

October 13, 2009

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Ave., Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

SEP 12 2013

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

WELL API NO. 30-041-20940
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name PEP 36 STATE
8. Well Number 2
9. OGRID Number 1092
10. Pool name or Wildcat

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 M : 330 feet from the South line and 330 feet from the West line
Section 36 Township 05S Range 33E 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 ☐

COMMENCEMENT OF WORK ☐

CASING CEMENT JOBS ☐

OTHER: ☐

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 recompletion.

Set a CIBP @ 7650' and dump 35' of cement on top of CIBP. Pressure test casing to 500 psi for 30 minutes. Open Bradenhead valves and check for flow.

Give OCD 24-hr notice of casing integrity test. If casing integrity is acceptable, we respectfully request a five (5) year temporary abandonment status for this well.

Existing perforations:

7670'-7683', Penn, squeezed

7698'-7714', Penn, squeezed

Open Hole 7693'-7831'

TD 7831'

The Oil Conservation Division

MUST BE NOTIFIED 24 Hours

Spud Date:

Prior to the beginning of operations

Rig Release Date:

Condition of Approval: notify

OCD Hobbs office 24 hours**prior of running MIT Test & Chart**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE B. A. Stubbs TITLE Vice President - Operations DATE 09-10-2013Type or print name Bruce A. Stubbs E-mail address: bastubbs@armstrongenergycorp.com PHONE: (575) 625-2222

For State Use Only

APPROVED BY: [Signature] TITLE Dist. MGR DATE 9-17-2013

Conditions of Approval: Notify OCD District office
24 hours prior to running the TA Pressure Test.

SEP 17 2013

306

12 1/4" HOLE

8 5/8"-24 #/FT. @ 2128'
CEMENTED WITH 865 SX, ECONOCEM &
200 SX. HALCEM, CIRC. 258 SX.

PEP 36 STATE #2
330' FSL & 330' FWL
SEC. 36-T55-R33E
ROOSEVELT COUNTY, NM
API No.: 30-041-20940

7 7/8" HOLE

SET WHIPSTOCK @ 7707', TOP @ 7696'
T.D. MD 7826', TVD 7813.72', BHL 48°26' N, 11.66' W
49.65' @ 346.42 DEG.
UNABLE TO CONTINUE DUE TO FLOWING SHALE AT 7826' MD

PERF 7647.5-7651' CEMENT RETAINER @ 7582', SQUEEZED W/ 150 SX.
PERF 7670'-7673' CEMENT RETAINER @ 7582', SQUEEZED W/ 150 SX.
PERFS 7698-7714' CEMENT RETAINER @ 7692', SQUEEZED W/ 100 SX.
CIBP @ 7790', W/ 35' CEMENT CIBP @ 7707' TOP OF WHIPSTOCK @ 7696'
5 1/2"-17 #/FT. J-55, 8 RD, LT&C @ 7821'
CEMENT W/ 340 SX. VERSCEM, EST. TOC @ 4500'
TESTED FUSSELMAN, WET & "TITE"

4 3/4" HOLE

4 3/4" OPEN HOLE 7821'-8102'
T.D. @ 8102'

GRANITE 8037'



500 North Main Street, Suite 200
P.O. Box 1973
Roswell, New Mexico 88202-1973
(575) 625-2222
Fax (575) 622-2512

September 10, 2013

HOBBS OCD

SEP 12 2013

Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

RECEIVED

Re: Pep 36 State #2
Township 5 South, Range 33 East, NMPM
Section 36
Roosevelt County, New Mexico

Dear Sir/Madam:

Enclosed is a C-103, Sundry Notices and Reports on Wells, Notice of Intent to Temporarily Abandon, for your approval and filing.

If you have any questions, please contact Kyle Alpers or Bruce Stubbs at 505-625-2222.

Sincerely,

ARMSTRONG ENERGY CORPORATION

By: Irma Cunningham
Irma Cunningham, Geotech

Enclosure