

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill, or, to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator Koch Exploration Company, LLC	
3a. Address PO Box 489, Aztec, NM 87410	3b. Phone No. (include area code) 505-334-9111
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 790' FSL & 1755' FWL, S05, T31N, R08W "N" Lat 36.55.29, Long 107.42.066	

5. Lease Serial No. NM-03598
6. If Indian, Allottee or Tribe Name NA
7. If Unit or CA/Agreement, Name and/or No. AUG 2006
8. Well Name and No. Blanco 330
9. API Well No. 30-045-28250
10. Field and Pool, or Exploratory Area Fruitland Coal
11. County or Parish, State San Juan, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input checked="" type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Due to falling production, caused by the inability to pump water and partially plugged liner, we propose to pull the liner, and drill 100' into the Pictured Cliff. This will give us a sump below the coal to pump water from. We will use a Mudlogger during drilling to monitor the Pictured Cliff for signs of gas. The Pictured Cliff formation in this area is non-productive. 5 1/2" liner will be run into the sump and well put on production. An earthen reserve pit with blow pit will be required. The reserve pit will be built and closed according to Koch Exploration CO, LLC (KEC) General Pit Guidelines on file with NMOCD, Aztec Office. Pit will be closed according to KEC General Pit Guidelines, and seeded with BLM approved seed mix, as soon as possible after work is completed. Work is scheduled to start as soon as rig is available.

The current pipe configuration is:

9 5/8" 36# J-55, set @ 401'
7" 20# J-55, set @ 2941'
5 1/2" 15.5# J-55 Perforated Liner, top @ 2883', bottom @ 3311'
2 3/8" 4.7# J-55 Production Tubing @ 3305'

- PC non prod
- Sump request granted 8/18/06
CB

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

John Clark

Title **District Superintendent**

Signature

Date

08/16/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Original Signed: Stephen Mason**

Title

Date

AUG 16 2006

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

NMOCD