



KOCH EXPLORATION COMPANY

August 26, 1996

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

RECEIVED
AUG 30 1996
OIL CON. DIV.
DIST. 3

Re: ~~Federal~~ **Blancett Com #1**
1,820 FNL, 1,740 FEL Sec. 27-T32N-R9W, San Juan County, NM
API# 30-045-25575 *G*

Dear Mr. LeMay:

Administrative approval is requested for downhole commingling the Blanco Mesaverde and the Blanco Pictured Cliffs pools in the subject well. The Federal Blancett Com #1 is currently producing from the Blanco Mesaverde over the interval 5,460' - 5,886.. Koch proposes to add Pictured Cliffs production over the interval 3,471 - 3,482.

The Pictured Cliffs zone in the Blancett Com #1 well was completed during December 1995. It was originally Koch's intent to complete the well as a dual Mesaverde/Pictured Cliffs well and produce the zones separately. However, because of the marginal nature of the Mesaverde zone Koch requests permission to commingle the Mesaverde and the Pictured Cliffs in this well. A plot of the production history from the Mesaverde is attached.

Ownership under the East half (E/2) is not common in that NM-013642 covering the NE/4NE/4, and the SE/4 is owned Koch 87.5% and BLM 12.5% and the fee lease covering the W/2NE/4, SE/4NE/4 has fourteen (14) owners under the royalty and overriding royalty interests, and the working interest is owned by Koch and Amoco Production Company. All owners have been notified by certified mail as to this application.

All offset operators, Meridian Oil, Inc. and Phillips Petroleum Company have received written notice of this application.

To comply with the New Mexico Oil Conservation Division rules, Koch is submitting the following attachments for your approval.

1. Form C-107-A, Application for Downhole Commingling.
2. Forms C-102 for each zone showing its spacing unit and acreage dedication.
3. A production curve showing the Blancett Com #1 Blanco Mesaverde production.

Federal Biancett Com #1

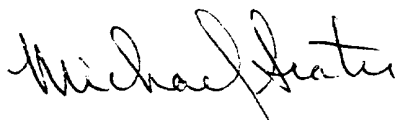
August 26, 1996

Page 2

4. Data to support allocation method.
5. Notification list of offset operators.
6. Notification list of working, overriding and royalty interests.

Should you need additional information, please call me at (316) 828-5595.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Scates". The signature is fluid and cursive, with the first name "Michael" written in a larger, more prominent script than the last name "Scates".

Michael Scates
Administrative Manager

cc: Bureau of Land Management - Farmington, NM
Oil Conservation Division - Aztec, NM

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
811 South First St., Artesia, NM 88210-2835

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☐ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Koch Exploration Company Address PO Box 2256 Wichita, KS 67201

Lease Blancett Com 1 Well No. Sec. 27-T32N-R9W Unit Ltr. - Sec - Twp - Rge San Juan County

OGRID NO. 012807 Property Code 03 API NO. 30-045-28277 Spacing Unit Lease Types: (check 1 or more)
Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Pictured Cliffs 72359		Blanco Mersaverde 72319
2. Top and Bottom of Pay Section (Perforations)	3471-3482 KB		5460-5886 KB
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current) 1025 psia	a.	a. Est. 350 psia
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original) 1025 psia	b.	b. 6183 1034 psia
6. Oil Gravity (°API) or Gas BTU Content			46% API 1030 BTU/cf
7. Producing or Shut-In?	Shut-In		Shut-In
Production Marginal? (yes or no)	No		Yes
* If Shut-In, give date and oil/gas/water rates of last production	Date: 12/23/95 Rates: (15 hr. Comp. Test) 1342 mcf/d	Date: Rates:	Date: 11/95 Rates: .5 BC/d 85 mcf/d
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No

11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☐ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____

16. ATTACHMENTS:

- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Michael Scates TITLE Administrative Mgr. DATE 8/23/96

TYPE OR PRINT NAME Michael Scates TELEPHONE NO. (316) 828-5595

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 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 30-045-25575		Pool Code	Pool Name Blanco Mesaverde
Property Code	Property Name Blancett Com		Well Number 1 PC
OGRID No. 012807	Operator Name Koch Exploration Company		Elevation 6614

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	27	32N	9W		1820	North	1740	East	S.J.L.

11 Bottom Hole Location If Different From Surface

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

12 Dedication Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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 RECEIVED AUG 30 1996 OIL CON. DIV. DIST. 3	27	1820' ↓ 10' 1740' →	USA-SF-013642 Koch 100%	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Michael Scates</i> Signature Michael Scates Printed Name Administrative Manager Title 8/23/96 Date
			Fee TOC 78.125% McHugh 21.875%	
			USA-SF-013642 Koch 100%	
				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. September 27, 1982 Date of Survey Signature and Seal of Professional Surveyer: On File 3950 Certificate Number

OIL CONSERVATION DIVISION

P.O. BOX 2888

SANTA FE, NEW MEXICO 87501

Form 5-197
Revised 10-1-78STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENT

All distances must be from the outer boundaries of the Section.

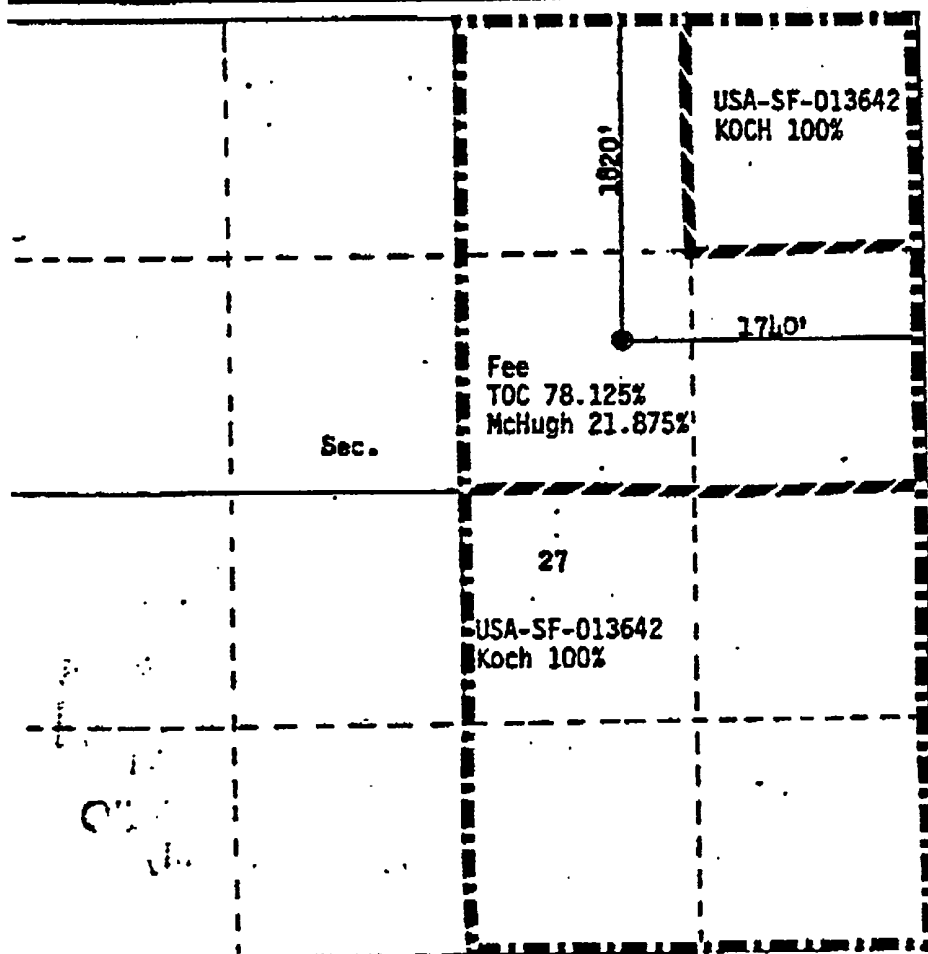
Operator: TENNECO OIL COMPANY			Lessee: BLANCETT CO.		Well No. 1
Well Letter 0	Section 27	Township 32N	Range 9W	County San Juan	
True Footage Location of Well: 1820 feet from the North line and 1740 feet from the East line					
Ground Level Elev: 6614	Producing Formation Mesaverde		Pool Blanco Mesaverde	Dedicated Acreage: 320 E312.49 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communization in progress

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



Scale: 1"=1000'

CERTIFICATION

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

Ken Russell

Name

Ken Russell

Position

Sr. Production Analyst

Company

Tenneco Oil Co.

Date

January 31, 1983

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 knowledge and belief.

Date Surveyed

September 27, 1982

Registered Professional Engineer and Land Surveyor

Fred B. Kery
Fred B. Kery Jr.

Certification No. 4222

3950

FORM 24-11

Post-It [®] brand fax transmittal memo 7671		# of pages
To <i>Mike Seales</i>	From <i>Don Johnson</i>	
Co.	Co.	
Dept.	Phone #	
Fax #	Fax #	

EXAMPLE

Location:
Report Date: JUL 9, 1995

State: NM
County: SAN JUAN

Well Code: KXC 888 NM02340
Operator: KOCH EXPLORATION

Lease Name: BLANCETT COM 1
Field Name: *GLANCO MESQUERIE*

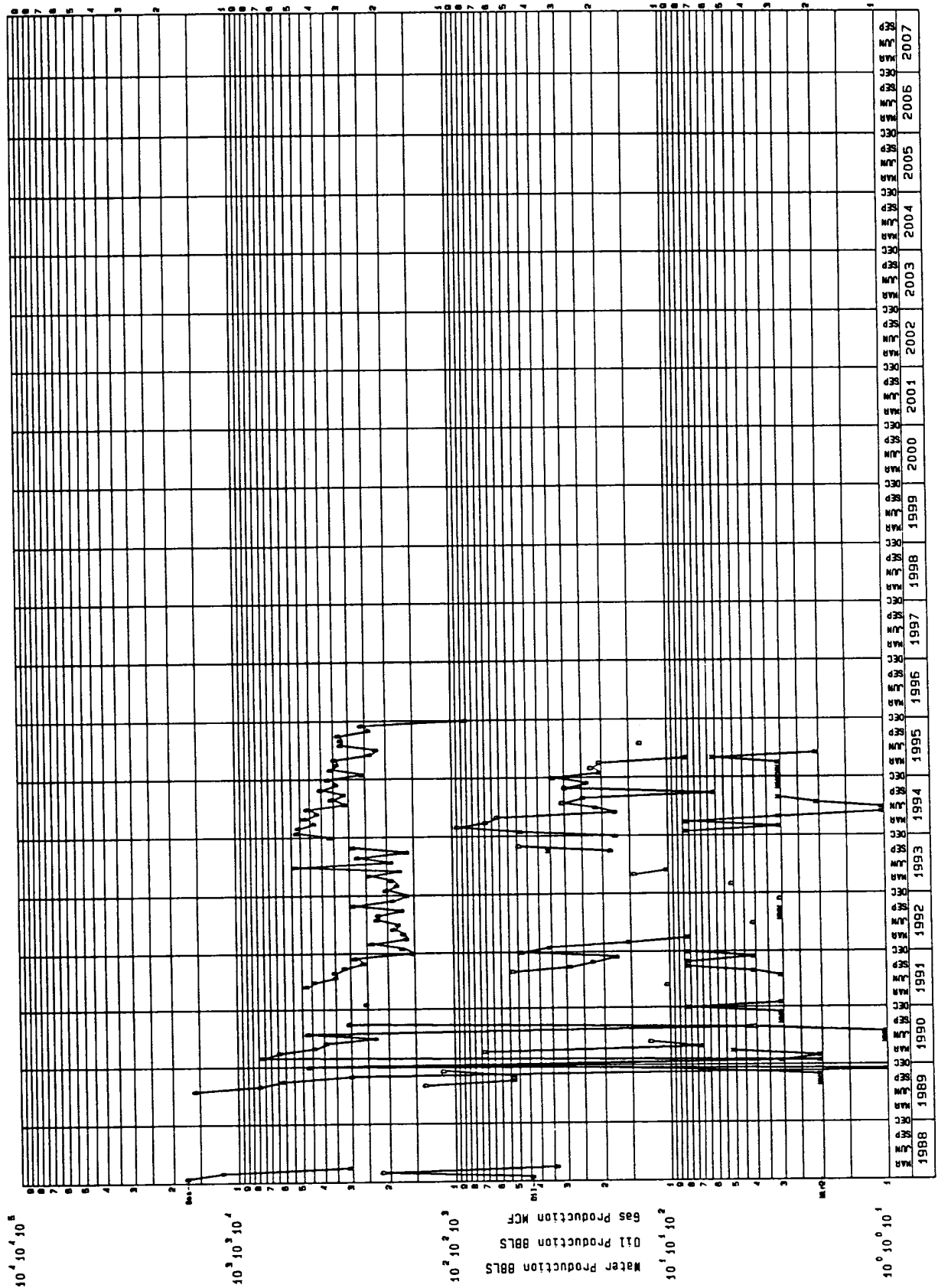
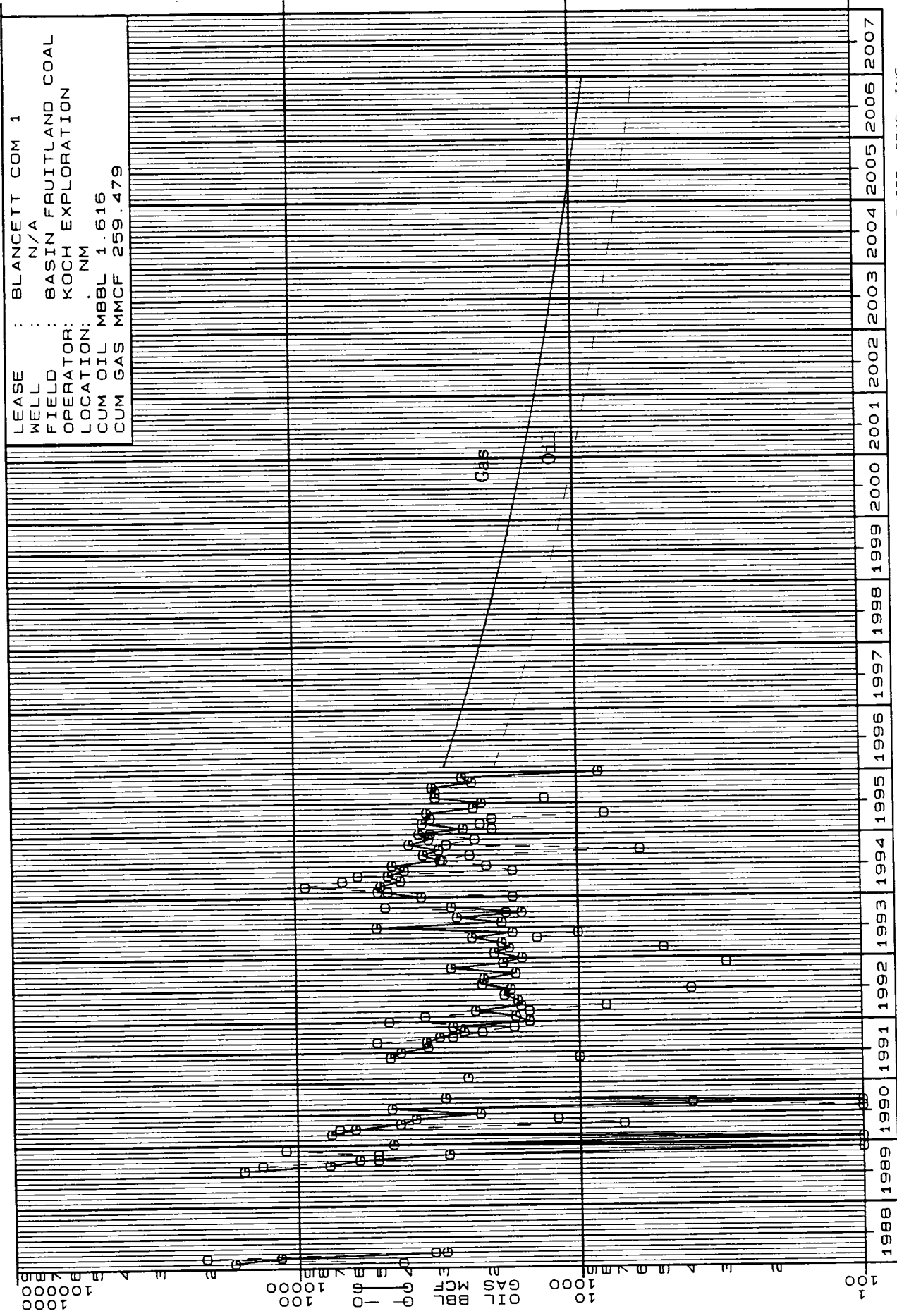


Exhibit #3

ALLOCATION METHOD
BLANCETT COM 1

The recommended allocation method for the Blancett Com 1 is to extrapolate the existing Mesaverde decline through the potential economic limit of the well and attribute any excess production after the commingling to the Pictured Cliffs recompletion. Attached you will find a plot and a tabulated listing of the expected Mesaverde production through time. No condensate production is anticipated from the Pictured Cliffs zone and it is recommended that all condensate produced from the Blancett Com 1 well be credited to the Mesaverde zone.



TEXAS COMPUTER WORKS, INC.

LEASE NAME: BLANCETT COM 1
WELL NAME: N/A
FIELD: BASIN FRUITLAND COAL
CNTY/ST: NM
OPERATOR: KOCH EXPLORATION
FORMATION:

DATE: 07-26-1996
TIME: 14:28:28
FILE: BLANCETM

PROD. START: 0 / 1988
PROJ. START: 9 / 1996

PRODUCTION FORECAST REPORT (HISTORY ENDS 12/1995)

MTH/YR	***** 8/8TH PRODUCTION *****				***** NET PRODUCTION *****				RATIO
	OIL BBL-----	GAS MCF-----	CUM OIL MB-----	CUM GAS MMF-----	OIL BBL-----	GAS MCF-----	CUM OIL MB-----	CUM GAS MMF-----	
PRIOR			1.764	281.812			1.764	281.812	6
9/96	17.4	2617.6	1.782	284.430	17.4	2617.6	1.782	284.430	7
10/96	17.1	2582.0	1.799	287.012	17.1	2582.0	1.799	287.012	7
11/96	16.9	2547.3	1.816	289.559	16.9	2547.3	1.816	289.559	7
12/96	16.7	2513.4	1.832	292.073	16.7	2513.4	1.832	292.073	7
S.TOT.	68.1	10260.3			68.1	10260.3			7
1/97	16.5	2480.3	1.849	294.553	16.5	2480.3	1.849	294.553	7
2/97	16.3	2447.9	1.865	297.001	16.3	2447.9	1.865	297.001	7
3/97	16.0	2416.3	1.881	299.417	16.0	2416.3	1.881	299.417	7
4/97	15.8	2385.4	1.897	301.803	15.8	2385.4	1.897	301.803	7
5/97	15.6	2355.2	1.913	304.158	15.6	2355.2	1.913	304.158	7
6/97	15.4	2325.6	1.928	306.483	15.4	2325.6	1.928	306.483	7
7/97	15.3	2296.7	1.943	308.780	15.3	2296.7	1.943	308.780	7
8/97	15.1	2268.5	1.959	311.049	15.1	2268.5	1.959	311.049	7
9/97	14.9	2240.8	1.973	313.289	14.9	2240.8	1.973	313.289	7
10/97	14.7	2213.7	1.988	315.503	14.7	2213.7	1.988	315.503	7
11/97	14.5	2187.2	2.003	317.690	14.5	2187.2	2.003	317.690	7
12/97	14.4	2161.3	2.017	319.852	14.4	2161.3	2.017	319.852	7
S.TOT.	184.5	27779.0			184.5	27779.0			7
1/98	14.2	2135.9	2.031	321.988	14.2	2135.9	2.031	321.988	7
2/98	14.0	2111.0	2.045	324.099	14.0	2111.0	2.045	324.099	7
3/98	13.9	2086.6	2.059	326.185	13.9	2086.6	2.059	326.185	7
4/98	13.7	2062.8	2.073	328.248	13.7	2062.8	2.073	328.248	7
5/98	13.5	2039.4	2.086	330.288	13.5	2039.4	2.086	330.288	7
6/98	13.4	2016.4	2.100	332.304	13.4	2016.4	2.100	332.304	7
7/98	13.2	1993.9	2.113	334.298	13.2	1993.9	2.113	334.298	7
8/98	13.1	1971.9	2.126	336.270	13.1	1971.9	2.126	336.270	7
9/98	13.0	1950.3	2.139	338.220	13.0	1950.3	2.139	338.220	7
10/98	12.8	1929.1	2.152	340.149	12.8	1929.1	2.152	340.149	7
11/98	12.7	1908.3	2.164	342.057	12.7	1908.3	2.164	342.057	7
12/98	12.5	1887.9	2.177	343.945	12.5	1887.9	2.177	343.945	7
S.TOT.	160.0	24093.5			160.0	24093.5			7

LEASE NAME: BLANCETT COM 1
WELL NAME: N/A
FIELD: BASIN FRUITLAND COAL
CNTY/ST: , NM
OPERATOR: KOCH EXPLORATION
FORMATION:
PROD. START: 0 / 1988
PROJ. START: 9 / 1996

DATE: 07-26-1996
TIME: 14:28:29
FILE: BLANCETM

PRODUCTION FORECAST REPORT (HISTORY ENDS 12/1995)

***** 8/8TH PRODUCTION *****					***** NET PRODUCTION *****				
MTH/YR	OIL	GAS	CUM OIL	CUM GAS	OIL	GAS	CUM OIL	CUM GAS	RATIO
-----	BBL-----	MCF-----	MB-----	MMF-----	BBL-----	MCF-----	MB-----	MMF-----	-----
1/99	12.4	1867.8	2.189	345.813	12.4	1867.8	2.189	345.813	7
2/99	12.3	1848.2	2.202	347.661	12.3	1848.2	2.202	347.661	7
3/99	12.1	1828.9	2.214	349.490	12.1	1828.9	2.214	349.490	7
4/99	12.0	1810.0	2.226	351.300	12.0	1810.0	2.226	351.300	7
5/99	11.9	1791.4	2.238	353.092	11.9	1791.4	2.238	353.092	7
6/99	11.8	1773.1	2.250	354.865	11.8	1773.1	2.250	354.865	7
7/99	11.7	1755.2	2.261	356.620	11.7	1755.2	2.261	356.620	7
8/99	11.5	1737.6	2.273	358.357	11.5	1737.6	2.273	358.357	7
9/99	11.4	1720.3	2.284	360.078	11.4	1720.3	2.284	360.078	7
10/99	11.3	1703.3	2.295	361.781	11.3	1703.3	2.295	361.781	7
11/99	11.2	1686.5	2.307	363.467	11.2	1686.5	2.307	363.467	7
12/99	11.1	1670.1	2.318	365.138	11.1	1670.1	2.318	365.138	7
S.TOT.	140.8	21192.3			140.8	21192.3			7
1/ 0	11.0	1654.0	2.329	366.792	11.0	1654.0	2.329	366.792	7
2/ 0	10.9	1638.1	2.340	368.430	10.9	1638.1	2.340	368.430	7
3/ 0	10.8	1622.5	2.350	370.052	10.8	1622.5	2.350	370.052	7
4/ 0	10.7	1607.2	2.361	371.659	10.7	1607.2	2.361	371.659	7
5/ 0	10.6	1592.1	2.372	373.251	10.6	1592.1	2.372	373.251	7
6/ 0	10.5	1577.2	2.382	374.829	10.5	1577.2	2.382	374.829	7
7/ 0	10.4	1562.7	2.393	376.391	10.4	1562.7	2.393	376.391	7
8/ 0	10.3	1548.3	2.403	377.940	10.3	1548.3	2.403	377.940	7
9/ 0	10.2	1534.2	2.413	379.474	10.2	1534.2	2.413	379.474	7
10/ 0	10.1	1520.3	2.423	380.994	10.1	1520.3	2.423	380.994	7
11/ 0	10.0	1506.6	2.433	382.501	10.0	1506.6	2.433	382.501	7
12/ 0	9.9	1493.1	2.443	383.994	9.9	1493.1	2.443	383.994	7
S.TOT.	125.2	18856.2			125.2	18856.2			7
1/ 1	9.8	1479.9	2.453	385.474	9.8	1479.9	2.453	385.474	7
2/ 1	9.7	1466.8	2.463	386.940	9.7	1466.8	2.463	386.940	7
3/ 1	9.7	1454.0	2.472	388.394	9.7	1454.0	2.472	388.394	7
4/ 1	9.6	1441.3	2.482	389.836	9.6	1441.3	2.482	389.836	7
5/ 1	9.5	1428.9	2.491	391.265	9.5	1428.9	2.491	391.265	7
6/ 1	9.4	1416.6	2.501	392.681	9.4	1416.6	2.501	392.681	7
7/ 1	9.3	1404.5	2.510	394.086	9.3	1404.5	2.510	394.086	7
8/ 1	9.2	1392.6	2.519	395.478	9.2	1392.6	2.519	395.478	7
9/ 1	9.2	1380.9	2.528	396.859	9.2	1380.9	2.528	396.859	7
10/ 1	9.1	1369.4	2.538	398.229	9.1	1369.4	2.538	398.229	7
11/ 1	9.0	1358.0	2.547	399.587	9.0	1358.0	2.547	399.587	7
12/ 1	8.9	1346.8	2.556	400.933	8.9	1346.8	2.556	400.933	7
S.TOT.	112.5	16939.7			112.5	16939.7			7

LEASE NAME: BLANCETT COM 1
WELL NAME: N/A
FIELD: BASIN FRUITLAND COAL
CNTY/ST: NM
OPERATOR: KOCH EXPLORATION
FORMATION:

DATE: 07-26-1996
TIME: 14:28:29
FILE: BLANCETM

PROD. START: 0 / 1988
PROJ. START: 9 / 1996

PRODUCTION FORECAST REPORT

(HISTORY ENDS 12/1995)

MTH/YR	***** 8/8TH PRODUCTION *****				***** NET PRODUCTION *****				RATIO
	OIL	GAS	CUM OIL	CUM GAS	OIL	GAS	CUM OIL	CUM GAS	
-----	BBL-----	MCF-----	MB-----	MMF-----	BBL-----	MCF-----	MB-----	MMF-----	-----
1/ 2	8.9	1335.7	2.564	402.269	8.9	1335.7	2.564	402.269	7
2/ 2	8.8	1324.8	2.573	403.594	8.8	1324.8	2.573	403.594	7
3/ 2	8.7	1314.1	2.582	404.908	8.7	1314.1	2.582	404.908	7
4/ 2	8.7	1303.5	2.591	406.211	8.7	1303.5	2.591	406.211	7
5/ 2	8.6	1293.1	2.599	407.505	8.6	1293.1	2.599	407.505	7
6/ 2	8.5	1282.8	2.608	408.787	8.5	1282.8	2.608	408.787	7
7/ 2	8.5	1272.6	2.616	410.060	8.5	1272.6	2.616	410.060	7
8/ 2	8.4	1262.6	2.625	411.323	8.4	1262.6	2.625	411.323	7
9/ 2	8.3	1252.8	2.633	412.575	8.3	1252.8	2.633	412.575	7
10/ 2	8.3	1243.0	2.641	413.818	8.3	1243.0	2.641	413.818	7
11/ 2	8.2	1233.4	2.649	415.052	8.2	1233.4	2.649	415.052	7
12/ 2	8.1	1224.0	2.657	416.276	8.1	1224.0	2.657	416.276	7
S.TOT.	101.9	15342.4			101.9	15342.4			7
1/ 3	8.1	1214.6	2.665	417.490	8.1	1214.6	2.665	417.490	7
2/ 3	8.0	1205.4	2.673	418.696	8.0	1205.4	2.673	418.696	7
3/ 3	7.9	1196.3	2.681	419.892	7.9	1196.3	2.681	419.892	7
4/ 3	7.9	1187.4	2.689	421.080	7.9	1187.4	2.689	421.080	7
5/ 3	7.8	1178.5	2.697	422.258	7.8	1178.5	2.697	422.258	7
6/ 3	7.8	1169.8	2.705	423.428	7.8	1169.8	2.705	423.428	7
7/ 3	7.7	1161.1	2.713	424.589	7.7	1161.1	2.713	424.589	7
8/ 3	7.7	1152.6	2.720	425.742	7.7	1152.6	2.720	425.742	7
9/ 3	7.6	1144.2	2.728	426.886	7.6	1144.2	2.728	426.886	7
10/ 3	7.5	1135.9	2.735	428.022	7.5	1135.9	2.735	428.022	7
11/ 3	7.5	1127.8	2.743	429.149	7.5	1127.8	2.743	429.149	7
12/ 3	7.4	1119.7	2.750	430.269	7.4	1119.7	2.750	430.269	7
S.TOT.	92.9	13993.3			92.9	13993.3			7
1/ 4	7.4	1111.7	2.758	431.381	7.4	1111.7	2.758	431.381	7
2/ 4	7.3	1103.8	2.765	432.485	7.3	1103.8	2.765	432.485	7
3/ 4	7.3	1096.0	2.772	433.581	7.3	1096.0	2.772	433.581	7
4/ 4	7.2	1088.3	2.780	434.669	7.2	1088.3	2.780	434.669	7
5/ 4	7.2	1080.7	2.787	435.750	7.2	1080.7	2.787	435.750	7
6/ 4	7.1	1073.2	2.794	436.823	7.1	1073.2	2.794	436.823	7
7/ 4	7.1	1065.8	2.801	437.889	7.1	1065.8	2.801	437.889	7
8/ 4	7.0	1058.5	2.808	438.947	7.0	1058.5	2.808	438.947	7
9/ 4	7.0	1051.3	2.815	439.999	7.0	1051.3	2.815	439.999	7
10/ 4	6.9	1044.1	2.822	441.043	6.9	1044.1	2.822	441.043	7
11/ 4	6.9	1037.1	2.829	442.080	6.9	1037.1	2.829	442.080	7
12/ 4	6.8	1030.1	2.836	443.110	6.8	1030.1	2.836	443.110	7
S.TOT.	85.3	12840.6			85.3	12840.6			7

LEASE NAME: BLANCETT COM 1
 WELL NAME: N/A
 FIELD: BASIN FRUITLAND COAL
 CNTY/ST: , NM
 OPERATOR: KOCH EXPLORATION
 FORMATION:

DATE: 07-26-1996
 TIME: 14:28:30
 FILE: BLANCETM

PROD. START: 0 / 1988
 PROJ. START: 9 / 1996
 PRODUCTION FORECAST REPORT (HISTORY ENDS 12/1995)

***** 8/8TH PRODUCTION *****					***** NET PRODUCTION *****				
MTH/YR	OIL	GAS	CUM OIL	CUM GAS	OIL	GAS	CUM OIL	CUM GAS	RATIO
-----	BBL-----	MCF-----	MB-----	MMF-----	BBL-----	MCF-----	MB-----	MMF-----	-----
1/ 5	6.8	1023.2	2.842	444.133	6.8	1023.2	2.842	444.133	7
S.TOT.	6.8	1023.2			6.8	1023.2			7

NOTIFICATION LIST OF OFFSET OPERATORS

Meridian Oil Company
PO Box 4289
Farmington, NM 87401

Offset Operator

Phillips Petroleum Company
5525 US Highway 64 - NBU 3004
Farmington, NM 87401

Offset Operator

NOTIFICATION LIST OF WORKING, OVERRRIDING AND ROYALTY INTERESTS

Kindermac Partners 650 South Cherry Suite 1225 Denver, CO 80222	Royalty/Override Owners
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Minerals Management Service Royalty Management Program Company Code 33792 PO Box 5810 Denver, CO 80217	Royalty/Override Owners
--	-------------------------

Jeff Wiepking 1801 Broadway Trinity Building Suite 1420 Denver, CO 80202	Royalty/Override Owners
---	-------------------------

Tom Fullerton 970 Pico Point Colorado Springs, CO 80906	Royalty/Override Owners
---	-------------------------

F W Arbuckle & Robert Anderson Jts. 138 South Lamer Street Burbank, CA 91506	Royalty/Override Owners
--	-------------------------

Philip Hendel 3420 Zinran Avenue St. Louis Park, MN 55426	Royalty/Override Owners
---	-------------------------

Dorothy P. Smith PO Box 1266 Pittsfield, MA 01202	Royalty/Override Owners
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Marilyn J. Lelicoff 642 Sunrise Boulevard Prescott, AZ 86301	Royalty/Override Owners
--	-------------------------

William Truman Mann & Patricia Brinson Mann 505 Wessex Drive Chesapeake, VA 23320	Royalty/Override Owners
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Jerome P. McHugh 650 South Cherry Street Suite 1225 Denver, CO 80222	Royalty/Override Owners
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NOTIFICATION LIST OF WORKING, OVERRRIDING AND ROYALTY INTERESTS
PAGE 2

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Denver, CO 80201
Working Interest