

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Koch Exploration Company LLC

3a. Address

PO Box 489

3b. Phone No. (include area code)

(505) 334-9111

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

S31, T32N, R8W (M)
790' FSL & 750' FWL

5. Lease Serial No.

NM-013642

6. Indian, Allottee or Tribe Name

NA

7. If Unit or CA/Agreement, Name and/or No.

NA NM

8. Well Name and No.

Gardner C3

9. API Well No.

30-045-28214

10. Field and Pool, or Exploratory Area

Basin 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 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 checked="" type="checkbox"/> Other Sidetrack/Cavitate
	<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	

3. 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.)

Production has fallen off, we believe due to coal fines around the 4-1/2" liner. We do not believe we can pull the liner that is in place now. The current pipe set up is 36# 9-5/8" @ 222', 7" 23# @ 3042', 4-1/2" 12.6# perforated liner from 2811' to 3358'. Liner is run through a window in the 7" at 2855' to 2862'. Liner is oriented NW. The 4-1/2" liner was also shot in place.

We propose to set a drillable plug at 2850', run a gyro, oriente NE, set a whipstock, cut a window in the 7" from 2822' to 2830', kick off at 3 to 3-1/2 deg drilling NE to TD @ 3360' + or -. The proposed bottom hole will be kept greater than 660' from the south and west lines, keeping the bottom hole legal. We will then cavitate with air/mist leaving the hole open. We will then pull the whipstock, drill the plug at 2850' and produce through both holes.

We plan to build a reserve and blow pit on the existing disturbed land. 8 mil plastic liner will be placed in the reserve pit. When work is completed we plan to reclaim the pit and reseed with the appropriate BLM seed mixture.

We would like to begin the work the 1st week of September 03.

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

John Clark

Title District Superintendent

Signature

Date

8-14-03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

Chip Haraden

Name

(Printed/Typed)

Chip Haraden

Title

Acting TL

Office

FFO-BLM

Date

9/3/03

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.

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.

(Continued on next page)

NMOC

BLM CONDITIONS OF APPROVAL

Operator Koch Exploration Co. LLC

Well Name Gardner C 3

Legal Location 790 FSL / 750 FWL

Sec 31, **T.** 32N, **R.** 8W

Lease Number NM - 013642

Field Inspection Date: N/A

The following stipulations will apply to this well unless a particular Surface Managing Agency or private Surface owner has supplied to the BLM and the operator a contradictory environmental stipulation. The failure of the operator to comply with requirements may result in the assessments of penalties pursuant to **43 CFR 3163.1 or 3163.2**. A copy of these conditions of approval shall be present on the location during construction, drilling and reclamation activity.

An agreement between operator and fee land owner will take precedence over BLM surface stipulations, unless **(In reference to 43 CFR Part 3160): 1)** BLM determines that operators actions will affect adjacent Federal or Indian surface, or **2)** operator does not maintain well area and lease premises in a workmanlike manner with due regard for safety, conservation and appearance, or **3)** no such agreement exists, or **4)** in the event of well abandonment, minimal Federal restoration requirements will be required.

STANDARD STIPULATIONS FOR ALL WORKOVERS: All surface areas disturbed during workover activities and not in use for production activities, will be reseeded the first July – September period after the well has been put back into production. This should occur in the first 12 months after completion of workover activities.

SPECIAL STIPULATIONS FOR THIS SITE:

1. All cavitation activities must be confined to the original disturbed area. Refer and adhere to the original permit requirements and the following:
 - a) All work over pits will be fenced during the cavitation Operation and fenced closed after the completion of the work.
 - b) Pit must be lined with 12 mil, or greater, reinforced liner. Prior To closing the pit, the liner will be cut off at mud level. The excess Liner will be hauled to a licensed disposal area.
 - c) All coal fines must be confined to the pit. Any off location spray of Coal fines must be immediately washed down with fresh water.
 - d) Pits must be reclaimed within 90 days of the completion of the Over operations.
2. All disturbance will be kept on existing pad.

3. **Notify the Farmington Field Office Inspection and Enforcement Division @ (505) 599-8907 within 24 hours prior to commencing the wellbore whipstock and cavitation operations. BPOE must be installed and tested in accordance with the requirements outlined in Onshore Order No. 2.**
4. **The sidetrack bottom hole location must stay within the NMOCD spacing Requirements for this formation.**
5. **Within 30 days of completion of the operations as proposed, file one Original and three copies of Sundry Notice (form 3160-5) detailing the Work conducted.**