

May 21, 2012

Mr. Thomas Max Nygaard  
7022 Hunter Glen Road  
Dallas, Texas 75205

VIA FEDEX

Re: W/2 Section 31, T5S-R34E  
Roosevelt County, New Mexico  
Ruby Tuesday #1

Dear Mr. Nygaard:

With reference to our recent discussion, please find enclosed two (2) copies of an Oil and Gas Lease and Memorandum of Oil and Gas Lease covering the Daisy Keith Trust mineral interest under the captioned lands. Also enclosed is a W-9 form for your completion and return. The lease form is the Northern Trust form used by Elloine M. Clark. As discussed, the lease offer is as follows:

- 1) A bonus consideration of \$200.00 per net mineral acre, being a total bonus of \$2,000.00 (1/32 x 320 x \$200.00).
- 2) A lessor royalty of 1/4<sup>th</sup>.
- 3) A three (3) year primary term.

If the lease form and offer is acceptable, please execute one copy of both the Lease and Memorandum in the presence of a Notary Public and return both along with the W-9 form in the enclosed envelope. We have made deletions of certain language in paragraphs 9, 13 and 19 which do not apply in this situation. Please initial in the margin where indicated. Also, enclosed is a partial copy of our title opinion which requires that we be furnished with a copy of the Trust agreement and a letter from the Trustee confirming that the Trust is still in existence and that you have authority to deal with the mineral interest. Also, please furnish a copy of the Will and death certificate for Daisy Keith if available.

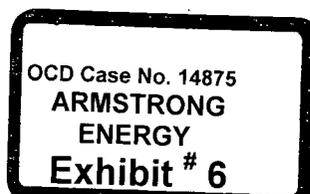
Upon receipt of all documents, we will forward our check for \$2,000.00. If any questions, please contact me at 575-623-2999 x315.

Respectfully,

ARMSTRONG ENERGY CORPORATION

  
Robert H. Watson, Land Manager

RHW/vp  
Enclosures




**Shipment Receipt  
Address Information**

<b>Ship to:</b> Thomas Max Nygaard	<b>Ship from:</b> Robert H. Watson Armstrong Energy Corporation PO Box 1973
7022 HUNTERS GLEN RD	500 N. Main, Suite 200 Roswell, NM 88202
DALLAS, TX 752051160	US
US	5756252222
2145284478	

**Shipping Information**

Tracking number: 793590609631  
Ship date: 05/21/2012  
Estimated shipping charges: 24.65

**Package Information**

Service type: Priority Overnight  
Package type: FedEx Envelope  
Number of packages: 1  
Total weight: 0.50LBS  
Declared value: 0.00USD  
Special Services: Residential Delivery  
Pickup/Drop-off: Use an already scheduled pickup at my location

**Billing Information**

Bill transportation to: MyAccount-773  
Your reference:  
P.O. no.:  
Invoice no.:  
Department no.:

Thank you for shipping online with FedEx ShipManager at [fedex.com](http://fedex.com).

**Please Note**

FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g., jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits. Consult the applicable FedEx Service Guide for details. The estimated shipping charge may be different than the actual charges for your shipment. Differences may occur based on actual weight, dimensions, and other factors. Consult the applicable FedEx Service Guide or the FedEx Rate Sheets for details on how shipping charges are calculated.

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## Detailed Results

Tracking no.: 793590809631		Select time format: 12H	
<b>Delivered</b>			
		Signed for by: Signature not required	
Shipment Dates		Destination	
Ship date: May 21, 2012		DALLAS, TX	
Delivery date: May 22, 2012 9:51 AM		Proof of Delivery	
<b>Shipment Options</b>			
Hold at FedEx Location			
Hold at FedEx Location service is not available for this shipment.			
<b>Shipment Facts</b>			
Service type	Priority Envelope	Delivered to	Residence
Weight	1.0 lbs/ .5 kg		
<b>Shipment Travel History</b>			
Select time zone: Local Scan Time			
All shipment travel activity is displayed in local time for the location			
Date/Time	Activity	Location	Details
May 22, 2012 9:51 AM	Delivered	DALLAS, TX	Left at front door. Package delivered to recipient address - release authorized
May 22, 2012 7:49 AM	On FedEx vehicle for delivery	GARLAND, TX	
May 22, 2012 6:49 AM	At local FedEx facility	GARLAND, TX	
May 22, 2012 3:51 AM	Departed FedEx location	FORT WORTH, TX	
May 21, 2012 8:06 PM	Left FedEx origin facility	ROSWELL, NM	
May 21, 2012 5:19 PM	Picked up	ROSWELL, NM	
May 21, 2012 5:30 PM	Shipment information sent to FedEx		