



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Pecos District  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201-2019  
www.nm.blm.gov



In Reply Refer To:  
NMNM122241X  
3180 (P01300)

MAR 27 2009

Armstrong Energy Corporation  
P.O. Box 1973  
Roswell, New Mexico 88202-1973

Gentlemen:

Your application of February 13, 2009, filed with the BLM requests the designation of the Round Tank Queen Unit area, embracing 1922.72 acres, more or less, Chaves County New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended.

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked Exhibit "A" and described in Exhibit "B", Armstrong Energy Corporation, Round Tank Queen Unit, Chaves County, New Mexico is hereby designated as a logical unit area for the Queen Formation, 1510-1526 feet as measured on the Dresser Atlas Gamma Ray Neutron Log dated May 19, 1978 in the well No. 3-Christine Federal located at 680 feet FNL and 1980 feet FEL Sec. 30, T. 15 S., R. 29 E., Chaves County, New Mexico. The land described in Exhibit "B" is E $\frac{1}{2}$ W $\frac{1}{2}$  and E $\frac{1}{2}$  Sec. 24 and E $\frac{1}{2}$  Sec. 25, T. 15 S., R. 28 E., and Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$  and E $\frac{1}{2}$  Sec. 19, Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ , and E $\frac{1}{2}$  Sec. 30, T. 15 S., R. 29 E. This designation has been assigned No. NMNM122241X and is valid for a period of one year from the date of this letter.

Your proposed use of the Form of Agreement for State/Federal Waterflood Unit as submitted for preliminary review will be accepted with the modifications requested in your application.

If conditions are such that further modification of said standard form is deemed necessary, three copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to the BLM for approval, include the latest status of all acreage. In preparation of Exhibits "A", "B", and "C" follow closely the format of the sample exhibits attached to the reprint of the aforementioned form.

Inasmuch as this unit agreement involves State land, we are sending a copy of the letter to the Commissioner of Public Lands. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the state. If you have any questions regarding this letter, please call David Glass, Petroleum Engineer, Division of Lands and Minerals at (575) 627-0275.

Sincerely,

A handwritten signature in cursive script, appearing to read "Angel Mayes".

Angel Mayes  
Assistant Field Manager,  
Lands and Minerals

Enclosures