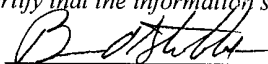


Submit To Appropriate District Office Two Copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505		State of New Mexico Energy, Minerals and Natural Resources <div style="font-size: 2em; opacity: 0.5; transform: rotate(-15deg); position: absolute; top: 0; left: 0;">RECEIVED</div> <div style="font-size: 1.5em; opacity: 0.5; position: absolute; top: 50px; left: 0;">OCT 07 2011</div> <div style="font-size: 1.5em; opacity: 0.5; position: absolute; top: 100px; left: 0;">HOBBSON</div> Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505				Form C-105 July 17, 2008	
		1. WELL API NO. 30-041-20940		2. Type of Lease <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN			
		3. State Oil & Gas Lease No. VB 1609					
WELL COMPLETION OR RECOMPLETION REPORT AND LOG							
4. Reason for filing: <input checked="" type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input type="checkbox"/> C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)				5. Lease Name or Unit Agreement Name Pep 36 State			
				6. Well Number: 2			
7. Type of Completion: <input checked="" type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER							
8. Name of Operator Armstrong Energy Corporation				9. OGRID 001092			
10. Address of Operator P.O. Box 1973, Roswell, NM 88202-1973				11. Pool name or Wildcat Wildcat Penn (97783)			
12. Location	Unit Ltr	Section	Township	Range	Lot		
Surface:	M	36	5S	33E			
BH:							
12. Feet from the	N/S Line	Feet from the	E/W Line	County			
330	S	330	W	Roosevelt			
13. Date Spudded 06/30/10	14. Date T.D. Reached 08/20/10	15. Date Rig Released 07/25/10	16. Date Completed (Ready to Produce) 10/04/10	17. Elevations (DF and RKB, RT, GR, etc.) 4267 GR			
18. Total Measured Depth of Well 8102'	19. Plug Back Measured Depth 7755'	20. Was Directional Survey Made? No	21. Type Electric and Other Logs Run CBL, GR, CCL, Sonic, N, DLL, MSFL				
22. Producing Interval(s), of this completion - Top, Bottom, Name Upper Penn 7647.5'-7651'							
23. CASING RECORD (Report all strings set in well)							
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED		
8-5/8"	24	2128'	12.25	865 sx	0		
				200 sx	0		
5-1/2"	17	7820'	7.875	340 sx	0		
24. LINER RECORD							
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN			
			25. TUBING RECORD				
SIZE	DEPTH SET	PACKER SET					
	2-7/8"	7587'	7587'				
26. Perforation record (interval, size, and number) 7820'-8102', open hole, CIBP w/ 35' cmt @ 7790' 7698'-7714', 32 holes, squeezed, retainer @ 7692' 7670'-7673', 7 shots, CIBP @ 7661' 7647.5'-7651', 14 shots			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.				
			DEPTH INTERVAL			AMOUNT AND KIND MATERIAL USED	
			7698'-7714'			250 gals 15% NEFE Acid	
			7670'-7673'			250 gals 15% NEFE Acid	
7647.5'-7651'			250 gals 15% NEFE Acid				
28. PRODUCTION							
Date First Production 10/04/10		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing		Well Status (Prod. or Shut-in) Producing			
Date of Test 10/04/10	Hours Tested 106	Choke Size 13/64"	Prod'n For Test Period	Oil - Bbl 122	Gas - MCF 7136		
Flow Tubing Press. 1700	Casing Pressure 0	Calculated 24-Hour Rate	Oil - Bbl 27.6	Gas - MCF 1615	Water - Bbl. 0		
				Gas - Oil Ratio 58.500			
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold				30. Test Witnessed By Rocky Ray			
31. List Attachments GR, CNL, FDC, DLL, MLL, Sonic							
32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit. NA							
33. If an on-site burial was used at the well, report the exact location of the on-site burial: NA Latitude Longitude NAD 1927 1983							
I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief							
Signature 		Printed Name Bruce A. Stubbs		Title Vice President	Date 10/06/10		
E-mail Address bastubbs@armstrongenergycorp.com							

CONFIDENTIAL

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates 2048'	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers 2136'	T. Devonian	T. Cliff House	T. Leadville
T. Queen 2524'	T. Silurian 7797'	T. Menefee	T. Madison
T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres 3098'	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	T. McKee	T. Gallup	T. Ignacio Otzte
T. Paddock	T. Ellenburger	Base Greenhorn	T. Granite
T. Blinbry	T. Gr. Wash 8016'	T. Dakota	
T. Tubb 4430'	T. Delaware Sand	T. Morrison	
T. Drinkard	T. Bone Springs	T. Todilto	
T. Abo 6500'	T.	T. Entrada	
T. Wolfcamp 7238'	T.	T. Wingate	
T. Penn 7576'	T.	T. Chinle	
T. Cisco (Bough C)	T.	T. Permian	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....
 No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
2048'	3098'	1050'	Sand, Shale, Gyp, Salt, Anhy, Siltstone, Mudstone				
3098'	4430'	1332'	Dolomite, Shale, Anhy, Salt, Siltstone				
4430'	7238'	2808'	Shale, Mudstone, Siltstone, Dolomite, Anhy, Gyp				
7238'	7797'	559'	Dolomite, Limestone, Shale				
7797'	8102'	305'	Dolomite, Shale, Chert, GW, Gr				

CONFIDENTIAL



500 North Main Street, Suite 200
P.O. Box 1973
Roswell, New Mexico 88202-1973
(575) 625-2222
Fax (575) 622-2512

Confidential
Rec 10/7/10
Out 01/7/11

CONFIDENTIAL

October 6, 2010

Mr. Buddy Hill
Oil Conservation Division
1625 French Dr.
Hobbs, New Mexico 88240

RECEIVED

**OCT 07 2010
HOBBSOCD**

Re: Pep 36 State #2
Sec. 36-T5S-R33E
Roosevelt County, New Mexico
C-105 Confidentiality

Dear Mr. Hill:

Armstrong Energy Corporation has made a significant discovery in southern Roosevelt County. Armstrong requests the OCD hold any and all information regarding this well "CONFIDENTIAL" for 90 days as per NMOCD rule 19.15.13.1105 "C". All documents submitted are clearly marked as "CONFIDENTIAL".

Should you have any questions or require any additional information regarding these reports, please contact me at 575-624-2800.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Stubbs".

Bruce A. Stubbs
Vice President - Operations