

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

HOBBS OCD

OIL CONSERVATION DIVISION

NOV 18 2011

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-41-20947

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Peggy Sue State

8. Well Number

1

9. OGRID Number

1092

10. Pool name or Wildcat

Tannyhill; Fusselman, East

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 I: 2310 feet from the South line and 330 feet from the East lineSection 36 Township 05S Range 33E NMPM Roosevelt County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:

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

SUBSEQUENT REPORT OF:

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

11-08-11 Circ hole w/ 2% KCL wtr and 500 gals 15% NEFE acid, 1 BPM, 205 BBLS.

11-09-11 RIH w/ perf guns, perf 7722'-7728', 4 JSPF, 24 shots.

11-10-11 Spot 250 gals 15% NEFE acid, POH w/ 3 stands and reverse acid into tbg, set pkr @ 7649', pressure tbg. Formation broke at 3700 psi, establish rate @ 2 BPM, 4230 psi, increased to 2.6 BPM @ 4635 psi, displace acid.

11-12-11 Acidize w/ 2000 gals 15% NEFE acid, 4½ BPM @ 3000 psi, 26 BBLS to load tbg, balled out w/ 24 balls on, 4890 psi, surged balls off, displaced @ 5 BPM, 3000-4000 psi.

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

TITLE

VICE PRESIDENT

DATE 11/16/11

Type or print name

Bruce A. Stubbs

E-mail address:

bastubbs@armstrongenergycorp.com

PHONE: (575) 625-2222

For State Use Only

APPROVED BY:

TITLE

STAFF REG

DATE

11-21-2011

Conditions of Approval (if any):

NOV 21 2011