

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N French Dr., Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S St Francis Dr., Santa Fe, NM 87505		 State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505		Form C-105 Revised June 10, 2003	
		WELL API NO. 30-005-63887		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
		State Oil & Gas Lease No. VO-07831			
WELL COMPLETION OR RECOMPLETION REPORT AND LOG					
1a Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>				7 Lease Name or Unit Agreement Name Volleyball State	
b Type of Completion NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF <input type="checkbox"/> WELL OVER BACK RESVR <input type="checkbox"/> OTHER <input type="checkbox"/>					
2 Name of Operator ARMSTRONG ENERGY CORPORATION				8 Well No 001	
3 Address of Operator P. O. BOX 1973, ROSWELL, NM 88202-1973				9 Pool name or Wildcat Sand Draw; Abo	
4 Well Location Unit Letter <u>0</u> <u>660</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>2</u> Township <u>12 South</u> Range <u>26 East</u> NMPM <u>Chaves</u> County					
10 Date Spudded 02/15/07	11 Date T D Reached 6/10/07	12 Date Compl (Ready to Prod) 07/16/07	13 Elevations (DF& RKB, RT, GR, etc) 3675 GR	14 Elev Casinghead 3675	
15 Total Depth 5,450'	16 Plug Back T D 5,111'	17 If Multiple Compl How Many Zones? 	18 Intervals Drilled By 	Rotary Tools X	Cable Tools
19 Producing Interval(s), of this completion - Top, Bottom, Name 4818-4915 Abo				20 Was Directional Survey Made No	
21 Type Electric and Other Logs Run CNL, HNGS, CCL, GR, CBL			22 Was Well Cored No		
23. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB /FT	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13.375	53.5#	40'	17.5	25 sx	
8.625	24#	1,075'	12.25	390 sx + 200 sx	
5.5	17#	5,450'	7.875	500 sx + 300 sx	
24. LINER RECORD					
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	
25. TUBING RECORD					
SIZE	DEPTH SET	PACKER SET			
2 3/8	4,770'	4,775'			
26 Perforation record (interval, size, and number) See Attached Report for Wolfcamp Tests. 4818-4915 - 39 shots					
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC					
DEPTH INTERVAL			AMOUNT AND KIND MATERIAL USED		
4818-4915			5000 gals Ferchek		
4818-4915			65,000 gals 60Q foam, 96981# 20-40		
28. PRODUCTION					
Date First Production 07/19/07		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing		Well Status (Prod or Shut-in) Prod.	
Date of Test 07/13/07	Hours Tested 24	Choke Size 32/64	Prod'n For Test Period 	Oil - Bbl -0-	Gas - MCF 1850
Water - Bbl 33	Gas - Oil Ratio N/A				
Flow Tubing Press 280	Casing Pressure 	Calculated 24-Hour Rate 1850	Oil - Bbl -0-	Gas - MCF 1850	Water - Bbl 33
Oil Gravity - API - (Corr) N/A					
29 Disposition of Gas (Sold, used for fuel, vented, etc) Sold - Agave Energy Corp.					Test Witnessed By Rocky Ray
30 List Attachments Deviation Survey; CNL, HNGS, CCL, GR, CBL					
31 I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief					
Signature		Printed Name Bruce A. Stubbs		Title Vice President Operations	
E-mail Address bastubbs@zianet.com		Date 07/18/07			

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen 394	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres 912	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta 2194	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb 3546	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo 4291	T.	T. Wingate	T.
T. Wolfcamp 4928	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
No. 2, from.....to.....

No. 3, from.....to.....
No. 4, from.....to.....

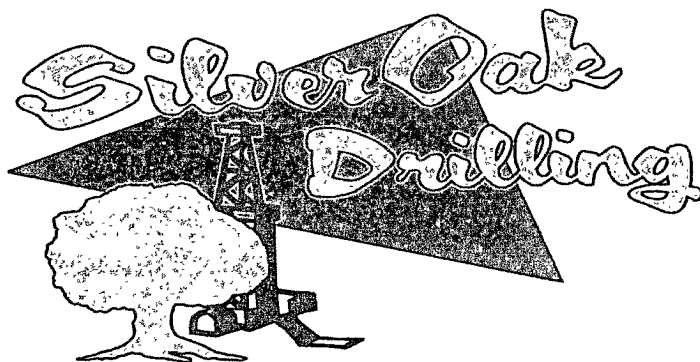
IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
No. 2, from.....to.....feet.....
No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
292	912	620'	Shale, Sandstone, Silt, Gypsum, Anhydrite				
912	1992	1080'	Anhydrite, dolomite				
1992	4382	2390'	Silt, Shale, Anhydrite, Gypsum, Carbonates				
4282	4670	388'	Shale				
4670	4928	258'	Shale & Carbonate				
4928	5150	222'	Shale & Limestone				
5150	TD	250'	Limestone				



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PO Box 1370
Artesia, NM 88211-1370
(505) 748-1288

JUN 19 2007
OCD-ARTESIA

June 14, 2007

Armstrong Energy Corporation
P. O. Box 1973
Roswell, NM 88202-1973

RE: Volleyball State Com #1
660' FSL & 660' FEL
Sec. 2, T12S, R26E
Chaves County, New Mexico

Dear Sir,

The following is the Deviation Survey for the above captioned well.

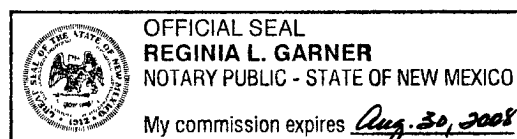
<u>DEPTH</u>	<u>DEVIATION</u>	<u>DEPTH</u>	<u>DEVIATION</u>
450'	1/4°	3290'	1/4°
886'	1°	3832'	1°
1043'	1°	4246'	1/4°
1545'	1°	4627'	1/2°
1988'	3/4°	4751'	1/4°
2488'	3/4°	5200'	1/4°
2941'	3/4°		

Very truly yours,

Eddie C. LaRue
Operations Manager

State of New Mexico }
County of Eddy }

The foregoing was acknowledged before me this 14th day of June, 2007.

Notary Public

Daily Activity Report

June 19 2007
OCD-ARTESIA

Armstrong Energy Corporation
Volleyball State #1
Field: Sand Draw Abo
Sec. 2P-T12S-R26E, 660' FSL & 660' FEL
Chaves County, New Mexico

API No.: 30-005-63887

- 6-15-07 Day 21: Pickup and T.I.H. w/ 4 3/4" bit, 5 1/2" casing scrapper, x-over and 170 jts tubing plus 15' tag @ 5400', PBTB 5400'
- 6-18-07 Day 22. T.I.H. and run Gamma Ray w/compensated neutron (cased hole) from TD to surface. T.I.H. and run HGNS (NGT) from TD to 4300'. T.I.H. and run cement Bond Log, Variable Density, Gamma Ray/CCL from TD to 4300'. TOC is @ 330'. Good cement across zones of interest.
- 6-19-07 Day 23. Pump and spot 100 gals 15% Ferchek @ 5378'. T.I.H., tie in and perf 5356' – 5378'; 2 SPF (45 holes). T.I.H. w/ 2 1/2" Arrow Set Packer, 2 1/2" on/off tool w/ 2.313 x Profile, x-over and 166 jts tubing. NDBOP. Flange up wellhead. Pump 5 bbls water down backside, spot acid is gone. Pickup and set packer @ 5281'. Load backside and pressure to 250#, held OK. Acidize down tubing w/ 3000 gals 15% Ferchek. SC IC acid. Pump into zone @ 3200# @ 4 BPM. Acid on perfs, pressure dropped back to 2700# @ 4.3 BPM. Pressure worked down to 2500#. Balled out w/ 90 balls. ISIP 1420#, 5 min – 1044#, 10 min – 885#, 15 min – 787#. Well kicked off flowing on 24/64 choke. Rec'd 98 bbls, show of oil and gas, S.I.O.N.
- 6-20-07 Day 24. 10 1/2 hrs SITP–1400#. Open on 48/64 choke, fluid to surface in 6 min FTP-100#, 14 hrs FTP–0#, recovered 87 bbls. SD. Left open on a 48/64" choke.
- 6-21-07 Day 25. FTP-0#, weak blow, made 30 bbls overnight, RU to swab, rec'd 55 bbls, show of oil and gas, S.I.O.N.
- 6-22-07 Day 26. 14 hrs. S.I.T.P. 770#, open on 48/64 choke, fluid to surface in 5 min, R.U. to swab, tagged fluid at 2800' and scattered to SN. Made 5 swab runs, recovered 10 bbls fluid. R.I.H. with wireline BHP gauges, S.I. at 11:00 a.m.
- 6-23-07 Day 27. S.I.
- 6-24-07 Day 28. S.I.
- 6-25-07 Day 29. S.I.T.P. 250 psi. Pulling BHP gauges. 69 hr. S.I.B.H.P 867 psi. Set C.I.B.P. at 5348', dumped 20' cement on top of C.I.B.P. PBTB 5320'. Perf 5311'-5318', 2 S.P.F., 7', 15 shots, run tubing and packer, packer at 5203'. S.I.O.N.
- 6-26-07 Day 30. 1st run, FL @ 2800', received 6 bbls. 2nd run FL @ 2300', scattered fluid. Recovered 5 bbls, swabbed to 10:00 a.m., received 28 bbls, show of gas. Final FL @ 2800'. Unseat packer and P.O.H. R.U. and set C.I.B.P. at 5300'. Dump 20' of cement on top of plug. G.I.H. w/ select fire perforating guns and perf 5227', 5228', 5237', 5238',

5239', 5250', 5251', 5255', 5256', 5257', 5261', 5262', 12 shots. T.I.H. w/ packer, made 3 swab runs, swab down to S.N. S.I.O.N.

- 6-27-07 Day 31. S.I.T.P. 0 psi, FL @ 2400', received 10 bbls, trace oil, show of gas. Acidize w/ 2000 gals 15% Ferracheck. Max pressure 3050 psi, avg pressure 2700 psi, avg rate 4.4 BPM. Balled off w/ 16 balls on, at 5050 psi, surged off balls, displaced acid at 4.6 BPM, 2883 psi. I.S.I.P. 1766 psi, 5 min. 1097 psi, 10 min. 772 psi, 15 min. 596 psi. R.D. prep to swab 75 BLTR, swabbed 108 bbls, show of oil and gas, FL @ 1600', scattered fluid. S.I.O.N.
- 6-28-07 Day 32. P.O.H. w/ tubing and packer. R.I.H. and set C.I.B.P. at 5220'. Dump 20' cement on top of plug. P.B.T.D. 5200'. Perf 5190', 5189', 5183', 5181', 5180', 5179', 5177', 5176', 5175', 5173', 5169', 5166', 5163', 13 shots. T.I.H. w/ tubing and packer. R.U. Swab, 1st run FL @ 1200', pulled from 3500'. 2nd run FL @ 2300', pulled from S.N. 3rd run 800' fluid, 4th run 800' scattered fluid. Show of oil and gas. S.I.O.N. Prep to Acidize.
- 6-29-07 Day 33. S.I.T.P. 500 psi. Acidize with 2,000 gals. 15% Ferracheck. Broke at 3850 psi, 2.0 BPM. Increased rate to 4.4 BPM, 3000 psi. Good ball action, Good Breaks. 4500 psi-4800 psi – 3800 psi balled out, Released balls, Displaced acid. I.S.I.P. 1225 psi, 4 min. 550 psi. 70 BLTR. R.U. Swab, 1st run to 3500', Rec'd 10 bbls., Started flowing, flowed and swabbed 187 bbls., show of oil and gas, S.I.O.N.
- 6-30-07 Day 34. S.I.T.P. 1300 psi. Flowed 44 bbls, well died. Made one swab run to S.N., rec'd 16 bbls water. Open to tank, R.D. Rec'd 85 bbls, show of oil and gas. Left flowing to tanks overnight.
- 7-1-07 Day 35. 9:00 am FTP. 0-30 psi, rec'd 183 bbls., show of oil and gas. S.I.
- 7-2-07 Day 36. S.I.
- 7-6-07 Kill well. Pumped 70 bbls water while tripping. T.I.H. w/ 5 1/2" C.I.B.P. and set at 5146'. Dumped 35' of cement on top of C.I.B.P. T.I.H. w/ tubing, circulate hole clean with 2% KCl water. Test C.I.B.P. @ 2000 psi, O.K. S.D.O.N.

III 19 2007
OCD-ARTESIA