

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 OGD

OIL CONSERVATION DIVISION
220 South St. Francis Dr.
Santa Fe, NM 87505

AUG 30 2013

WELL API NO. 30-041-20940
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name PEP 36 STATE
8. Well Number 2
9. OGRID Number 1092
10. Pool name or Wildcat Wildcat G-04 SD 3335m; Pen

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 M : 330 feet from the South line and 330 feet from the West line
Section 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
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

OTHER:

SUBSEQUENT REPORT OF:

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

OTHER: Re-completion

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.

- 08-02-13 PU 5-1/2" Squeeze Retainer and Setting Tool, TIH, set retainer @ 7582', pump 10 bbls and establish rate @ 2.5 BPM. Pump 250 gals Flo-Chek A, 5 bbls FW Spacer, 100 sx HalCem w/ .5% Halad-322, tail-in w/ 50 sx HalCem-H displaced w/ 36.6 bbls, squeezed to 5336 psi, 75 sx in formation. Sting out and reverse out cement. POH w/ tbg and setting tool. SDON
- 08-05-13 Tested @ 1000 psi. Clean out to 7768'.
- 08-07-13 Run Gyro Survey.
- 08-08-13 Set CIBP @ 7707' and whipstock to 10.65 deg.
- 08-09-13 Start milling window, 1-2 pts on starting mill, made 10' of new hole, all three mills outside casing, worked mills through window, no drag, circ hole w/ two volumes, POH. SDON
- 08-16-13 TD 7831', recovering pea size Shale, some pieces hanging Bit.
- 08-19-13 Cleaning out fill, unable to keep hole clean, rigging down. SD pending further evaluation.

ATTACHMENT: Pathfinder Directional Survey Report

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 08-28-13

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 MAR 03 2014

Conditions of Approval (if any):