

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

HOBBS, NEW MEXICO 88240

734

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LC-030181	
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"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Armstrong Energy Corporation		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 1973 Roswell, New Mexico 88202		8. FARM OR LEASE NAME H.G. Moberly "A" Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1930' FNL & 725' FEL At proposed prod. zone Same		9. WELL NO. 4	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 4 miles south of Jal, New Mexico		10. FIELD AND POOL, OR WILDCAT Rhodes Langlie Moffix SR- & N-GB Sec. 8, T26S-R37E	
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 725'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 8, T26S-R37E	
16. NO. OF ACRES IN LEASE 640		12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40.0		13. STATE New Mexico	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 1256'		19. PROPOSED DEPTH 4000'	
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 2981' GR	
22. APPROX DATE WORK WILL START* September 1, 1998		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  
NMOCD Form C-102 Well Location Plat and pipeline location  
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  
Exhibit "E" Proposed Powerline Right-of-way

OPER. OGRID NO. 1092  
PROPERTY NO. 1577  
POOL CODE 37240  
EFF. DATE 7/22/98  
API NO. 30-025-34467

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 preventor program, if any.

24. SIGNED B. J. Stiller TITLE Consulting Engineer DATE 6/4/98  
(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Acting

(ORIG. SGD.) ARMANDO A. LOPEZ

Assistant Field Office Manager,  
Lands and Minerals

TITLE

DATE

JUL 13 1998

CONDITIONS OF APPROVAL, IF ANY:

EDMUND T. HENSON  
INVESTIGATIVE DIVISION

SO. 81 V. 8 - REC. 614

RECEIVED