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District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
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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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

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

HOBBS OGD
JUN 12 2017
RECEIVED

WELL API NO. 30-041-20943
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Mustang Sally
8. Well Number 1
9. OGRID Number 001092
10. Pool name or Wildcat Peterson; Fusselman, East WC-041 E-05 5053419A2
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 N : 461 feet from the South line and 2085 feet from the West line
Section 19 Township 5S Range 34E NMPM Roosevelt 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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: Perf and Acidize ☐

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 completion.

9-16-16 Set CIBP at 7998'.

9-19-16 RU Crane Acidizing on Tbg and circulate hole clean with 170 bbls 2%KCl water 2.5 bbl/min@~400psi (recirculated 50 bbls of oil. TIH, perforate at 7929-7935.5 with 22 shots, 7939'-7941' with 9 shots, 7942.5'-7945' with 10 shots, 7946'-7947.5' with 7 shots, 7949' with 3 shots, 7951'-7955' with 15 shots, 7957'-7960' with 12 shots, 7965'-7967.5 with 10 shots. SISD.

9-20-16 to 9-22-16 Swab test, recover mostly water w/ trace oil.

9-26-16 Set retainer @ 7845' and squeeze perfs w/ 175sx "H" in attempt to shut off water.

9-27-16 TOOH w/ tubulars and PU bit, TIH, tag cmt @ 7841', drill to top of retainer, SISD.

9-28-16 Finish drill retainer and cement, test squeeze to 700# for 10 minutes, held good. TOH, SISD.

****SEE PAGE TWO****

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  TITLE Operations Manager DATE 06/09/2017

Type or print name Kyle Alpers E-mail address: kalpers@aecnrm.com PHONE: 575-625-2222

For State Use Only

APPROVED BY:  TITLE Petroleum Engineer DATE 06/17/17

Conditions of Approval (if any):

- 9-29-16 RU Renegade wireline, TIH, tie in and perforate 7929'-7935', 3 SPF, 120 degree phasing, 21 holes, tag cement at 7939'.
- 9-30-16 RU Crane Acidizing and load backside 600 psi and monitor, get on Tbg start on 15% NEFE acid (2000gal total) with 12 bbls ahead, 10 ball sealer drops, 5 balls per drop, with 3 bbls acid between each drop and tail in with 5 ½ bbls acid, load to perfs is 47 bbls, tubing loaded at 45 bbls, sweat 2 bbls of fluid in at 2500psi to 3000psi, acid hit formation and slowly broke and increased rate to 3.0 BPM at 135 psi, seen ball action 5 times.
- 10-1-16 to 10-5-16 Swab test
- 10-6-16 Run pump and rods and hang back on, leave well pumping. SD
- 10-7-16 RDPU