| FORM APPROVED | |
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| OM B No. 1004-0137 Expires: March 31, 2 | 1 |
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| DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT | | | ′ ′ | Expires: March 31, 2007 | | |
|--|---|--|--|---|---|--|
| | | | 5. Lease Scrial No. SF-078508 6. If Indian, Allottee or Tribe Name NA 2007 July | | | |
| 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 TR | IPLICATE- Other instr | ructions on rever | se side. | 7. If Unit or C | A/Agreement, Name and/or No. | |
| Type of Well Oil Well ✓ | Gas Well Other | | | 8. Welt Name | and No.Lit | |
| Name of Operator Koch Explor | ation Company, LLC | | | Nordhaus 9. API Well | No. | |
| Address O Box 489, Aztec, NM 87410 | | 3b. Phone No. (include area code) 505-334-9111 | | 30-045-32535 10. Field and Pool, or Exploratory Area | | |
| Location of Well (Footage, Sec., | T., R., M., or Survey Description) | | | Basin Fru | itland Coal | |
| 1395' FSL & 1035' FEL, S11, T31N, R9W "I" Lat 36.54.5351, Long 107.44.6324 | | | | 11. County or Parish, State San Juan, New Mexico | | |
| 12. CHECK AI | PPROPRIATE BOX(ES) TO | INDICATE NATUR | E OF NOTICE, RI | EPORT, OR O | OTHER DATA | |
| TYPE OF SUBMISSION | | TYF | PE OF ACTION | | | |
| Notice of Intent ✓ Subsequent Report | Acidize Alter Casing Casing Repair | Deepen Fracture Treat New Construction | Production (State Reclamation Recomplete | | Water Shut-Off Well Integrity ✓ Other Spud Well and Surface Casing | |
| Final Abandonment Notice | Change Plans Convert to Injection | | | andon | and Cement | |
| 3. Describe Proposed or Complete If the proposal is to deepen dire | ed Operation (clearly state all pertinectionally or recomplete horizontally | nent details, including estin y, give subsurface location | mated starting date of an | y proposed work e vertical depths (| and approximate duration thereof. 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.)

05/31/07 Spud Well.

5/31-6/01/07 Drilled 12 1/4" hole to 225', ran 9 5/8", 36# J-55 STC Casing, landed @ 200' KB (KB=13.0) 6/01/07 Cemented with 196 sks, 15.2#, Type III Cement plus 3% CaCL, plus 0.25 lb/sk Celloflake, yield 1.28 (15.2 ppg) 250.88 cu. ft. We used 3 centralizers on the bottom 3 joints. Circulated 16 bbls cement to surface. Wait on cement 8 hours.

Tested BOPs 250# low for 5 minutes, and 2000# high for 5 minutes. Tested 9 5/8" casing to 600# for 30 minutes, did not hold. Casing bled from 600 psi to 250 psi in over 30 minutes time. Joe Ruyhalid, BLM Representative was on location at time of testing, and gave the go ahead to continue drilling. He will present when we pressure test the 7" casing.

Tagged cement @ 135' in 9 5/8" casing.

ACCEPTED FOR RECORD

| | | | | <u></u> | | | | |
|--|---|---------------------|------------|---------------------------------|--|--|--|--|
| 14. I hereby certify that Name (Printed/T) John Ch | at the toregoing is true and correct speed ark | Title District Supe | rintendent | RCVD JUN12'07 OIL CONS. DIV. | | | | |
| Signature | HC Clark | Date | 06/05/2007 | DIST. 3 | | | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | | | | | |
| Approved by | | Title | Į, | Date | | | | |
| certify that the applicant h | f any, are attached. Approval of this notice does not warn holds legal or equitable title to those rights in the subject! pplicant to conduct operations thereon. | | | | | | | |
| certify that the applicant h | holds legal or equitable title to those rights in the subject ! | | | | | | | |

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.