

District I

Energy, Minerals and Natural Resources

June 19, 2008

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 87501

RECEIVED

OIL CONSERVATION DIVISION

NOV 24 2009 1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBSOCD

WELL API NO.

30-041-20939

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Pep 36 State

8. Well Number

1

9. OGRID Number

1092

10. Pool name or Wildcat

Fusselman

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 : 990 feet from the South line and 330 feet from the West lineSection 36 Township 5S 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: ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

11-22-09 Spud @ 5:00 PM 11-19-09. Drilled 12¼" hole to 2095'. TD @ 4:30 PM 11-21-09.

11-23-09 Ran 48 jts, 2100', 8½"-24#/ft, 8 RD, J-55, cemented @ 2095'. Pumped 20 BBLS fresh water spacer ahead of cement. Cemented w/ 855 sx Econocem w/ 3% Salt, 2% CaCl, 12.9 PPG, 1.87 cu ft/sx, tail-in 200 sx Halcem-C w/ 2% CaCl, 14.8 PPG, 1.35 cu ft/sx, circ 200 sx. PD @ 1:30 PM, 11-22-09.

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 - Operations

DATE

11/23/09

Type or print name

Bruce Stubbs

E-mail address:

bastubbs@armstrongenergycorp.com

PHONE:

(575) 625-2222

For State Use Only

APPROVED BY:

TITLE

Compliance Officer

DATE

11-25-09

Conditions of Approval (if any):