

Case No. 12885
Order No. R-10541-A
Page 2

(4) The applicant, Armstrong Energy Corporation (Armstrong), appeared at the hearing and testified that for various reasons, the Lea Pressure Maintenance Project was never initiated. Armstrong now seeks:

- (a) to re-authorize the Lea Pressure Maintenance Project;
- (b) to amend the original plan of development for the Lea Pressure Maintenance Project by changing the well designation and location for the initial project injection well. Armstrong now proposes to drill the Mobil Lea State Well No. 8 at a location 330 feet from the South line and 1650 feet from the West line (Unit N) of Section 2, in lieu of drilling the Mobil Lea State Well No. 6; and
- (c) authority to inject into the Mobil Lea State Well No. 8 at a surface injection pressure of 1186 psi.

(5) Pursuant to the provisions of Order No. R-10541, the injection authority for the Mobil Lea State Well No. 6 expired on February 6, 1997. Consequently, Order No. R-10541 is not valid at the current time.

(6) The applicant testified that with the exception of amending the well location for the proposed initial injection well, it proposes to implement pressure maintenance operations within the SW/4 of Section 2 in accordance with the evidence and testimony presented in Case No. 11436.

(7) The applicant further testified that the current cost to implement pressure maintenance operations within the SW/4 of Section 2 is \$612,000.

(8) The evidence presented demonstrates that the applicant's proposed amendments to the plan of operation within the Lea Pressure Maintenance Project are reasonable, and should therefore be granted.

(9) No offset operator or interest owner appeared at the hearing in opposition to the application.

(10) The application should be approved.

