

HOLE PROGNOSIS  
 FORM 3160-3 APPLICATION FOR PERMIT TO DRILL  
 ARMSTRONG ENERGY CORPORATION  
 H.G. MOBERLY "A" FEDERAL #4 WELL  
 1930' FNL & 725' FEL  
 SECTION 8-26S-37E  
 LEA COUNTY, NEW MEXICO

In conjunction with Form 3160-3, Application for Permit to Drill, Armstrong Energy Corporation submits the following items in accordance with Onshore Oil and Gas Order Numbers 1 and 2, and all other applicable federal and state regulations.

1. Geologic Name of Surface Formation:

Quaternary

2. Estimated Tops of Geologic Markers:

Rustler	990'	Seven Rivers	3140'
Top of Salado	1240'	Queen	3300'
Tansill	2670'	TD	4000'
Yates	2815'		

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Surface	450'	Fresh Water
Yates	2815' - 3140'	Gas
Seven Rivers	3140' - 3300'	Oil and Gas
Queen	3300' - 4000'	Oil and Gas

No other formations are expected to produce oil, gas or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 8 5/8" casing at 1030' and circulating cement back to surface. Shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across the zone, through the 5 1/2" production casing, which will be run at TD.

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OD Csg</u>	<u>Weight, Grade, Jt., Cond. Type</u>
17 1/2"	0- 40'	13 3/8"	48#, H-40, ST&C, L.S.
11"	0-1030'	8 5/8"	24#, J-55, LT&C, New
7 7/8"	0-TD	5 1/2"	15.5#, J-55, LT&C, New