

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



June 21, 2017

Armstrong Energy Corporation  
Attn: Mr. Kyle Alpers

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-7541**

**Armstrong Energy Corporation**  
OGRID 1092  
**Liza Jane Federal Well No. 1**  
**API No. 30-041-20972**

**Proposed Location:**

<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
1630' FSL & 1220' FEL	I	19	5S	34E	Roosevelt

**Proposed Spacing Unit:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE/4 SE/4 of Section 19	40	WC-041 G-05 S053419N, Fusselman	97868

Reference is made to your application received on June 21, 2017

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. 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 less than 330 feet from a unit outer boundary.

Your application has been duly filed under the provisions of Division Rules 15.13.19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

The Applicant's location is based on 3-D seismic, which shows the proposed well should have reservoir rock above the oil-water contact.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 19 15 15 13 (B) NMAC, the above-described unorthodox location is hereby approved

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19 15 5 9 NMAC

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Done at Santa Fe, New Mexico, on June 21, 2017



**DAVID R. CATANACH**  
**Director**

DRC/mam

cc. New Mexico Oil Conservation Division – Hobbs  
Bureau of Land Management - Roswell