District I 1625 N. French Dr., Hobbs, NM 88240 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Form C-144 June 1, 2004

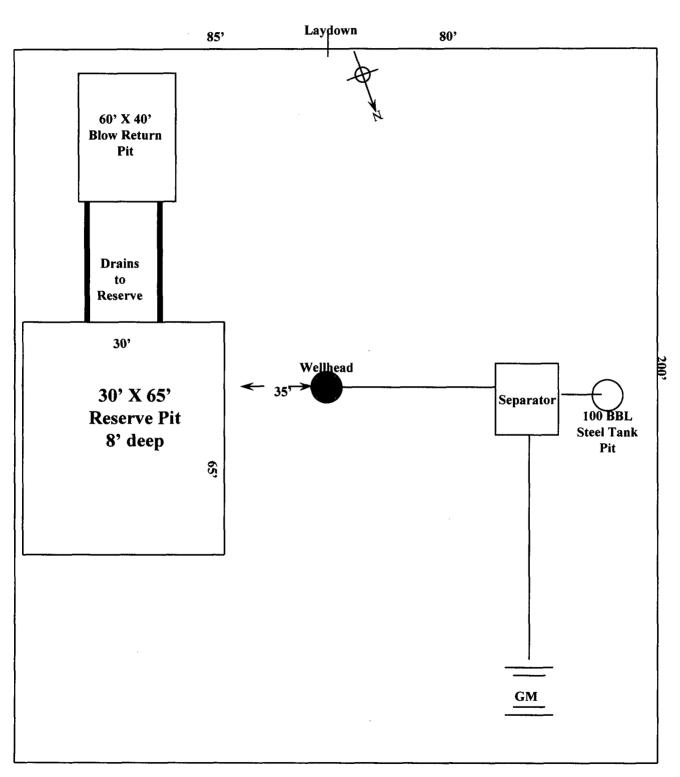
Oil Conservation Division For drilling and production facilities, submit to appropriate NMOCD District Office.

1220 South St. Francis Dr. For downstream facilities, submit to Santa Fe Santa Fe, NNL 87505

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes No Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank Operator: Koch Exploration Company, LLC Telephone: (505) 334-9111 e-mail address: clark23j@kochind.com or johnso4d@kochind.com Address: PO Box 489, Aztec, NM 87410 Facility or well name: __Aggie State 32 1A______ API #: _30-045-32360____ U/L or Qtr/Qtr__J_Sec_32__T_29N__R_9W___ County: San Juan Latitude 36.40.50 Longitude 107.48.04 NAD: 1927 1983 Surface Owner Federal State Private Indian Pit Below-grade tank Type: Drilling X Production Disposal D Volume: ____bbl Type of fluid: _____ Construction material: Lined X Unlined Double-walled, with leak detection? Yes \(\square\) If not, explain why not. Liner type: Synthetic X Thickness 12 mil Clay □ Pit Volume bbl Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal high 50 feet or more, but less than 100 feet (10 points) water elevation of ground water.) X 100 feet or more (0 points) 0 points Yes (20 points) Wellhead protection area: (Less than 200 feet from a private domestic X No (0 points) 0 points water source, or less than 1000 feet from all other water sources.) X Less than 200 feet (20 points) 20 points Distance to surface water: (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) irrigation canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more (0 points) **Ranking Score (Total Points)** 20 points If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite offsite If offsite, name of facility . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No 🛛 Yes 🗌 If yes, show depth below ground surface ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations. **Additional Comments** osuve I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative of Depproved plan. Printed Name/Title John Clark, District Superintendent._ Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations. CEPUTY OIL & GAS INSPECTOR, DIST. 658 Signature Denny Jord Approval: Printed Name/Title

KOCH EXPLORATION COMPANY Aggie State 32 1A Sec 32, T29N, R9W 1840' FSL & 1475' FEL - ELEVATION 6242'



Aggie State 32-1A S32, T29N, R9W, 1840' FSL & 1475 FEL San Juan Co., New Mexico API No. 30-045-32360 Lease E 6153

Upon completion of drilling/completion remaining liquids were removed from pit by truck to an approved disposal facility.

Prior to closing the pit, liner was cut off at mud level. The excess liner was hauled to a licensed disposal.

On November 15, 2004 remaining waste was encapsulated. This was accomplished by covering the remaining waste and liner with earthen materials. Surface area where pit was located was contoured according to BLM requirements, and reseeded with recommended BLM seed mixture.