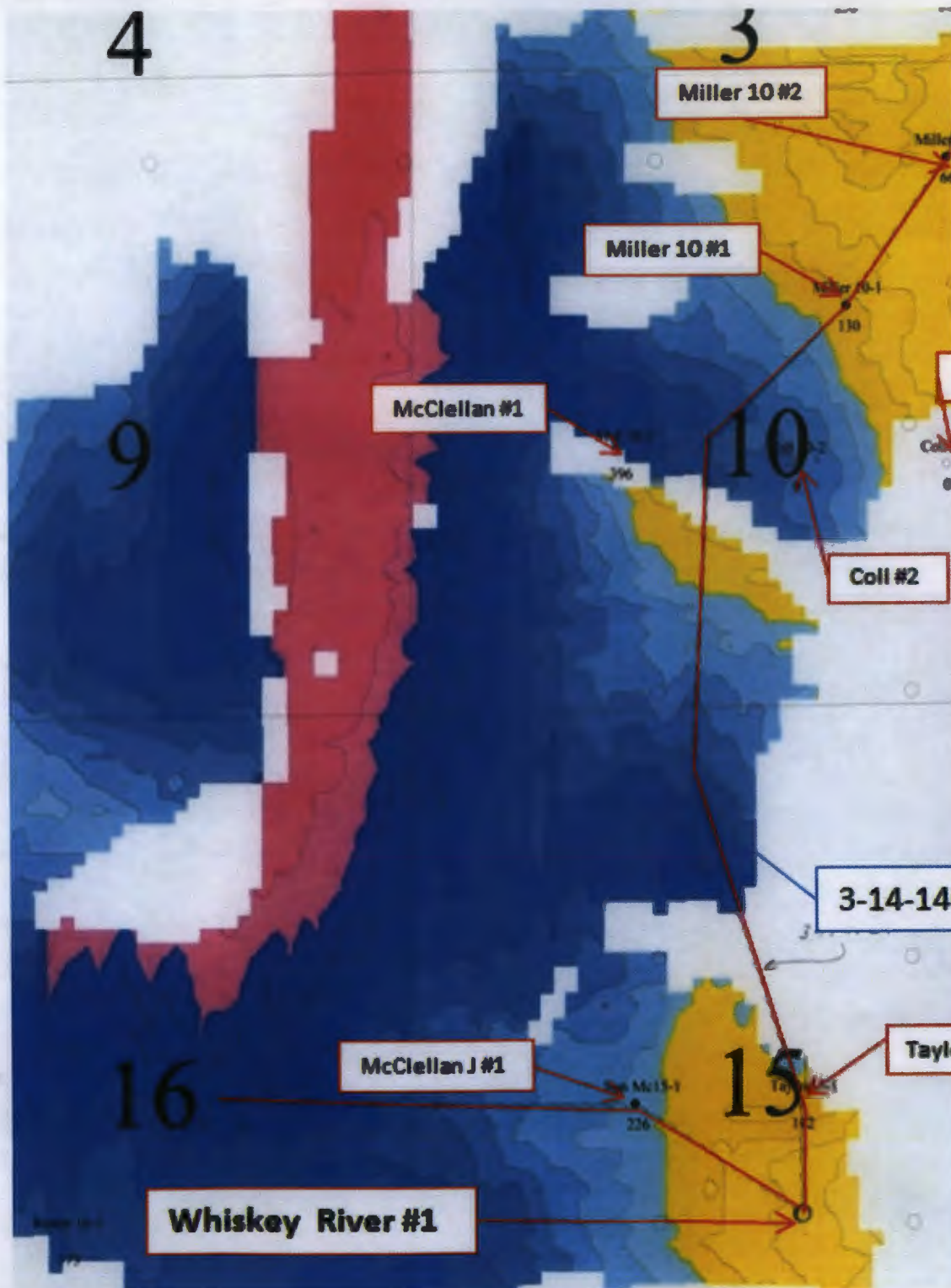
Ray D. Taylor  
P.O. Box 723  
Tatum, New Mexico 88267

Alice Holeman Crouch  
4508 Banister Lane  
Austin, Texas 78754

Nettie Cecilia Holeman Crouch  
11094CR 2464  
Terrell, Texas 75160

Druella Holeman Wilbanks  
P.O. Box 84  
Maljamar, New Mexico 88264





**Armstrong Energy Corp.**

**Peterson West Prospect**

**Whiskey River #1 Sec. 15-T6S-R33E**

**Exhibit A**

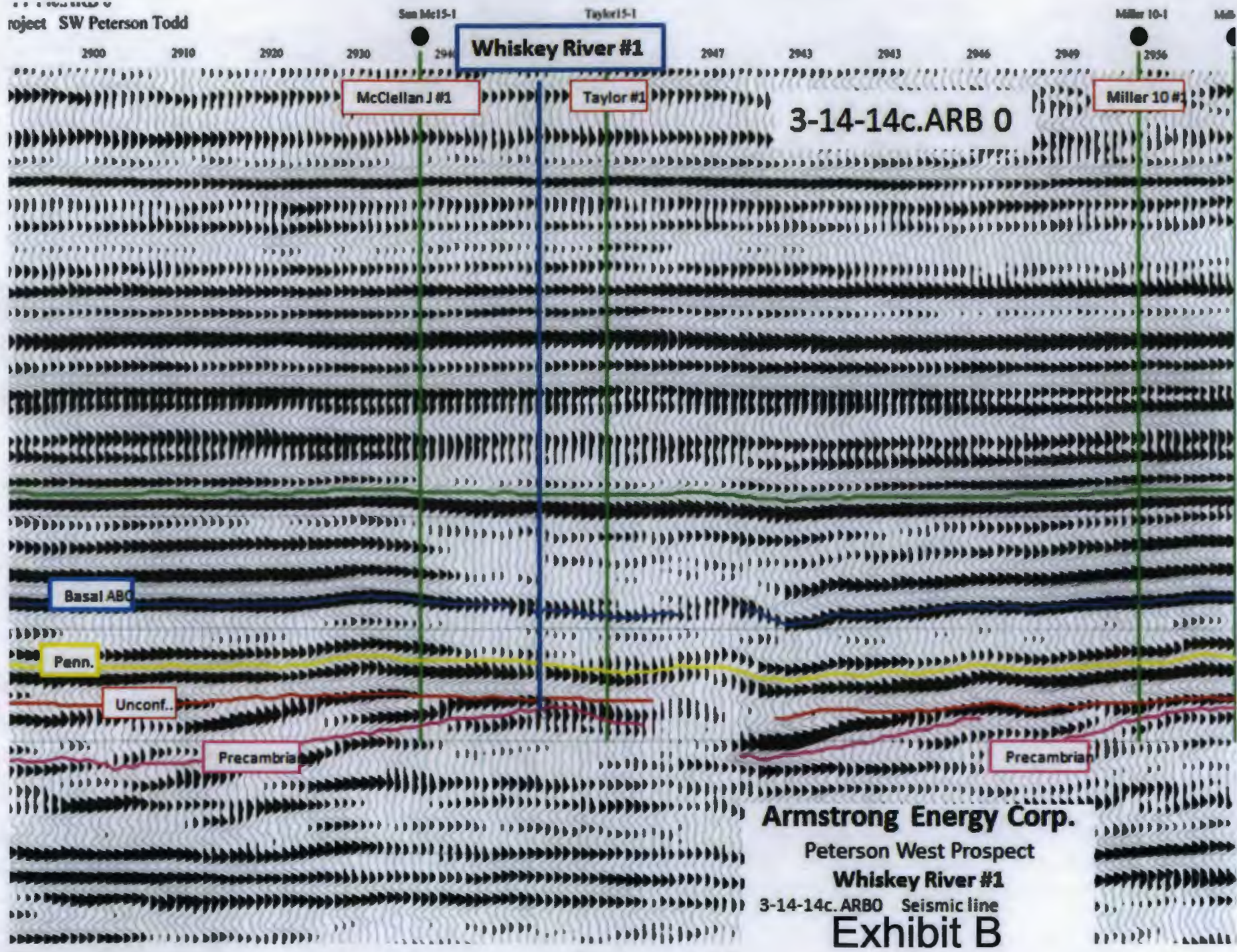
**Precambrian Time Map**

CI 3m/s

3-14-14C ARB Seismic line



Project SW Peterson Todd



Armstrong Energy Corp.  
Peterson West Prospect  
Whiskey River #1  
3-14-14c.ARB0 Seismic line  
Exhibit B





500 North Main Street, Suite 200  
P.O. Box 1973  
Roswell, New Mexico 88202-1973  
(575) 625-2222  
Fax (575) 622-2512

July 14, 2014

Mr. Paul Kautz  
NM Oil Conservation Division  
1625 N. French Drive  
Hobbs, New Mexico 88240

Re: Application for Administrative Approval  
Non-Standard Well Location  
Whiskey River #1  
Sec 15, Township 6 South, Range 33 East, NMPM  
Roosevelt County, New Mexico

Dear Mr. Kautz:

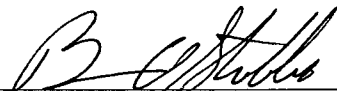
Enclosed, for your information and file, is a copy of the Application for Administrative Approval, non-standard well location for our Whiskey River #1 well, which has been submitted to the Oil Conservation Division in Santa Fe, NM.

Also attached is a copy of the letter which have been sent to the Royalty Owners along with a copy of the Certified, Return Receipts.

If you have any questions, please contact me at 575-625-2222.

Sincerely,

ARMSTRONG ENERGY CORPORATION

By:   
Bruce Stubbs  
Vice President Operations/Engineering

Enclosures





500 North Main Street, Suite 200  
P.O. Box 1973  
Roswell, New Mexico 88202-1973  
(575) 625-2222  
Fax (575) 622-2512

July 14, 2014

***CERTIFIED, RETURN RECEIPT***

✓ Kyla Taylor Thompson  
1122 Green Valley Road N.W.  
Los Ranchos, New Mexico 87107

Ray D. Taylor  
P.O. Box 723  
Tatum, New Mexico 88267

Alice Holeman Crouch  
4508 Banister Lane  
Austin, Texas 78754

Nettie Cecilia Holeman Crouch  
11094CR 2464  
Terrell, Texas 75160

Druella Holeman Wilbanks  
P.O. Box 84  
Maljamar, New Mexico 88264

Re: Armstrong Energy Corporation  
Whiskey River #1  
1135' FSL & 1989' FEL (SW/SE, Unit O)  
Section 15, T6S-R33E, NMPM  
Roosevelt County, New Mexico

Dear Taylor Heirs:

Armstrong Energy Corporation (AEC) is making application for a non-standard well location for its Whiskey River #1 well. The well will be drilled to granite to test Fusselman oil production from approximately 8,100 feet.

Enclosed is a copy of the application made to the New Mexico Oil Conservation Division. Should you need any additional information, please call me at 575-624-2800.

Sincerely,

ARMSTRONG ENERGY CORPORATION

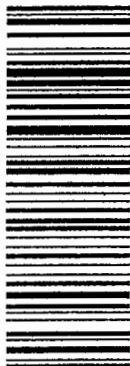
A handwritten signature in black ink, appearing to read "B. Stubbs", is written over a horizontal line.

Bruce A. Stubbs  
Vice President Operations/Engineering

BAS/ic  
Enclosures

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.40

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or PO Box  
City, State  
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11094CR 2464  
Terrell, TX 75160

PS Form 3800, August 2006

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P.O. Box 84  
Maljamar, NM 88264

PS Form 3800, August 2006

See Reverse for Instructions

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Sent To  
Street, Apt.  
or PO Box  
City, State  
Alice Holeman Crouch  
4508 Banister Lane  
Austin, Texas 78754

PS Form 3800, August 2006

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P.O. Box 723  
Tatum, NM 88267

PS Form 3800, August 2006

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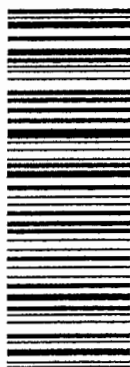
Sent To  
Street, Apt.  
or PO Box  
City, State  
Kyla Taylor Thompson  
112 Green Valley Road N.W.  
Los Ranchos, NM 87107

PS Form 3800, August 2006

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7012 1010 0003 5781 0268  
7012 1010 0003 5781 0268

**McMillan, Michael, EMNRD**

---

**From:** Kautz, Paul, EMNRD  
**Sent:** Thursday, July 17, 2014 8:23 AM  
**To:** McMillan, Michael, EMNRD  
**Subject:** RE: Whiskey River #1 Roosevelt Co

WC-041 G-05 S0633150;FUSSELMAN [98078]

---

**From:** McMillan, Michael, EMNRD  
**Sent:** Wednesday, July 16, 2014 4:34 PM  
**To:** Kautz, Paul, EMNRD  
**Subject:** Whiskey River #1 Roosevelt Co

Paul:

Can you tell me what pool the following well will be in: Whiskey River #1 Roosevelt Co. Sec. 15 T6 R33E. Depth is approximately 8000 feet. Fusselman formation.

Thank You

Mike