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

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

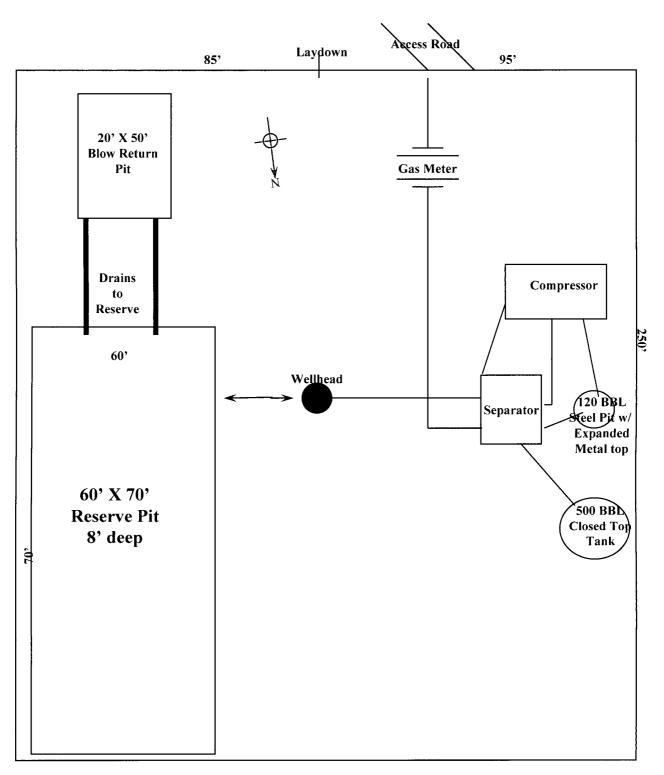
Form C-144

June 1, 2004

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes \(\square\) No \(\square\) Type of action Registration of a pit or below-grade tank \(\subseteq \) Closure of a pit or below-grade tank \(\subseteq \) 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. Nordhaus 717S API # 30-045-32629 U/L or Qtr/Qtr F Sec 13 T 31N R 9W Latitude 36 53 597 Longitude 107 44 103 NAD 1927 1983 1 County: San Juan RCUD NCT 19'07 Below-grade tank OIL CONS. DIV. Volume ____bbl Type of fluid. ____ Type Drilling ☑ Production ☐ Disposal ☐ -DIST. 3 Construction material. Workover Emergency Lined Unlined Double-walled, with leak detection? Yes If not, explain why not Liner type Synthetic ☑ Thickness 12 mil Clay ☐ Pit Volume X Less than 50 feet (20 points) 20 points Depth to ground water (vertical distance from bottom of pit to seasonal 50 feet or more, but less than 100 feet (10 points) high water elevation of ground water) 100 feet or more (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) Less than 200 feet (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) X 1000 feet or more (0 points) 0 points 20 points Ranking Score (Total 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 \(\square\) offsite \(\square\) 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. CLOSURE 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 \square , a general permit \boxtimes , or an (attached) alternative OCD-approved plan \square . Date 10/15/07 Printed Name/Title John Clark, District Superintendent Signature Your certification and NMOCD approval of this application/closure does not relieve the operator of hability 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. Deputy Oil & Gas Inspector, Signature BM Hell Approval. NOV 2 9 2007 District #3 Printed Name/Title

KOCH EXPLORATION COMPANY LLC Nordhaus 717S S13, T31N, R9W 1885' FNL & 1375' FWL - ELEVATION 6452'



Nordhaus 717S

S13, T31N, R09W, 1885' FNL & 1375' FWL San Juan Co., New Mexico API No. 30-045-32629 Lease SF078508

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.

August 20 through August 22, 2007 the remaining waste in pit 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 on September 24, 2007 with recommended BLM seed mixture.