

ASSIGNMENT OF OIL AND GAS LEASES AND BILL OF SALE

FOR SUFFICIENT VALUE RECEIVED, ST. CLAIR ENERGY CORPORATION, whose address is C/O Manhattan Petroleum, Inc., P.O. Box 10076, Midland, Texas, 79702, (herein the "Assignor") has, and does by these presents grant, convey, assign and transfer to ARMSTRONG ENERGY CORPORATION, whose address is 500 North Main Street, Suite 1000, P.O. Box 1973, Roswell, New Mexico, 88202-1973, 67.5%, SCOLADO, LLC, whose address is P.O. Box 660, Artesia, New Mexico, 88211, 22.5%, and GUY'S OIL & GAS, LTD., CO., whose address is P.O. Box 5115, Hobbs, New Mexico, 88241, 10%, (herein collectively referred to as the "Assignees") of all of Assignor's undivided interest, if any, in and to the following assets (the "Properties").

(a) All interest of Seller in the oil and gas leases as described in Exhibit "A" attached hereto and incorporated by reference;

(b) All of Seller's right, title and interest in and under, or derived from, all presently existing contracts, agreements and instruments to the extent they relate to the interest described in Exhibit "A," including, but not limited to, operating agreements, unitization agreements, communitization and pooling agreement, agreements for the sale or purchase of oil, gas, casinghead gas or CO₂ and all gas processing agreements, all of which are hereinafter collectively referred to as "Existing Contracts";

(c) All of Seller's right, title and interest in and to all real and personal property, fixtures, appurtenances, easements, licenses, approvals or authorizations and permits to the extent they directly relate to the interests described in Exhibit "A," including all wells, associated equipment, surface rights, and lease and unit owned facilities ("Wells and Equipment"); and

(d) All of Seller's right, title and interest in and to the oil, gas of any kind and nature, other hydrocarbons and other minerals in, on and produced from or allocated to the leasehold interest sold to Buyers on and after the Effective Date hereof.

This assignment is made without representation or warranty of title to the Properties whether expressed, implied or otherwise.

The interest of Assignor in the Wells and Equipment is assigned AS IS, WHERE IS, WITH ALL FAULTS AND DEFECTS, WITHOUT RECOURSE BY ASSIGNEE, ITS SUCCESSORS AND/OR ASSIGNS, AND WITHOUT COVENANT, REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESSED, IMPLIED OR STATUTORY AS TO CONDITION OF THE EQUIPMENT; AND WITHOUT LIMITATION OF THE GENERALITY OF THE IMMEDIATELY PRECEDING CLAUSE, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES (i) ANY IMPLIED OR EXPRESSED WARRANTY OF MERCHANTABILITY, (ii) ANY IMPLIED OR EXPRESSED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE AND (iii) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS.

After recording return to:

BEFORE THE OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 14411 De Novo Exhibit No. 2
Submitted by:
ARMSTRONG ENERGY CORPORATION
Hearing Date: November 4, 2010

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

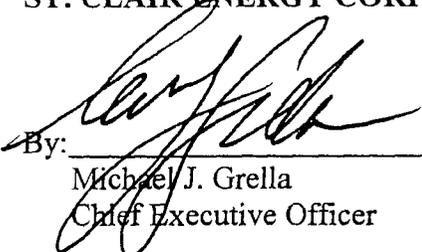
The Properties are assigned subject to:

- (a) The terms and provisions of the Existing Contracts;
- (b) The terms and provisions of that certain Agreement to Purchase dated July 30, 2003, by and between Assignor and Assignees, the terms and provisions of which survive the execution and delivery of this Assignment; and
- (c) All instruments affecting the ownership rights of Assignor as appear of record in the county where the Properties are situated.

This Assignment of Oil and Gas Leases and Bill of Sale is executed as of the date of the acknowledgment of Assignor's signature hereto, however, shall be effective as of 7:00 a.m. C.D.S.T., August 1, 2003 (the "Effective Time").

ASSIGNOR:

ST. CLAIR ENERGY CORPORATION


 By: _____
 Michael J. Grella
 Chief Executive Officer

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me on August 15th, 2003, by MICHAEL J. GRELLA the Court Appointed CHIEF EXECUTIVE OFFICER of ST. CLAIR ENERGY CORPORATION, a Texas corporation, on behalf of said corporation.



 Notary Public in and for the State of TEXAS

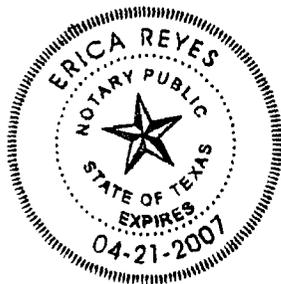


EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT OF OIL AND GAS LEASES AND BILL OF SALE BETWEEN ST. CLAIR ENERGY CORPORATION, AS ASSIGNOR, AND ARMSTRONG ENERGY CORPORATION, SCOLADO, LLC AND GUY'S OIL & GAS, LTD. CO., AS ASSIGNEES, EFFECTIVE AUGUST 1, 2003

SUPERIOR FEDERAL LEASE:

DATED: January 1, 1951
LESSOR: United States BLM NM 086
LESSEE: R.E. Jensen
DESCRIPTION: Section 25, Township-19-South, Ranch-34-East, NMPM, Lea County, New Mexico, save and except the NE/4 SW/4 of Section 25, and limited from surface to 5,250 feet subsurface.

Subject to the following:

1. Joint Operating Agreement dated June 4, 1964, between D.W. St. Clair, as Operator, and Clinton H. Barker, et al, as Non-Operator.

SUPERIOR FEDERAL A #1:

DATED: January 1, 1951
LESSOR: United States BLM NM 086
LESSEE: R.E. Jensen
DESCRIPTION: NE/4 SW/4 Section 25, Township-19-South, Ranch-34-East, NMPM, Lea County, New Mexico, limited to all zones and formations in and under said land to a depth of minus 1,360 feet.

Subject to the following:

1. Agreement and Joint Operating Agreement dated July 23, 1959, between The Superior Oil Company, as Lessee and Non-Operator, and Cactus Drilling Company, Inc., as Operator; and
2. Lease Operating Agreement dated October 5, 1959, between The Superior Oil Company and Cactus Drilling Company, Inc.