Form 3160-5 (June 1990)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

|    | Æxpires.   | Iviai Cii | JI, |        |     |
|----|------------|-----------|-----|--------|-----|
| 5. | Lease Desi | gnation   | and | Serial | No. |

| 5.  | Lease | Designation | and | Serial | N |
|-----|-------|-------------|-----|--------|---|
| VM- | -0136 | 542         |     |        |   |

| SUNDRY NOTICES AND   | 6. If Indian, Allottee or Tribe Name    |   |  |  |  |  |  |
|--|---|---|--|--|--|--|--|
| Do not use this form for proposals to drill or to  | o. If Indian, Another of Thee Punit     |   |  |  |  |  |  |
| Use "APPLICATION FOR PE  | ÇNA                                     |   |  |  |  |  |  |
| SUBMIT IN T  | 7. If Unit or CA, Agreement Designation |   |  |  |  |  |  |
|  |   | ,.NA  |  |  |  |  |  |
| Type of Well   |   |   |  |  |  |  |  |
| Oil X Gas Well Other   |   | 8. Well Name and No.  |  |  |  |  |  |
| 17011  | Gardner 3                               |   |  |  |  |  |  |
| 2. Name of Operator  |   | 9. API Well No.   |  |  |  |  |  |
| Koch Exploration Company   | 30-045-22243                            |   |  |  |  |  |  |
| 3. Address and Telephone No.   |   |   |  |  |  |  |  |
| P.O. Box 489 Aztec, New Mexico 8   | 7410 (505) 334-9111                     | 10. Field and Pool, or Exploratory Area                         |  |  |  |  |  |
| P.O. Box 469 Azice, New Mexico o   |   | Blanco Mesa Verde   |  |  |  |  |  |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey D  | escription)                             | 11. County or Parish, State                                     |  |  |  |  |  |
| T. Document of West (1 company)  |   | 11. County of Farish, State                                     |  |  |  |  |  |
| S31, T32N, R8W (M)   |   | San Juan County   |  |  |  |  |  |
| 740' FSL & 790' FWL  | in the Charles with                     | New Mexico  |  |  |  |  |  |
| 140 FSL & 190 FWL  |   | New Mexico  |  |  |  |  |  |
| CATEGO A DEPONDIA TE DOV(s) TO   | O INDICATE NATURE OF NOTICE, I          | REPORT, OR OTHER DATA   |  |  |  |  |  |
| 12. CHECK APPROPRIATE BOX(S) TO  | INDICATE NATURE OF NOTICE,              | deli orci, orconizzanzanza                                      |  |  |  |  |  |
|  |   |   |  |  |  |  |  |
| TYPE OF SUBMISSION   | TYPE OF A                               | CHON  |  |  |  |  |  |
|  |   |   |  |  |  |  |  |
| X Notice of Intent   | Abandonment                             | Change of Plans   |  |  |  |  |  |
| 1 Notice of Intern   |   |   |  |  |  |  |  |
|  | Recompletion                            | New Construction  |  |  |  |  |  |
| Subsequent Report  | Plugging Back                           | Non-Routine Fracturing  |  |  |  |  |  |
| Subsequent Report  | I lugging buck                          |   |  |  |  |  |  |
|  | Casing Repair                           | Water Shut-Off  |  |  |  |  |  |
| Final Abandonment Notice   | Altering Casing                         | Conversion to Injection   |  |  |  |  |  |
| Final Abandonment Notice   | Thering cusing                          |   |  |  |  |  |  |
|  | X Other add Lewis Shale                 | Dispose Water   |  |  |  |  |  |
|  |   | (Note: Report results of multiple completion on Well Completion |  |  |  |  |  |
|  |   | or Recompletion Report and Log form.)                           |  |  |  |  |  |
| Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*  We plan on completing the Lewis Shale and comingling it with the existing Mesaverde production. 7" 23# K-55 casing @ 3,799' with 4 ½" 10.5# K-55 liner from 3,657' to 6,105'. PBTD is 6,072'. We will complete the Lewis Shale through a 3 ½" frac string with a 4 ½" packer set at +/- 3,719' on 2 joints of 2 7/8" tubing.  Prior to completion, we plan on running CBL from +/- 5,100' up into 7" casing @ +/- 3,400' to evaluate cement coverage and bond.  Lewis Shale completion will be a 2 stage nitrogen foam frac, as follows:  Lower Lewis Shale: 4,650' - 4,950', perforate 36 x .38" holes; use 100,000# 20/40 Brady Sand.  Upper Lewis Shale: 4,240' - 4,650', perforate 36 x .38" holes, use 100,000# 20/40 Brady Sand.  To complete this formation we will need to construct an earthen blow pit (30' x 50' x 10' deep). All work will be within existing disturbed location. We will close pit when all water has been removed and re-seed to BLM specs.  We plan on completing this formation upon BLM approval.  |   |   |  |  |  |  |  |
| Signed  (This space for Federal or State office use)   | Title Operations Manager                | Date 1/18/01  |  |  |  |  |  |
|  | Title                                   | Date 2/6/01   |  |  |  |  |  |
| Approved by Conditions of approval, if any:  |   | Continue or fraudulant statements ()                            |  |  |  |  |  |
| Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the Office States any failer, notified States and notified States and notified States any failer, notified States and |   |   |  |  |  |  |  |
| representations as to any matter within its jurisdiction.  *See Instruction on Reverse Side  |   |   |  |  |  |  |  |
|  | Des 111011                              |   |  |  |  |  |  |

NACO