

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-140
Originated 11/1/95

Submit Original
Plus 2 Copies
to appropriate
District Office

APPLICATION FOR
QUALIFICATION OF WELL WORKOVER PROJECT
AND CERTIFICATION OF APPROVAL

THREE COPIES OF THIS APPLICATION AND ALL ATTACHMENTS MUST BE FILED WITH THE APPROPRIATE DISTRICT OFFICE OF THE OIL CONSERVATION DIVISION.

- I. Operator: Koch Exploration Company OGRID #: 012807
Address: P0 Box 2256 Wichita, KS 67201
Contact Party: Mike Scates Phone: 316-828-5595
- II. Name of Well: Gardner 30 C #3 API #: 3004528214
Location of Well: Unit Letter 790 Feet from the South line and 750 feet from the West line,
Section 31, Township 32N, Range 8W, NMPM, San Juan County
- III. Date Workover Procedures Commenced: 7/9/95
Date Workover Procedures were Completed: 8/6/95
- IV. Attach a description of the Workover Procedures undertaken to increase the production from the Well.
- V. Attach an estimate of the production rate of the Well (a production decline curve or other acceptable method, and table showing monthly oil and/or gas Project Production) based on at least twelve (12) months of established production which shows the future rate of production based on well performance prior to performing Workover.
- VI. Pool(s) on which Production Projection is based: Basin Fruitland Coal

VII. AFFIDAVIT:

State of Kansas)
County of Sedgwick) ss.

Michael Scates, being first duly sworn, upon oath states:

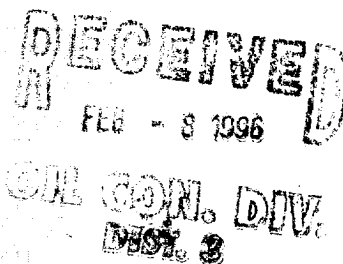
1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
3. To the best of my knowledge, the data used to prepare the Production Projection for this Well is complete and accurate and this projection was prepared using sound petroleum engineering principles.

(Name)

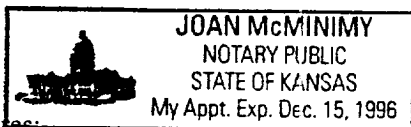
Michael Scates

(Title)

Administrative Manager



SUBSCRIBED AND SWORN TO before me this 30th day of January, 1996



Joan McMinimy
Notary Public

My Commission expires: _____

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of Well Workover Project is hereby approved and the above referenced Well is designated as a Well Workover Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). The Oil Conservation Division hereby verifies the Production Projection for the Well Workover Project attached to this application. By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project has been completed as of 2/6, 1995.

[Signature]
District Supervisor, District 3
Oil Conservation Division

Date: 2/19/96

IX. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.

DATE: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

RECEIVED
BLM

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

5. Lease Designation and Serial No.

NM-013692

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Gardner C

9. API Well No.

3

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan County NM

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, NM 87410

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

Sec. 31, T32N-R8W (M)
790' FSL & 750' FWL

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Alterine Casing
☒ Other Ran 4 1/2 Liner

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. 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 cleaned open hole out and had an increase in gas production.

We could not get a 5 1/2 predrilled liner in hole, instead we ran a 4 1/2 N-80, 12.5# liner in hole and perforated. Perfs are 4 shots/ ft. Shot holes at 3324-3338, 3282-3302, 3244-3264, 3238-3244, 3206-3216, 3160-3178, 3120-3140, 3100-3120, 3076-3080, 3054-3060, 3080-3100. Total of 632 shots liner hanger is set at 2811' KB. Bottom of liner at 3358' KB. Landed tubing 3199' KB. Tubing landed @ 3298' KB

Put back on production 8-6-95

RECEIVED
AUG 24 1995

OIL CON. DIV.
DIST. 3

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

Signed [Signature]

Title Foreman

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title

Date 8/15/95

ACCEPTED FOR RECORD

Date AUG 22 1995

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 statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

NMOCD

FARMINGTON DISTRICT OFFICE
BY [Signature]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
BLM

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

APR 12 AM 8:00

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, NM 87410

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec. 31, T32N-R8W (M)
790' FSL & 750' FWL

5. Lease Designation and Serial No.
NM-013642

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
NA

8. Well Name and No.
GARDNER C

9. API Well No.
3

10. Field and Pool, or Exploratory Area
BASIN FRUITLAND COAL

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
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Clean out fill</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. 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.)
Production on this well is not what it should be. We have checked for fill inside 5½ liner, and had no fill, but feel low production is due to fill behind 5½ liner in well.

We plan on pulling 5½ liner (set @ 3420' KB), then cleaning out well with an air package to TD of 3429'KB. We will leave well as open hole. To clean out with air we will need to construct a water pit 30' X 50' X 10' and a blow pit 20' X 30' X 4'. Blow pit will drain into lined (8 mil plastic) water pit. Pit will be fenced until closure of pits. After clean out is completed and all fluid are removed, we will cover all coal fines within the plastic by folding in sides to cover completely and bury. Soil will be reclaimed and reseeded to BLM specs. All proposed work will be on existing disturbed well pad.

Proposed work is planned to begin in middle to late May, 1994, after approval of Sundry Notice.

"SEE ATTACHMENT"

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Signed Donald L. Johnson Title FOREMAN

Date 4-6-94

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

APPROVED

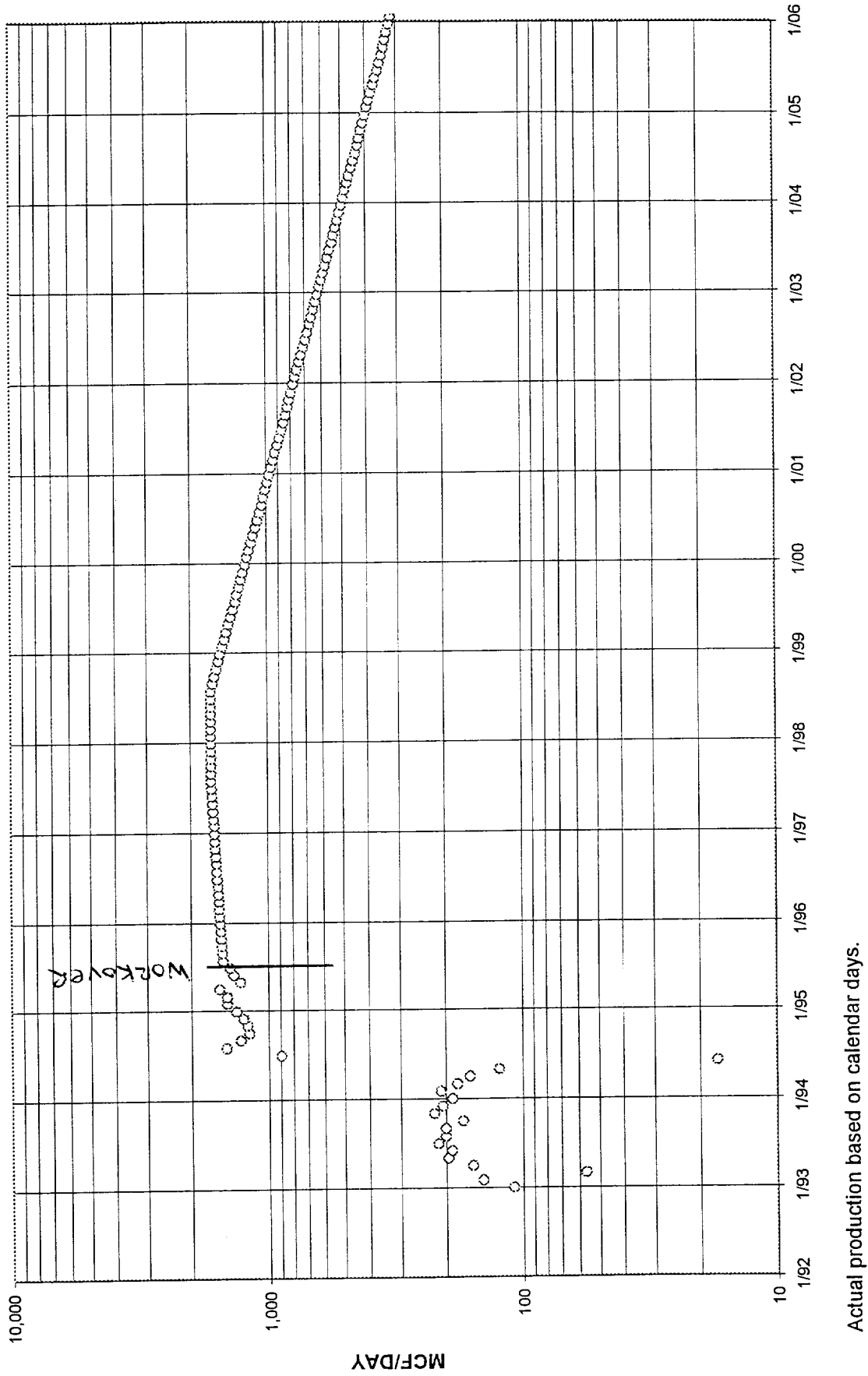
Date APR 18 1994

DISTRICT MANAGER

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 statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

Gardner 3-C Actual/Projected Production w/o Workover



		Gardner 3-C					Gardner 3-C			
Actual Production:		mcf/mo	days on	mcf/day		Projected Production:		mcf/mo	days on	mcf/day
01/93		3368	30	109		01/97				1,608
02/93		4009	27	143		02/97				1,614
03/93		1753	30	57		03/97				1,621
04/93		4714	29	157		04/97				1,628
05/93		6047	26	195		05/97				1,634
06/93		5673	5	189		06/97				1,641
07/93		6617	20	213		07/97				1,647
08/93		6201	31	200		08/97				1,654
09/93		5982	27	199		09/97				1,654
10/93		5309	28	171		10/97				1,654
11/93		6635	30	221		11/97				1,654
12/93		6353	31	205		12/97				1,654
01/94		5820	27	188		01/98				1,654
02/94		5822	24	208		02/98				1,654
03/94		5589	19	180		03/98				1,654
04/94		4828	30	161		04/98				1,654
05/94		3838	31	124		05/98				1,654
06/94		513	30	17		06/98				1,654
07/94		27582	31	890		07/98				1,654
08/94		45271	30	1,460		08/98				1,654
09/94		38511	30	1,284		09/98				1,626
10/94		36955	27	1,192		10/98				1,599
11/94		36149	30	1,205		11/98				1,571
12/94		38837	30	1,253		12/98				1,544
01/95		41393	31	1,335		01/99				1,516
02/95		40393	28	1,443		02/99				1,488
03/95		44869	31	1,447		03/99				1,461
04/95		46480	30	1,549		04/99				1,433
05/95		39797	31	1,284		05/99				1,406
06/95		40869	30	1,362		06/99				1,378
07/95		12669	9	1,408		07/99				1,351
		Projected Production:				08/99				1,323
08/95				1,500		09/99				1,301
09/95				1,506		10/99				1,279
10/95				1,513		11/99				1,257
11/95				1,519		12/99				1,235
12/95				1,525		01/00				1,213
01/96				1,531		02/00				1,191
02/96				1,538		03/00				1,169
03/96				1,544		04/00				1,147
04/96				1,550		05/00				1,125
05/96				1,556		06/00				1,103
06/96				1,563		07/00				1,080
07/96				1,569		08/00				1,058
08/96				1,575		09/00				1,041
09/96				1,582		10/00				1,023
10/96				1,588		11/00				1,005
11/96				1,595		12/00				988
12/96				1,601		12/96				1,601

Projected		Gardner 3-C			Gardner 3-C		
Actual Production:	mcf/mo	days on	mcf/day	Projected Production:	mcf/mo	days on	mcf/day
01/01			970	01/05			397
02/01			953	02/05			390
03/01			935	03/05			383
04/01			917	04/05			376
05/01			900	05/05			368
06/01			882	06/05			361
07/01			864	07/05			354
08/01			847	08/05			347
09/01			833				
10/01			818				
11/01			804				
12/01			790				
01/02			776				
02/02			762				
03/02			748				
04/02			734				
05/02			720				
06/02			706				
07/02			691				
08/02			677				
09/02			666				
10/02			655				
11/02			644				
12/02			632				
01/03			621				
02/03			610				
03/03			598				
04/03			587				
05/03			576				
06/03			564				
07/03			553				
08/03			542				
09/03			533				
10/03			524				
11/03			515				
12/03			506				
01/04			497				
02/04			488				
03/04			479				
04/04			470				
05/04			461				
06/04			452				
07/04			443				
08/04			434				
09/04			426				
10/04			419				
11/04			412				
12/04			405				