

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

901

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK						5. LEASE DESIGNATION AND SERIAL NO. LC-030181	
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>						6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>						7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR Armstrong Energy Corporation						8. FARM OR LEASE NAME H.G. Moberly "A" Federal	
3. ADDRESS OF OPERATOR P.O. Box 1793 Roswell, New Mexico 88202						9. WELL NO. 3	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At surface 2310' FSL & 660' FEL At proposed prod. zone Same						10. FIELD AND POOL, OR WILDCAT Rhodes	
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA I Sec. 8, T26S-R37E						12. COUNTY OR PARISH Lea	
13. STATE New Mexico						14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 4 miles south of Jal, New Mexico	
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'			16. NO. OF ACRES IN LEASE 640		17. NO. OF ACRES ASSIGNED TO THIS WELL 40.0		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 1360.6'			19. PROPOSED DEPTH 4000'		20. ROTARY OR CABLE TOOLS Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 2972' GR						22. APPROX DATE WORK WILL START* October 1, 1997	
23. PROPOSED CASING AND CEMENTING PROGRAM							
HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT	
17 1/2"	13 3/8"	48.00	H-40	N.A.	40	2 yds. Redi-mix, Surface	
11"	8 5/8"	24.00	J-55	ST&C	1030	600 sx, Circ. to surface	
7 7/8"	5 1/2"	15.50	J-55	LT&C	4000	650 sx., Circ. to surface	

Armstrong Energy Corporation proposes to drill to a depth sufficient to test the Queen formation. If productive, 5 1/2" casing will be set. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal Regulations. Specific programs as set out in Onshore Oil and Gas order #1 are outlined in the following attachments:

NMOCD Form C-102 Well Location Plat and Acreage Dedication Plat

Hole Prognosis  
Surface Use Plan

H2S Plan

Exhibit "A" Equipment Description

Exhibit "B" Planned Access Roads

Exhibit "C" One Mile Radius Map

Exhibit "D" Drilling Rig Layout Plan

OPER. OGRID NO. 1092

PROPERTY NO. 1577

POOL CODE 83810

EFF. DATE 9/15/97

API NO. 30-025-34135

*Handwritten:* 1092  
1577  
83810  
9/15/97

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *B. J. Stoltz* TITLE Consulting Engineer DATE 8/25/97  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY W. L. FERGUSON TITLE ADM, MINERALS DATE 9-11-97

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side