

CC: OLS - HZTEL
% Ernie Bush



KOCH EXPLORATION COMPANY

July 23, 1996

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

RECEIVED
AUG 19 1996

OIL CON. DIV.
DIST. 3

Re: Walker 1-R A
950' FEL, 990 FNL Section 13 T31N-R10W, San Juan County, NM
API # 30-045-22340

Dear Mr. LeMay:

Administrative approval is requested for downhole commingling the Blanco Mesverde and the Blanco Pictured Cliffs pools in the subject well. The Walker 1-R is currently producing from the Blanco Mesaverde over the interval 4,916' - 5,996'. Koch proposes to add Pictured Cliffs production over the interval 3,367' - 3,423'.

Currently the Pictured Cliffs produces in the NE/4 - Section 13 - R31N - R10W, from the Walker 5, located 1,050' FEL, 1,140 FNL. Koch proposes to plug and abandon the Pictured Cliffs in this well and re-complete in the Walker 1-R. A plot of the production history of the Walker 5 is attached. The well is currently producing less than 200 mcf/mo and is not economic. It is Koch's opinion that commingling the Blanco Mesaverde and the Blanco Pictured Cliffs in the Walker 1-R wellbore will prevent waste and protect correlative rights.

Ownership under the E/2 is not common in that NM-14110 covering Lots 1,2,7,8,9 and 10 (NE/4, N/2SE/4) is Koch 87.5% RI and BLM 12.5% RI and NM-01388-A covering the S/2 SE/4 is Koch 87% RI, BLM 12.5% RI and San Juan Basin Pool Ltd 0.375% ORRI, Encap Investments LC 0.0625% ORRI, and E.C. Fiedorek Trustee 0.0625% ORRI. All owners have been notified by certified mail of the application.

All offset operators, Meridian Oil, Inc. and Amoco Production Company, have received written notice of this application.

To comply with the New Mexico Oil Conservation Division rules, Koch is submitting the following attachments for your approval:

1. Form C-107-A, Application for Downhole Commingling.
2. Forms C-102 for each zone showing its spacing unit and acreage dedication.
3. A production curve showing the Walker 1-R Blanco Mesaverde production.
4. A production curve showing the Walker 5 Blanco Pictured Cliffs production.
5. Data to support allocation method.
6. Notification list of offset operators.
7. Notification list of working, overriding and royalty interests.
8. Sundry notice for the plugging of the Pictured Cliffs zone in the Walker 5 well.

Should you need additional information, please call me at 316-828-5595.

Sincerely,

Michael Scates
Administrative Manager

CC: Bureau of Land Management, Farmington

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

DISTRICT II
811 South First St., Artesia, NM 88210-2835

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

___ Administrative ___ Hearing

EXISTING WELLBORE

☒ YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Koch Exploration Company Address PO Box 2256 Wichita, KS 67201

Lease NM 014110 Well No. Walker 1-R Unit Ltr. - Sec - Twp - Rge 13-T31N-R10W County San Juan

OGRID NO. 012807 Property Code 03 API NO. 30-045-22340 Spacing Unit Lease Types: (check 1 or more)
Federal ☒ State ___ (and/or) Fee ___

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Pictured Cliffs 72359		Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	3367-3423		4916-5996'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) (Est) 350 psig b. (Original) (Est) 912 psig Estimated original completion 3/16/76	RECEIVED AUG 19 1996 OIL CON. DIV. DIST. 3	a. (Est) 454 psig b. (Est) 820 psig Estimated completion 2/12/77
6. Oil Gravity (° API) or Gas BTU Content	1127 BTU		1161 BTU
7. Producing or Shut-In?	New Zone		Producing
Production Marginal? (yes or no)	No		No
* If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: (Est) Rates: 300 mcf/d 0 bcpd 0 bwpd	Date: Rates:	Date: 5/96 Rates: 381 mcf/d 1.5 bcpd 0.4 bwpd
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: % See attachment	Oil: % Gas: %	Oil: % Gas: % See attachment

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☒ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☒ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☒ No

11. Will cross-flow occur? ___ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ___ Yes ___ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes ☒ No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ___ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____

16. ATTACHMENTS:

- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Michael Scates TITLE Administrative Mgr. DATE July 19, 1996

TYPE OR PRINT NAME Michael Scates TELEPHONE NO. (316) 828-5595

District I
PO Box 1998, Hobbs, NM 88241-1998
District II
PO Drawer DD, Aztec, NM 88211-0719
District III
1000 Rio Blanco Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-22340	Pool Code 72359/72319	Pool Name BLANCO PICTURED CLIFFS/BLANCO MESAVERDE
Property Code	Property Name WALKER	Well Number 1-R
OGRID No. 012807	Operator Name KOCH EXPLORATION COMPANY	Elevation 6565'

¹⁰ Surface Location

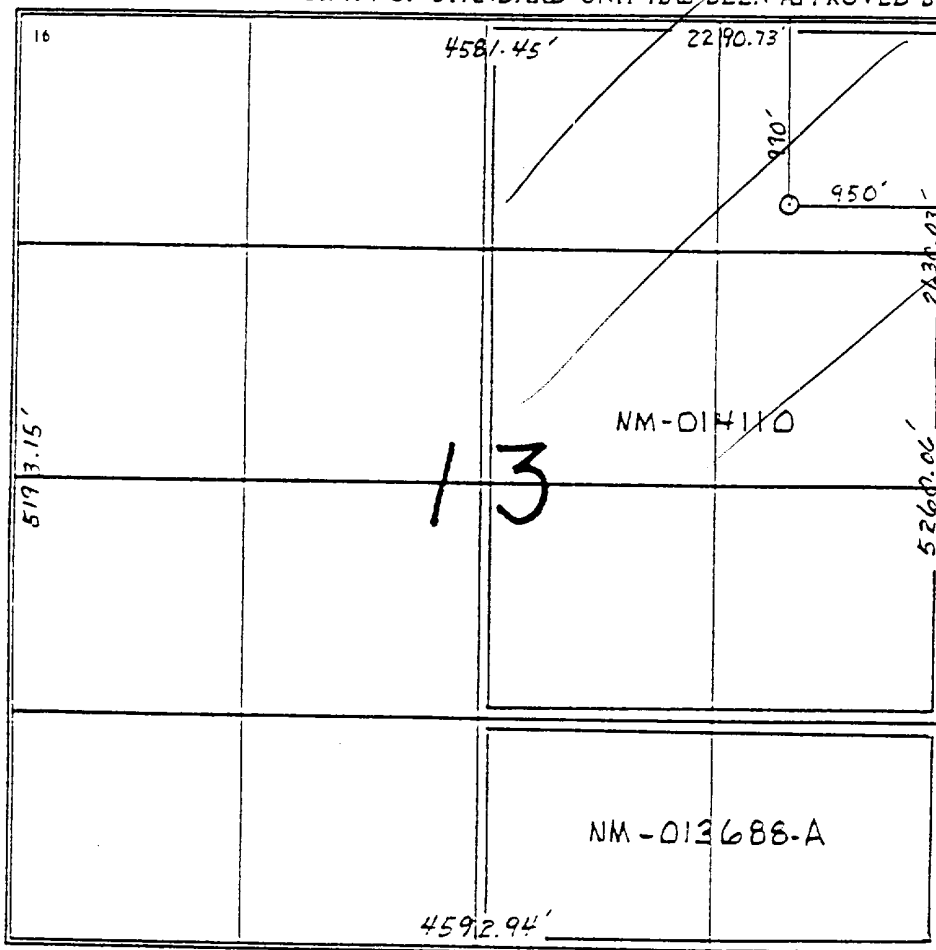
UL or loc. no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County
A	13	31N	10W		990	NORTH	950	EAST	S.J.

¹¹ Bottom Hole Location If Different From Surface

UL or loc. no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County

¹² Deduct Acres 168/320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Michael Scates
Signature

Michael Scates

Printed Name

Administrative Mgr.

Title

July 19, 1996

Date

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was placed 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.

January 10, 1977

Date of Survey

Signature and Seal of Professional Surveyor:

on file

1463

Certificate Number

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

Operator KOCH EXPLORATION COMPANY		Lease WALKER		Well No. 1 - R
Unit Letter A	Section 13	Township 31 NORTH	Range 10 WEST	County SAN JUAN
Actual Footage Location of Well: 990 feet from the NORTH line and 950 feet from the EAST line				
Ground Level Elev. 6560	Producing Formation	Pool	Dedicated Acreage Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
() Yes () No If answer is "yes," type of consolidation

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

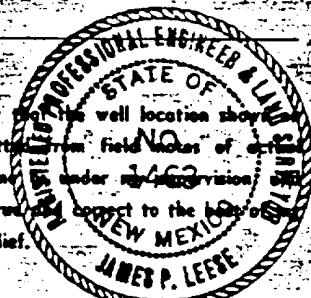
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced pooling, or otherwise) or until a non standard unit eliminating such interests has been approved by the Commission

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name _____
Position _____
Company _____
Date _____

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 knowledge and belief.

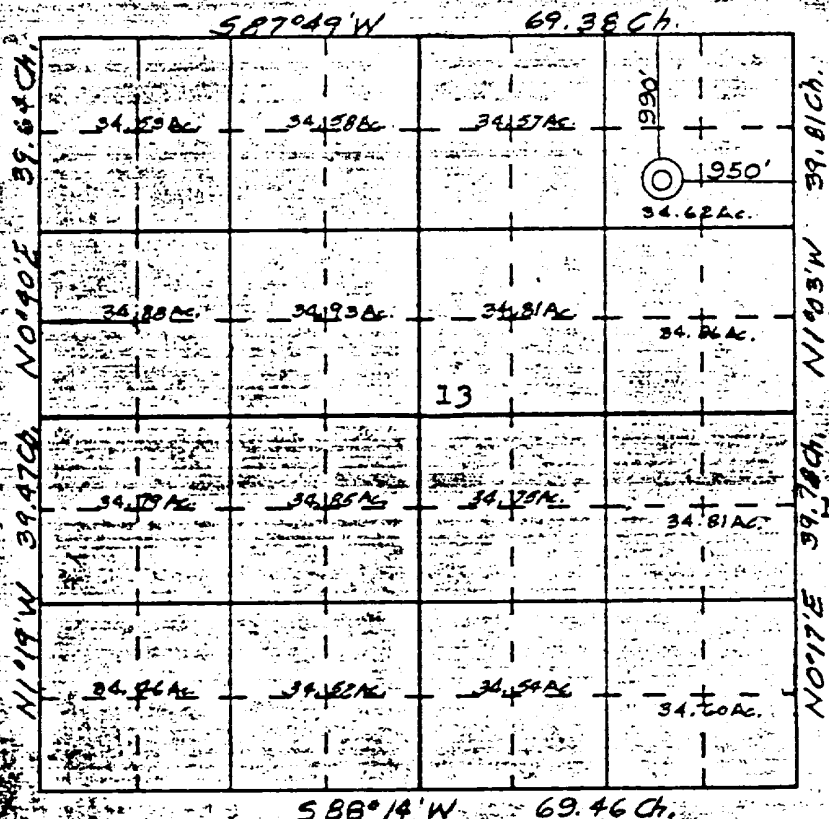


Date Surveyed **10 January 1977**
Registered Professional Engineer and/or Land Surveyor **James P. Leese**

1463

Certificate No.

Attachment 2b

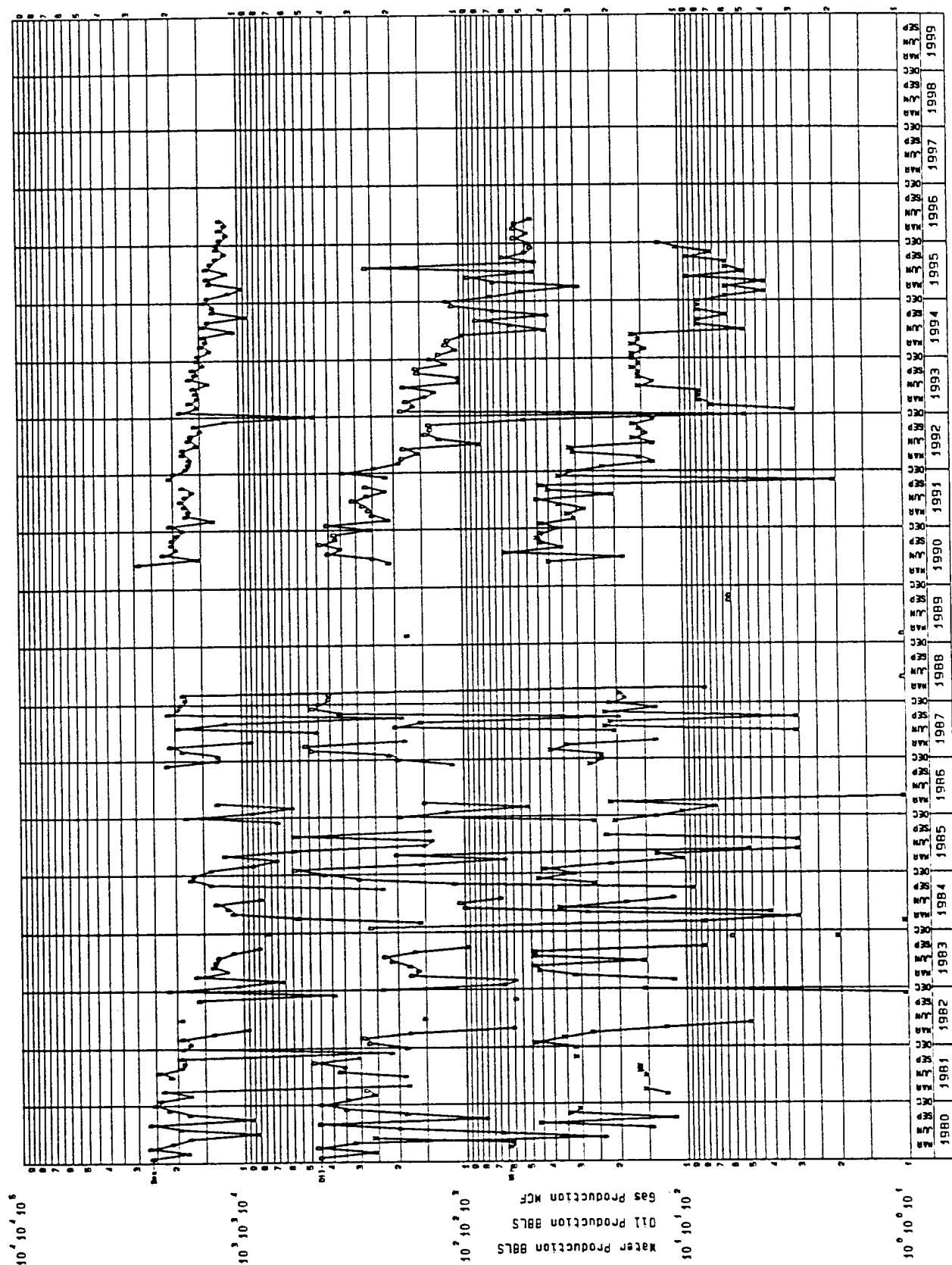


Location: T31W R10N 13
Report Date: JUL 19, 1996

State: NM
County: SAN JUAN

Well Code: KXC 105ANM07810
Operator: KOCH

Lease Name: WALKER 1-R
Field Name: BLANCO/MESA VERDE FIELD

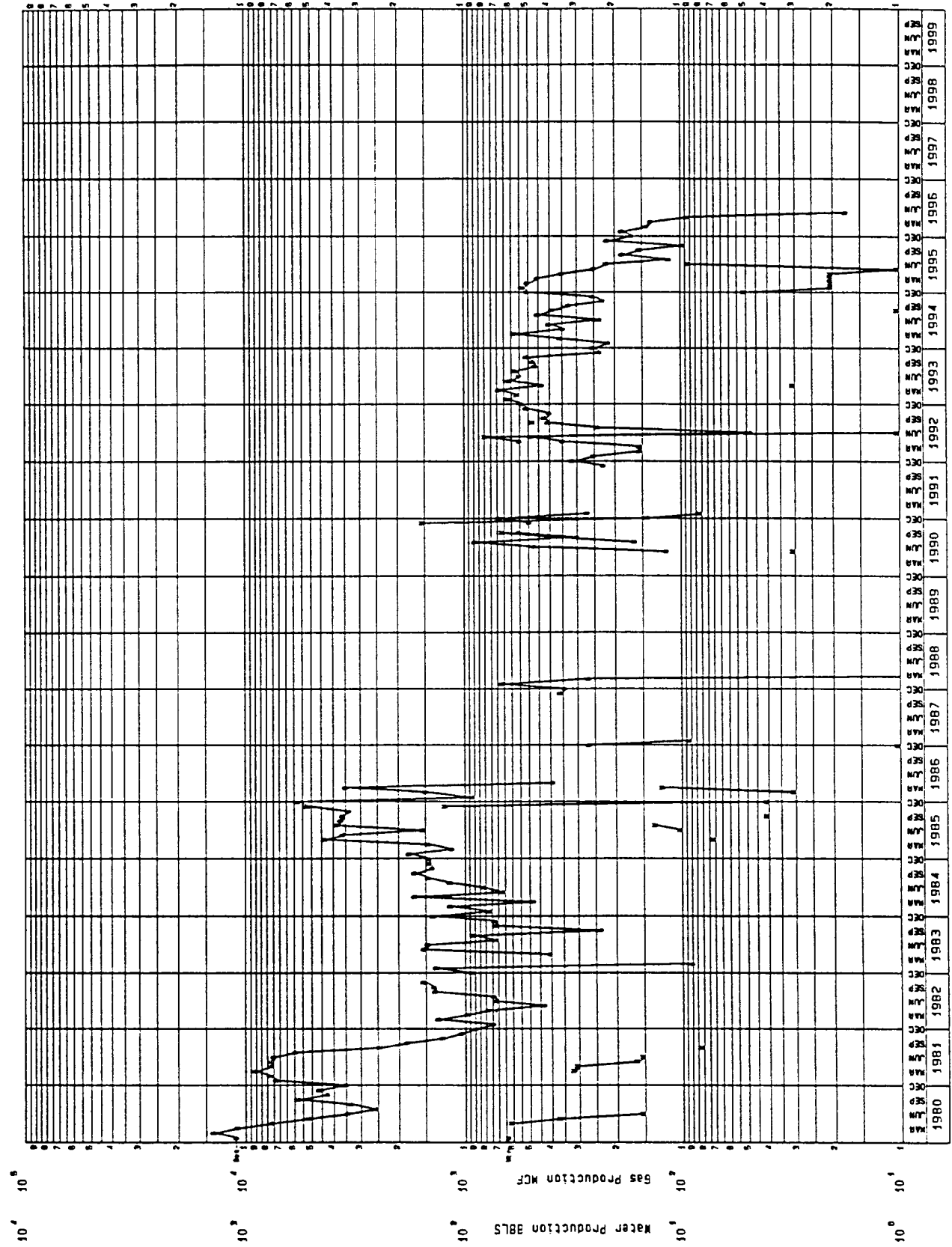


Lease Name: WALKER 5
Field Name: BLANCO/PICTURED CLIFF FIELD

Well Code: KXC 564 NM07860
Operator: KOC

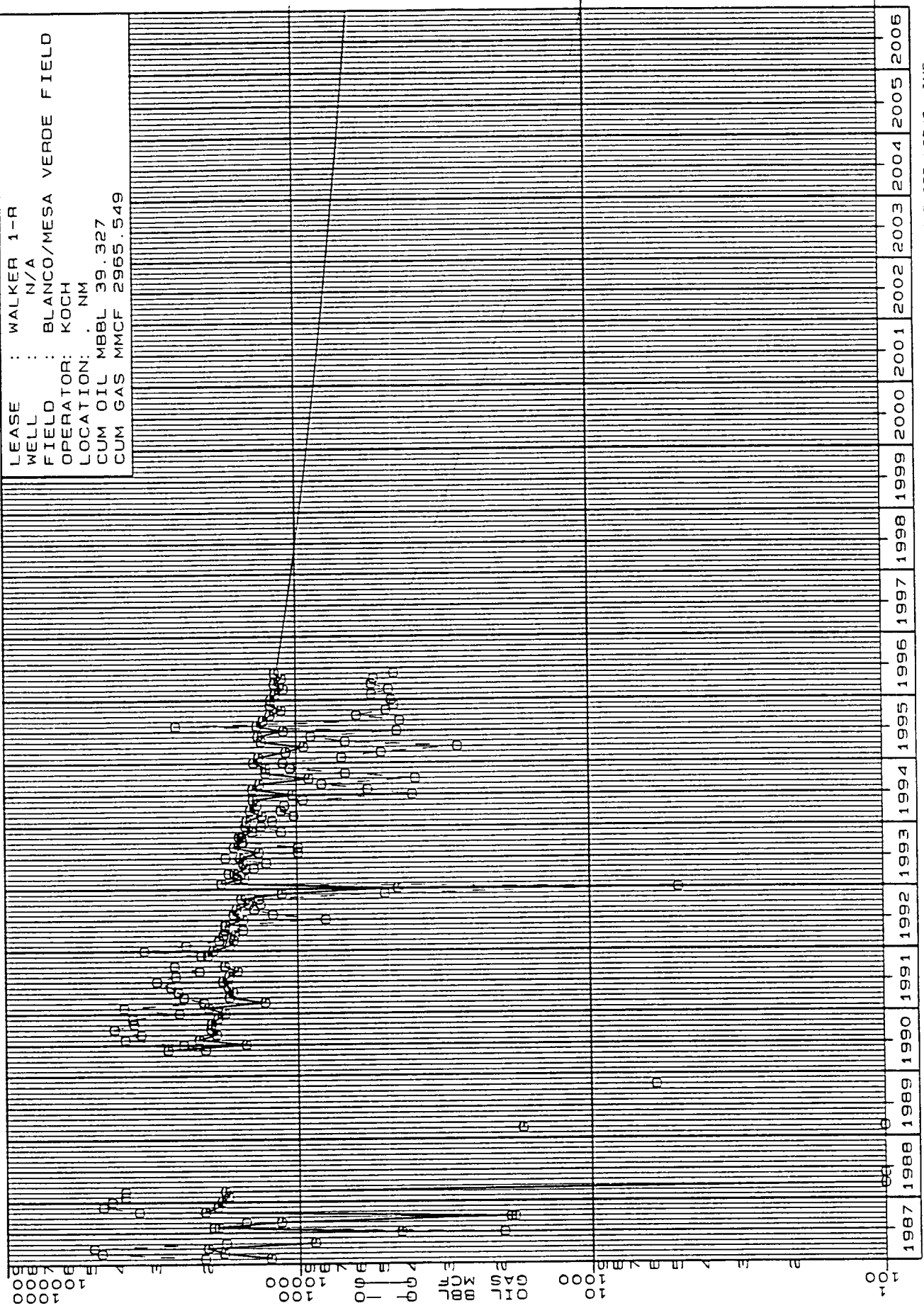
State: NM
County: SAN JUAN

Location: T31N R10W 13
Report Date: JUL 19, 1996



ALLOCATION METHOD
WALKER 1-R

The recommended allocation method for the Walker 1-R is to extrapolate the existing Mesaverde decline through the potential economic limit of the well and attribute any excess production after the commingling to the Pictured Cliffs recompletion. Attached you will find a plot and a tabulated listing of the expected Mesaverde production through time. No condensate production is anticipated from the Pictured Cliffs zone and it is recommended that all condensate produced from the Walker 1-R well be credited to the Mesaverde zone.



LEASE NAME: WALKER 1-R
WELL NAME: N/A
FIELD: BLANCO/MESA VERDE FIELD
CNTY/ST: NM
OPERATOR: KOCH

DATE: 07-19-1996
TIME: 09:14:30
FILE: WALK1R

FORMATION:

PROD. START: 0 / 1974

PRODUCTION FORECAST REPORT

(HISTORY ENDS 5/1996)

PROJ. START: 6 / 1996

MTH/YR	***** 8/8TH PRODUCTION *****				***** NET PRODUCTION *****				RATIO
	OIL	GAS	CUM OIL	CUM GAS	OIL	GAS	CUM OIL	CUM GAS	
-----	BBL-----	MCF-----	MB-----	MMF-----	BBL-----	MCF-----	MB-----	MMF-----	-----
PRIOR			39.062	2965.550			34.223	2648.502	13
6/96	52.7	11563.1	39.115	2977.113	52.7	11563.1	34.276	2660.065	5
7/96	51.7	11483.3	39.166	2988.596	51.7	11483.3	34.327	2671.548	5
8/96	50.7	11404.6	39.217	3000.001	50.7	11404.6	34.378	2682.953	4
9/96	49.8	11327.3	39.267	3011.328	49.8	11327.3	34.428	2694.280	4
10/96	48.9	11251.1	39.316	3022.579	48.9	11251.1	34.477	2705.531	4
11/96	48.0	11176.1	39.364	3033.755	48.0	11176.1	34.525	2716.707	4
12/96	47.2	11102.2	39.411	3044.857	47.2	11102.2	34.572	2727.809	4
S. TOT.	349.1	79307.7			349.1	79307.7			4
1/97	46.3	11029.5	39.457	3055.887	46.3	11029.5	34.618	2738.839	4
2/97	45.5	10957.8	39.503	3066.845	45.5	10957.8	34.664	2749.797	4
3/97	44.7	10887.2	39.548	3077.732	44.7	10887.2	34.709	2760.684	4
4/97	43.9	10817.7	39.592	3088.550	43.9	10817.7	34.753	2771.501	4
5/97	43.2	10749.2	39.635	3099.299	43.2	10749.2	34.796	2782.251	4
6/97	42.4	10681.6	39.677	3109.980	42.4	10681.6	34.838	2792.932	4
7/97	41.7	10615.0	39.719	3120.595	41.7	10615.0	34.880	2803.547	4
8/97	41.0	10549.4	39.760	3131.145	41.0	10549.4	34.921	2814.097	4
9/97	40.3	10484.7	39.800	3141.629	40.3	10484.7	34.961	2824.581	4
10/97	39.7	10420.9	39.840	3152.050	39.7	10420.9	35.001	2835.002	4
11/97	39.0	10358.1	39.879	3162.408	39.0	10358.1	35.040	2845.360	4
12/97	38.4	10296.0	39.917	3172.705	38.4	10296.0	35.078	2855.656	4
S. TOT.	506.2	127847.3			506.2	127847.3			4
1/98	37.7	10234.8	39.955	3182.939	37.7	10234.8	35.116	2865.891	4
2/98	37.1	10174.5	39.992	3193.114	37.1	10174.5	35.153	2876.066	4
3/98	36.5	10115.0	40.029	3203.229	36.5	10115.0	35.190	2886.181	4
4/98	35.9	10056.2	40.065	3213.285	35.9	10056.2	35.226	2896.237	4
5/98	35.4	9998.3	40.100	3223.283	35.4	9998.3	35.261	2906.235	4
6/98	34.8	9941.1	40.135	3233.225	34.8	9941.1	35.296	2916.177	4
7/98	34.3	9884.7	40.169	3243.109	34.3	9884.7	35.330	2926.061	3
8/98	33.7	9829.0	40.203	3252.938	33.7	9829.0	35.364	2935.890	3
9/98	33.2	9774.0	40.236	3262.712	33.2	9774.0	35.397	2945.664	3
10/98	32.7	9719.7	40.269	3272.432	32.7	9719.7	35.430	2955.384	3
11/98	32.2	9666.1	40.301	3282.098	32.2	9666.1	35.462	2965.050	3
12/98	31.7	9613.2	40.332	3291.711	31.7	9613.2	35.493	2974.663	3
S. TOT.	415.2	119006.5			415.2	119006.5			3

LEASE NAME: WALKER 1-R
WELL NAME: N/A
FIELD: BLANCO/MESA VERDE FIELD
CNTY/ST: NM
OPERATOR: KOCH
FORMATION:

DATE: 07-19-1996
TIME: 09:14:31
FILE: WALK1R

PROD. START: 0 / 1974
PROJ. START: 6 / 1996

PRODUCTION FORECAST REPORT (HISTORY ENDS 5/1996)

MTH/YR	***** 8/8TH PRODUCTION *****				***** NET PRODUCTION *****				RATIO
	OIL	GAS	CUM OIL	CUM GAS	OIL	GAS	CUM OIL	CUM GAS	
-----	BBL-----	MCF-----	MB-----	MMF-----	BBL-----	MCF-----	MB-----	MMF-----	-----
1/99	31.2	9560.9	40.364	3301.272	31.2	9560.9	35.525	2984.224	3
2/99	30.7	9509.3	40.394	3310.781	30.7	9509.3	35.555	2993.733	3
3/99	30.3	9458.3	40.425	3320.240	30.3	9458.3	35.586	3003.192	3
4/99	29.8	9408.1	40.454	3329.648	29.8	9408.1	35.615	3012.600	3
5/99	29.4	9358.3	40.484	3339.006	29.4	9358.3	35.645	3021.958	3
6/99	29.0	9309.2	40.513	3348.315	29.0	9309.2	35.674	3031.267	3
7/99	28.5	9260.7	40.541	3357.576	28.5	9260.7	35.702	3040.528	3
8/99	28.1	9212.7	40.570	3366.789	28.1	9212.7	35.731	3049.740	3
9/99	27.7	9165.3	40.597	3375.954	27.7	9165.3	35.758	3058.906	3
10/99	27.3	9118.5	40.625	3385.072	27.3	9118.5	35.786	3068.024	3
11/99	26.9	9072.2	40.651	3394.145	26.9	9072.2	35.812	3077.096	3
12/99	26.6	9026.5	40.678	3403.171	26.6	9026.5	35.839	3086.123	3
S.TOT.	345.6	111460.1			345.6	111460.1			3
1/ 0	26.2	8981.3	40.704	3412.152	26.2	8981.3	35.865	3095.104	3
2/ 0	25.8	8936.6	40.730	3421.089	25.8	8936.6	35.891	3104.041	3
3/ 0	25.5	8892.4	40.755	3429.981	25.5	8892.4	35.916	3112.933	3
4/ 0	25.1	8848.7	40.781	3438.830	25.1	8848.7	35.942	3121.782	3
5/ 0	24.8	8805.6	40.805	3447.635	24.8	8805.6	35.966	3130.587	3
6/ 0	24.4	8762.8	40.830	3456.398	24.4	8762.8	35.991	3139.350	3
7/ 0	24.1	8720.6	40.854	3465.119	24.1	8720.6	36.015	3148.071	3
8/ 0	23.8	8678.8	40.878	3473.798	23.8	8678.8	36.039	3156.750	3
9/ 0	23.4	8637.5	40.901	3482.435	23.4	8637.5	36.062	3165.387	3
10/ 0	23.1	8596.7	40.924	3491.032	23.1	8596.7	36.085	3173.984	3
11/ 0	22.8	8556.3	40.947	3499.588	22.8	8556.3	36.108	3182.540	3
12/ 0	22.5	8516.3	40.970	3508.104	22.5	8516.3	36.131	3191.056	3
S.TOT.	291.5	104933.6			291.5	104933.6			3
1/ 1	22.2	8476.8	40.992	3516.581	22.2	8476.8	36.153	3199.533	3
2/ 1	21.9	8437.6	41.014	3525.019	21.9	8437.6	36.175	3207.971	3
3/ 1	21.6	8398.9	41.035	3533.418	21.6	8398.9	36.196	3216.370	3
4/ 1	21.4	8360.6	41.057	3541.779	21.4	8360.6	36.218	3224.730	3
5/ 1	21.1	8322.7	41.078	3550.101	21.1	8322.7	36.239	3233.053	3
6/ 1	20.8	8285.2	41.099	3558.386	20.8	8285.2	36.260	3241.338	3
7/ 1	20.6	8248.1	41.119	3566.635	20.6	8248.1	36.280	3249.586	2
8/ 1	20.3	8211.3	41.139	3574.846	20.3	8211.3	36.300	3257.798	2
9/ 1	20.0	8175.0	41.159	3583.021	20.0	8175.0	36.320	3265.973	2
10/ 1	19.8	8138.9	41.179	3591.160	19.8	8138.9	36.340	3274.112	2
11/ 1	19.5	8103.3	41.199	3599.263	19.5	8103.3	36.360	3282.215	2
12/ 1	19.3	8068.1	41.218	3607.331	19.3	8068.1	36.379	3290.283	2
S.TOT.	248.6	99226.5			248.6	99226.5			3

LEASE NAME: WALKER 1-R
WELL NAME: N/A
FIELD: BLANCO/MESA VERDE FIELD
CNTY/ST: NM
OPERATOR: KOCH
FORMATION:

DATE: 07-19-1996
TIME: 09:14:31
FILE: WALK1R

PROD. START: 0 / 1974
PROJ. START: 6 / 1996

PRODUCTION FORECAST REPORT (HISTORY ENDS 5/1996)

MTH/YR	***** 8/8TH PRODUCTION *****				***** NET PRODUCTION *****				RATIO
	OIL BBL-----	GAS MCF-----	CUM OIL MB-----	CUM GAS MMF-----	OIL BBL-----	GAS MCF-----	CUM OIL MB-----	CUM GAS MMF-----	
1/ 2	19.1	8033.1	41.237	3615.365	19.1	8033.1	36.398	3298.316	2
2/ 2	18.8	7998.6	41.256	3623.363	18.8	7998.6	36.417	3306.315	2
3/ 2	18.6	7964.3	41.275	3631.327	18.6	7964.3	36.436	3314.279	2
4/ 2	18.4	7930.4	41.293	3639.258	18.4	7930.4	36.454	3322.210	2
5/ 2	18.1	7896.9	41.311	3647.155	18.1	7896.9	36.472	3330.107	2
6/ 2	17.9	7863.6	41.329	3655.018	17.9	7863.6	36.490	3337.970	2
7/ 2	17.7	7830.7	41.347	3662.849	17.7	7830.7	36.508	3345.801	2
8/ 2	17.5	7798.1	41.364	3670.647	17.5	7798.1	36.525	3353.599	2
9/ 2	17.3	7765.8	41.381	3678.413	17.3	7765.8	36.542	3361.365	2
10/ 2	17.1	7733.8	41.399	3686.147	17.1	7733.8	36.560	3369.099	2
11/ 2	16.9	7702.1	41.415	3693.849	16.9	7702.1	36.576	3376.801	2
12/ 2	16.7	7670.8	41.432	3701.520	16.7	7670.8	36.593	3384.471	2
S. TOT.	214.1	94188.2			214.1	94188.2			2
1/ 3	16.5	7639.6	41.449	3709.159	16.5	7639.6	36.610	3392.111	2
2/ 3	16.3	7608.9	41.465	3716.768	16.3	7608.9	36.626	3399.720	2
3/ 3	16.1	7578.3	41.481	3724.346	16.1	7578.3	36.642	3407.298	2
4/ 3	15.9	7548.1	41.497	3731.895	15.9	7548.1	36.658	3414.846	2
5/ 3	15.7	7518.1	41.513	3739.413	15.7	7518.1	36.674	3422.365	2
6/ 3	15.6	7488.4	41.528	3746.901	15.6	7488.4	36.689	3429.853	2
7/ 3	15.4	7459.0	41.544	3754.360	15.4	7459.0	36.705	3437.312	2
8/ 3	15.2	7429.9	41.559	3761.790	15.2	7429.9	36.720	3444.742	2
9/ 3	15.0	7401.0	41.574	3769.191	15.0	7401.0	36.735	3452.143	2
10/ 3	14.9	7372.3	41.589	3776.563	14.9	7372.3	36.750	3459.515	2
11/ 3	14.7	7344.0	41.604	3783.907	14.7	7344.0	36.765	3466.859	2
12/ 3	14.6	7315.8	41.618	3791.223	14.6	7315.8	36.779	3474.175	2
S. TOT.	185.9	89703.4			185.9	89703.4			2
1/ 4	14.4	7287.9	41.632	3798.511	14.4	7287.9	36.793	3481.463	2
2/ 4	14.2	7260.3	41.647	3805.771	14.2	7260.3	36.808	3488.723	2
3/ 4	14.1	7232.9	41.661	3813.004	14.1	7232.9	36.822	3495.956	2
4/ 4	13.9	7205.8	41.675	3820.210	13.9	7205.8	36.836	3503.162	2
5/ 4	13.8	7178.8	41.688	3827.389	13.8	7178.8	36.849	3510.341	2
6/ 4	13.6	7152.1	41.702	3834.541	13.6	7152.1	36.863	3517.493	2
7/ 4	13.5	7125.7	41.716	3841.667	13.5	7125.7	36.877	3524.618	2
8/ 4	13.3	7099.4	41.729	3848.766	13.3	7099.4	36.890	3531.718	2
9/ 4	13.2	7073.4	41.742	3855.839	13.2	7073.4	36.903	3538.791	2
10/ 4	13.1	7047.6	41.755	3862.887	13.1	7047.6	36.916	3545.839	2
11/ 4	12.9	7022.1	41.768	3869.909	12.9	7022.1	36.929	3552.861	2
12/ 4	12.8	6996.6	41.781	3876.906	12.8	6996.6	36.942	3559.857	2
S. TOT.	162.8	85682.6			162.8	85682.6			2

LEASE NAME: WALKER 1-R
WELL NAME: N/A
FIELD: BLANCO/MESA VERDE FIELD
CNTY/ST: NM
OPERATOR: KOCH
FORMATION:

DATE: 07-19-1996
TIME: 09:14:31
FILE: WALK1R

PROD. START: 0 / 1974
PROJ. START: 6 / 1996

PRODUCTION FORECAST REPORT (HISTORY ENDS 5/1996)

MTH/YR	***** 8/8TH PRODUCTION *****				***** NET PRODUCTION *****				RATIO
	OIL	GAS	CUM OIL	CUM GAS	OIL	GAS	CUM OIL	CUM GAS	
-----	BBL-----	MCF-----	MB-----	MMF-----	BBL-----	MCF-----	MB-----	MMF-----	-----
1/ 5	12.6	6971.5	41.794	3883.877	12.6	6971.5	36.955	3566.829	2
2/ 5	12.5	6946.5	41.806	3890.823	12.5	6946.5	36.967	3573.775	2
3/ 5	12.4	6921.8	41.818	3897.745	12.4	6921.8	36.979	3580.697	2
4/ 5	12.3	6897.3	41.831	3904.642	12.3	6897.3	36.992	3587.594	2
5/ 5	12.1	6872.9	41.843	3911.515	12.1	6872.9	37.004	3594.467	2
6/ 5	12.0	6848.8	41.855	3918.364	12.0	6848.8	37.016	3601.316	2
7/ 5	11.9	6824.8	41.867	3925.188	11.9	6824.8	37.028	3608.140	2
8/ 5	11.8	6801.0	41.878	3931.990	11.8	6801.0	37.039	3614.941	2
9/ 5	11.6	6777.4	41.890	3938.767	11.6	6777.4	37.051	3621.719	2
10/ 5	11.5	6754.1	41.902	3945.521	11.5	6754.1	37.063	3628.473	2
11/ 5	11.4	6730.9	41.913	3952.252	11.4	6730.9	37.074	3635.204	2
12/ 5	11.3	6707.8	41.924	3958.960	11.3	6707.8	37.085	3641.912	2
S. TOT.	143.5	82054.6			143.5	82054.6			2
1/ 6	11.2	6685.1	41.936	3965.645	11.2	6685.1	37.097	3648.597	2
2/ 6	11.1	6662.3	41.947	3972.307	11.1	6662.3	37.108	3655.259	2
3/ 6	11.0	6639.9	41.958	3978.947	11.0	6639.9	37.119	3661.899	2
4/ 6	10.9	6617.6	41.968	3985.565	10.9	6617.6	37.129	3668.517	2
5/ 6	10.8	6595.4	41.979	3992.160	10.8	6595.4	37.140	3675.112	2
6/ 6	10.6	6573.5	41.990	3998.734	10.6	6573.5	37.151	3681.686	2
7/ 6	10.5	6551.7	42.000	4005.285	10.5	6551.7	37.161	3688.237	2
8/ 6	10.4	6530.0	42.011	4011.815	10.4	6530.0	37.172	3694.767	2
9/ 6	10.3	6508.6	42.021	4018.324	10.3	6508.6	37.182	3701.276	2
10/ 6	10.2	6487.3	42.031	4024.811	10.2	6487.3	37.192	3707.763	2
11/ 6	10.1	6466.1	42.042	4031.277	10.1	6466.1	37.203	3714.229	2
S. TOT.	117.2	72317.4			117.2	72317.4			2

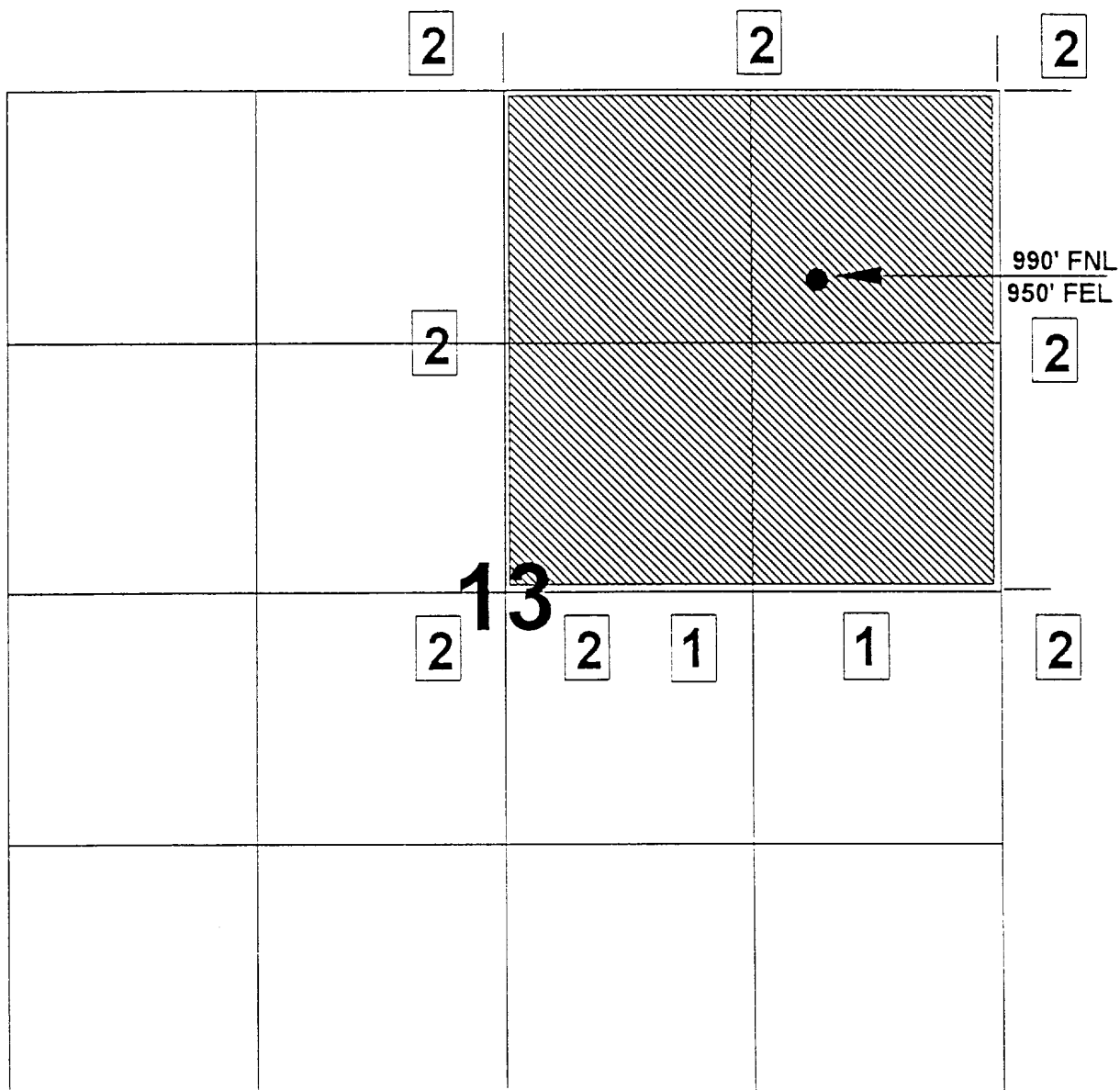
Koch Exploration Company

WALKER #1-R

OFFSET OPERATOR \ OWNER PLAT

Mesaverde / Pictured Cliffs Formations Commingle Well

Township 31 North, Range 10 West



1) Koch Exploration Company

2) Meridian Oil Company

PO Box 4289, Farmington, NM 87499-4289

3) Amoco Production Company

PO Box 800, Denver, CO 80201

Pictured Cliffs Formation

SEND TO:

Meridian Oil, inc.
P O Box 4289
Farmington, NM 87499

Operator

Amoco Production Company
P O Box 800
Denver, CO 80201

Operator

San Juan Basin Pool Ltd
P O Box 1237
Panhandle, TX 79068

Overriding Royalty Owner

ENCAP Investments LC
4600 Greenville Avenue, Suite 160
Dallas, TX 75206

Overriding Royalty Owner

Bureau of Land Management
New Mexico State Office
1474 Rodeo Road
Santa Fe, NM 87502

Royalty Owner

Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, NM 87401

Minerals Management Service
Royalty Management Program
Company Code 33792
Box 5810
Denver, CO 80217

EC Fiedorek, Trustee
EC Fiedorek Defined Benefit Plan
119 West Shore Drive
Richardson, TX 75080

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

BLM MAIL ROOM

06 APR 20 1996 PH 2:31

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KOCH EXPLORATION COMPANY

3. Address and Telephone No.

P.O. Box 489 Aztec, New Mexico 87410

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

Sec 13, T31N, R10W
1140' PNL & 1050' FEL

FORM APPROVED

Budget Bureau No. 100M-0135
Expires March 31, 1993

5. Lease Designation and Serial No.

NM-014110

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

8. Well Name and No.

WALKER

9. API Well No.

5

10. Field and Pool, or Exploratory Area

Blanco Pictured Cliff

11. County or Parish, State

San Juan, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
☒ Notice of Intent	☒ Abandonment
☐ Subsequent Report	☐ Recompletion
☐ Final Abandonment Notice	☐ Plugging Back
	☐ Casing Repair
	☐ Altering Casing
	☐ Other
	☐ Change of Plans
	☐ New Construction
	☐ Non-Routine Fracturing
	☐ Water Shut-Off
	☐ Conversion to Injection
	☐ Dispose Water

(Note: Report results of multiple completion or well completion or recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent data, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface location and measured and true vertical depths for all markers and zones pertinent to this work.)

Cemented in 4 1/2" 10.5# casing, 575 sks of class B @ 937' in 1976 and 100 sks of class B @ 1855'-1870' in 1986. Also cleaned out sand and acidized well in 1986. Well is non economical to produce and we plan on redrilling well. APD for Walker #5R will be submitted in the near future.

Proposed Plug and Abandon procedures are as follows:

Set in 4 1/2" 10.5# casing a cast iron plug @ 3317' (50' above top perf). Hydrotest casing to 500#. Spot cement plug @ 3317'-2883' + 50' excess cement. Spot 2nd cement plug @ 1960'-1800' with 50' of excess cement. If pressure did not hold on hydrotest we will wait on cement to harden then tag Ojo plug @ 1750' to ensure cement is there. If cement is not there we will repeat cement plug procedure @ 1960'-1800' with excess cement. Spot cement 3rd cement plug @ 620'-520' + 50' excess cement. Perforate @ 234' and circulate to surface. If we can't circulate to surface we will spot cement plug @ 284'-184' + 50' excess cement. Then tag cement when it hardens and tag cement top to be sure it is there. Come up to 50' and perforate and circulate cement to surface.

Will set a permanent marker to BLM Specs. Request approval to dig a small pit on existing well pad 10' x 10' x 4' deep to be used to circulate cement returns from P&A.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct

Signed

Donald J. Johnson

Title FOREMAN

Date 4-23-96

(This space for Federal or State Office use)

Approved by

Conditions of approval, if any:

Title

APPROVED

Date

APR 20 1996

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 United States any false, fictitious or fraudulent statement or representations or to any matter within its jurisdiction.

*See Instructions on Page 2

OPERATOR