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EXPEDITED ROW

070 FARMINGTON, NM

Form 3160-3
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

5. Lease Serial No.

SF-046563

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA Agreement, Name and No.

NA

8. Lease Name and Well No.

Susan B Com 34-1A

9. API Well No.

30045 31394

10. Field and Pool, or Exploratory

Basin Fruitland Coal

11. Sec., T., R., M., or Blk. and Survey or Area

Sec. 34. T28N, R10W

12. County or Parish

San Juan

13. State

NM

1a. Type of Work: ☒ DRILL

☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other

☒ Single Zone ☐ Multiple Zone

2. Name of Operator Koch Exploration Company, LLC

3a. Address 20 East Greenway Plaza
Houston, Texas 77046

3b. Phone No. (include area code)
713-544-4318

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface SE/4, Sec. 34, T28N, R10W, 1405' FSL & 1470' FEL
At proposed prod. zone (Same)

14. Distance in miles and direction from nearest town or post office*

8 miles Southeast of Bloomfield, NM

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) 1405'

16. No. of Acres in lease
640

17. Spacing Unit dedicated to this well
320 E/2

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. 3000'

19. Proposed Depth
2050'

20. BLM/BIA Bond No. on file
400 GH. 0471

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5966' GR

22. Approximate date work will start*
available rig

23. Estimated duration
30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *Roy A. Ornelas*

Name (Printed/Typed) ROLF A. Ornelas

Date Feb 07, 03

Title SR Engineer

Approved by (Signature) *DM*

Name (Printed/Typed)

Date 4-29-03

Title Office

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

NWCCD

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-31394		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 010175-19343		Property Name SUSAN B COM 34	Well Number IA
OGED No. 12807		Operator Name KOCH EXPLORATION	Elevation 5966

¹⁰ Surface Location

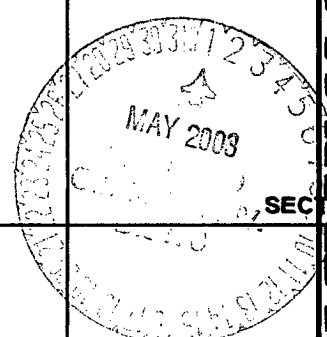
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	34	28 N	10 W		1405	SOUTH	1470	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

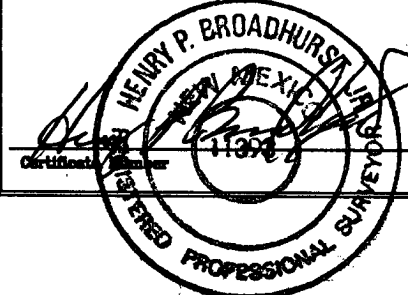
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 N 89°56' W 5280.0'		Existing Well Susan B Com 34 #1 790' FNL & 1216' FEL API #30-045-28115		5280.0'
		1470'		
N 0°02' W 5280.0'		1405'		
		5280.0'		

17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: 
Printed Name: Lance E. Harmon
Title: Vice President - Land
Date: 12/11/02

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

9/20/02
Date of Survey
Signature and Seal of Professional Surveyor:


RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 19935. Lease Designation and Serial No.
SF046563

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation
NA

8. Well Name and No.

Susan B Com 34 1A

9. API Well No.

30045 31394

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

11. County or Parish, State

San Juan County
New Mexico

SUBMIT IN TRIPLICATE 070 Farmington, NM

1. Type of Well

☐ Oil
Well☒ Gas
Well☐ Other

2. Name of Operator

Koch Exploration Company, LLC

3. Address and Telephone No.

20 Greenway Plaza, Houston, Texas 77046

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

S34, T28N, R10W (J)
1405 FSL & 1470 FEL

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment☐ Recompletion☐ Plugging Back☐ Casing Repair☐ Altering Casing☒ Other Supplement to APD☐ Change of Plans☐ New Construction☐ Non-Routine Fracturing☐ Water Shut-Off☐ Conversion to Injection☐ Dispose Water(Note: Report results of multiple completion on Well Completion
or Recompletion Report and Log form.)

13. Describe Proposed or Compelled Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Additional information to APD Drilling Program (already submitted).

See Attached.

I hereby certify that the foregoing is true and correct

Signed

(This space for Federal or State office use)

Title Senior Engineer

Date

3-26-03

Approved by

Title

Date

APR 29 2003

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Koch Exploration Company, LLC
Basin Fruitland Infill Well
Susan B Com 34-1A
S34 - T28N - R10W
Sundry Notice APD Supplement

Casing Program:

Hole Size	Grade, size of Casing	Weight per Foot	Setting Depth
12 1/4" Hole	8 5/8" J-55 ST&C	24.0#	150'
7 7/8" Hole	4 1/2" J-55 LT&C	10.5#	2,065'

Circulate 8-5/8" cement to surface - Volumes to be adjusted to new casings depths
Circulate 4-1/2" cement to surface - Volumes to be adjusted to new casing depths

100% excess on surface casing
50% excess on production casing

Centralizer Program:

Surface Casing: 3 Centralizers will be ran on the bottom 3 joints, starting at the shoe joint

Production Casing: 2 Centralizers will be ran on the bottom 2 joints, then every 10th joint thereafter or +/-400', and Centralizers to impact a swirling action will be placed just below and into the base of the Ojo Alamo.

Estimated Formation Tops:

San Jose	Surface
Ojo	953'
Kirtland Shale	1,068'
Fruitland Coal	1,703'
Pictured Cliff	1,938'
TD	2,065'

Estimated Formation Pressures:

Fruitland Coal	600 psi
Bottom Hole	200 psi

Estimated depths of useable water, salt water and oil/gas bearing formations:

Fresh/Useable Water	0 to 1,068'
Salt Water	1,068 to 1,703
Oil and Gas	1,703 to 2,065

SUSAN B COM 34 -1A

Sec. 34-T28N-R10W, 1405' FSL & 1470' FEL

San Juan Co., New Mexico

Lease SF 046563

Drilling Program

1) Geological name of surface formation -

Estimated tops of important geological markers:

San Jose	Surface
Ojo	913'
Kirtland Shale	1028'
Fruitland Coal	1663'
Pict. Cliff	1898'
TD	2050'

2) Estimated depths at which oil, gas, water, and mineral bearing formation will be found:

Fresh Water	0' to 200'
Salt Water	201' to 1663'
Oil and Gas	1663' to 2050'

3) Pressure Control Equipment:

- a. 10-inch 900 series or 3,000 psi test double gate hydraulic with 4-1/2" pipe rams and 10-inch series 900 hydril above 10-inch series casinghead and cross spool with flanged outlets. See BOP diagram at **Exhibit F-1** for drawing of choke lines, kill lines and choke manifold. Procedures will include waiting on cement 12 hours, nipple up blowout preventer (BOP) assembly and test to 70% of yield of casing or 3,000 psi maximum. The production casinghead pressure rating will be 3,000 psi.
- b. Type of BOP rams: Blind rams and pipe rams are used as shown on the BOP diagram at **Exhibit F-1**. Occasionally, the position of the rams is reversed depending on the drilling contractor's methods.
- c. The choke manifold and header will have 2-inch choke outlets, a 2-inch straight through the line with 2-inch adjustable chokes installed. The inlet line will be a 2-inch line. All of the above are rated at 3,000 psi working pressure (WP). The choke manifold and header system will have manual control valves; no hydraulic valves will be installed. Casing testing procedure – Surface casing will be tested at 750 psi with 1,000 psi maximum after cementing in place and before drilling out of shoe. Intermediate and production casing will be tested to 3,000 psi after cementing in place and after drilling to the required depth.
- d. Hydraulic controls to close the BOPs are located on the rig floor; the hydraulic remote control is located in the bottom doghouse. There will be no manual controls on the BOP.

SUSAN B COM 34 -1A

Sec. 34-T28N-R10W, 1405' FSL & 1470' FEL

San Juan Co., New Mexico

Lease SF 046563

e. BOP testing procedures and frequency:

1. Hydril (3,000WP) will be tested to 70% of yield of casing or 3,000 psi maximum.
 2. Double ram BOPs will be tested to 70% of yield of casing or 3,000 psi maximum.
 3. BOPs will be tested upon installation, after casing is run and on each bit trip.
- f. Casinghead connections will be 2-inch; these outlets will usually be bull plugged during drilling operations. No pumping through these connections is allowed except in emergency to keep from wearing out the head.
- g. The drilling spool will be a series 900 3,000 psi WP with a 2-inch kill line and a 2-inch outlet.

4) Proposed Casing Program:

Surface Casing Program:

Surface Casing	8 5/8"	24.0#	J-55 STC	New
Production Casing	4 1/2"	10.5#	J-55 LTC	New

Proposed setting depth, amount and type of cement including additives:

8 5/8" Surface Casing – Surface to 150' – Cement with 100 sks type III (14.6 ppg, slurry yield 1.39 cf/sk) Cement + 2% bwoc Calcium Chloride + .25 lbs/sk Cello Flake + 59.2% Fresh Water. Volume: 138.1 cf., includes 100% excess.

4 1/2" Production Casing – Surface to 2050' –

Lead with 248 sks Premium Lite FM (12.1 ppg, slurry Yield 2.15 cf/sk) + 3% bwoc Calcium Chloride + .25 lb/sk Cello Flake + .4% bwoc FL-52 + 8% bwoc Bentonite + .4% bwoc Sodium Metasilicate + 3 lb/sk Pheno Seal + 116.1 % Fresh Water. Volume: 532.6 cf., includes 50% excess.

Tail with 103 sks Type III Cement (14.0 ppg, slurry Yield 1.54 cf/sk) + 2% bwoc Calcium Chloride + .25 lb/sk Cello Flake + .2% bwoc FL-52 + 68.9% Fresh Water. Volume: 157.4 cf., includes 50% excess

5) Mud Program:

0' – 150' – Spud mud and water treated with gel lime.

150' – 2050' – Lime mud, water and polymer.