

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-005-62887
5. Indicate Type-of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-5961 & VB-0402
7. Lease Name or Unit Agreement Name Conestoga State
8. Well Number 1
9. OGRID Number 001092
10. Pool name or Wildcat Palma Mesa
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Armstrong Energy Corporation

3. Address of Operator
P.O. Box 1973, Roswell, NM 88202-1973

4. Well Location
Unit Letter P : 330 feet from the South line and 990 feet from the East line
Section 14 Township 8S Range 27E NMPM Chaves County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

CONDITIONS OF APPROVAL ATTACHED

Wolfcamp perfs 5606'-5614', 8', 4 JSPF

- Set a CIBP @ 5575', dump 35' of cement on top of CIBP.
- Circulate hole w/ 9.5 ppg Brine mud.
- Spot 100' plug 4947'-4847' with 25 sx Class "C" cement.
- Cut casing @ 4100', POH and lay down casing.
- Spot 50 sx Class "C" cement, plug @ 4150', POH, WOC. TIH and tag plug. If higher than 4050', go to step #6.
- Spot 50 sx Class "C" cement, plug @ 2745', POH, WOC. TIH and tag plug. If higher than 2645', go to step #7.
- Spot 50 sx Class "C" cement, plug @ 592', POH. TIH and tag plug. If higher than 492', proceed to step #8.
- POH to 450', spot 25 sx Class "C" cement, plug.
- POH to 60', pump 20 sx Class "C" cement and fill to Surface.
- Cut off wellhead, fill cellar, remove anchors, install Dry Hole marker.
- Clean location, remove caliche, rip location, re-seed.
- Notify OCD for final inspection.

Approval Granted providing work is
Completed by Feb 25th 2015

RECEIVED

FEB 24 2014

NMOCD ARTESIA

Approved for plugging of well bore only:
Liability under bond is retained pending receipt
of C-103 (Subsequent Report of Well Plugging),
which may be found at OCD Web Page under
Forms, www.cmnr.state.nm.us/oed.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE B. Stubbs TITLE Vice President - Operations DATE 02/21/14

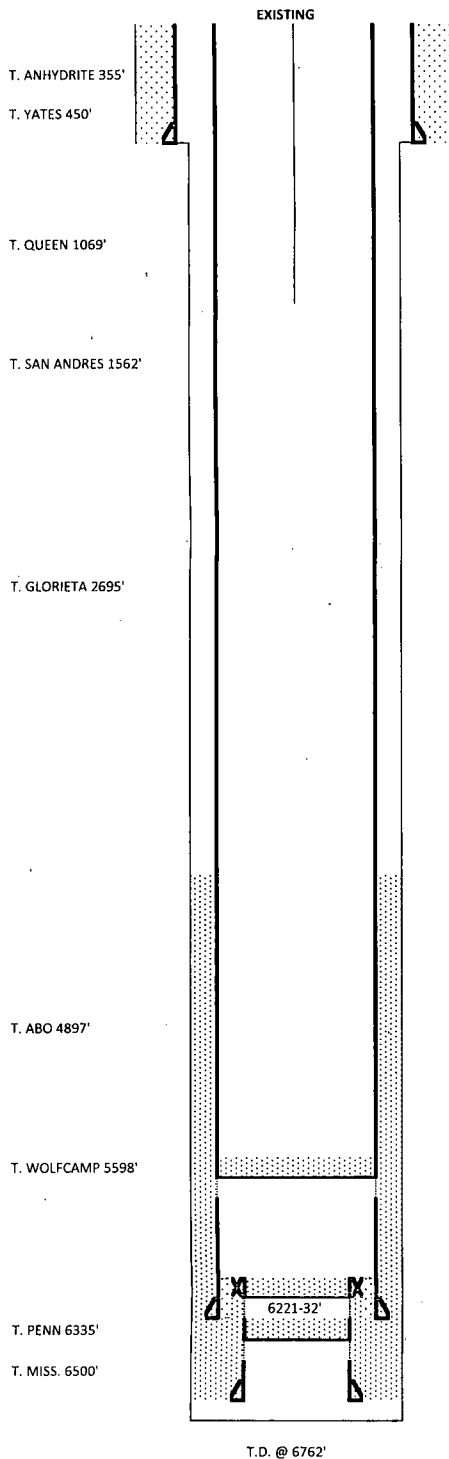
Type or print name Bruce Stubbs E-mail address: bastubbs@armstrongenergycorp.com PHONE: 575-625-2222

For State Use Only

APPROVED BY: RR Dade TITLE Dist. II Supervisor DATE Feb 25, 2014

Conditions of Approval (if any):

See Attached COA's



12 1/4" HOLE

8 5/8" - 24 #/FT., K-55 @ 542'
310 SX CLASS "C" W/ 2% CACL, 1/4 #/SX. CELLO SEAL
CIRC. 89 SX.

7 7/8" HOLE

TOC @ 4150', CBL

BOTTOM OF 15.5 # @ 4580'
TOP OF 17 # @ 4580'

CIBP @ 5570' W/ 35' CEMENT
WOLFCAMP PERFS 5606-14', 8', 4 JSPF

CIBP @ 6185' W/ 35' OF CEMENT
PERFS 6221-32', 4 JSPF
CIBP @ 6350' W/ 35' OF CEMENT
LINER TOP SQUEEZED W/ 50 SX.
LINER TOC @ 6310'

5 1/2" 15.5 & 17 #/FT., K-55 @ 6268'
500 SX. SUPER "H" W/ .5% LAP-1, .4% CFR-3, 2.5 PPS SALT, .25 #/SX. D-AIR
PERFORATED 6397-6455'. ACID 1500 GALS 7 1/2% HCL, FRAC W/ 1000 BBLs. G.W. & 550 SX. 20/40 SAND
4 1/2" -11.6 #/FT. F.J. TOP @ 6071', BOTTOM @ 6688', CEMENTED W/ 55 SX. SUPER "H"
W/ .4% LAP-1, .4% CFR-3, 2.5 PPS SALT, .25 #/SX. D-AIR & 40 SX. SUPER "H"
W/ .5% LAP-1, .4% CFR-3, 5 #/SX. GILSONITE, 2.5 #/SX. SALT, .25 #/SX. D-AIR

BAKER LINER HANGER

20 SX. 0-60' SURFACE PLUG

25 SX. 450-350'

SPOT 50 SX. PLUG 1/2 IN AND 1/2 OUT
OF CASING SHOE 592-492'

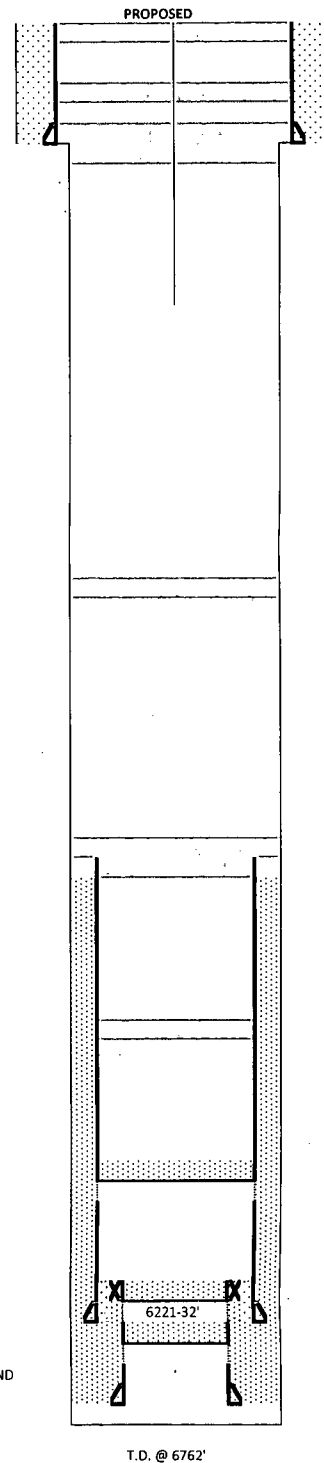
SPOT 100' PLUG, 50 SX.
2745-2645'
TAG

CUT CASING AT 4100'
SPOT 50 SX. PLUG 1/2 IN AND 1/2 OUT
OF CASING STUB 4150-4050'
TAG

25 SX. PLUG 4947-4847'

Conestoga State #1
330' FSL & 990' FEL
Section 14-T8S-R27E
Chaves County, New Mexico

Completed 5-3-2004
API No.: 30-005-62887



NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: Armstrong Energy

Well Name & Number: Conestoga State #1

API #: 30 - 005 - 62887

1. Produced water **will not** be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged **ONLY**. A C-103 **FINAL** shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perfs, before any plugs can be set, by whatever means possible.
8. **Cement Retainers may not be used.**

9. Squeeze pressures are not to exceed 500 PSI, unless approval is given by NMOCD.
10. Plugs may be combined after consulting with and getting approval from NMOCD.
11. Minimum WOC time for tag plugs will be 4 Hrs.

DATE: 2/25/14

APPROVED BY: *ASD*

GUIDELINES FOR PLUGGING AND ABANDONMENT

DISTRICT II / ARTESIA

- All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sacks of gel per 100 bbls of water.
- A cement plug is required to be set 50' below and 50' above all casing shoes and casing stub plugs. These plugs must be tagged.
- A CIBP with 35' of cement on top may be set in lieu of 100' cement plug.
- A plug as indicated above must be placed within 100' of top perforation. This plug must be tagged.
- Plugs set below and above salt zones must be tagged.
- No more than 2000' is to be allowed between cement plugs in open hole and no more than 3000' in cased hole.
- DV tools are required to have a 100' cement plug set 50' above and below the tool and must be tagged.
- Formations to be isolated with plugs placed at the top of each formation are:
 - Fusselman
 - Devonian
 - Morrow
 - Wolfcamp
 - Bone Spring
 - Delaware
 - Any Salt Section (Plug at top and bottom)
 - Abo
 - Glorieta
 - Yates (this plug is usually at base of salt section)
- If cement does not exist behind casing strings at recommended formation depths, the casing must be cut and pulled with plugs set at these depths or casing must be perforated and cement squeezed behind casing at the formation depths.
- In the R-111-P area (Potash Mine area) a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts common to the section penetrated and in suitable proportions, but not more than a 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible (50' below and 50' above).