



KOCH EXPLORATION COMPANY LLC

Sent Via E-mail to larsi3@bp.com

March 8, 2007

BP America Production Company
501 Westlake Park Blvd.
Houston, TX 77079
Attn: John Larson

RCVD JUNG'07
OIL CONS. DIV.

RE: Quinn 339S
Basin Fruitland Coal
Section 20, Township 31 North - Range 8 West
San Juan County, New Mexico

DIST. 3

To the Affected Parties:

Koch Exploration Company, LLC ("KEC") is submitting the enclosed Application for Permit to Drill to the appropriate regulatory agency(ies) for approval. This well is located inside the High Productivity Area of the Basin-Fruitland Coal Pool as more fully described in the attached copies of Form C-102, Application for Permit to Drill or Reenter and Plat.. Notice is being made pursuant to New Mexico Oil Conservation Commission Order R-8768-F dated July 17, 2003.

KEC's well is to be drilled in the SW/4 of Section 20 in the already formed W/2 Unit. BP America Production Company is the operator of record of the NE/4, Section 30 and NE/4 of Section 29.

The Affected Parties have twenty (20) days from receipt of this notice in which to file with the District Office of the New Mexico Oil Conservation Division written objection to the proposed Application for Permit to Drill. If you have no objection to the drilling of this well, please sign where indicated below and return to my attention. Please give me a call should you have any questions. My direct number is 303-325-2569.

Very truly yours,

Morgan J. Connor
Land Manager

MJC:jp
Enclosures

cc: Don Johnson

Accepted and agreed to this 8 day of March
2007.

By: John W. Larson

Printed Name: John W. Larson

Title: Project Engineer

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MAR 12 2007

*Expedited Right of Way*Form 3160-3
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a Type of work: ☒ DRILL ☐ REENTER		3 Lease Serial No. SF-078511
1b Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zones		6 If Indian, Allocated or Tribe Name NA
2 Name of Operator Koch Exploration Company, LLC		7 If Unit or CA Agreement, Name and No NA
3a Address PO Box 489, Aztec, NM 87410	3b Phone No (include area code) 505-334-9111	8 Lease Name and Well No Quinn 339S
4 Location of Well (Report location clearly and in accordance with any State requirements) At surface 1210' FSL & 895' FWL SW1/4, SW1/4 At proposed prod zone same		9 API Well No 30-045-
14 Distance in miles and direction from nearest town or post office		10 Field and Pool, or Exploratory Basin Fossiland Coal
15 Distance from proposed location to nearest property or lease line, ft (Also to nearest dry well line, if any)	16 No of acres in lease 320.00	11 Sec, T R M or Blk and Survey or Area S20, T31N, R8W "M"
18 Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft	19 Proposed Depth 3445'	12 County or Parish San Juan
21 Elevations (Show whether DF, KDB, RT, CL, etc) 6489' CL	22 Approximate date work will start 05/01/2007	13 State NM
17 Spacing Unit dedicated to this well 320.00 W/2		
20 BLM/BIA Bond No on file 104128366		
23 Estimated duration 30 days		

24. Attachments

The following completed in accordance with the requirements of Oshore Oil and Gas Order No 1, shall be attached to this form:

- Well plat certified by a registered surveyor
- A Drilling Plan
- A Surface Use Plan (If the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)
- Bond to cover the operations unless covered by an existing bond on file (see item 20 above)
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25 Signature <i>[Signature]</i>	Name (Printed/Typed) John Clark	Date 2-28-07
Title District Superintendent		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 3/6/07
Title AFM	Office FED	

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, are attached

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)

OPERATOR

ONLY THE OPERATIONS AUTHORIZED ARE
SUBMITTED FOR REVIEW AND APPROVAL
GENERAL PERMIT RIGHTS

This form is subject to technical and
policy changes. See 43 CFR 913.9
for the latest version of this form.

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87504-2088

State of New Mexico
Geology, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

7:44 AM AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-	*Pool Code 71629	*Pool Name BASIN Fruitland Pool
*Property Code 7407	*Property Name QUINN	*Well Number 339S
*CORD No. 12807	*Operator Name KOCH EXPLORATION	*Elevation 6489

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
M	20	31 N	8 W		1210	SOUTH	695	WEST	SAN JUAN

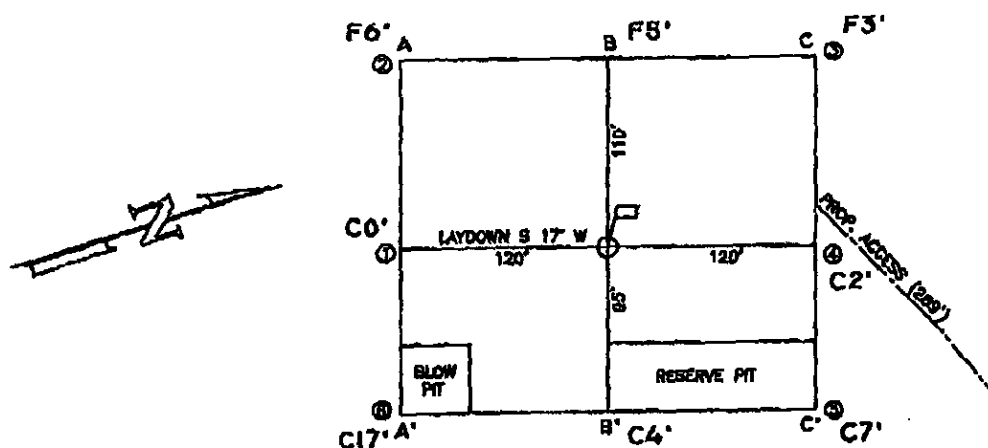
11 Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

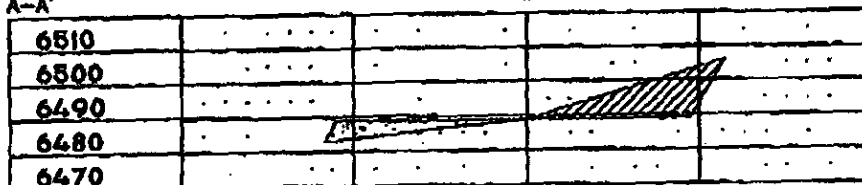
*Dedicated Acres 3.20	*Joint or Infill	*Consolidation Code	*Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

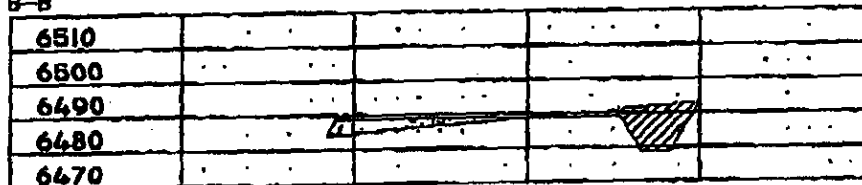
16 N 88°08'33" W Lease #SF-078511 Quinn 339R 840' FNL & 1095' FWL SECTION 20 2616.57' 2616.33' W 2616.80' 695' N 1°36'33" W S 88°17'23" E 2610.14' 2610.96'	5235.12' 5212.68' 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Donald L. Johnson</i> Signature Donald L. Johnson Printed Name Field Operations Manager Title 12/10/05 Date 18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 11/25/05 Date of Survey Signature and Seal of Professional Surveyor MARSHALL W. LINDEBERG NEW MEXICO 17078 Certificate Number
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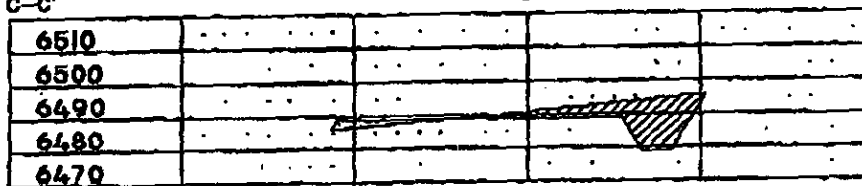
ELEVATION A-A'



B-B'



C-C'



LEASE: QUINN #339S

FOOTAGE: 1210' FSL, 695' FWL

SEC. 20 TWN. 31 N RNG. 8 W N.M.P.M.

LATITUDE: 36°52'46.6" LONGITUDE: 107°42'18.4"

ELEVATION: 6489

KOCH EXPLORATION AZTEC, NEW MEXICO

SURVEYED: 11/25/05

REV. DATE

APP. BY R.P.

DRAWN BY A.D.

DATE DRAWN: 11/29/05

FILE NAME: 5280C01

UNITED
FIELD SERVICES INC.

P.O. BOX 3651
FARMINGTON, NM 87409
OFFICE: (505) 334-6408