

N.M. Oil Cons. Div-Dist. 2
1601 W. Grand Avenue
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	MAR 24 2008
2. Name of Operator Armstrong Energy Corporation	OCD-ARTESIA
3a. Address P.O. Box 1973, Roswell, NM 88202	3b. Phone No. (include area code) 575-625-2222
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 823' FNL & 1650' FWL (Unit C) Sec. 19-T13S-R29E BHL 958' FNL & 1859' FWL (Unit C)	
5. Lease Serial No. NMNM-118110	
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA/Agreement, Name and/or No.	
8. Well Name and No. Nitschke "66" Federal #1	
9. API Well No. 30-005-63226	
10. Field and Pool, or Exploratory Area Lone Wolf Devonian, Southwest	
11. County or Parish, State Chaves County, NM	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Move-in and B.O.P. test
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

3-12-08 Loading out rig and moving Patterson #510 to location. Set substructure and prep to rig up. Notified Paul Sorenson BLM.

3-13-08 Rigging up.

3-14-08 Nipple up B.O.P. stack, test B.O.P. at 3000 psi, O.K., accumulator valves leaking, did not pass, prep to repair. Test witnessed by Paul Sorenson BLM.

3-15-08 Repaired valve on accumulator, Tested O.K., Notified Paul Sorenson BLM. T.I.H. to 7079' and tagged plug. Drilled hard cement P.O.H. to P.U. directional tools.

3-16-08 Kick off at 7096', building angle.

3-18-08 MD 7380', TVD 7346.12', 8.09 deg., azimuth 138.38 deg., 27.4' N, 71.14' E

B.O.P. test reports attached.

ACCEPTED FOR RECORD

MAR 20 2008

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Bruce A. Stubbs

Title Vice President - Operations

Signature

Date

03/18/2008

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Accepted for record - NMOCD

Accumulator Function Test

TO CHECK THE USABLE FLUID STORED IN THE NITROGEN BOTTLES ON THE ACCUMULATOR (O.S.O. #2 section III.A.2.c.i. or ii or iii)

1. Make sure all rams and annular are open and if applicable HCR is closed.
2. Ensure accumulator is pumped up to working pressure! (Shut off all pumps)
3. Open HCR Valve. (If applicable)
4. Close annular.
5. Close all pipe rams.
6. Open one set of the pipe rams to simulate closing the blind ram.
7. If you have a 3 ram stack open the annular to achieve the 50±% safety factor for 5M and greater systems).
8. Accumulator pressure should be 200 psi over desired precharge pressure, (Accumulator working pressure {1500 psi = 750 desired psi} {2000 and 3000 psi = 1000 desired psi}).
9. Record the remaining pressure 1400 psi.
If annular is closed, open it at this time and close HCR.

TO CHECK THE CAPACITY OF THE ACCUMULATOR PUMPS (O.S.O. #2 section III.A.2.f.)

Shut the accumulator bottles or spherical, (isolate them from the pumps & manifold) open the bleed off valve to the tank,(manifold psi should go to 0 psi) close bleed valve.

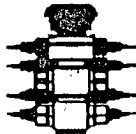
1. Open the HCR valve, (if applicable).
2. Close annular.
3. With pumps only, time how long it takes to regain manifold pressure to 200 psi over desired precharge pressure! (Accumulator working pressure {1500 psi = 750 desired psi} {2000 and 3000 psi = 1000 desired psi}).
4. Record elapsed time 2 min. (2 minutes or less)

TO CHECK THE PRECHARGE ON BOTTLES OR SPHERICAL (O.S.O. #2 section III.A.2.d.)

1. Open bottles back up to the manifold (pressure should be above the desired precharge pressure, {1500 psi = 750 desired psi} {2000 and 3000 psi = 1000 desired psi}) may need to use pumps to pressure back up.
2. With power to pumps shut off open bleed line to the tank.
3. Watch and record where the pressure drops, (accumulator psi).

Record the pressure drop 1000 psi psi.

If pressure drops below MINIMUM precharge, (Accumulator working pressure {1500 psi = 700 min.} {2000 and 3000psi = 900 psi min.}) each bottle shall be independently checked with a gauge.



Burnsco Control Unit Inspection Report

Company Patterson/UTI Rig #510 Date 3/15/08

Section 1 - Accumulators Tech. M. Walker

Accumulator Type _____ Separator() ☒ Number _____ Size 15 gal.

Precharge Pressure (each bottle)

Outside Row—

actual press. 750 800 950 1000 1000 1000 1000 900

adjusted press. 1100 1100 1100 1100 1100 1100 1100 1100 — — —

Inside Row—

Accumulator Type _____ Float() _____ Number _____ Size _____ gal.

Volume—

Total Accumulator Volume _____

Total Accumulator Useable Fluid—

1200 psi remaining _____

1500 psi remaining _____



VISIT OUR WEBSITE AT <http://www.burnscobop.com>

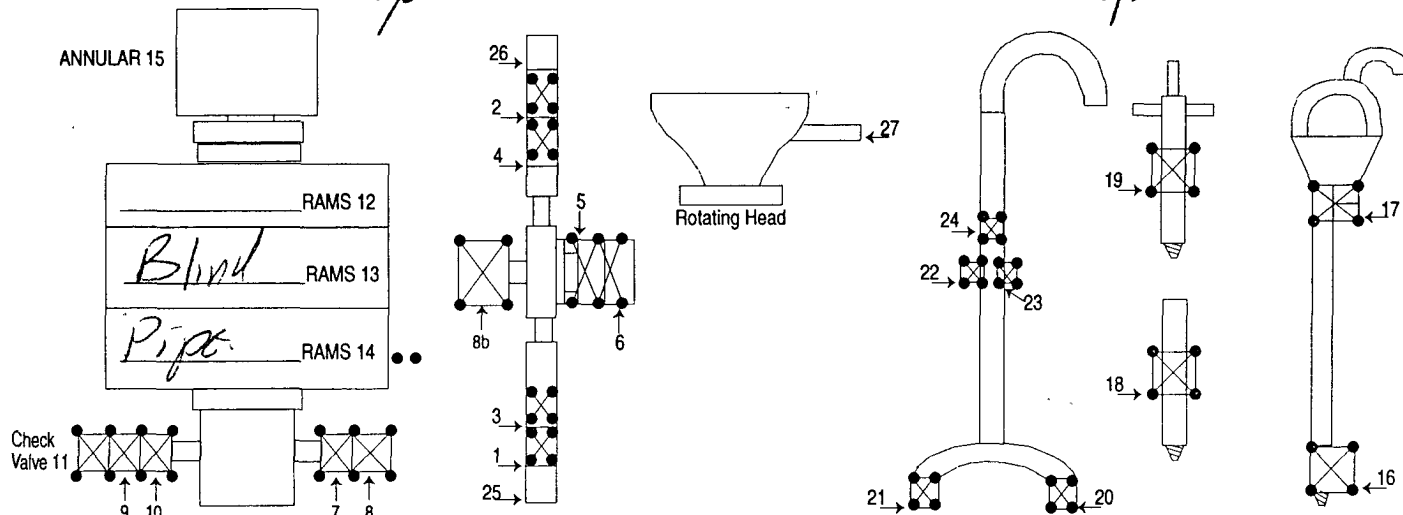


MAN
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NIPPLE UP SERVICE • BOP LIFTS • TANDEM
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Grand Junction, CO 970-241-4540
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INVOICE
B 8476

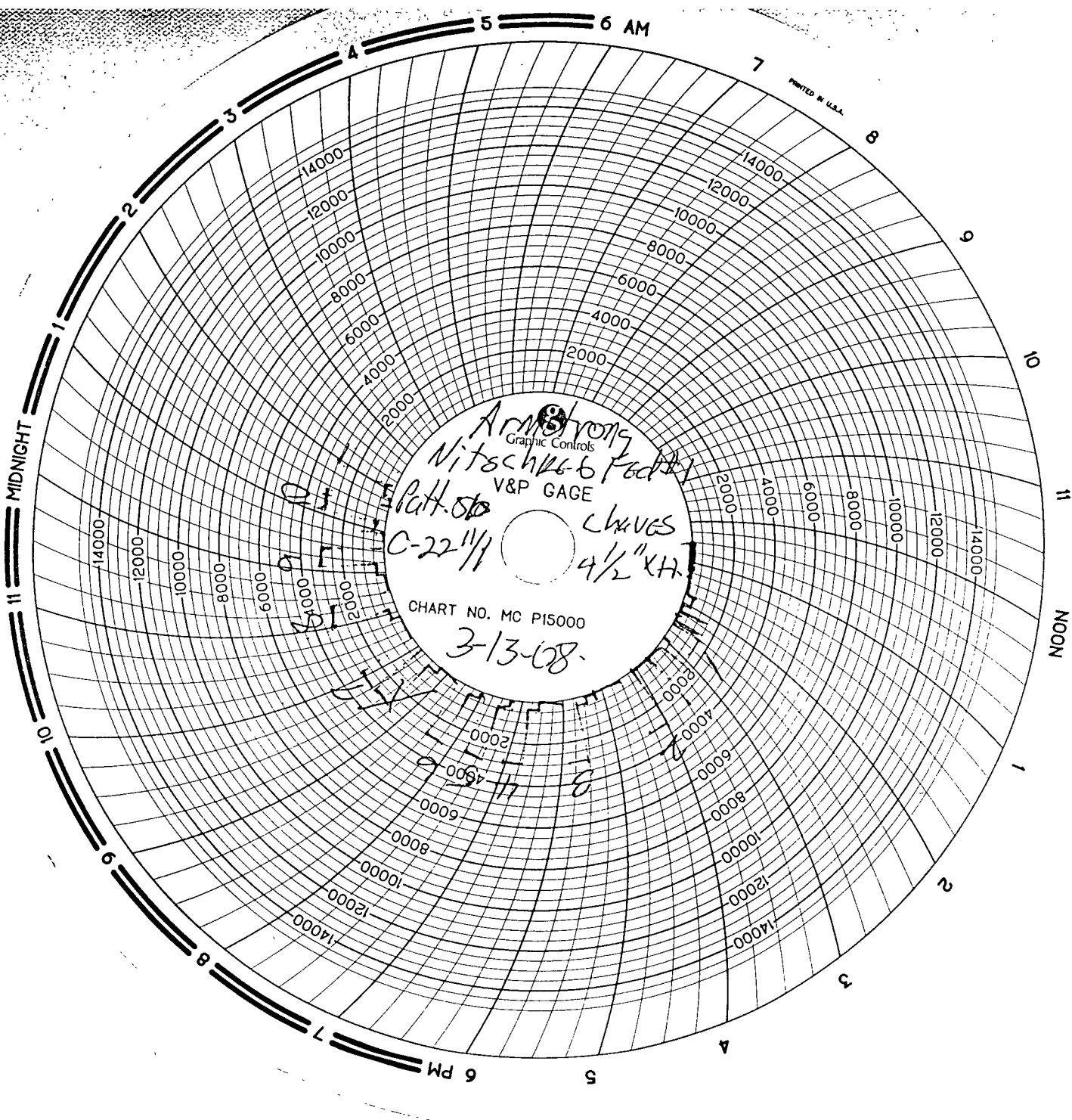
Company Armstrong Energy Date 3-13-08 Start Time 10:30 ☒ am ☐ pm
Lease Nitschke & 1-61 P1 County Chaves State NM
Company Man _____
Wellhead Vendor _____ Tester Will White
Drig. Contractor Patterson Rig # 510
Tool Pusher _____
Plug Type C-22 Plug Size 11" Drill Pipe Size 4 1/2" x 11
Casing Valve Opened yes Check Valve Open yes



TEST #	ITEMS TESTED	TEST LENGTH	LOW PSI	HIGH PSI	REMARKS
1.	25, 26, 5, 9, 15, 8b	10/10	250	1500	Flange between HCR
2.	25, 26, 5, 9, 14, 8b	10/10	250	3000	& Check man fold
3.	1, 2, 5, 10, 14, 8b	10/10	250	3000	Leak. Tightened. Test ok.
4.	3, 4, 5, 11, 14, 8b	10/10	250	3000	Head to Work Annular 3
5.	8, 11, 14	10/10	250	3000	times to hold pressure
6.	7, 11, 14	10/10	250	3000	Test ok
7.	3, 4, 5, 11, 13	10/10	250	3000	Head to work Blinds to
8.	16	10/10	250	3000	hold pressure
9.	17	10/10	250	3000	Test ok
10.	18	10/10	250	3000	
11.	19	10/10	250	3000	

8 HR @ 1.00
3 HR @ 1.00 = 3.00
Mileage 120 @ 1.00 = 120.00
MASTER PRINTERS 575.396.3661
mt + 61101 @ 150.00

SUB TOTAL \$1570.00
TAX \$84.38
TOTAL \$1654.38



10000
8000
6000
4000
2000