

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side. 2005

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. SF-078506
2. Name of Operator Koch Exploration Company, LLC		6. If Indian, Allottee or Tribe Name NA
3a. Address PO Box 489, Aztec, NM 87410	3b. Phone No. (include area code) 505-334-9111	7. If Unit or CA/Agreement, Name and/or No. NA
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1035' FSL & 925' FEL SE/SE S26, T31N, R9W		8. Well Name and No. Hunsaker 726S
		9. API Well No. 30-045-32567
		10. Field and Pool, or Exploratory Area Fruitland Coal
		11. County or Parish, State San Juan, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

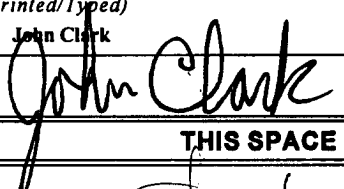
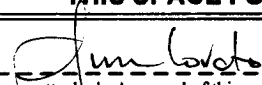
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

This well has not produced to anticipated volumes since being put on production. We plan to pull the perforated line, and clean out with air. An earthen reserve pit and blow pit will be required. The reserve pit will be built and closed according to Koch Exploration CO, LLC (KEC) General Pit Guidelines on file with NMOCD, Aztec Office. Pit will be constructed on previously disturbed are. Pit will be closed according to KEC General Pit Guidelines, and seeded with BLM approved seed mix, as soon as possible after work is completed. After cleanout, 5 1/2" liner will be run as close as possible to original depths. Production tubing will be run and well put on production. Work is scheduled to start April 1, 2005, after Sundry approval.

The current pipe configuration is:

9 5/8" 32.3# H-40, set @ 146'
7" 20# J-55, set @ 2609'
5 1/2" 15.5# J-55, Perforated Liner, top @ 2584', bottom @ 2934'
2 3/8" 4.7# J-55, Production Tubing, set @ 2866'

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) John Clark		Title District Superintendent
Signature 		Date 3-2-2005
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by  Conditions of approval, if any, are attached. Approval of this notice 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.		Title Petr. Eng Date 3/30/05 Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

NMOCD