

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

RECEIVED

FEB 7 1995

Oil Conservation Division

IN THE MATTER OF THE APPLICATION
OF ARMSTRONG ENERGY CORPORATION,
FOR SPECIAL POOL RULES FOR THE
NORTHEAST LEA-DELAWARE POOL,
LEA COUNTY, NEW MEXICO.

CASE NO. 11225

APPLICATION

COMES NOW ARMSTRONG ENERGY CORPORATION, by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order amending the Special Pool Rules and Regulations for the Northeast Lea-Delaware Pool to provide for a special gas oil ratio of 3000 to 1 and in support thereof states:

1. Armstrong Energy Corporation is the operator of certain wells in the Northeast Lea-Delaware Pool which was established on June 1, 1986 by Order No. R-8223 and has been extended from time to time to include the following acreage:

Township 19 South, Range 34 East, N.M.P.M.

Section 35: SE/4

Township 20 South, Range 34 East, N.M.P.M.

Section 2: All

Section 3: S/2

Section 4: SE/4

Section 9: NE/4

Section 10: W/2, NE/4

2. By Order No. R-9842-A entered on March 10, 1994, the Oil Conservation Commission adopted Special Pool Rules for the Northeast Lea-Delaware Pool which increased the pool allowable on a temporary basis to 300 BOPD.

3. Other than the special oil allowable authorized by Order No. R-9841-A, the wells in this pool are produced under statewide rules which limit production to a gas-oil ratio of 2,000 cubic feet of gas per barrel of oil produced.

4. Operating this pool under a 2,000 to 1 gas-oil ratio is not depleting the reservoir in an efficient and timely manner.

5. Armstrong Energy Corporation seeks the Amendment of the Special Rules and Regulations for this pool to increase the limiting gas-oil ratio to 3,000 cubic feet of gas per barrel of oil produced.

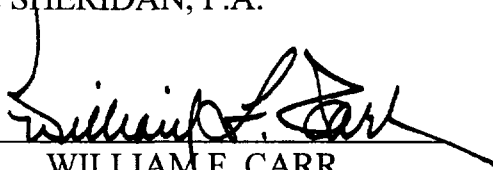
6. Approval of this application will protect the correlative rights of each operator in the pool by affording each the opportunity to produce its just and equitable share of gas and oil from this pool, will prevent waste of hydrocarbons and is otherwise in the best interest of conservation.

WHEREFORE, Armstrong Energy Corporation requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on March 16, 1995, and after notice and hearing as required by law, the Division enter its Order approving this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By:

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line. A vertical line extends upwards from the left side of the signature.

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ATTORNEYS FOR ARMSTRONG ENERGY
CORPORATION