Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

	Expires. ivi
5.	Lease Serial No.
	SF_078505

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SUNDRY	NOTICES	AND RE	PORTS ON	WELLS
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Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals[]]

6. If Indian, Allottee or Tribe Name 2 NAN 11: 28

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SUBMIT IN TRIPLICATE- Other instructions on reverse side.				7. If Unit or CA/ EIVED	Agreement, Name and/or No.	
l. Type of Well Oil Well ✓	Gas Well Other			3 <u>Li4</u> 481/ 0 a1014441	Na Na	
2. Name of Operator Koch Exploration Company, LLC				9. API Well No.		
3a Address 3b. Phone No. (include area code) PO Box 489, Aztec, NM 87410 505-334-9111				30-045-28212 10. Field and Pool, or Exploratory Area Fruitland Coal 11. County or Parish, State San Juan, New Mexico		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 790' FNL & 1235' FEL, S23, T31N, R09W "A" Lat 36.53.31, Long 107.44.724						
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA						
TYPE OF SUBMISSION TYPE OF ACTION						
Notice of Intent Subsequent Report Final Abandonment Notice	Acidize Alter Casing Casing Repair Change Plans Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Production (Star Reclamation Recomplete Temporarily Abs		Water Shut-Off Well Integrity Other	
12 Decembe Despessed or Complet	ad Operation (algorly state all parti	nant dataile, including activ	nated starting date of an	v nonnoced work an	d approximate duration thereof	

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Due to falling production, caused by the inablity to pump water and partially plugged liner, we propose to pull the liner, and drill 100' into the Pictured Cliff. This will give us a sump below the coal to pump water from. We will use a Mudlogger during drilling to monitor the Pictured Cliff for signs of gas. The Pictured Cliff formation in this area is non-productive. 5 1/2" liner will be run into the sump and well put on production. An earthen reserve pit with blow pit will be required. The reserve pit will be built and closed according to Koch Exploration CO, LLC (KEC) General Pit Guidelines on file with NMOCD, Aztec Office. Pit will be closed according to KEC General Pit Guidelines, and seeded with BLM approved seed mix, as soon as possible after work is completed. Work is scheduled to start as soon as rig is available. Proposed Total Depth: 3383'

PCN on Prod Som Prequest granted 1/16/07CEH

The current pipe configuration is:

9 5/8" 36# J-55, set @ 352'

7" 20# J-55, set @ 2909'

5 1/2" 15.5# J-55 Perforated Liner, top @ 2882', bottom @ 3283'

2 3/8" 4.7# J-55 Production Tubing @ 3273'

14. I hereby certify that the fo Name (Printed/Typed) John Clark	regoing s true and correct	Title	District Superintendent			
Signature	INTO MAR	Date	ate 01/10/2007			
THIS SPACE FOR FEDERAL OR STATE OFFICE USE						
Or ginal Signed: Stephen Mason			Title	Date	JAN 1 G 2007	
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.			Office			

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.