



October 24, 1996

El Paso Field Services (EPFS)
816 Aztec Blvd. NE
Aztec, NM 87410

ATTN: Mr. Brian Oliver
(Aztec Superintendent)

Re: Walker 5 P&A (meter # 89-405-01)

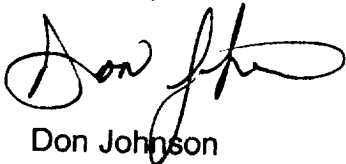
A-13-31N-10W

Dear Brian,

Koch Exploration Company has completed the plug and abandon (P&A) for the Walker #3 well (meter # 89-405-01) on October 23, 1996. Koch has plans to remove all production equipment and underground lines from the wellsite. This well is located in your district and the legal description of well are as follows: Sec. 13, T31N. R10W, (A) NE/NE. Now that the P&A is completed on this well, we plan on rehabilitating the well site to BLM specifications. Before we can do this rehabilitation of location we will need El Paso Field Services (EPFS) to remove the existing meter run and close the existing pit that belongs to EPFS. I am requesting from EPFS a permanent disconnect on the Walker #5. The removal of existing pipeline will be at your judgment for future use in that area. After all of EPFS equipment is removed and pit closure completed, Koch will complete rehabilitation of site to BLM specifications and Block off existing road access to well pad and reseed the area.

I am sending you this letter so as to notify you of Koch's intentions and to give you adequate time to work into your schedule the closure of such site. If you have any questions or comments please feel free to call me at my office (505)-334-9111 or my mobile (505)-320-0819. I appreciate your efforts towards closure of this site.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Don Johnson'.

Don Johnson
Koch Exploration Company
Foreman

cc: Bill Liese (BLM)
Frank Chavez (OCD)