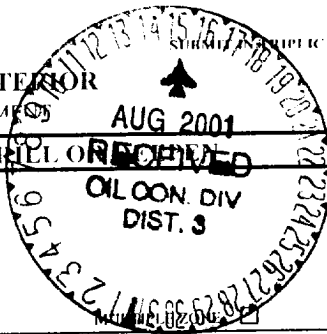


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1001-0136

EXPEDITED Right-of-Way



APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒ DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒

2. NAME OF OPERATOR

Koch Exploration Company

3. ADDRESS AND TELEPHONE NO.

P.O. Box 489, Aztec, NM (505) 334-9111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface 1180' FNL & 2015' FEL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

Approx. 17 Miles NE of Aztec, NM

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

1180'

16. NO. OF ACRES IN LEASE  
319.08

17. NO. OF ACRES ASSIGNED TO THIS WELL  
319.08 N/2

18. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THE LEASE, FT.

280'

19. PROPOSED DEPTH  
6200' -

20. ROTARY OR CABLE TOOLS  
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6603' GR -

22. APPROXIMATE DATE WORK WILL START\*  
10/1/2001

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT - Top
12 1/4"	9 5/8" J-55	36#	220' +/-	112 sacks Circ
8 3/4"	7" J-55	23#	3950' +/-	479 sacks Circ
6 1/4"	4 1/2" J-55	10.5#	6200' -	203 sacks 3850' min

See Attached

This action is subject to technical and procedural review pursuant to 43 CFR 3105.3 and appeal pursuant to 43 CFR 3105.4.

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

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IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

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SIGNED:

*[Signature]*

TITLE: Operations Manager

DATE:

7/3/01

(This space for Federal or State office use)

PERMIT NO.:

APPROVAL DATE:

8/13/01

Application approval 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. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY:

*David J. Monteleone*

TITLE:

AFM Minerals

DATE:

8/13/01