District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

For dr approp For do office

For drilling and production facilities, submit to appropriate NMOCD District Office.

For downstream facilities, submit to Santa Fe

Form C-144

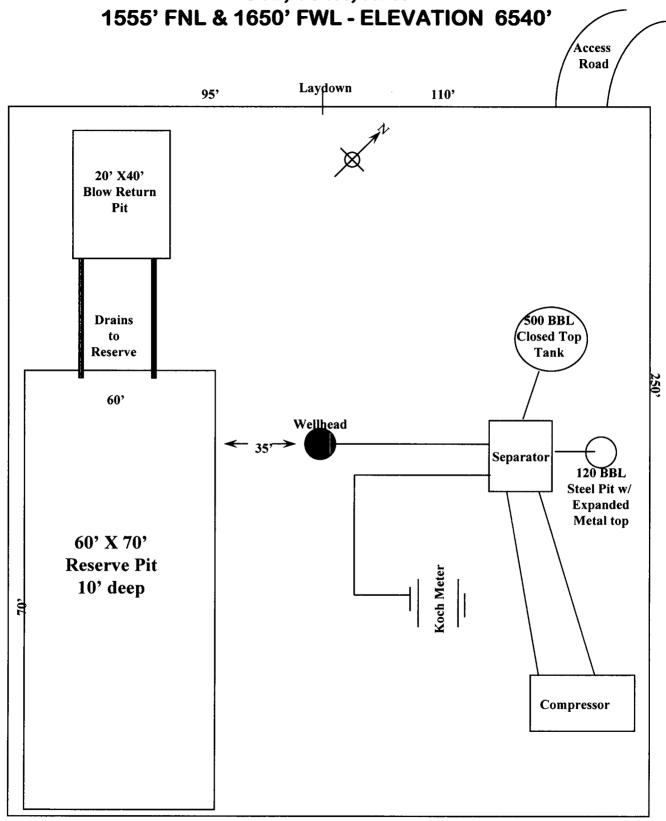
June 1, 2004

Santa Fe, NM 87505 Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes X No Type of action: Registration of a pit or below-grade tank \(\sumeq\) Closure of a pit or below-grade tank \(\sumeq\) Operator: Koch Exploration Company, LLC _____ Telephone: (505) 334-9111 ___e-mail address: _clark23j@kochind.com or johnso4d@kochind.com__ Address: PO Box 489, Aztec, NM 87410 Facility or well name: __Nordhaus 715S_______ API #: _30-045-32531______ U/L or Qtr/Qtr_ F_Sec_12_T_31N_R_9W___ County: _San Juan _____ Latitude_36.54.9112 _____ Longitude_107.44.0809 ___ NAD: 1927 _ 🗌 1983 _ Surface Owner Federal 🔀 State 🔲 Private 🔲 Indian 🗍 Pit Below-grade tank Type: Drilling X Production Disposal Volume: ____bbl Type of fluid: _____ Workover ☐ Emergency ☐ Construction material: Lined X Unlined Double-walled, with leak detection? Yes If not, explain why not. Liner type: Synthetic

☐ Thickness _12_mil Clay ☐ Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal high X 50 feet or more, but less than 100 feet 10 points (10 points) water elevation of ground water.) 100 feet or more (0 points) Yes (20 points) Wellhead protection area: (Less than 200 feet from a private domestic X No (0 points) 0 points water source, or less than 1000 feet from all other water sources.) Less than 200 feet (20 points) Distance to surface water: (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) irrigation canals, ditches, and perennial and ephemeral watercourses.) X 1000 feet or more (0 points) 0 points Ranking Score (Total Points) 10 points If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite \(\square\) offsite \(\square\) If offsite, name of facility . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No 🛛 Yes 🔲 If yes, show depth below ground surface ______ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations. Additional Comments: osure I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit of below-grade tank has been/will be constructed or closed according to NMOCD guidelines 🔲, a general permit 🖾 or an (attached) alternative OCD-approved/plan 🔲 Date: 01/17/06 Printed Name/Title Don Johnson, Field Operations Manager Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit of tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations. DEPUTY OIL & GAS INSPECTOR, DIST. 41 Approval: JAN 1 9 2006 Printed Name/Title

KOCH EXPLORATION COMPANY LLC Nordhaus 715S S12, T31N, R9W



Nordhaus 715S

S12, T31N, R09W, 1555' FNL & 1650 FWL San Juan Co., New Mexico API No. 30-045-32618 Lease SF078508

Upon completion of drilling/completion remaining liquids were removed from pit by truck to an approved disposal facility.

Prior to closing the pit, liner was cut off at mud level. The excess liner was hauled to a licensed disposal.

December 19 through December 21, 2005 the remaining waste in pit was encapsulated. This was accomplished by covering the remaining waste and liner with earthen materials. Surface area where pit was located was contoured according to BLM requirements, and reseeded with recommended BLM seed mixture.