

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.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. SF-078511
2. Name of Operator Koch Exploration Company, LLC		6. If Indian, Allottee or Tribe Name JUN -6 PM 11:35
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. RECEIVED BLM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 975' FSL & 925' FWL, S18, T31N, R08W "N" Lat 36.53.64, Long 107.43.224		8. Well Name and No. Quinn 338
		9. API Well No. 30-045-27798
		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 checked="" type="checkbox"/> Deepen	<input checked="" 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 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	

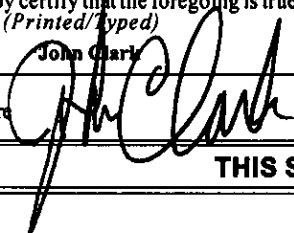
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths 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.)

Deepening started 05/21/2007. Completed 06/02/2007. Drilled 100' into the Pictured Cliff formation to allow for a sump from which to pump water, new TD is 3014', and PBTD is 2943'. We used a mudlogger during drilling to monitor the Pictured Cliff for signs of gas, there were none. When cleaning out after reaching TD, hole became tight, and drill bit became stuck we were able to back out all but one drill collar, 1 bit sub and 1 bit (top @ 2944'). Attempts to fish were unsuccessful, we decided the safest thing to do was leave them in the hole this is why we have PBTD @ 2943'.

7" casing is unchanged, and set @ 2691'. Set new 5 1/2" 15.50# pre-drilled liner, top of liner @ 2646', bottom of liner landed @ 2943'. Pre-drilled liner perforations 2701'-2914' w/ 15/16" holes 4 SPF total of 213 ft with 852 holes.

2 3/8" tubing run and landed @ 2929'. 3/4" rod string run. Returned well to production 06/04/07.

RCVD JUN 12 '07
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) John Clark		Title District Superintendent
Signature 		Date 06/05/2007
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 Office

ACCEPTED FOR RECORD

JUN 08 2007

FARMINGTON FIELD 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