District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe

S

Pit or Below-Grade Tank Registration or Closure

OCT 17 2007

Is pit or below-grade tank covered by a "general plan"? Yes \(\subseteq \text{No X} \)

Type of action: Registration of a pit or below-grade tank \(\subseteq \text{Closure of a pit or below-grade tank X} \)

OCD-ARTESIA

Form C-144 June 1, 2004

		ade talk A											
Operator: <u>Armstrong Energy Corporation</u> Teleph	one: 505-625-2222 e-mail address: <u>bastu</u>	abbs@zianet.com											
Address: P.O. Box 1973, Roswell, NM 88202-1973													
Facility or well name: Volleyball State #1 API #: 30-005-63887 U/L or Qtr/Qtr P Sec 2 T 12S R 26E													
County: <u>Chaves</u> <u>Latitude 33.30128</u> <u>Longitude 104.30462</u> NAD: 1927 1983													
Surface Owner: Federal State X Private Indian													
<u>Pit</u>	Below-grade tank												
Type: Drilling X Production Disposal D	Volume:bbl Type of fluid:												
Workover ☐ Emergency ☐	Construction material:												
Lined X Unlined	Double-walled, with leak detection? Yes If not	t, explain why not.											
Liner type: Synthetic X Thickness 12_mil Clay .													
Pit Volume 5,000 bbl		·											
Depth to ground water (vertical distance from bottom of pit to seasonal	Less than 50 feet	(20 points)											
high water elevation of ground water.) Sec. 12-T12S-R26E, 130'	50 feet or more, but less than 100 feet	(10 points)											
SE/4 Sec. 2 is on the caprock, depth to water is +100'	100 feet or more	(0 points) XXX											
	Vac	(20 points)											
Wellhead protection area: (Less than 200 feet from a private domestic	Yes	` ' '											
water source, or less than 1000 feet from all other water sources.)	No	(0 points) XXX											
Distance to surface water: (horizontal distance to all wetlands, playas,	Less than 200 feet	(20 points)											
,	200 feet or more, but less than 1000 feet	(10 points)											
irrigation canals, ditches, and perennial and ephemeral watercourses.)	1000 feet or more	(0 points) XXX											
	Ranking Score (Total Points)	0 Points											
	Ranking Score (Total Folints)												
		<u> </u>											
If this is a pit closure: (1) Attach a diagram of the facility showing the pit's													
your are burying in place) onsite ${f X}$ offsite ${f \square}$ If offsite, name of facility_													
remediation start date and end date. (4) Groundwater encountered: No ${f X}$ Y	es If yes, show depth below ground surface	ft. and attach sample results.											
(5) Attach soil sample results and a diagram of sample locations and excavat	ions.												
Additional Comments: Removed 1000 BBLS. of liquid mud from the reser	ve pit and hauled to disposal. The remaining pit conte	ents were be mixed with soil to stiffen the											
contents. Two deep bury pits were dug on the west and southwest side of the location. The deep bury pits measure 24' Wide X 100' Long X 11' Deep each. A 12 mil liner was													
installed in the deep bury pits. The drilling pit contents were placed into the deep bury pits. A 20 mil barrier was placed over the pit contents with a minimum of 3 feet of													
overlap of the underlying pit area. The pit area was back filled back to grade with a minimum of 3 feet of clean soil and like material. Work was completed October 12, 2007. Sample were taken at five locations inside the pit, materials were mixed and sent to the lab. Analysis is attached.													
Sample were taken at five locations inside the pit, materials were mixed an	u sent to the lab. Analysis is attached.												
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank													
has been/will be constructed or closed according to NMOCD guideline	s X, a general permit 🔲, or an (attached) alternat	ive OCD-approved plan □.											
Date:													
	ignature 12 A/Stelly												
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or													
regulations.													
Approval:	be be	207 1 5 2007											
Approval: Gerry Guye	Signature Deny Duy	OCT 1 & 2007											
Printed Name/Title Compliance Officer	Signature / V	Date:											



PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS NM 88240

RECEIVED OCT 1 5 2007

ANALYTICAL RESULTS FOR

ARMSTRONG ENERGY CORPORATION

ATTN: ROCKY RAY

P.O. BOX 1973

ROSWELL, NM 88202 FAX TO: (575) 622-2512

Receiving Date: 10/08/07

Reporting Date: 10/10/07

Project Number: NOT GIVEN

Sample Type: SOIL

Project Name: SEC. 2 T 12 S R 26 E Project Location: VOLLEYBALL STATE #1 Sample Condition: COOL & INTACT

Sample Received By: CK Analyzed By: CK/HM

Sampling Date: 10/08/07

GRO

DRO

 (C_6-C_{12})

(>C₁₂-C₂₈)

CI*

LAB NUMBER SAMPLE ID

(mg/Kg)

(mg/Kg)

(mg/Kg)

ANALYSIS DATE	10/09/07	10/09/07	10/08/07
H13456-1 RESERVE PIT	<10.0	<10.0	48
Quality Control	414	565	500
True Value QC	500	500	500
% Recovery	82.8	113	100
Relative Percent Difference	6.3	9.6	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Std. Methods 4500-CIB *Analysis performed on a 1:4 w:v aqueous extract.

H13456TCL ARMSTRONG

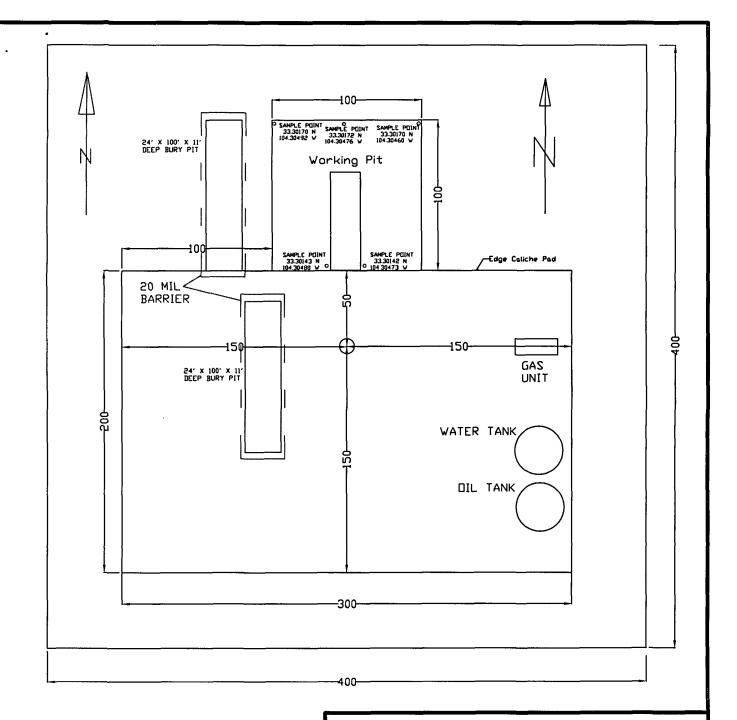


CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603 (505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325)673-7020 Company Name: DR 25 12 242 February Research

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1 / 1	OSWELL StatePVM	Zıp:	8	8-	202		Company: ARMSTRONG Attn: BRUCE STUBOS																	Ì
Phone #: 420-637/ Fax #: 622-2572 A						Add	ress	: /	00.80	× 1973	1													
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Project Name: Sec. 2 T 125 R26E					Ctot	·	J Q	en (38202	-												ĺ		
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						Phone #: 624-2800 Fax #: 622-257									ŀ									
FOR LAB USE ONLY	1869 1179	 	T	٨	MATRIX		_	_	ERV			+				ŀ			Ì					1
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP	CONTAINERS	WASTEWATER	SOIL	SLUDGE		ACID/BASE			TIME	(1)	TOH RIVE											
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[†] Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



Armstrong Energy Corporation

Drilling Pit Closure

Volleyball State #1 660' FSL & 660' FEL Sec. 2-T12S-R26E Chaves County, New Mexico

25 Ft. BAS 10-16-07