## HOBBS OCD

95XK153584933

<u>District\_I</u> 1625 N. French Dr., Hobbs, NM 88240

State of New Mexico JUL 0 2 2013 State of New Micales Energy Minerals and Natural Resources

Form C-141 Revised August 8, 2011

District II

1000 Rio Brazos Road, Aztec, NM 87410

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1270 S. St. Francis Dr. Santa Fe. NM 87505 1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

			Rele	ease Notific	ation	and Co	rrective A	ction				
						<b>OPERA</b> T	OR		☐ Initia	l Report	X	Final Report
Name of Co	mpany A	Armstrong E	Energy C	Corporation	(	Contact B	ruce Stubbs					
Address		ox 1973, R		M 88202		Telephone N						
Facility Nar	ne Must	ang Sally #	1			Facility Typ	e Producing	well				
Surface Ow	ner Roy	Lee Criswe	ell	Mineral C	)wner	Radcliff, e	t al		API No.	30-041	-2094	3
				LOCA	ATION	OF REI	LEASE					
Unit Letter	Section	Township	Range	Feet from the	North/:	South Line	Feet from the	East/V	Vest Line	County		
N	19	5S	34E	461	s	outh	2085	V	/est	Ro	oseve	elt
			La	titude_33.851	89	_ Longitud	e_103.41567					
				NAT	URE	OF RELI	EASE					
Type of Relea		gas, water				Volume of	Release 25 bl	bls	Volume R		20 bl	
Source of Re		tuffing box				Date and H	our of Occurrenc	<u> </u>	Date and I	Hour of Dis		2:30 am
Was Immedia	ite Notice (		Yes [	No 🗌 Not Re	equired	E.L. Go	Whom? 1:00 nzales	am 5,	/26/13		5	5/26/13
By Whom?									*****			
Was a Water	'as a Watercourse Reached?											
If a Watercou	irse was Im	_					<del></del>		<del></del>			
	SE	E ATTACH	IED REF	PORT								
Describe Cau	se of Proble	em and Reme	dial Action	n Taken.*								
	SE	E ATTACH	IED REE	PORT						•		
	Ų.	L AT TAO	ILD ILL	ORT								
Describe Are	a Affected:	and Cleanup A	Action Tak	en.*								
	QE.	E ATTACH	IEN DEG	OODT								
	, 30	EATIACI	IED KER	OKI								
regulations al public health should their o	l operators or the envi operations h nment. In a	are required to ronment. The ave failed to a ddition, NMC	o report ar acceptance adequately OCD accep	is true and comp ad/or file certain re se of a C-141 repo investigate and re tance of a C-141	elease no ort by the emediate	otifications ar NMOCD ma contamination	id perform correct arked as "Final Re on that pose a thre	tive acti eport" deat to gr	ons for rele oes not relic ound water	ases which eve the oper , surface wa	may en ator of ter, hui	idanger Tiability man health
	B	all	#_	-			OIL CONS	SERV	ATION	DIVISIC	N	
Signature: Printed Name	Bruce	e A. Stubbs	14	<del>-</del>		Approved by	Environmental Sp	pecialist	:			
		ent - Opera	tions			Approval Dat	a.		Expiration I	Date:		
E-mail Addre	ss: bastul	obs@armst	rongene	rgycorp.com		Conditions of			sapauton t			
	1, 2013		Phone:	575-624-280						Attached		



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

July 1, 2013

Oil Conservation Division 1625 N. French Drive Hobbs, NM 88240

Attention: E.L. Gonzales

HOBBS OCD

JUL 9 2 2013

RECEIVED

ECG 7-2-2012

Re: Mustang Sally #1

Township 5 South, Range 34 East, NMPM

Section 19N

Roosevelt County, New Mexico

Dear Mr. Gonzales:

Enclosed is the C-141 - Release Notification and Corrective Action, Final Report, for the Mustang Sally #1, with attachments, to be filed with your office.

If you have any questions, please contact Bruce Stubbs at 505-625-2222.

Sincerely,

ARMSTRONG ENERGY CORPORATION

Irma Cunningham, Geo

**Enclosures** 

## Armstrong Energy Corporation Mustang Sally #1 Section 19 N T5S-R34E Roosevelt County, New Mexico

June 28, 2013

HOBBS OCD

JUL 0 2 2013

RECEIVED

Sometime before 2:00 am on the morning of May 26, 2013 the line pressure on Targa's gathering system increased and caused the high-low valve to shut the well in. Pressure increased and caused the stuffing box packing to blowout. The well was pumping normally at 10:00 pm and the rancher's son discovered the leak at 2:30 am. The pumper was notified and the rod B.O.P. was shut-in to stop the flow. The weather conditions were clear and warm with a 20+ mph wind from the south-southwest. Most of the liquid was contained inside the location, but the wind carried a mist of oil north-northeast approximately 750 feet. The heavily misted area next to location had visible droplets on the plant leaves, while the lightly misted area had visible stain and residue when the vegetation was wiped.

## Remedial Action:

A vacuum truck, crew with squeegees and a steam unit were called Sunday morning and worked until 7:00 pm cleaning the equipment and recovering the liquid from location. Approximately 20 barrels of oil, gas and wash water were recovered. The recovered fluids were hauled to Gandy-Marley's disposal.

## Cleanup Action:

- The heavily misted area next to location, approximately one (1) acre, was treated with Biomax Enzyme / Fertilizer solution and the area next to the fence was treated with BCC SOP 1 Liquid Calcium. The medium and lightly misted area was washed with 800 bbls. fresh water.
- 2. Approximately 150 cu. yds. of contaminated caliche was removed from the location and three (3) samples were collected from the areas that had the worst puddling. The samples were tested and the results were:

20' south of well	CI 256 mg/kg	DRO 137 mg/kg
20' north of well	Cl 1620 mg/kg	DRO <10 mg/kg
40' north of well	CI 2680 mg/kg	DRO 145 mg/kg

3. An additional 150 cu. yds. of contaminated caliche was removed from the location, to a depth of 3 feet. Three (3) samples were collected from the same areas and the results were:

20' south of well Cl 112 mg/kg DRO <10 mg/kg 20' north of well Cl <16 mg/kg DRO <10 mg/kg 40' north of well Cl <16 mg/kg DRO <10 mg/kg

- 4. 384 cu. yds. of clean caliche was hauled to location and used to fill the excavated area and level the location.
- 5. Contaminated caliche was hauled to the Gandy-Marley disposal facility.
- 6. The area north of the fence that was heavily misted, was seeded with gamma grass and buffalo grass.
- 7. Since June 1<sup>st</sup>, they area has received 6+ inches of rain and the pasture is greening up.
- 8. Remediation was completed June 28, 2013.



HOBBS OCD

June 06, 2013

JUL 9 2 2013

**BRUCE STUBBS** 

ARMSTRONG ENERGY CORP

RECEIVED

P. O. BOX 1973

ROSWELL, NM 88202

RE: MUSTANG SALLY #1

Enclosed are the results of analyses for samples received by the laboratory on 06/03/13 13:20.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (\*). For a complete list of accredited analytes and matrices visit the TCEQ website at <a href="https://www.tceq.texas.gov/field/qa/lab-accred-certif.html">www.tceq.texas.gov/field/qa/lab-accred-certif.html</a>.

Cardinal Laboratories is accreditated through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2 Haloacetic Acids (HAA-5)
Method EPA 524.2 Total Trihalomethanes (TTHM)
Method EPA 524.4 Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

Celey D. Keine

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Lab Director/Quality Manager



ARMSTRONG ENERGY CORP BRUCE STUBBS P. O. BOX 1973 ROSWELL NM, 88202 Fax To: (575) 622-2512

Fax

Received: Reported:

, a

06/03/2013

06/06/2013

Project Name: Project Number: MUSTANG SALLY #1
NONE GIVEN

Project Location:

NOT GIVEN

Sampling Date:

06/03/2013

Sampling Type:

Soil

Sampling Condition:

Cool & Intact

Sample Received By:

Jodi Henson

,

Sample ID: 20' S. OF WELL (H301292-01)

BTEX 8021B	mg/	kg	Analyze	d By: AP			<u></u>		S-04
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/05/2013	ND	2.24	112	2.00	6.40	
Toluene*	<0.050	0.050	06/05/2013	ND	2.02	101	2.00	9.20	
Ethylbenzene*	<0.050	0.050	06/05/2013	ND	2.19	109	2.00	10.4	
Total Xylenes*	<0.150	0.150	06/05/2013	ND	6.37	106	6.00	8.90	
Total BTEX	<0.300	0.300	06/05/2013	ND					
Surrogate: 4-Bromofluorobenzene (PIC	135 9	% 89.4-12	6					-	-
Chloride, SM4500CI-B	mg/	kg	Analyze	d By: DW					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	256	16.0	06/05/2013	ND	400	100	400	0.00	
TPH 8015M	mg/	kg	Analyze	d By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	06/05/2013	ND	212	106	200	3.07	
DRO >C10-C28	137	10.0	06/05/2013	ND	222	111	200	3.64	
Surrogate: 1-Chlorooctane	105 9	65.2-14	0						
Surrogate: 1-Chlorooctadecane	105 9	63.6-15	4						

Cardinal Laboratories \*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim ansing, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waved unless made in writing and received by Cardinal within thirty (33) days after completion of the applicable service. In no event shall be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsciences, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claims is based upon any of the above stated reasons or otherwise. Results relate only to the samples demnified above. This report shall not be reproduced except in full with written approval of Cardinal Liabovations.

Celey & Kune



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Received: Reported: 06/03/2013

06/06/2013

Project Name: Project Number: MUSTANG SALLY #1
NONE GIVEN

Project Location:

NOT GIVEN

Sampling Date:

06/03/2013

Sampling Type:

Soil

Sampling Condition: Sample Received By: Cool & Intact

Jodi Henson

## Sample ID: 20' N. OF WELL (H301292-02)

BTEX 8021B	mg/	kg	Analyze	d By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/05/2013	ND	2.24	112	2.00	6.40	
Toluene*	<0.050	0.050	06/05/2013	ND	2.02	101	2.00	9.20	
Ethylbenzene*	<0.050	0.050	06/05/2013	ND	2.19	109	2.00	10.4	
Total Xylenes*	<0.150	0.150	06/05/2013	ND	6.37	106	6.00	8.90	
Total BTEX	<0.300	0.300	06/05/2013	ND					
Surrogate: 4-Bromofluorobenzene (PIL	123 9	% 89.4-12	6						
Chloride, SM4500Cl-B	mg/	kg	Analyze	d By: DW			***		
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	1620	16.0	06/05/2013	ND	400	100	400	0.00	
TPH 8015M	mg/	kg	Analyze	d By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	06/05/2013	ND	212	106	200	3.07	
DRO >C10-C28	<10.0	10.0	06/05/2013	ND	222	111	200	3.64	
Surrogate: 1-Chlorooctane	104 9	65.2-14	0						
Surrogate: 1-Chlorooctadecane	108 9	63.6-15	4						

Cardinal Laboratories

\*=Accredited Analyte

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Celeg D. Keine



ARMSTRONG ENERGY CORP **BRUCE STUBBS** P. O. BOX 1973 ROSWELL NM, 88202

Fax To:

(575) 622-2512

Received: Reported: 06/03/2013

06/06/2013

MUSTANG SALLY #1

Project Number: Project Location:

Project Name:

NONE GIVEN

Sampling Date:

Sampling Type:

06/03/2013 Soil

Sampling Condition: Sample Received By: Cool & Intact

Jodi Henson

NOT GIVEN

## Sample ID: 40' N. OF WELL (H301292-03)

BTEX 80218	mg/	kg	Analyze	d By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/05/2013	ND	2.24	112	2.00	6.40	
Toluene*	<0.050	0.050	06/05/2013	ND	2.02	101	2.00	9.20	
Ethylbenzene*	<0.050	0.050	06/05/2013	ND	2.19	109	2.00	10.4	
Total Xylenes*	<0.150	0.150	06/05/2013	ND	6.37	106	6.00	8.90	
Total BTEX	<0.300	0.300	06/05/2013	ND					
Surrogate: 4-Bromofluorobenzene (PIL	125	% 89.4-12	6	,,					
Chloride, SM4500CI-B	mg/	kg	Analyze	d By: DW					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	2680	16.0	06/05/2013	ND	400	100	400	0.00	
TPH 8015M	mg/	kg	Analyze	d By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	06/05/2013	ND	212	106	200	3.07	
DRO >C10-C28	145	10.0	06/05/2013	ND	222	111	200	3.64	
Surrogate: 1-Chlorooctane	104 5	65.2-14	o						
Surrogate: 1-Chlorooctadecane	105 9	63.6-15	4						

Cardinal Laboratories

\*=Accredited Analyte

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Celey D. Keine



ARMSTRONG ENERGY CORP **BRUCE STUBBS** P. O. BOX 1973 ROSWELL NM, 88202 Fax To: (575) 622-2512

Received:

06/03/2013

Sampling Date:

06/03/2013

Reported:

06/06/2013

Sampling Type:

Soil

Project Name:

MUSTANG SALLY #1.

Sampling Condition:

Cool & Intact

Project Number:

NONE GIVEN

Sample Received By:

Jodi Henson

Project Location:

NOT GIVEN

## Sample ID: PASTURE SAMPLE (H301292-04)

BTEX 8021B	mg/	kg	Analyze	d By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BŞ	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/05/2013	ND	2.24	112	2.00	6.40	
Toluene*	<0.050	0.050	06/05/2013	ND	2.02	101	2.00	9.20	
Ethylbenzene*	<0.050	0.050	06/05/2013	ND	2.19	109	2.00	10.4	
Total Xylenes*	<0.150	0.150	06/05/2013	ND	6.37	106	6.00	8.90	
Total BTEX	<0.300	0.300	06/05/2013	ND					
Surrogate: 4-Bromofluorobenzene (PIL	123 9	% 89.4-12	б						
Chloride, SM4500Cl-B	mg/	kg	Analyze	d By: DW					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	06/05/2013	ND	400	100	400	0.00	
TPH 8015M	mg/	kg	Analyze	d By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	06/05/2013	ND	212	106	200	3.07	
DRO >C10-C28	<10.0	10.0	06/05/2013	ND	222	111	200	3.64	
Surrogate: 1-Chlorooctane	102 9	65.2-14	0			· · ·			<u>.</u> .
Surrogate: 1-Chlorooctadecane	108 9	63.6-15	4						

Cardinal Laboratories

\*=Accredited Analyte

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Celey D. Keene



### **Notes and Definitions**

S-04 The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.

ND Analyte NOT DETECTED at or above the reporting limit

RPD Relative Percent Difference

\*\* Samples not received at proper temperature of 6°C or below.

\*\*\* Insufficient time to reach temperature.

Chloride by SM4500Cl-B does not require samples be received at or below 6°C

Samples reported on an as received basis (wet) unless otherwise noted on report

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Celey D. Keene, Lab Director/Quality Manager

Page 6 of 7



## HAIN-OF-CUSTODY AND ANALYSIS REQUE

101 East Mariand, Hobbs, NM 88240 (576) 393-2326 FAX (575) 393-2476

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Sampler - UPS - Bus - Other:



June 13, 2013

**BRUCE STUBBS** 

ARMSTRONG ENERGY CORP

P. O. BOX 1973

ROSWELL, NM 88202

HOBBS OCU JUL 0 2 2013 RECEIVED

**RE: MUSTANG SALLY #1** 

Enclosed are the results of analyses for samples received by the laboratory on 06/11/13 11:40.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (\*). For a complete list of accredited analytes and matrices visit the TCEQ website at <a href="https://www.tceq.texas.gov/field/qa/lab-accred-certif.html">www.tceq.texas.gov/field/qa/lab-accred-certif.html</a>.

Cardinal Laboratories is accreditated through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2 Haloacetic Acids (HAA-5)
Method EPA 524.2 Total Trihalomethanes (TTHM)
Method EPA 524.4 Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

Celeg D. Keine

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely.

Celey D. Keene

Lab Director/Quality Manager



ARMSTRONG ENERGY CORP **BRUCE STUBBS** P. O. BOX 1973 ROSWELL NM, 88202

Fax To:

(575) 622-2512

Received:

06/11/2013

Sampling Date:

06/11/2013

Reported:

06/13/2013

Sampling Type:

Soil

Project Name:

MUSTANG SALLY #1

Sampling Condition:

Cool & Intact

Project Number:

NONE GIVEN

Sample Received By:

Jodi Henson

Project Location:

**NOT GIVEN** 

## Sample ID: 40' N. (H301340-01)

BTEX 8021B	mg/	kg	Analyze	d By: DW					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/12/2013	ND	1.66	83.1	2.00	9.02	
Toluene*	< 0.050	0.050	06/12/2013	ND	1.83	91.7	2.00	8.76	
Ethylbenzene*	<0.050	0.050	06/12/2013	ND	2.00	100	2.00	8.87	
Total Xylenes*	<0.150	0.150	06/12/2013	ND	6.17	103	6.00	8.28	
Total BTEX	<0.300	0.300	06/12/2013	ND					
Surrogate: 4-Bromofluorobenzene (PIL	111 %	6 89.4-12	6						
Chloride, SM4500CI-B	mg/	kg	Analyze	d 8y: DW					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	06/12/2013	ND	416	104	400	0.00	
TPH 8015M	mg/	kg	Analyze	d By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	06/12/2013	ND	204	102	200	5.50	
DRO >C10-C28	<10.0	10.0	06/12/2013	ND	212	106	200	4.22	•
Surrogate: 1-Chlorooctane	101 9	65.2-14	0						
Surrogate: 1-Chlorooctadecane	103 9	63.6-15	4						

Cardinal Laboratories \*=Accredited Analyte

PLEASE NOTE: - Liability and Damages, Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waved unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for inodential or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, lits subsidiances, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratones.

Celeg & Kune



ARMSTRONG ENERGY CORP BRUCE STUBBS P. O. BOX 1973 ROSWELL NM, 88202

Fax To:

(575) 622-2512

Received:

06/11/2013

Sampling Date:

06/11/2013

Reported:

06/13/2013

Sampling Type:

Soil

Project Name:

MUSTANG SALLY #1

Sampling Condition:

Cool & Intact

Project Number:

NONE GIVEN

Sample Received By:

Jodi Henson

Project Location:

NOT GIVEN

## Sample ID: 20' N. (H301340-02)

BTEX 8021B	mg/	kg	Analyze	d By: DW					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/12/2013	ND	1.66	83.1	2.00	9.02	
Toluene*	<0.050	0.050	06/12/2013	ND	1.83	91.7	2.00	8.76	
Ethylbenzene*	<0.050	0.050	06/12/2013	ND	2.00	100	2.00	8.87	
Total Xylenes*	<0.150	0.150	06/12/2013	ND	6.17	103	6.00	8.28	
Total BTEX	<0.300	0.300	06/12/2013	ND					
Surrogate: 4-Bromofluorobenzene (PIL	110 9	6 89.4-12	6						
Chloride, SM4500Cl-B	mg/	kg	Analyze	d By: DW					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	06/12/2013	ND	416	104	400	3.77	
TPH 8015M	mg/	kg	Analyze	d By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	06/12/2013	ND	204	102	200	5.50	
DRO >C10-C28	<10.0	10.0	06/12/2013	ND	212	106	200	4,22	
Surrogate: 1-Chlorooctane	105 9	65.2-14	0		***	•			
Surrogate: 1-Chlorooctadecane	105 %	63.6-15	4						

Cardinal Laboratories \*=Accredited Analyte

PLEASE NOTTE: Labitary and Damages. Cardenal's liabelary and client's evolusive remedy for any dain arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed warved unless made in writing and received by Cardinal within thinty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential clamages, uncluding, webout limitation, business interruptions, loss of use, or loss of prints incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claims is based upon any of the above stated reasons or otherwise. Results relate only to the samples deribled above. This report shall not be reproduced except in full with written approval of Cardinal Laborations.

Celey D. Keena



ARMSTRONG ENERGY CORP **BRUCE STUBBS** P. O. BOX 1973 ROSWELL NM, 88202 (575) 622-2512 Fax To:

Received:

06/11/2013

Reported:

Sampling Date:

06/11/2013

06/13/2013

Sampling Type:

Soil

Project Name:

MUSTANG SALLY #1

Sampling Condition:

Cool & Intact

Project Number:

NONE GIVEN

Sample Received By:

Jodi Henson

Project Location:

NOT GIVEN

Sample ID: 20' S. (H301340-03)

BTEX 8021B	mg/	kg	Analyze	d By: DW					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/12/2013	ND	1.66	83.1	2.00	9.02	
Toluene*	<0.050	0.050	06/12/2013	ND	1.83	91.7	2.00	8.76	
Ethylbenzene*	<0.050	0.050	06/12/2013	ND	2.00	100	2.00	8.87	
Total Xylenes*	<0.150	0.150	06/12/2013	ND	6.17	103	6.00	8.28	
Total BTEX	<0.300	0.300	06/12/2013	ND					
Surrogate: 4-Bromofluorobenzene (PIL	110 9	% 89.4-12	6						
Chloride, SM4500Cl-B	mg/	kg	Analyze	d By: DW					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	112	16.0	06/12/2013	ND	416	104	400	3.77	
TPH 8015M	mg/	kg	Analyze	d By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	06/12/2013	ND	204	102	200	5.50	
DRO >C10-C28	<10.0	10.0	06/12/2013	ND	212	106	200	4.22	
Surrogate: 1-Chlorooctane	101 9	65.2-14	0						
Surrogate: 1-Chlorooctadecane	106 9	63.6-15	4						

Cardinal Laboratories

\*=Accredited Analyte

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Celey D. Keine



## **Notes and Definitions**

ND Analyte NOT DETECTED at or above the reporting limit

RPD Relative Percent Difference

\*\* Samples not received at proper temperature of 6°C or below.

\*\*\* Insufficient time to reach temperature.

Chloride by SM4500Cl-B does not require samples be received at or below 6°C

Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

\*=Accredited Analyte

PLEASE NOTE: Labelay and Damages. Cardinal's labelay and cleant's exclusive remedy for any claim ansing, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thinhy (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiants, affaitets or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claims is based upon any of the above stated reasons or otherwise. Results relate only to the samples elemented above. This report shall not be reproduced except in full with written approval of Cardinal Luborationes.

Celey L. Keena

Celey D. Keene, Lab Director/Quality Manager

Page 5 of 6



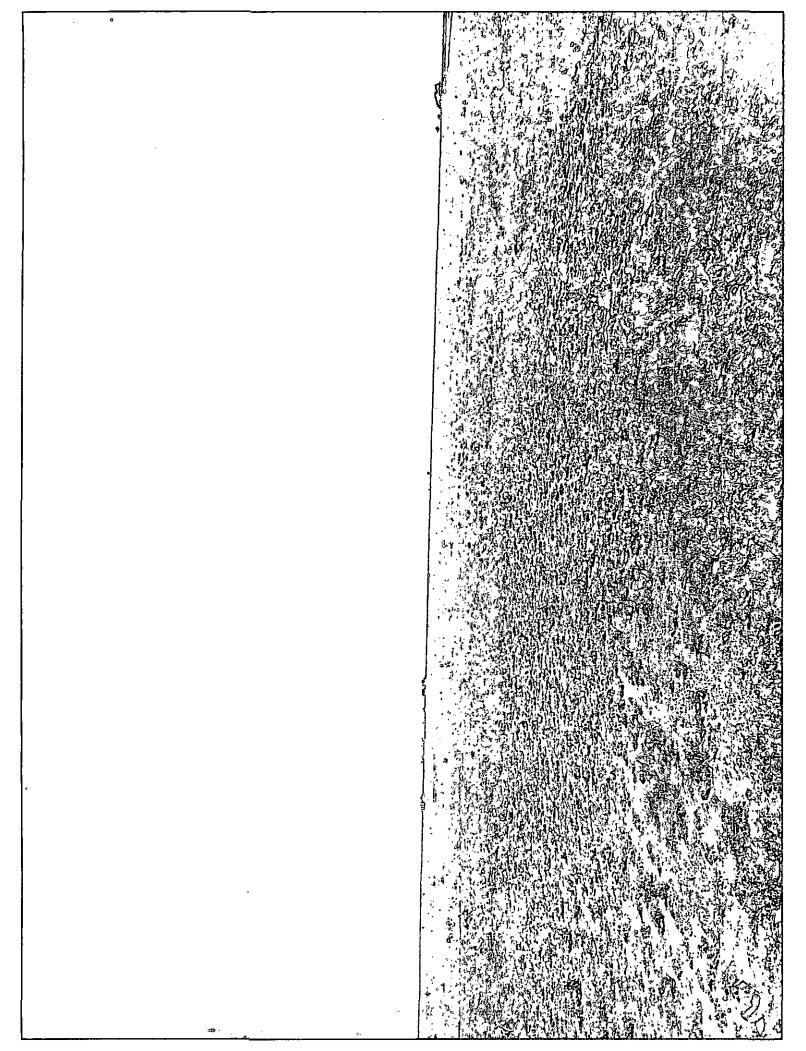
# CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

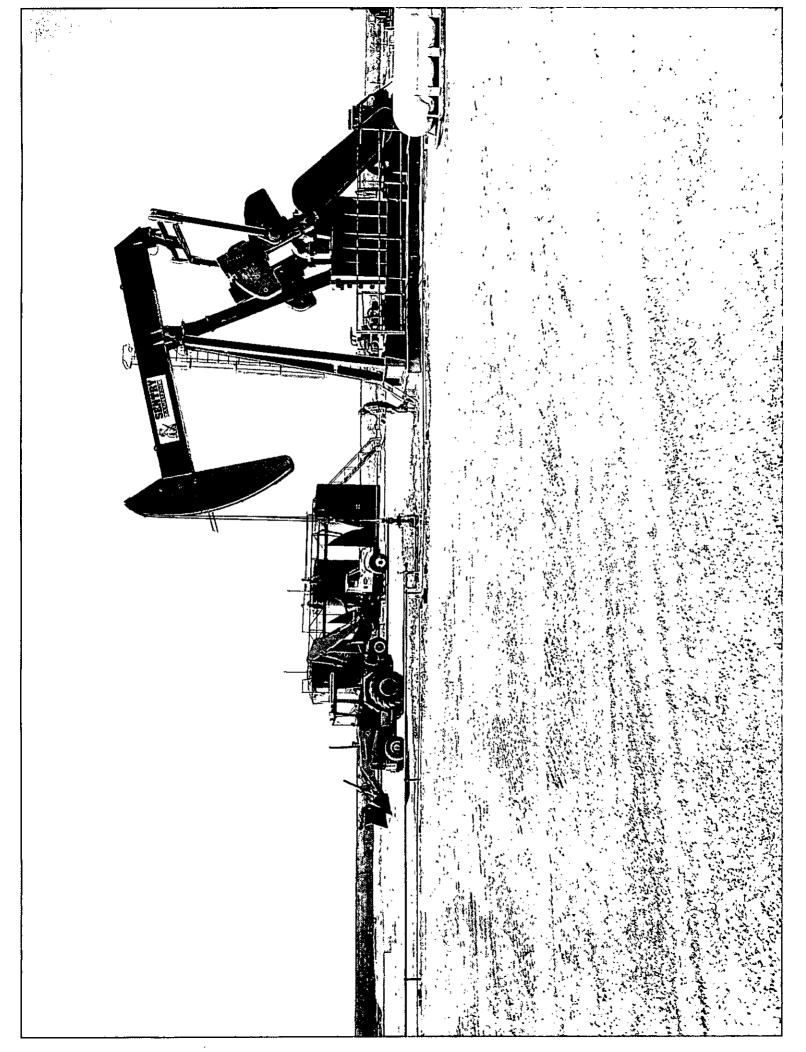
101 East Marland, Hobbs, NM 88240 (575) 393-2326 FAX (575) 393-2476

Company Name: ALMSWONO EMESO	1 ×	O'L'THE		Ah	ANALYSIS REC	REQUEST	
Project Manager: Pruce 4tubbe	Č	P.O. #:					
Address:		Company:				-	
City: State:	Zip:	Attn:					
Phone #: Fax #:		Address:				•	
Project #: Project Owner:		City:		_		· ·	
Project Name: Mustana Sally	4	State: Zip:					
Project Location:		Phone #:			-		
Sampler Name: Kockus Kaus		Fax#:					
FOR LAB USE DIVLY	MATRIX	PRESERV. SAMPLING	6				
	ERS /ATER			EX	1		
Lab I.D. Sample I.D.	G)RAB OF CONTAIN GROUNDY VASTEWA GOIL DIL GLUDGE	OTHER: ACID/BASE CE/COOI OTHER:	Cl-	B7			
40' North	\	6	7 / 06:1	/ マ -			
201		Se:b   1	1 1 58:1	\ \ 			
3 20' South	2	1-	4:45 / 1	<			
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*****	1						
PLEASE NOTE: Liability and Damages. Cacteria's liability and citeria exclusive remedy for any claim arting whether based in contract or fort, shall be imited to the amount paid by the client for the analyses. All claims including those for radigences and any other cause whateverse that be deemed warked unless made to writing and received by Cardical within 30 days after compission of the opplicable services. In no event shall Cardinal be liable for including on complete, including whole within liability, tourishes a liable for the liability of the complete control including which whether a strongers artificing of day related to the professionate of services hearing to cardinate a strongers artificing of day related to the professionate of services hearing to cardinate and which it is a stronger or character.	ctaim arising whether based in contract o emed waived unless made is writing and dhout limitation, business interrupitors, to droal recordings of whether such claim is	or tort, whall be limited to the amount paid be received by Cardinal within 30 days after o tes of upon any of the about ether by die	y the client for the ompletion of the applicable nt, he subsidianes,				
Relinquished By: Date:     Phone Resulted By:   Phone Resulted By:	Received By:		## 	<b>N</b>	Add'l Phone #:		
Carlo and The	t inde	Lendon !	REMARKS:	Yes □ No Ad	d'I Fax#		
	Reserved By:						
lime:							_

20

Delivered By: (Circle One)
Sampler - UPS - Bus - Other:





Office Sta	ite of New Mexico	Form C-103
" District 1 = (575) 393-6161 Energy, Mil	nerals and Natural Resources	Revised August 1, 2011
1625 N. French Dr., Hobbs, NM 8824@13A13O33		WELL API NO.
District II - (575) 748-1283 811 S. First St., Artesia, NM 88210 OIL CON	SERVATION DIVISION	30-041-20943
District III = (505) 334-6178 1220	South St. Francis Dr.	<ol> <li>Indicate Type of Lease</li> <li>STATE ☐ FEE X</li> </ol>
1000 Rio Brazos Rd., Aztec, NM 878 07 I I NN Sa District IV – (505) 476-3460	nta Fe, NM 87505	6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM	,	o. State Office das Lease No.
HORRS OCD 87505		
SUNDRY NOTICES AND REPORT		7. Lease Name or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OF TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT	TO DEEPEN OR PLUG BACK TO A	Mustang Sally
PROPOSALS.)	,	8. Well Number 1
1. Type of Well: Oil Well X Gas Well  Othe	er	
2. Name of Operator		9. OGRID Number
Armstrong Energy Corporation		001092
3. Address of Operator		10. Pool name or Wildcat
P.O. Box 1973, Roswell, N.M. 88202		Wildcat : Fusselman
4. Well Location		
Unit LetterN:461feet	from theSouth line and208	5feet from theWestline
		osevelt County
11. Elevation (S	how whether DR, RKB, RT, GR, etc.)	
	4347' KB	
12. Check Appropriate Box	to Indicate Nature of Notice, I	Report or Other Data
MOTIOE OF INTENTION TO	. Our	SEQUENT DEPORT OF
NOTICE OF INTENTION TO		SEQUENT REPORT OF:
PERFORM REMEDIAL WORK X PLUG AND ABA	_	—
TEMPORARILY ABANDON CHANGE PLAN		
PULL OR ALTER CASING ☐ MULTIPLE CON DOWNHOLE COMMINGLE ☐	IPL CASING/CEMENT	JOB 🗆
DOWNHOLE COMMINGLE	Ť	
OTHER:	☐ OTHER:	П
13. Describe proposed or completed operations. (		give pertinent dates, including estimated date
of starting any proposed work). SEE RULE 1		
proposed completion or recompletion.	ARMSTRUN	/>
	19/1/12/10/10	<b>Ο</b> ,
	RUMEDIAT	non plan
	6/20112	RCUD 6/11/13
See attached remediation plan for a stuffing box leak th	5/30/13	(COI) The
see attached remediation plan for a starting box leak ti	iat occurred on Mi	!
	1	The second
Spud Date:	Rig Release Date:	
Spud Date.	Rig Release Date.	
I hander contifue that the information above is two and a	samulata to the best of my limewile dec	and haliaf
I hereby certify that the information above is true and c	ompiete to the best of my knowledge	and benef.
2 30/11	-	
SIGNATURE DE SIGNATURE	TITLE Vice President	DATEMay 30, 2013
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Type or print nameBruce A. Stubbs E-mail ad-	dress: bastubbs@armstrongenergyco	orp.com PHONE: _575-625-2222
For State Use Only		
APPROVED BY:	TITLE	DATE
Conditions of Approval (if any):		/

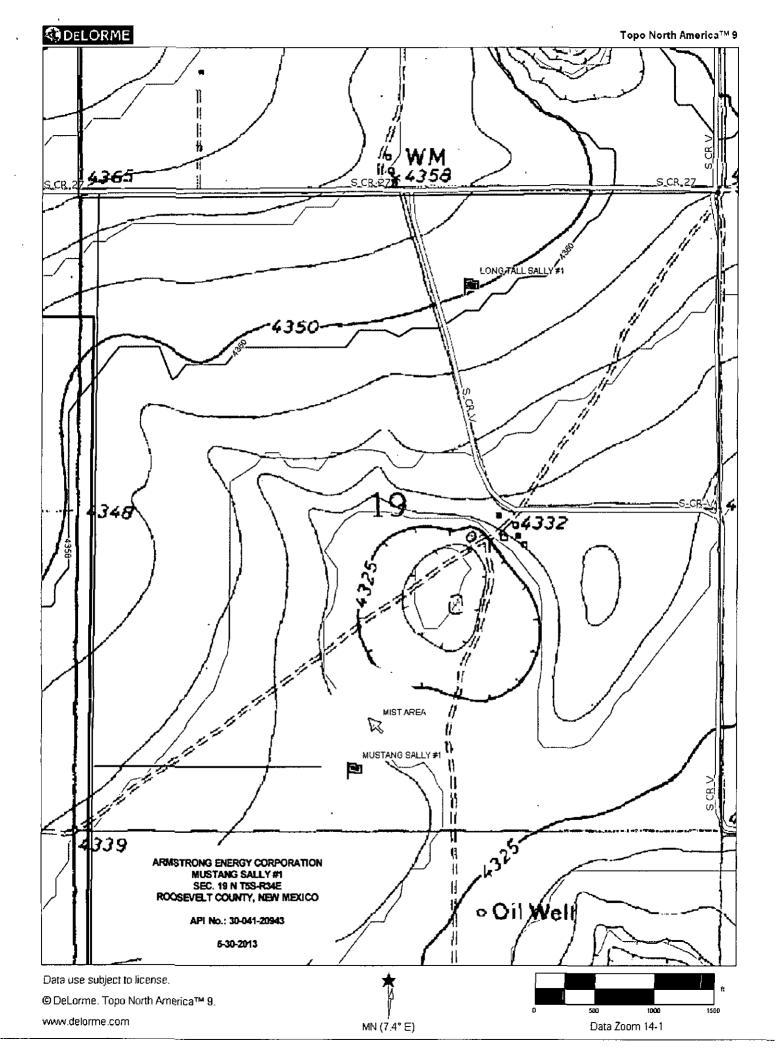
## Armstrong Energy Corporation Mustang Sally #1 Section 19 N T5S-R34E Roosevelt County, New Mexico May 30, 2013

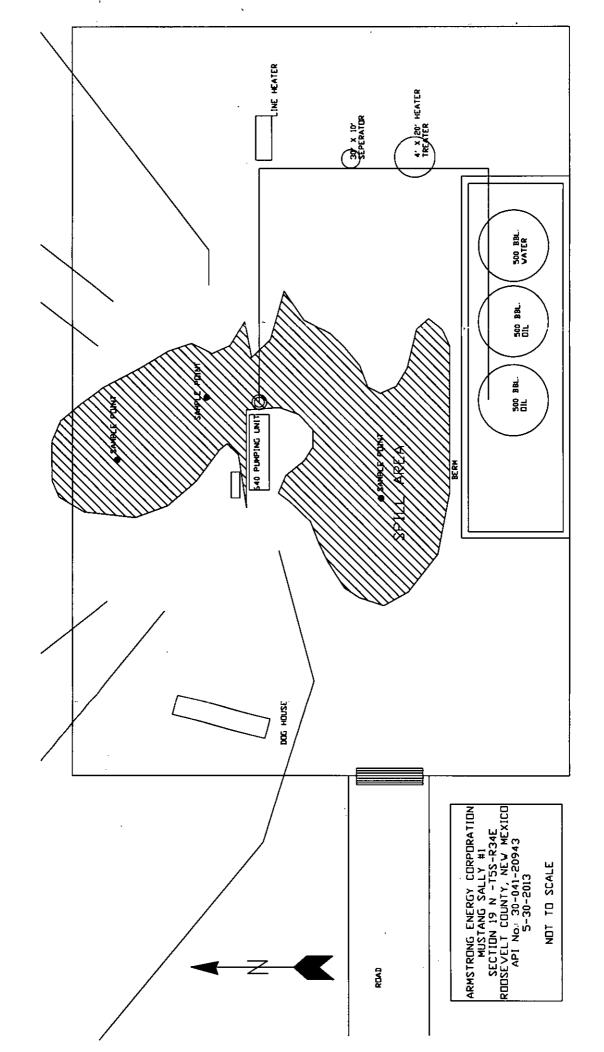
Sometime before 2:00 am on the morning of May 26, 2013 the line pressure on Targa's gathering system increased and caused the high-low valve to shut the well in. Pressure increased and caused the stuffing box packing to blowout. The well was pumping normally at 10:00 pm and the rancher's son discovered the leak at 2:30 am. The pumper was notified and the rod B.O.P. was shut-in to stop the flow. The weather conditions were clear and warm with a 20+ mph wind from the south-southwest. Most of the liquid was contained inside the location, but the wind carried a mist of oil north-northeast approximately 750 feet. The heavily misted area next to location had visible droplets on the plant leaves, while the lightly misted area had visible stain and residue when the vegetation was wiped.

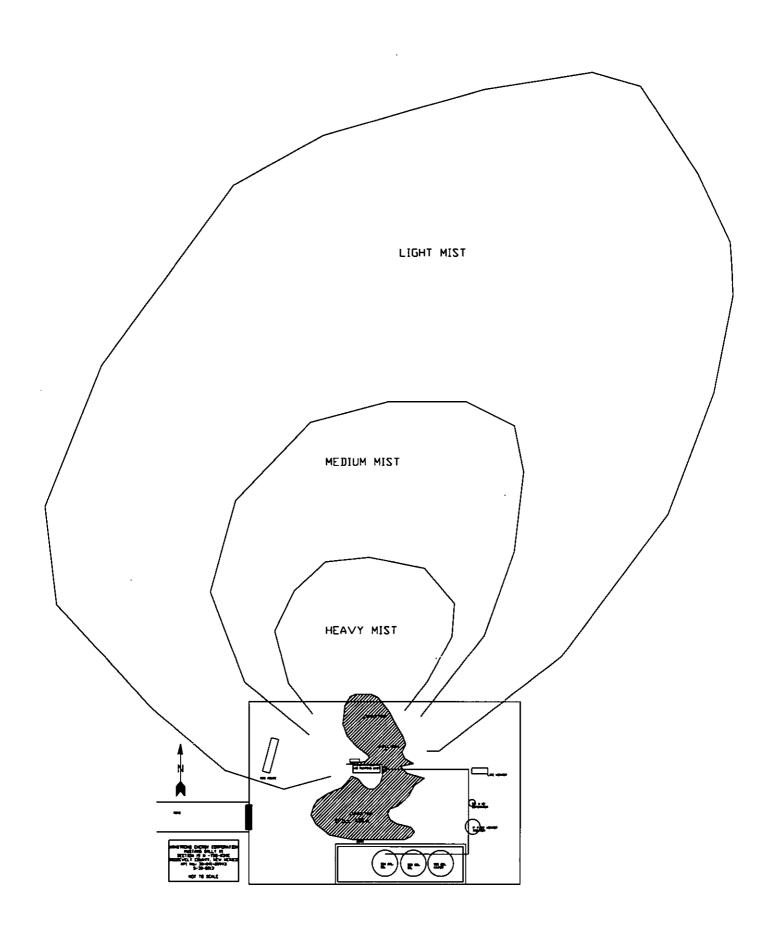
A vacuum truck, crew with squeegees and a steam unit were called Sunday morning and worked until 7:00 pm cleaning the equipment and recovering the liquid from location. Approximately 20 barrels of oil, gas and wash water were recovered. The recovered fluids were hauled to Gandy-Marley's disposal.

## The rehabilitation plan is proposed as follows:

- 1. The contaminated caliche will be removed from the location and three (3) samples will collected from the areas that had the worst puddling. The samples will be tested to ensure all contaminated caliche is removed. Fresh caliche will be hauled to location and the surface restored to it's original condition.
- 2. The heavily misted area next to location, approximately one (1) acre, will be treated with Biomax Enzyme / Fertilizer solution and the area next to the fence will also be treated with BCC SOP 1 Liquid Calcium.
- 3. The remaining misted area will be washed with fresh water.
- 4. The area will be monitored to determine if additional remediation is necessary.









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

June 10, 2013

**SECEINED** 

JUN I I 2013

HOBBS OCD

Oil Conservation Division 1625 N. French Drive Hobbs, New Mexico 88240

Attention: Geoffrey R. Leking

Re: Mustang Sally #1

Township 5 South, Range 34 East, NMPM

Section 19

Roosevelt County, New Mexico

Dear Mr. Leking:

Enclosed is the Sundry Notices and Reports on Wells (C-103) with an attached remediation plan for a stuffing box leak, Mustang Sally #1 well, to be filed in your office.

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

Sincerely,

ARMSTRONG ENERGY CORPORATION

Rv

rma Cunningham, Geo Tech

Enclosures

garaya gyayata

TO KILL WAS LONG TO STATE OF THE