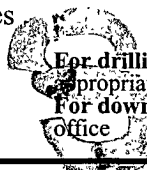


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 office

Form C-144  
June 1, 2004

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒  
Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

AUG 13 2007  
OCD-ARTESIA

Operator: <u>Armstrong Energy Corporation</u> Telephone: <u>505-625-2222</u> e-mail address: <u>bastubbs@zianet.com</u>		
Address: <u>P.O. Box 1793, Roswell, NM 88202-1793</u>		
Facility or well name: <u>Volleyball State #1</u> API #: <u>30-005-63887</u> U/L or Qtr/Qtr <u>P</u> Sec <u>2</u> T <u>12S</u> R <u>26E</u>		
County: <u>Chaves</u> Latitude <u>32.30038</u> Longitude <u>104.30426</u> NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/>		
Surface Owner: Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
<b>Pit</b> Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>5,000</u> bbl	<b>Below-grade tank</b> Volume: <u>      </u> bbl Type of fluid: <u>      </u> Construction material: <u>      </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. <u>      </u>	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) Sec. 12-T12S-R26E, 130'	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) ( 0 points) XXX
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points) ( 0 points) XXX
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) ( 0 points) XXX
	<b>Ranking Score (Total Points)</b>	<b>0 Points</b>

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility       . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface        ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: To date approximately 1000 BBLS. of mud have been removed from the pit and hauled to disposal. The remaining pit contents will be mixed with soil to stiffen the contents. A 20 mil liner will be placed over the pit contents with a minimum of 3 feet of overlap of the underlying pit area. The pit area will be back filled back to grade with a minimum of 3 feet of clean soil and like material. Work is anticipated to commence on or about September 1, 2007. A 48 hour notice prior to closure will be given to the Artesia Oil Conservation Division Office and New Mexico One Call.

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 guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 8-8-2007

Printed Name/Title Bruce A. Stubbs Vice President

Signature B. Stubbs

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:

**DENIED**

Printed Name/Title       

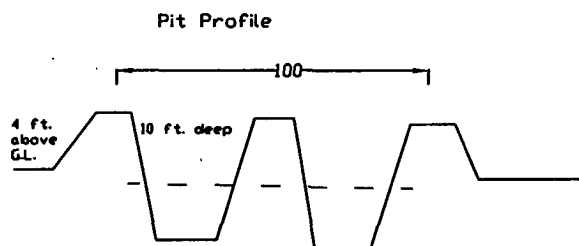
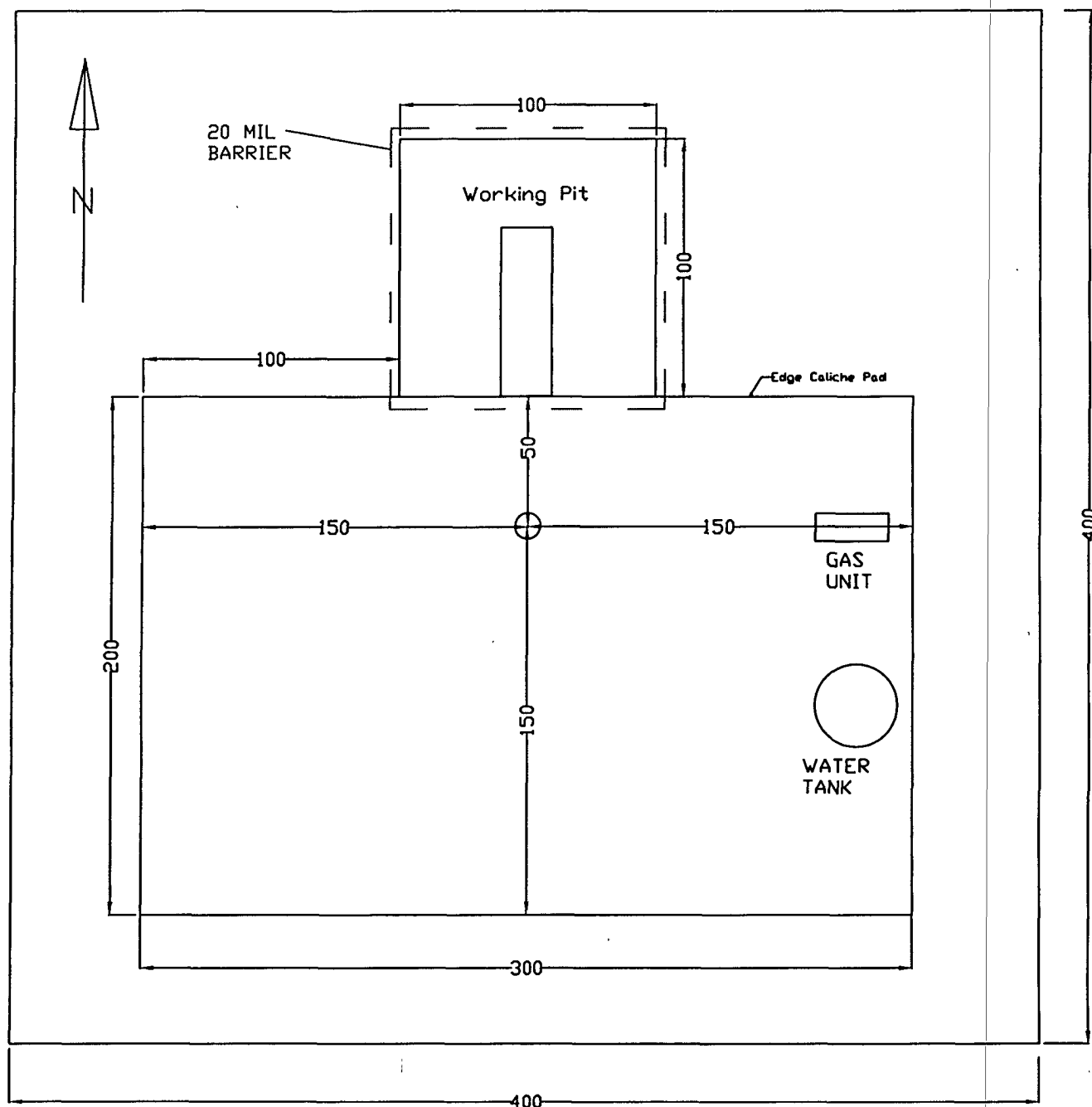
Signature       

Date:       

AUG 23 2007

9.5 - 10.5 ppb mud used for drilling well

15



## Armstrong Energy Corporation

### Drilling Pit Closure Plan

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

25 Ft.

BAS 10-19-05

**New Mexico Office of the State Engineer**  
**POD Reports and Downloads**

Township: 12S Range: 26E Sections: \_\_\_\_\_

NAD27 X: \_\_\_\_\_ Y: \_\_\_\_\_ Zone: \_\_\_\_\_ Search Radius: \_\_\_\_\_

County: \_\_\_\_\_ Basin: \_\_\_\_\_ Number: \_\_\_\_\_ Suffix: \_\_\_\_\_

Owner Name: (First) \_\_\_\_\_ (Last) \_\_\_\_\_ ☐ Non-Domestic ☐ Domestic  
☒ All

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

iWATERS Menu

Help

**AVERAGE DEPTH OF WATER REPORT 08/23/2007**

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
RA	12S	26E	03				2	35	47	41
RA	12S	26E	05				1	6	6	6
RA	12S	26E	07				4	26	32	30
RA	12S	26E	08				5	26	45	33
RA	12S	26E	10				1	68	68	68
RA	12S	26E	12				1	130	130	130
RA	12S	26E	15				1	52	52	52
RA	12S	26E	17				4	18	40	28
RA	12S	26E	18				19	20	105	50
RA	12S	26E	19				5	35	80	55
RA	12S	26E	20				10	15	50	26
RA	12S	26E	21				1	15	15	15
RA	12S	26E	25				1	124	124	124
RA	12S	26E	28				1	12	12	12
RA	12S	26E	29				5	19	30	26
RA	12S	26E	30				1	46	46	46
RA	12S	26E	31				7	20	50	41
RA	12S	26E	32				5	10	60	35

Record Count: 74