

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-28571 / 30-025-24390
5. Indicate Type of Lease Federal
6. State Oil & Gas Lease No. Federal No.: NM-0381550-C
7. Lease Name or Unit Agreement Name Government G
8. Well Number 2
9. OGRID Number 001092
10. Pool name or Wildcat 49780 Pearl Queen

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Armstrong Energy Corporation (505-625-2222)	
3. Address of Operator P.O. Box 1793, Roswell, NM 88202	
4. Well Location Unit Letter <u>O</u> : <u>760</u> feet from the <u>South</u> line and <u>2080</u> feet from the <u>East</u> line Section <u>24</u> Township <u>19S</u> Range <u>34E</u> NMPM County <u>Lea</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3805.3' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____	
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Surface Commingle Production <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Armstrong Energy Corporation respectfully request authority to commingle production from the Government G #1 and the Government G #2. The #1 currently produces from the Lea San Andres Pool (37585) at rates of 3.6 BOPD and 5 BWPD. The #2 was completed in the Pearl Queen Pool (49780) in early August 2005 and currently produces 5 BOPD and 32.5 BWPD. Gas volumes on each well are too small to measure.

Production from each well will be determined from periodic well tests, performed at least on an annual basis. Daily production tests are attached for the #2 well and monthly production is attached for the #1 well.

These two wells are on a common lease and are the only wells producing into the battery. Ownership of the Queen and San Andres zones are identical. (See attached certification.)

A copy of this application has been mailed to the Bureau of Land Management at the Roswell, New Mexico office. A copy of the registered-return receipt is attached.

The oil produced from the Pearl Queen Pool and the Lea San Andres Pool are similar in gravity and quality and commingling will have no effect on the value of the combined product. Run statements attached.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE B. Stubbs TITLE Engineer DATE 10-19-05

Type or print name Bruce A. Stubbs E-mail address: pecos@lookingglass.net Telephone No. 505-625-2222
For State Use Only

APPROVED BY: Will Jones TITLE Engineer DATE 10/25/05
Conditions of Approval (if any):