

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE

FORM APPROVED
OMB NO. 1004-0136

Expedited ROW

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒ -DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Koch Exploration Company

3. ADDRESS AND TELEPHONE NO.

20 E. Greenway Plaza Houston, TX 77046

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

At proposed prod. zone

1,030' FNL & 1,473' FEL

1715 FSL 1610

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

5. LEASE DESIGNATION AND SERIAL NO.

NM - 014110

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

3667

8. FARM OR LEASE NAME, WELL NO.

Walker 1B -

9. API WELL NO.

20-045-30279

10. FIELD AND POOL, OR WILDCAT

Blanco Mesa Verde

11. SEC., T., R., M., OR BLK AND SURVEY OR AREA

J Sec 13 T31N-R10W

12. COUNTY OR PARISH

San Juan -

13. STATE

NM

15. DISTANCE FROM PROPOSED* LOCATION TO
NEAREST PROPERTY OR LEASE LINE, FT. (Also to
nearest drlg. unit line, if any)

1,165'

16. NO. OF ACRES IN LEASE

402.31

17. NO. OF ACRES ASSIGNED TO THIS WELL

277.56 15/100

18. DISTANCE FROM PROPOSED* LOCATION TO
NEAREST WELL, DRILLING, COMPLETED, OR
APPLIED FOR ON THE LEASE, FT.

1,000'

19. PROPOSED DEPTH

5,800 MD -

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6592.55 GR -

22. APPROXIMATE DATE WORK WILL START*

7/15/2000

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8" J-55	36.0	200' +/-	to surface
8 3/4"	7" J-55	23.0	3,600' +/-	to surface
6 1/4"	4 1/2" J-55	10.5	2,600' 5,800' -	2,300'

(See attached)

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24

SIGNED

ROYAL OIL

TITLE: Project mgr

DATE: 6/15/00

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE:

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:

APPROVED BY:

TITLE:

DATE:

This action is subject to the terms and
conditions of the lease and the BLM 3185.3
and should be submitted to the BLM 3185.4.This action is subject to the terms and
conditions of the lease and the BLM 3185.3
and should be submitted to the BLM 3185.4.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

5. Lease Designation and Serial No.
NM - 014110

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

NA

8. Well Name and No.

Walker 1B

9. API Well No.

10. Field and Pool, or Exploratory Area

Blanco Mesa Verde

11. County or Parish, State

San Juan County
New Mexico

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 (505) 334-9111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**Sec. 13, T31N, R01W (G)
 1836' FNL & 1475' FEL**

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

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

13. Describe Proposed or Compelled 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 Formation along with submitted Mesa Verde. To accommodate the Foam Frac for Lewis Shale we need to run 4 1/2", 10.5# casing from TD to surface. In doing so we plan on changing the following casing strings as follows:
 Drill 12 1/4" hole. Run New 9 5/8", 36#, J-55 and set @ 220' and cement to surface. WOC 12 hrs. Test Csg to 1000# before drilling out.
 Drill 8 3/4" hole. Run New 7", 20#, J-55 casing and set @ 3600' and cement to surface. WOC 12 hrs. Run CBL & Test to 1000#.
 Drill 6 1/4" hole. Run New 4 1/2", 10.5#, J-55 casing from surface to TD of 5800'. Will cement 4 1/2" casing up into 7" casing a minimum of 100' or TOC @ 3500' or higher. WOC 12 hrs. Run CBL and Test Casing to 80% or 3850 psig.
 Along with the initial Mesa Verde completion we plan on adding the Lewis Shale in a 2 stage Foam Frac as Follows:
 Lower Lewis Shale 4472' - 4916' and perforate 50 - .38" holes.
 Upper Lewis Shale 4117' - 4472' and perforate 50 - .38" holes.
 Initial APD has been submitted, and we plan on drilling well when BLM approval is granted and rig is available.

I hereby certify that the foregoing is true and correct

Signed *Donald J. H.* Title Operations Manager Date 8/28/00
 (This space for Federal or State office use)

Approved by _____ Title _____ Date _____
 Conditions of approval, if any:

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Expedited

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

SUNDRY NOTICES AND REPORTS ON WELLS

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Use "APPLICATION FOR PERMIT—" for such proposals

OCT 16 AM 9:45

5. Lease Designation and Serial No.
NM - 0141106. If Indian, Allottee or Tribe Name
NA7. If Unit or CA, Agreement Designation
NA8. Well Name and No.
Walker 1B9. API Well No.
30-045-3027910. Field and Pool, or Exploratory Area
Blanco Mesa Verde11. County or Parish, State
San Juan County
New Mexico

SUBMIT IN TRIPLICATE

OCT 16 AM 9:45

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, R01W (J)
1715' FSL & 1610' FEL

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☐ Abandonment☐ Recompletion☐ Plugging Back☐ Casing Repair☐ Altering Casing☒ Other Re-staked location

TYPE OF ACTION

☒ 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 have re-staked this location to minimize road access. This is a supplement to API dated 6/15/00 (submitted 6/20/00), and Sundry notice dated 8/28/00 which includes the 4 1/2" casing to surface so as to complete the Lewis Shale Formation along with the Mesa Verde Formation. Even though the elevation changed, there will be NO changes in casing size, depths or cement details.

Please find attached the new C-102 Form, Topo Map, Cut/Fill location schematic, El Paso Field Service Pipeline Survey, and Site Diagram. Arch survey was completed and report will be submitted to BLM by DCA (Salmon Ruins).

Plan to drill well immediately after approval of APD.

I hereby certify that the foregoing is true and correct

Signed

(This space for Federal or State office use)

Title Operations ManagerDate 10/14/00

Approved by

Conditions of approval, if any:

Title

Date OCT 30 2000

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

District I
 P.O. Box 1700, Hobbs, NM 88241-1700
 District II
 311 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Amec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-102
 Revised October 18, 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 30-045-30279		Pool Code 72319	Pool Name Blanco Mesa Verde
Property Code 5667	Property Name WALKER		Well Number 1B
OGRID No. 12807	Operator Name KOCH EXPLORATION		Elevation 6592'

10 Surface Location

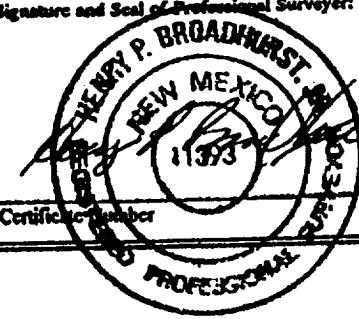
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	13	31N	10W		1715'	SOUTH	1610'	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

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

Dedicated Acres 377.56	Joint or Infill 1/2	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 2616.24' 4 S87°49'W 3 2 4579.08' 1 2627.46' 2627.46' N01°03'W 2625.48' 1715' 4585.43' N00°17'E	5 N00°40'E 6 Section 13 NM-014 110 10 1610' 9 NM-00688 10 15 16 N00°19'W 2605.02' 12 11 13 14 S88°14'W	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature Donald Johnson Printed Name Operations Manager Title 10/14/00 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. Date of Survey 09/15/2000 Signature and Seal of Professional Surveyor:  Certificate Number		

KOCH EXPLORATION CO.
WALKER #1B

1715' FSL, 1610' FEL
SE/4 SEC.13, T-31-N, R-10-W, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO
GROUND LEVEL ELEVATION: 6592

GEOLOGICAL SURVEY
..... USGS, NOS/NOAA
..... 1981

SCALE 1:24 000

Walker #1B

Sec 13-T31N-R10W, 1836 FNL & 1475 FEL

San Juan Co., New Mexico

Lease NM-014110

1. Hydrill (3,000 WP) will be tested to 70% of yield of casing or 3,000 psi maximum.
2. Double ram BOPs will be tested to 70% of yield of casing or 3,000 psi maximum.
3. BOPs will be tested upon installation, after casing is run and on each bit trip.
- f. Casinghead connections will be 2-inch; these outlets will usually be bull plugged during drilling operations. No pumping through these connections is allowed except in emergency to keep from wearing out the head.
- g. The drilling spool will be a series 900 3,000 psi WP with a 2-inch kill line and a 2-inch outlet.

4. Proposed Casing Program:

Surface Casing Program:

Surface Casing	9 5/8 inch	36.0#	J-55 STC	New
Intermediate Casing	7 inch	23.0#	J-55 STC	New
Production Casing	4 1/2 inch	10.5#	J-55 LTC	New

Proposed setting depth, amount and type of cement including additives:

9-5/8 inch Surface Casing - Surface to 200 feet - Cement with 140 sx Class "H" with 2% CaCl_2 (15.6 lb/gal; 1.2 cf/sk; 5.23 gal/sk) to surface.

7 inch Intermediate Casing - 3,600 feet to surface - Lead cement of 350 sks (35:65) Poz Cl 'H' + 6% Bentonite + 1/4# sk Cello-Flake + 5#/sk Gilsonite followed by tail cement of 100 sks Cl 'H' to surface.

4-1/2 inch Production Casing - 3,500' to TD - Cement with 100 sk 35% Poz (Fly Ash) and 65% Class "B" with 6% Gel + .25 lb/sk Cello Flake + 5 lb/sk gilsonite (12.4 lb/gal; 1.81 cf/sk; 9.73 gal/sk). Tail with 140 sx Class "H" with 2% CaCl_2 and .25 lb/sk Cello Flake (15.6 lb/gal; 1.2 cf/sk; 5.23 gal/sk) + 5 lb/sk Gilsonite + 0.4% fluid loss additive.

5. Mud Program:

0 feet - 200 feet - Spud mud and water treated with gel lime.

200 feet - 3,600 feet - Lime mud, water and polymer.

3,600 feet - 5,800 feet - air, produced or fresh water, soap and polymer

6. Testing, Logging and Coring Program:

No drill stem tests or cores will be taken.

Logging: First Run - Gamma Ray - Casing Collar Locator - Cement Bond Log.

Second Run - Gamma Ray - Cased Hole Compensated Neutron Log

7. Expected Pressures

Fruitland Fm.- 600 - 700 psia

Pictured Cliff Fm. 500 - 800 psia

Mesaverde Fm. 300 - 900 psia

Bottom Hole 500 - 900 psia

No abnormal pressures, temperature or poisonous gases anticipated.