

Submit 1 Copy To Appropriate District Office
 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

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 October 13, 2009

HOBBS OGD
RECEIVED
SEP 20 2011

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

| |
|--|
| WELL API NO. 30-041-20946 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Lillie Belle |
| 8. Well Number 1 |
| 9. OGRID Number 001092 |
| 10. Pool name or Wildcat Wildcat <i>Fusselman</i> |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) |

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 H : 2167 feet from the North line and 990 feet from the East line
 Section 29 Township 5S Range 34E NMPM Roosevelt County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- ALTERING CASING
- P AND A

OTHER: OTHER: perf and acidize

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.

08-24-11 Circulate hole, pickle tbq w/ 500 gals 15% NEFE acid, spot 200 gals 15% NEFE acid at 8008'

08-25-11 Perf 8000'-8008', 2 SPF, 16 holes

08-30-11 RIH w/ tbq and circ hole clean, spot 200 gals 15% NEFE acid @ 7914'.

08-31-11 Perf 7907'-7914', 7', 4 SPF, 28 holes.

(CONT'D NEXT PAGE)

Spud Date:

Rig Release Date:

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

SIGNATURE: *B. Stubbs* TITLE: Vice President - Operations DATE: 09-19-11

Type or print name Bruce A. Stubbs E-mail address: bastubbs@armstrongenergycorp.com PHONE: (575) 625-2222

For State Use Only

APPROVED BY: *[Signature]* TITLE: PETROLEUM ENGINEER DATE: SEP 21 2011

Conditions of Approval (if any):

Form C-103
Lillie Belle #1
API #30-041-20946

- 09-01-11 Pump 2000 gals 15% NEFE acid w/ 56 ball sealers, 4 balls in 2-1/2 BBLs. Tubing loaded 4000 psi, acid on 3.8 BPM @ 3950-4000 psi, 4 sets of balls on, 150-200 psi increase. Broke back 4.4 BPM @ 3500 psi, balled-out, 3400-4000-6000 psi, SD, surged balls off. Displaced acid @ 4.2 BPM @ 2900 psi, ISIP 1813 psi, 5 min 161 psi, 10 min vacuum. 90 BLWTR
- 09-06-11 Spot 200 gals 15% NEFE acid @ 7412'
- 09-09-11 Acidize w/ 1000 gals 15% NEFE acid, balled out @ 6000 psi w/ 4 balls on, pressure to 6500 psi, bled off to 4300 psi, re-pressured to 6500 psi, bled off, re-pressure and bleed off for 2 hrs, surge balls off and displace acid. 1-1/2 BPM to 2-1/2 BPM 3850-3940-3800 psi, ISIP 3661 psi, 5 min 3127 psi, 10 min 2962 psi, 15 min 2813 psi, 68 BLWTR.
- 09-13-11 Perf 7407'-7409', 7412'-7414', 7416'-7423', 11', 2 SPF, 22 shots.
- 09-14-11 Acidize w/ 2000 gals 15% NEFE acid w/ 68 ball sealers. 2 BPM @ 3150 psi, increased to 2-1/2 BPM @ 3600 psi, increased to 3 BPM @ 4180 psi, some ball action, did not ball off. ISIP 3911 psi, 5 min 3540 psi, 10 min 3420 psi, 15 min 3340 psi, 95 BLTR.