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District Office

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV

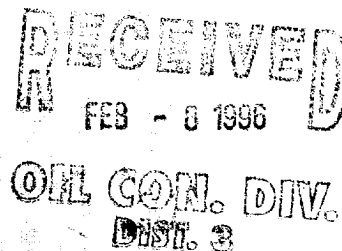
APPLICATION FOR
QUALIFICATION OF WELL WORKOVER PROJECT
AND CERTIFICATION OF APPROVAL

THREE COPIES OF THIS APPLICATION AND ALL ATTACHMENTS MUST BE FILED WITH THE APPROPRIATE DISTRICT OFFICE OF THE OIL CONSERVATION DIVISION.

- I. Operator: Koch Exploration Company OGRID #: 012807
Address: PO Box 2256 Wichita, KS 67201
Contact Party: Mike Scates Phone: 316-828-5595
- II. Name of Well: Gardner 2C #2 API #: 3004527983
Location of Well: Unit Letter 1810 Feet from the North line and 1500 feet from the East line,
Section 31, Township 32N, Range 8W, NMPM, San Juan County
- III. Date Workover Procedures Commenced: 6/21/95
Date Workover Procedures were Completed: 7/9/95
- IV. Attach a description of the Workover Procedures undertaken to increase the production from the Well.
- V. Attach an estimate of the production rate of the Well (a production decline curve or other acceptable method, and table showing monthly oil and/or gas Project Production) based on at least twelve (12) months of established production which shows the future rate of production based on well performance prior to performing Workover.
- VI. Pool(s) on which Production Projection is based: Basin Fruitland Coal

VII. AFFIDAVIT:

State of Kansas)
County of Sedgwick) ss.



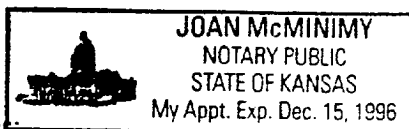
Michael Scates, being first duly sworn, upon oath states:

1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
3. To the best of my knowledge, the data used to prepare the Production Projection for this Well is complete and accurate and this projection was prepared using sound petroleum engineering principles.

Michael Scates
(Name) Michael Scates

Administrative Manager
(Title)

SUBSCRIBED AND SWORN TO before me this 30th day of January, 1996



Joan McMinimy
Notary Public

My Commission expires: _____

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of Well Workover Project is hereby approved and the above referenced Well is designated as a Well Workover Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). The Oil Conservation Division hereby verifies the Production Projection for the Well Workover Project attached to this application. By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project has been completed as of 7/17, 1995.

37.8
District Supervisor, District 3
Oil Conservation Division

Date: 2/19/96

IX. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.

DATE: _____

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

SUBMIT IN TRIPLICATE 670 FARMINGTON, NM

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Koch Exploration Company

3. Address and Telephone Number

P.O. Box 489 Aztec, NM 87410

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

Sec. 31, T32N, R8W (G) 1810' FNL & 1500' FEL

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

5. Lease Designation and Serial No.

NM-013642

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Gardner C

9. API Well No.

2

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan, NM

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: Cleaned out fill in OH

- ☐ 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 Completed 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.)*

This well had a significant gas increase during clean out. Cleaned OH 3119'-3417'KB.
7" casing set at 3082'KB. KB=12'0" We did not run a 5 1/2 liner through OH. Well
during workover did not increase much on water production so left as open hole.
We did change out tubing to 3 1/2", 9.3#, J-55, EUE 8 Rd. "F" nipple set at 3063.36' KB
with bottom of tubing set at 3106.94' KB.
Well was put back on line 7-13-95.

14. I hereby certify that the foregoing is true and correct

Signed Donald L. [Signature]

Title Foreman

Date 7/18/95

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

ACCEPTED FOR RECORD

JUL 27 1995

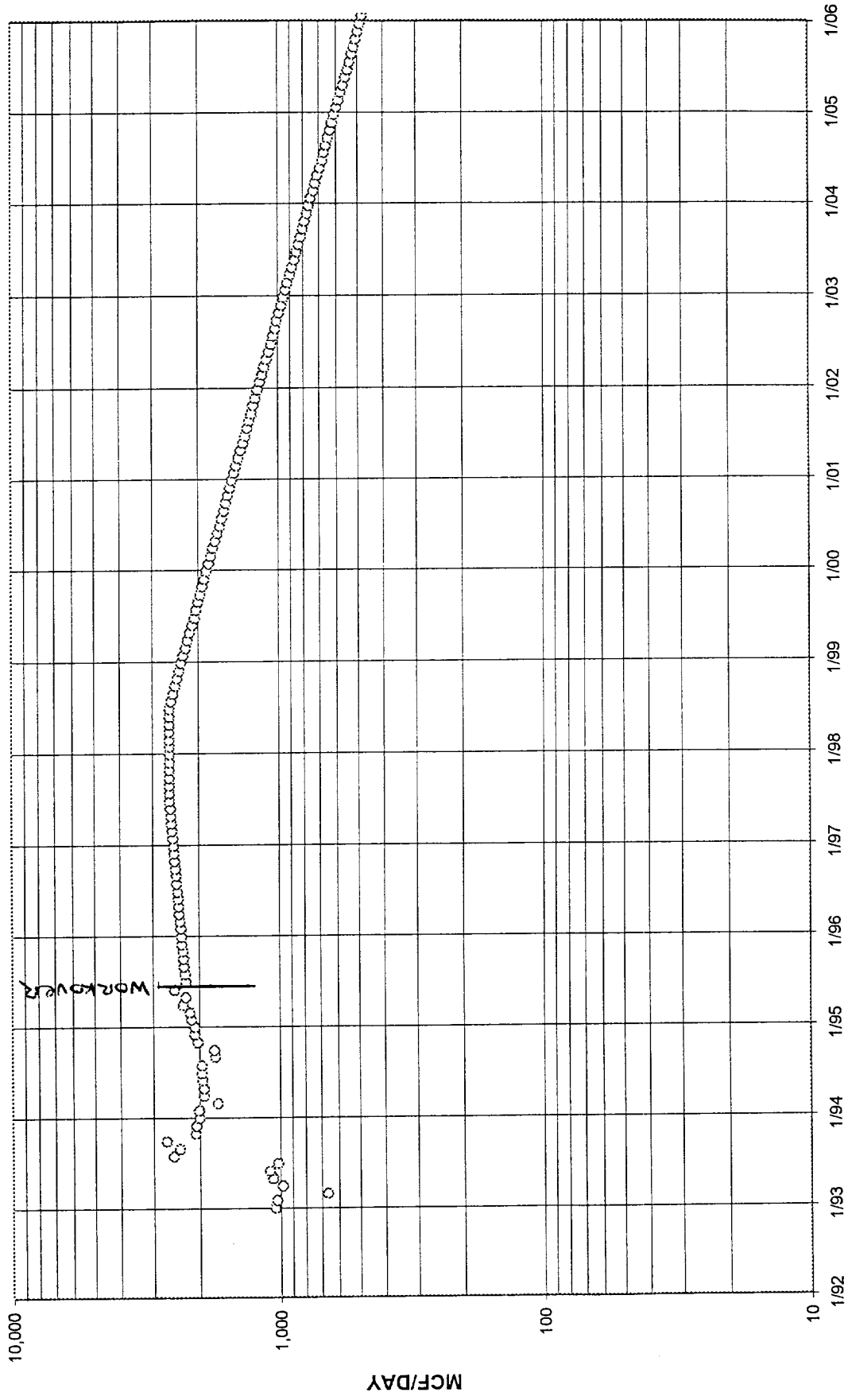
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

AMWOOD

FARMINGTON DISTRICT OFFICE
BY [Signature]

Gardner 2-C Actual/Projected Production w/o Workover



Actual production based on calendar days.

NM Tax Exemption									
Gardner 2-C									
Actual Production:	mcf/mo.	days on	mcf/day		Projected Production:	mcf/mo.	days on	mcf/day	
01/93	32,439	31	1,046		01/97			2,492	
02/93	28,713	28	1,025		02/97			2,506	
03/93	20,454	23	660		03/97			2,520	
04/93	29,311	30	977		04/97			2,534	
05/93	32,956	31	1,063		05/97			2,548	
06/93	32,834	30	1,094		06/97			2,562	
07/93	31,494	25	1,016		07/97			2,576	
08/93	77,962	31	2,515		08/97			2,576	
09/93	71,566	30	2,386		09/97			2,576	
10/93	83,028	28	2,678		10/97			2,576	
11/93	62,260	30	2,075		11/97			2,576	
12/93	63,757	31	2,057		12/97			2,576	
01/94	62,057	31	2,002		01/98			2,576	
02/94	56,286	28	2,010		02/98			2,576	
03/94	52,984	31	1,709		03/98			2,576	
04/94	57,651	30	1,922		04/98			2,576	
05/94	59,773	30	1,928		05/98			2,576	
06/94	58,623	30	1,954		06/98			2,576	
07/94	60,822	31	1,962		07/98			2,576	
08/94	60,725	31	1,959		08/98			2,533	
09/94	52,217	27	1,741		09/98			2,490	
10/94	54,312	28	1,752		10/98			2,447	
11/94	60,926	30	2,031		11/98			2,404	
12/94	64,681	31	2,086		12/98			2,361	
01/95	64,615	31	2,084		01/99			2,318	
02/95	60,038	28	2,144		02/99			2,275	
03/95	67,156	31	2,166		03/99			2,233	
04/95	68,874	30	2,296		04/99			2,190	
05/95	69,658	31	2,247		05/99			2,147	
06/95	51,987	21	2,476		06/99			2,104	
	Projected Production:				07/99			2,061	
07/95			2,250		08/99			2,026	
08/95			2,263		09/99			1,992	
09/95			2,276		10/99			1,958	
10/95			2,289		11/99			1,923	
11/95			2,303		12/99			1,889	
12/95			2,316		01/00			1,855	
01/96			2,329		02/00			1,820	
02/96			2,342		03/00			1,786	
03/96			2,355		04/00			1,752	
04/96			2,368		05/00			1,717	
05/96			2,381		06/00			1,683	
06/96			2,394		07/00			1,649	
07/96			2,408		08/00			1,621	
08/96			2,422		09/00			1,594	
09/96			2,436		10/00			1,566	
10/96			2,450		11/00			1,539	
11/96			2,464		12/00			1,511	
12/96			2,478						

NM Tax Exemption										
Projected				Gardner 2-C						
Actual	Production:	mcf/mo.	days on	mcf/day		Projected	Production:	mcf/mo.	days on	mcf/day
01/01				1,484		01/05				608
02/01				1,456		02/05				597
03/01				1,429		03/05				585
04/01				1,401		04/05				574
05/01				1,374		05/05				563
06/01				1,346		06/05				551
07/01				1,319						
08/01				1,297						
09/01				1,275						
10/01				1,253						
11/01				1,231						
12/01				1,209						
01/02				1,187						
02/02				1,165						
03/02				1,143						
04/02				1,121						
05/02				1,099						
06/02				1,077						
07/02				1,055						
08/02				1,038						
09/02				1,020						
10/02				1,002						
11/02				985						
12/02				967						
01/03				950						
02/03				932						
03/03				914						
04/03				897						
05/03				879						
06/03				862						
07/03				844						
08/03				830						
09/03				816						
10/03				802						
11/03				788						
12/03				774						
01/04				760						
02/04				746						
03/04				732						
04/04				717						
05/04				703						
06/04				689						
07/04				675						
08/04				664						
09/04				653						
10/04				642						
11/04				630						
12/04				619						