

DH C-1371 9/16/96

KOCH EXPLORATION COMPANY

August 26, 1996

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

Re: Walker 2-A
1665' FSL & 790; FEL Section 10-T31N-R10W, San Juan County NM
API# 30-045-21693

Dear Mr. LeMay:

Administrative approval is requested for downhole commingling the Blanco Mesaverde and the Blanco Pictured Cliffs pools in the subject well. The Walker 2-A is currently producing from the Blanco Mesaverde over the interval 4,456' - 5,461'. Koch proposes to add Pictured Cliffs production over the interval 2,942' - 2,969'.

Until late 1996 the Pictured Cliffs in the SE/4 Section 10-T31N-R10W produced from the Walker 5 located 960' FSL and 1,165 FEL. Approval to P & A this well was received on 1/22/96. This well will be P & A'd during September. Koch proposes to complete the Pictured Cliffs in the Walker 2-A to recover the remaining reserves within this spacing unit. A plot of the Walker 5, Pictured Cliffs production is attached.

Ownership under the South half (S/2) is not common in that NM-014110 covering E/SE/4, W/2SW/4, and SE/4SW/4 is Koch 87.5% and BLM 12.5% and the fee lease covering the W/2SE/4, NE/4SW/4 is owned Koch 87.25%, Dawn Colucci, Nigh Recoverable Trust Agreement, Charles Cecil Johnston Trust, Lowell M. Parrish, Jr., and Estate of Katie Lee Reese, as royalty owners and Amoco Production Company with an overriding royalty interest. All owners have been notified by certified mail as to this application.

All offset operators, Meridian Oil, Inc. and Amoco Production Company, have received written notice of this application.

To comply with the New Mexico Oil Conservation Division rules, Koch is submitting the following attachments for your approval.

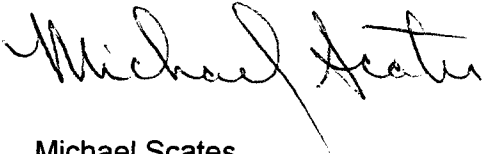
1. Form C-107-A, Application for Downhole Commingling.
2. Forms C-102 for each zone showing its spacing unit and acreage dedication.

Walker 2-A
August 26, 1996
Page 2

3. A production curve showing the Walker 2-A Blanco Mesaverde production.
4. A production curve showing the Walker 3 Pictured Cliffs production.
5. Data to support allocation method.
6. Notification list of offset operators.
7. Notification list of working, overriding and royalty interests.
8. Sundry notice for plugging of the Pictured Cliffs zone in the Walker 3 well.

Should you need additional information, please call me at (316) 828-5595.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Scates". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Michael Scates
Administrative Manager

cc: Bureau of Land Management - Farmington, NM
Oil Conservation Division - Aztec, NM

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 South First St., Artesia, NM 88210-2835

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Koch Exploration Company

PO Box 2256 Wichita, KS 67201

Operator

Address

46817

Walker 2-A

I Sec. 10-T31N-R10W

San Juan

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 012807 Property Code 03 API NO. 30-045-21693

Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Pictured Cliffs 72359		Blanco Mesaverde 72319
2. Top and Bottom of Pay Section (Perforations)	2942-2969		4456-5461
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) Est. 350 psia b. (Original) 02/19/76 969 psia	a. b.	a. Est. 350 psia b. 08/08/75 865 psia
6. Oil Gravity ($^{\circ}$ API) or Gas BTU Content	1120 BTU/cf		46% API 1252 BTU/cf
7. Producing or Shut-In?	New Completion		Producing
Production Marginal? (yes or no)	No		
* If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: 10/95 Rates: 237 mcf/d (Walker 3)	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: 4/95 Rates: 1 BC/d 454 mfc/d
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☐ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☐ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S).

16. ATTACHMENTS:

- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

TITLE Administrative Mgr. DATE 8/23/96

TYPE OR PRINT NAME Michael Scates

TELEPHONE NO. (316) 828-5595

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 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 30-045-216930		Pool Code	Pool Name Blanco Pictured Cliffs/Blanco Mesaverde
Property Code	Property Name Walker		Well Number 2-A
OGRID No. 012801	Operator Name Koch Exploration Company		Elevation 6132

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	10	31N	10W		1165	South	790	East	S.J.

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

Dedication Acres	Joint or Infill	Consolidation Code	Order No.

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

10 1090' 790' 1165'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Michael Scates</i> Signature Michael Scates Printed Name Administrative Manager Title 8/23/96 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. January 11, 1975 Date of Survey Signature and Seal of Professional Surveyor: On File 1463 Certificate Number	

NE MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

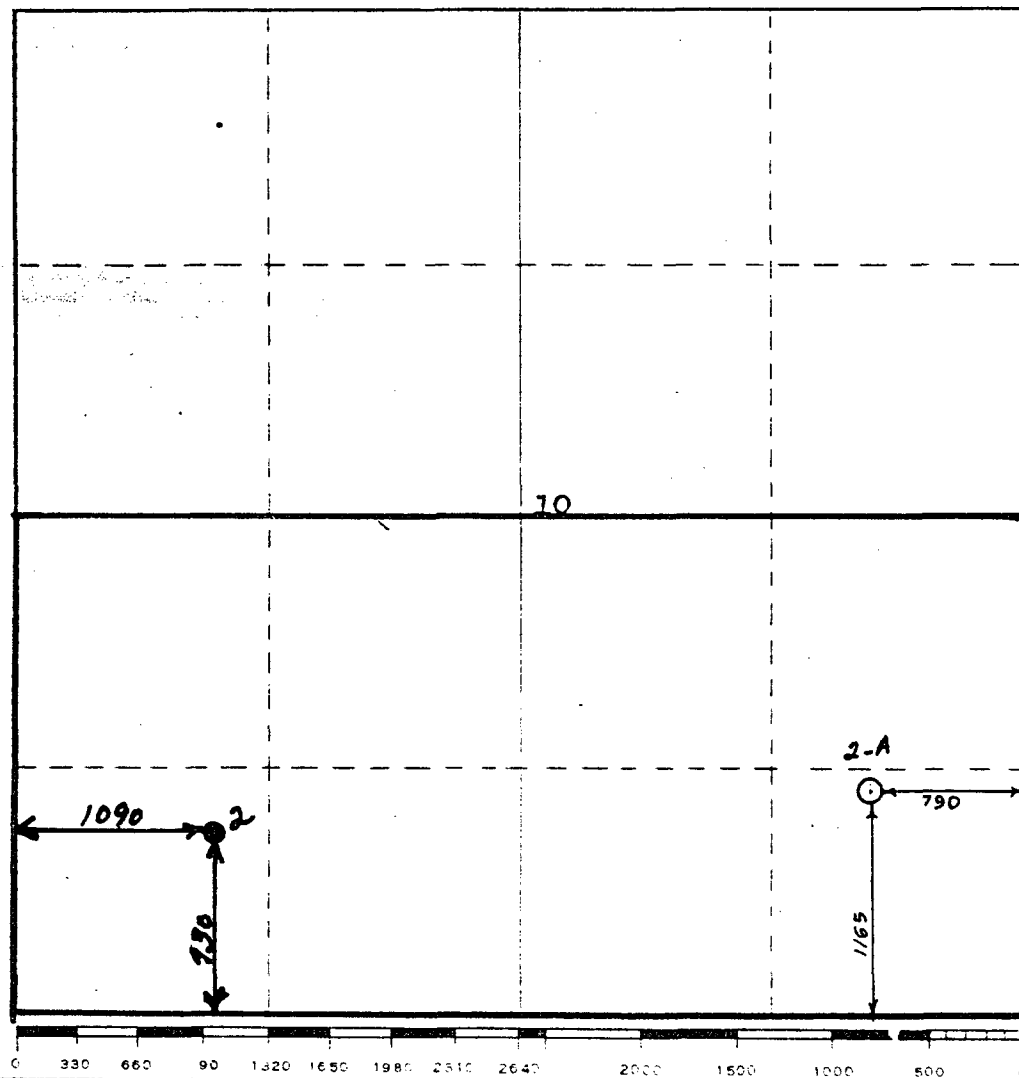
Operator KOCH EXPLORATION COMPANY		Lease WALKER		Well No. 2 - A
Unit Letter P	Section 10	Township 31 N	Range 10 W	County San Juan County
Actual Footage Location of Well: 1165 feet from the South line and 790 feet from the East line				
Ground Level Elev. 6132	Producing Formation	Pool	Dedicated Acreage: Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Position

Company

Date

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 knowledge and belief.

Jan. 11, 1975

Date Surveyed

James P. Leese

Registered Professional Engineer
and Land Surveyor

James P. Leese
1463

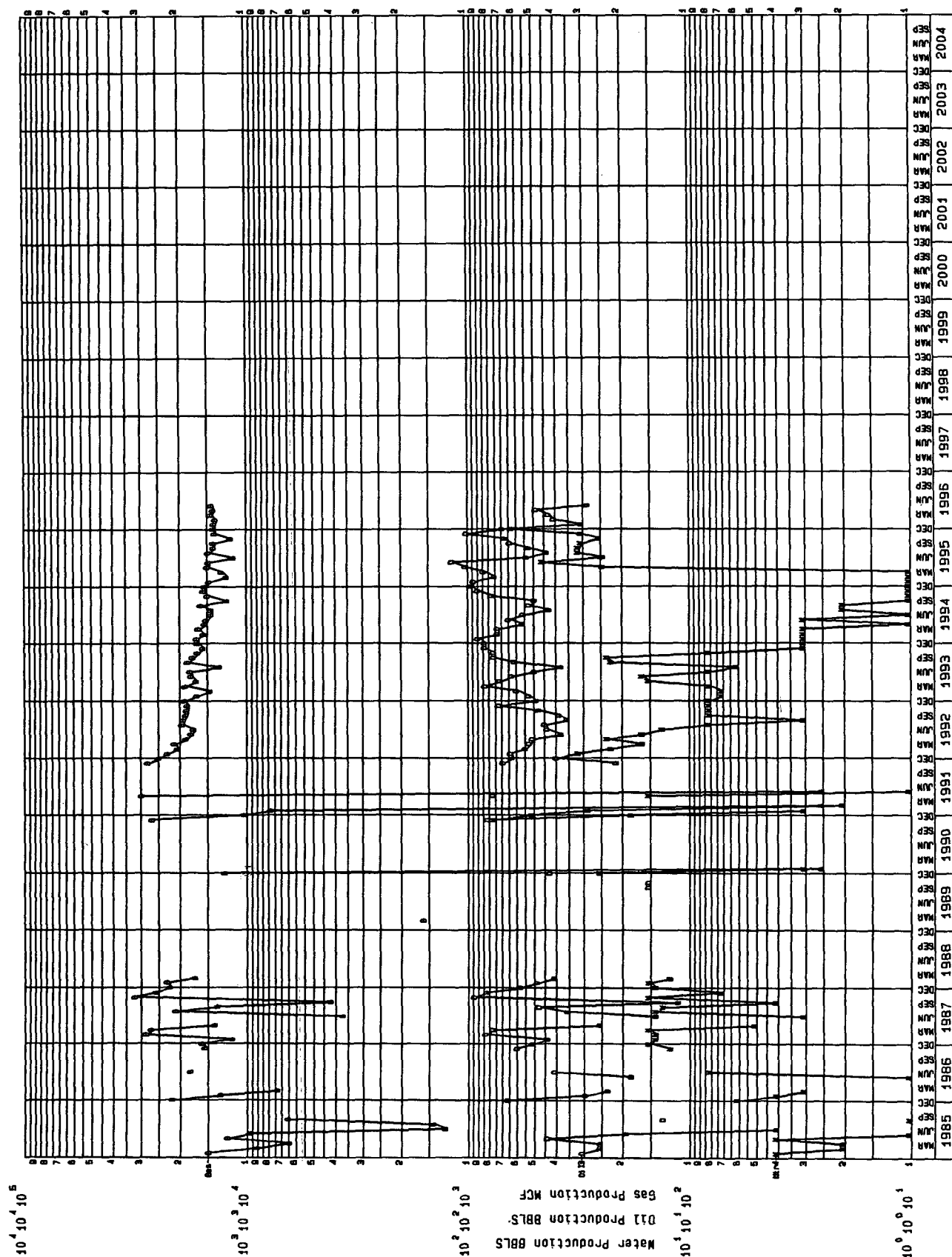
Certificate No.

Location: T31N R10W 10
Report Date: JUL 10, 1996

State: NM
County: SAN JUAN

Well Code: KXC 105CN07830
Operator: KOCH

Lease Name: WALKER 2-A
Field Name: BLANCO/MESA VERDE FIELD



Run Date: 8/26/96

WELL IDENT: KXC 1050N07830

WELL NAME: WALKER 2-A

MON DAYS

ON

HISTORY DETAIL FOR ANALYSIS

STATE: NM

LOCATION

LOC OTHER:

T3IN R10W 10

GAS REPORTED AS MCF

PRIME ZONE: 00105C

UPPER/LOWER: 0 0

GAS

PROD

Page: 1

WTR

PROD

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WTR

CUMM

WELL IDENT: KVC 1050N07830				WELL NAME: WALKER 2-A				WELL NAME: BLANCO/MESA VERDE FIELD				KCOH				STATE: NM				LOCATION				T3IN R10W 10				PRIME ZONE: 00105C											
MON		DAYS		GAS		PROD		OIL		WTR		PROD		WTR		DAYS		GAS		PROD		OIL		WTR		DAYS		GAS		PROD		OIL		WTR		CUMM			
ON		PROD		CUMM		CUMM		CUMM		CUMM		CUMM		CUMM		CUMM		CUMM		CUMM		CUMM		CUMM		CUMM		CUMM		CUMM		CUMM		CUMM		CUMM			
YEAR 1987				YEAR 1988				YEAR 1989				YEAR 1990				YEAR 1991				YEAR 1992				YEAR 1993				YEAR 1994				YEAR 1995				YEAR 1996			
JAN	28	11492	2523311	43	5859	14	1509	14	7674	2809311	3	6640	28	1821	30	14447	3510112	92	9113	1	2212																		
FEB	28	27994	2551305	82	5941	14	1523	1	25	2809336	6640	2	1823	27	12092	3522204	74	9187	1	2213																			
MAR	30	26570	2577875	76	6017	15	1538			2809336	6640		1823	28	12683	3534887	83	9270	1	2214																			
APR	10	13779	2591654	25	6042	5	1543	30	29378	2838714	76	6716	15	1838	30	14672	3549559	100	9370	24	2238																		
MAY			2591654		6042		1543	1	25	2838739		6716	1	1839	31	14525	3554084	115	9485	45	2283																		
JUN	6	3630	2595284	14	6056	3	1546			2838739		6716		1839	22	11220	3575304	53	9538	24	2307																		
JUL	29	20618	2615902	35	6091	14	1560			2838739		6716		1839	31	14577	3589881	43	9581	31	2338																		
AUG	26	13392	2629294	47	6138	13	1573			2838739		6716		1839	31	13808	3603689	52	9633	31	2369																		
SEP	9	4115	2633409	11	6149	4	1577			2838739		6716		1839	30	13790	3617479	63	9696	30	2399																		
OCT	30	31428	2664837	92	6241	15	1592			2838739		6716		1839	25	11507	3628986	66	9762	25	2424																		
NOV	30	25226	2690063	81	6322	7	1599	28	27551	2866290	68	6784	21	1860	30	13634	3642620	99	9861	30	2454																		
DEC	28	21849	2711912	57	6379	14	1613	31	24456	2890746	62	6846	39	1899	31	13801	3656421	68	9929	62	2516																		
TOT	254	200093		563		118	TOT	105	89109		209		106	TOT	346	160756		908		305																			
YEAR 1988				YEAR 1989				YEAR 1990				YEAR 1991				YEAR 1992				YEAR 1993				YEAR 1994				YEAR 1995				YEAR 1996							
JAN	31	22583	2734495	48	6427	15	1628	31	22337	2913083	63	6909	31	1930	31	13780	3670201	30	9959		2516																		
FEB	25	16807	2751302	40	6467	12	1640	29	20091	2933174	54	6963	22	1952	29	13581	3683782	40	9999		2516																		
MAR			2751302		6467		1640	31	20795	2953969	52	7015	16	1968	31	14140	3697922	42	10041		2516																		
APR			2751302		6467		1640	30	18528	2972497	50	7065	23	1991	30	13791	3711713	48	10089		2516																		
MAY			2751302		6467		1640	31	17539	2990036	37	7102	16	2007	31	14075	3725788	28	10117		2516																		
JUN			2751302		6467		1640	26	17019	3007055	43	7145	13	2020	30	13550	3739338	26	10143		2516																		
JUL			2751302		6467		1640	31	19260	3026315	44	7189	8	2028			3739338		10143		2516																		
AUG			2751302		6467		1640	30	18945	3045260	35	7224	3	2031			3739338		10143		2516																		
SEP			2751302		6467		1640	30	18496	3063756	38	7262	8	2039			3739338		10143		2516																		
OCT			2751302		6467		1640	31	18322	3082078	47	7309	8	2047			3739338		10143		2516																		
NOV			2751302		6467		1640	30	18110	3100188	71	7380	8	2055			3739338		10143		2516																		
DEC			2751302		6467		1640	31	18640	3118828	48	7428	8	2063			3739338		10143		2516																		
TOT	56	39390		88		27	TOT	361	228082		582		164	TOT	182	82917		214																					
YEAR 1989				YEAR 1990				YEAR 1991				YEAR 1992				YEAR 1993				YEAR 1994				YEAR 1995				YEAR 1996											
JAN			2751302		6467		1640	29	16435	3135263	52	7480	7	2070																									
FEB	1	1553	2752855		6467		1640	26	14398	3149661	59	7539	7	2077																									
MAR			2752855		6467		1640	31	18600	3168261	82	7621	8	2085																									
APR			2752855		6467		1640	30	16565	3184826	70	7691	15	2100																									
MAY			2752855		6467		1640	31	17394	3202220	62	7753	16	2116																									
JUN			2752855		6467		1640	30	17576	3219796	49	7802	8	2124																									
JUL			2752855		6467		1640	25	13038	3232834	37	7839	6	2130																									
AUG			2752855		6467		1640	29	18157	3250991	60	7899	22	2152																									
SEP			2752855	15	6482		1640	30	17205	3268196	75	7974	23	2175																									
OCT			2752855	15	6497		1640	31	16361	3284557	75	8049	8	2183																									
NOV			2752855		6497		1640	29	15393	3299950	82	8131	3	2186																									
DEC	10	12383	2765238	42	6539	25	1665	31	16341	3316291	82	8213	3	2189																									
TOT	11	13936		72		25	TOT	352	197463		785		126	TOT																									
YEAR 1990				YEAR 1991				YEAR 1992				YEAR 1993				YEAR 1994				YEAR 1995				YEAR 1996															
JAN	1	25	2765263		6539	3	1668	31	16465	3332756	88	8301	3	2192																									
FEB			2765263		6539		1668	28	15339	3348095	72	8373	3	2195																									
MAR			2765263		6539		1668	31	16186	3364281	72	8445	3	2198																									
APR			2765263		6539		1668	30	15143	3379424	55	8500	1	2199																									
MAY			2765263		6539		1668	31	14916	3394340	64	8564	3	2202																									
JUN			2765263		6539		1668	30	14176	3408516	55	8619	1	2203																									
JUL			2765263		6539		1668	31	14180	3422696	42	8661	2	2205																									
AUG			2765263		6539		1668	31	15808	3438504	52	8713	2	2207																									
SEP			2765263		6539		1668	25	12049	3450553	49	8762	1	2208																									
OCT			2765263		6539		1668	30	14653	3465206	76	8838	1	2209																									
NOV	30	26265	2791528	80	6619	75	1743	31	15315	3480521	88	8926	1	2210																									
DEC	20	10109	2801637	18	6637	50	1793	30	15144	3495665	95	9021	1	2211																									
TOT	51	36399		98		128	TOT	359	179374		808		22	TOT																									

Lease Name: WALKER 3
Field Name: BLANCO/MESA VERDE FIELD

Well Code: KXC 552 NMD7840
Operator: KOCH

Location: T31N R10W 10
Report Date: JUL 10, 1996

State: NM
County: SAN JUAN

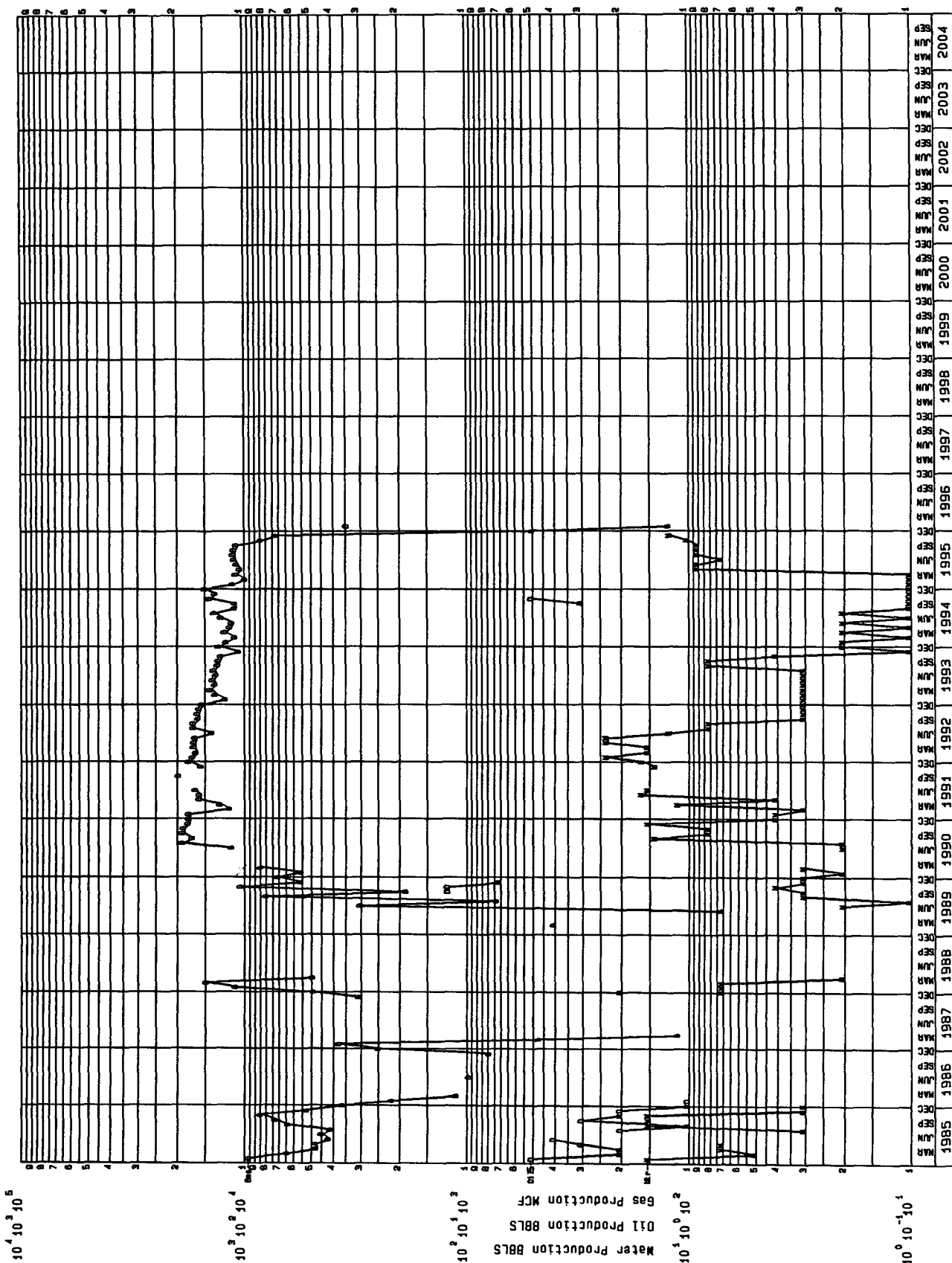


Exhibit #4

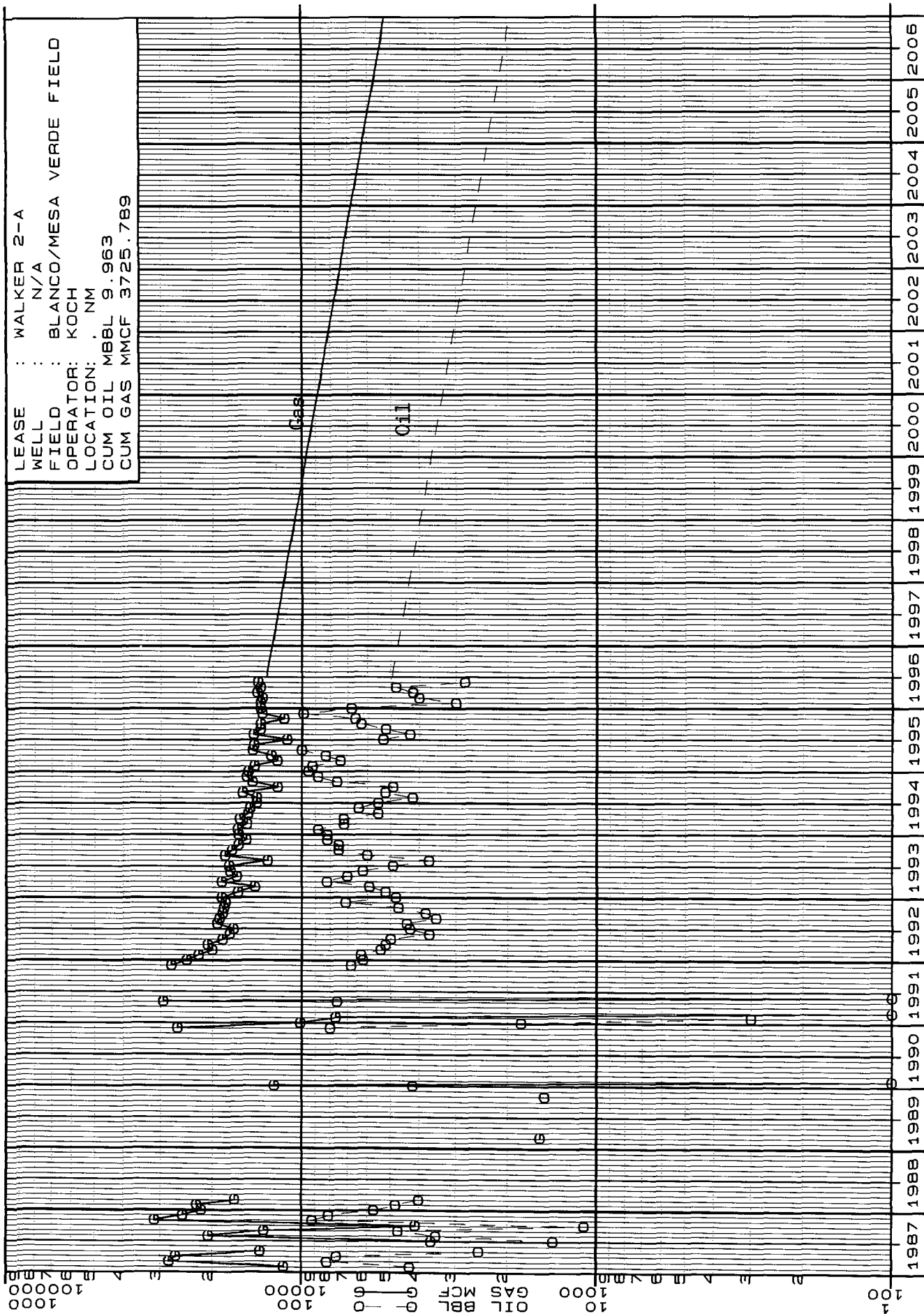
Run Date: 8/26/96

Page: 2

HISTORY DETAIL FOR ANALYSIS										GAS REPORTED AS MCF									
WELL IDENT: KVC 552 NM07840										PRIME ZONE: 00552									
WELL NAME: WALKER 3										UPPER/LOWER: 0 0 0 0 0 0 0 0 0 0									
MON DAYS ON										WTR PROD CUMM									
OPERATOR: KOCH										T3 IN R10W 10									
FIELD NAME: BLANCO/MESA VERDE FIELD										LOCATION NM									
STATE: NM										LOC OTHER:									
YEAR 1988										YEAR 1992									
PROD	GAS	CUMM	OIL	PROD	CUMM	OIL	PROD	CUMM	OIL	PROD	CUMM	GAS	PROD	CUMM	DAYS	ON	WTR	CUMM	PROD
JAN 31	10831	2527834	139	7	213	31	16872	2875574	170	23	405	31	121	3465320	31	405	212	212	658
FEB 29	14646	2542480	139	7	220	29	16154	2891728	170	15	420			3465320		420	212	212	658
MAR 8	4857	2547337	139	2	222	29	16596	2908324	170	15	435	31		3465320	31	435	212	212	658
APR		2547337	139		222	30	16518	2924842	170	23	458			3465320		458	212	212	658
MAY		2547337	139		222	31	16358	2941200	170	23	481	31		3465320	31	481	212	212	658
JUN		2547337	139		222	31	16358	2941200	170	23	481			3465320		481	212	212	658
JUL		2547337	139		222	31	16669	2971608	170	8	501			3465320		501	212	212	658
AUG		2547337	139		222	31	16713	2988321	170	8	509			3465320		509	212	212	658
SEP		2547337	139		222	30	15883	3004204	170	3	512			3465320		512	212	212	658
OCT		2547337	139		222	31	16056	3020260	170	3	515			3465320		515	212	212	658
NOV		2547337	139		222	30	15744	3036004	170	3	518			3465320		518	212	212	658
DEC		2547337	139		222	31	15230	3051234	170	3	521			3465320		521	212	212	658
TOT 68	30334		139	16	TOT 358	192532			170	139	TOT 93	121		34		TOT 34			
YEAR 1989										YEAR 1993									
JAN		2547337	139		222	31	11998	3063232	170	3	524								
FEB 1	397	2547734	139		222	28	13272	3076504	170	3	527								
MAR		2547734	139		222	31	14014	3090518	170	3	530								
APR		2547734	139		222	30	13322	3103840	170	3	533								
MAY	1	70	2547804	139		222	31	13677	3117517	170	3	536							
JUN 11	2973	2550777	139	2	224	30	13251	3130768	170	3	539								
JUL 5	724	2551501	139	1	225	31	13546	3144314	170	3	542								
AUG 13	7912	2559413	139	3	228	31	13030	3157344	170	8	550								
SEP 12	1855	2561268	12	151	3	231	12851	3170195	170	8	558								
OCT 16	10236	2571504	12	163	4	235	12493	3182688	170	4	562								
NOV 10	5475	2576979	7	170	3	238	10432	3193120	170	1	563								
DEC 10	7004	2583983	170	3	241	31	12807	3205927	170	2	565								
TOT 79	36646		170	19	TOT 364	154693			170	44	TOT								
YEAR 1990										YEAR 1994									
JAN 9	5465	2589448	170	2	243	31	11847	3217774	170	2	567								
FEB 12	8354	2597802	170	3	246	28	10857	3228631	170	1	568								
MAR		2597802	170		246	31	12071	3240702	170	2	570								
APR		2597802	170		246	30	11441	3252143	170	1	571								
MAY		2597802	170		246	31	11215	3263358	170	2	573								
JUN 18	11278	2609080	170	2	248	30	13513	3275871	170	1	574								
JUL 31	18675	2627755	170	2	250	31	13409	3289280	170	2	576								
AUG 27	16796	2644551	170	14	264	24	10826	3300106	170	1	577								
SEP 30	18641	2663192	170	8	272	25	10827	3310933	3	173	578								
OCT 31	18525	2681717	170	8	280	31	14066	3324999	5	178	579								
NOV 30	17616	2699333	170	15	295	30	13256	3338255		178	580								
DEC 31	17493	2716826	170	4	299	31	14808	3353063		178	581								
TOT 219	132843		170	58	TOT 353	147136			8	16	TOT								
YEAR 1991										YEAR 1995									
JAN 31	17544	2734370	170	4	303	31	11126	3364189		178	582								
FEB 22	11519	2745889	170	3	306	28	9796	3373985		178	583								
MAR 21	12724	2758613	170	11	317	31	10789	3384774		178	584								
APR 30	15722	2774335	170	4	321	30	10282	3395056		178	593								
MAY 31	15681	2790016	170	16	337	31	10631	3405687		178	602								
JUN 30	16310	2806326	170	15	352	24	10919	3416606		178	609								
JUL		2806326	170		352	31	11077	3427683		178	618								
AUG		2806326	170		352	31	10944	3438627		178	627								
SEP 30	19434	2825760	170		352	30	10665	3449292		178	636								
OCT		2825760	170		352	25	8299	3457591		178	646								
NOV 28	15433	2841193	170	14	366	30	7113	3464704		178	658								
DEC 31	17509	2858702	170	16	382	8	495	3465199		178	658								
TOT 254	141876		170	83	TOT 330	112136				77	TOT								

ALLOCATION METHOD
WALKER 2-A

The recommended allocation method for the Walker 2-A is to extrapolate the existing Mesaverde decline through the potential economic limit of the well and attribute any excess production after the commingling to the Pictured Cliffs recompletion. Attached you will find a plot and a tabulated listing of the expected Mesaverde production through time. No condensate production is anticipated from the Pictured Cliffs zone and it is recommended that all condensate produced from the Walker 2-A well be credited to the Mesaverde zone.



TEXAS COMPUTER WORKS, INC.

Exhibit #4

LEASE NAME: WALKER 2-A
WELL NAME: N/A
FIELD: BLANCO/MESA VERDE FIELD
CNTY/ST: , NM
OPERATOR: KOCH
FORMATION:

DATE: 07-26-1996
TIME: 14:28:26
FILE: WALK2AMV

PROD. START: 0 / 1975
PROJ. START: 9 / 1996

PRODUCTION FORECAST REPORT (HISTORY ENDS 5/1996)

***** 8/8TH PRODUCTION *****					***** NET PRODUCTION *****				
MTH/YR	OIL	GAS	CUM OIL	CUM GAS	OIL	GAS	CUM OIL	CUM GAS	RATIO
-----	BBL-----	MCF-----	MB-----	MMF-----	BBL-----	MCF-----	MB-----	MMF-----	-----
PRIOR			9.956	3764.997			8.897	3212.491	3
9/96	48.4	12878.8	10.005	3777.876	48.4	12878.8	8.946	3225.370	4
10/96	48.1	12784.5	10.053	3790.660	48.1	12784.5	8.994	3238.154	4
11/96	47.7	12690.8	10.101	3803.351	47.7	12690.8	9.042	3250.845	4
12/96	47.4	12597.9	10.148	3815.949	47.4	12597.9	9.089	3263.443	4
S.TOT.	191.6	50952.0			191.6	50952.0			4
1/97	47.0	12505.7	10.195	3828.455	47.0	12505.7	9.136	3275.949	4
2/97	46.7	12414.1	10.242	3840.869	46.7	12414.1	9.183	3288.363	4
3/97	46.3	12323.2	10.288	3853.192	46.3	12323.2	9.229	3300.686	4
4/97	46.0	12232.9	10.334	3865.425	46.0	12232.9	9.275	3312.919	4
5/97	45.7	12143.4	10.380	3877.568	45.7	12143.4	9.321	3325.062	4
6/97	45.3	12054.4	10.425	3889.623	45.3	12054.4	9.366	3337.117	4
7/97	45.0	11966.1	10.470	3901.589	45.0	11966.1	9.411	3349.083	4
8/97	44.7	11878.5	10.515	3913.467	44.7	11878.5	9.456	3360.961	4
9/97	44.3	11791.5	10.559	3925.259	44.3	11791.5	9.500	3372.753	4
10/97	44.0	11705.2	10.603	3936.964	44.0	11705.2	9.544	3384.458	4
11/97	43.7	11619.5	10.647	3948.583	43.7	11619.5	9.588	3396.077	4
12/97	43.4	11534.4	10.690	3960.118	43.4	11534.4	9.631	3407.612	4
S.TOT.	542.1	144168.9			542.1	144168.9			4
1/98	43.1	11449.9	10.733	3971.568	43.1	11449.9	9.674	3419.062	4
2/98	42.7	11366.1	10.776	3982.934	42.7	11366.1	9.717	3430.427	4
3/98	42.4	11282.8	10.818	3994.217	42.4	11282.8	9.759	3441.710	4
4/98	42.1	11200.2	10.860	4005.417	42.1	11200.2	9.801	3452.911	4
5/98	41.8	11118.2	10.902	4016.535	41.8	11118.2	9.843	3464.029	4
6/98	41.5	11036.8	10.944	4027.572	41.5	11036.8	9.885	3475.066	4
7/98	41.2	10956.0	10.985	4038.528	41.2	10956.0	9.926	3486.022	4
8/98	40.9	10875.7	11.026	4049.404	40.9	10875.7	9.967	3496.897	4
9/98	40.6	10796.1	11.066	4060.200	40.6	10796.1	10.007	3507.694	4
10/98	40.3	10717.0	11.107	4070.917	40.3	10717.0	10.048	3518.411	4
11/98	40.0	10638.6	11.147	4081.555	40.0	10638.6	10.088	3529.049	4
12/98	39.7	10560.6	11.186	4092.116	39.7	10560.6	10.127	3539.610	4
S.TOT.	496.3	131998.0			496.3	131998.0			4

LEASE NAME: WALKER 2-A
WELL NAME: N/A
FIELD: BLANCO/MESA VERDE FIELD
CNTY/ST: , NM
OPERATOR: KOCH
FORMATION:

DATE: 07-26-1996
TIME: 14:28:26
FILE: WALK2AMV

PROD. START: 0 / 1975
PROJ. START: 9 / 1996

PRODUCTION FORECAST REPORT

(HISTORY ENDS 5/1996)

***** 8/8TH PRODUCTION *****					***** NET PRODUCTION *****				
MTH/YR	OIL	GAS	CUM OIL	CUM GAS	OIL	GAS	CUM OIL	CUM GAS	RATIO
-----	BBL-----	MCF-----	MB-----	MMF-----	BBL-----	MCF-----	MB-----	MMF-----	-----
1/99	39.4	10483.3	11.226	4102.599	39.4	10483.3	10.167	3550.093	4
2/99	39.1	10406.5	11.265	4113.006	39.1	10406.5	10.206	3560.500	4
3/99	38.8	10330.3	11.304	4123.336	38.8	10330.3	10.245	3570.830	4
4/99	38.6	10254.7	11.342	4133.591	38.6	10254.7	10.283	3581.085	4
5/99	38.3	10179.6	11.381	4143.771	38.3	10179.6	10.322	3591.264	4
6/99	38.0	10105.1	11.419	4153.876	38.0	10105.1	10.360	3601.369	4
7/99	37.7	10031.0	11.456	4163.907	37.7	10031.0	10.397	3611.400	4
8/99	37.4	9957.6	11.494	4173.865	37.4	9957.6	10.435	3621.358	4
9/99	37.2	9884.7	11.531	4183.750	37.2	9884.7	10.472	3631.243	4
10/99	36.9	9812.3	11.568	4193.562	36.9	9812.3	10.509	3641.055	4
11/99	36.6	9740.4	11.604	4203.302	36.6	9740.4	10.545	3650.795	4
12/99	36.4	9669.1	11.641	4212.971	36.4	9669.1	10.582	3660.465	4
S.TOT.	454.4	120854.7			454.4	120854.7			4
1/ 0	36.1	9598.3	11.677	4222.569	36.1	9598.3	10.618	3670.063	4
2/ 0	35.8	9528.0	11.713	4232.097	35.8	9528.0	10.654	3679.591	4
3/ 0	35.6	9458.3	11.748	4241.555	35.6	9458.3	10.689	3689.049	4
4/ 0	35.3	9389.0	11.784	4250.944	35.3	9389.0	10.725	3698.438	4
5/ 0	35.0	9320.3	11.819	4260.265	35.0	9320.3	10.760	3707.759	4
6/ 0	34.8	9251.9	11.853	4269.517	34.8	9251.9	10.794	3717.010	4
7/ 0	34.5	9184.3	11.888	4278.701	34.5	9184.3	10.829	3726.195	4
8/ 0	34.3	9116.9	11.922	4287.817	34.3	9116.9	10.863	3735.312	4
9/ 0	34.0	9050.3	11.956	4296.868	34.0	9050.3	10.897	3744.362	4
10/ 0	33.8	8983.9	11.990	4305.852	33.8	8983.9	10.931	3753.346	4
11/ 0	33.5	8918.1	12.024	4314.770	33.5	8918.1	10.965	3762.264	4
12/ 0	33.3	8852.8	12.057	4323.623	33.3	8852.8	10.998	3771.117	4
S.TOT.	416.1	110652.0			416.1	110652.0			4
1/ 1	33.0	8788.0	12.090	4332.411	33.0	8788.0	11.031	3779.905	4
2/ 1	32.8	8723.7	12.123	4341.134	32.8	8723.7	11.064	3788.629	4
3/ 1	32.6	8659.8	12.155	4349.794	32.6	8659.8	11.096	3797.288	4
4/ 1	32.3	8596.4	12.188	4358.390	32.3	8596.4	11.129	3805.885	4
5/ 1	32.1	8533.4	12.220	4366.923	32.1	8533.4	11.161	3814.418	4
6/ 1	31.9	8470.9	12.252	4375.394	31.9	8470.9	11.193	3822.889	4
7/ 1	31.6	8408.9	12.283	4383.803	31.6	8408.9	11.224	3831.298	4
8/ 1	31.4	8347.3	12.315	4392.150	31.4	8347.3	11.256	3839.646	4
9/ 1	31.2	8286.2	12.346	4400.436	31.2	8286.2	11.287	3847.932	4
10/ 1	30.9	8225.5	12.377	4408.662	30.9	8225.5	11.318	3856.157	4
11/ 1	30.7	8165.3	12.407	4416.827	30.7	8165.3	11.348	3864.323	4
12/ 1	30.5	8105.5	12.438	4424.932	30.5	8105.5	11.379	3872.428	4
S.TOT.	380.9	101310.8			380.9	101310.8			4

LEASE NAME: WALKER 2-A
WELL NAME: N/A
FIELD: BLANCO/MESA VERDE FIELD
CNTY/ST: , NM
OPERATOR: KOCH
FORMATION:

DATE: 07-26-1996
TIME: 14:28:27
FILE: WALK2AMV

PROD. START: 0 / 1975
PROJ. START: 9 / 1996

PRODUCTION FORECAST REPORT (HISTORY ENDS 5/1996)

***** 8/8TH PRODUCTION *****					***** NET PRODUCTION *****					
MTH/YR	OIL	GAS	CUM OIL	CUM GAS	OIL	GAS	CUM OIL	CUM GAS	RATIO	
-----	BBL-----	MCF-----	MB-----	MMF-----	BBL-----	MCF-----	MB-----	MMF-----	-----	
1/ 2	30.3	8046.1	12.468	4432.978	30.3	8046.1	11.409	3880.474	4	
2/ 2	30.0	7987.2	12.498	4440.965	30.0	7987.2	11.439	3888.461	4	
3/ 2	29.8	7928.7	12.528	4448.894	29.8	7928.7	11.469	3896.390	4	
4/ 2	29.6	7870.7	12.557	4456.765	29.6	7870.7	11.498	3904.261	4	
5/ 2	29.4	7813.0	12.587	4464.578	29.4	7813.0	11.528	3912.074	4	
6/ 2	29.2	7755.8	12.616	4472.333	29.2	7755.8	11.557	3919.830	4	
7/ 2	28.9	7699.0	12.645	4480.033	28.9	7699.0	11.586	3927.529	4	
8/ 2	28.7	7642.6	12.674	4487.675	28.7	7642.6	11.615	3935.171	4	
9/ 2	28.5	7586.6	12.702	4495.262	28.5	7586.6	11.643	3942.758	4	
10/ 2	28.3	7531.1	12.731	4502.793	28.3	7531.1	11.672	3950.289	4	
11/ 2	28.1	7475.9	12.759	4510.269	28.1	7475.9	11.700	3957.765	4	
12/ 2	27.9	7421.2	12.787	4517.690	27.9	7421.2	11.728	3965.186	4	
S.TOT.	348.8	92758.0			348.8	92758.0			4	
1/ 3	27.7	7366.9	12.814	4525.057	27.7	7366.9	11.755	3972.553	4	
2/ 3	27.5	7312.9	12.842	4532.370	27.5	7312.9	11.783	3979.866	4	
3/ 3	27.3	7259.3	12.869	4539.629	27.3	7259.3	11.810	3987.125	4	
4/ 3	27.1	7206.3	12.896	4546.835	27.1	7206.3	11.837	3994.331	4	
5/ 3	26.9	7153.4	12.923	4553.989	26.9	7153.4	11.864	4001.485	4	
6/ 3	26.7	7101.1	12.950	4561.090	26.7	7101.1	11.891	4008.586	4	
7/ 3	26.5	7049.1	12.976	4568.139	26.5	7049.1	11.917	4015.635	4	
8/ 3	26.3	6997.4	13.003	4575.136	26.3	6997.4	11.944	4022.632	4	
9/ 3	26.1	6946.2	13.029	4582.083	26.1	6946.2	11.970	4029.579	4	
10/ 3	25.9	6895.3	13.055	4588.978	25.9	6895.3	11.996	4036.474	4	
11/ 3	25.7	6844.8	13.080	4595.823	25.7	6844.8	12.021	4043.319	4	
12/ 3	25.5	6794.7	13.106	4602.618	25.5	6794.7	12.047	4050.113	4	
S.TOT.	319.3	84927.3			319.3	84927.3			4	
1/ 4	25.4	6744.9	13.131	4609.363	25.4	6744.9	12.072	4056.858	4	
2/ 4	25.2	6695.6	13.156	4616.059	25.2	6695.6	12.097	4063.554	4	
3/ 4	25.0	6646.6	13.181	4622.705	25.0	6646.6	12.122	4070.200	4	
4/ 4	24.8	6597.8	13.206	4629.303	24.8	6597.8	12.147	4076.798	4	
5/ 4	24.6	6549.6	13.231	4635.853	24.6	6549.6	12.172	4083.348	4	
6/ 4	24.4	6501.6	13.255	4642.354	24.4	6501.6	12.196	4089.849	4	
7/ 4	24.3	6453.9	13.280	4648.808	24.3	6453.9	12.221	4096.303	4	
8/ 4	24.1	6406.8	13.304	4655.215	24.1	6406.8	12.245	4102.710	4	
9/ 4	23.9	6359.8	13.328	4661.575	23.9	6359.8	12.269	4109.070	4	
10/ 4	23.7	6313.2	13.351	4667.888	23.7	6313.2	12.292	4115.383	4	
11/ 4	23.6	6267.0	13.375	4674.155	23.6	6267.0	12.316	4121.650	4	
12/ 4	23.4	6221.1	13.398	4680.376	23.4	6221.1	12.339	4127.871	4	
S.TOT.	292.4	77757.8			292.4	77757.8			4	

LEASE NAME: WALKER 2-A
WELL NAME: N/A
FIELD: BLANCO/MESA VERDE FIELD
CNTY/ST: , NM
OPERATOR: KOCH
FORMATION:

DATE: 07-26-1996
TIME: 14:28:27
FILE: WALK2AMV

PROD. START: 0 / 1975
PROJ. START: 9 / 1996

PRODUCTION FORECAST REPORT (HISTORY ENDS 5/1996)

***** 8/8TH PRODUCTION *****					***** NET PRODUCTION *****					
MTH/YR	OIL	GAS	CUM OIL	CUM GAS	OIL	GAS	CUM OIL	CUM GAS	RATIO	
-----	BBL-----	MCF-----	MB-----	MMF-----	BBL-----	MCF-----	MB-----	MMF-----	-----	
1/ 5	23.2	6175.5	13.421	4686.551	23.2	6175.5	12.362	4134.046	4	
S.TOT.	23.2	6175.5			23.2	6175.5			4	

NOTIFICATION LIST OF OFFSET OPERATORS

Meridian Oil Company
PO Box 4289
Farmington, NM 87401

Offset Operator

Amoco Production Company
PO Box 800
Denver, CO 80201

Offset Operator

NOTIFICATION LIST OF WORKING, OVERRIDING AND ROYALTY INTERESTS

Minerals Management Service
Royalty Management Program
Company Code 33792
PO Box 5810
Denver, CO 80217
Royalty/Override Owners

Amoco Production Company
PO Box 800
Denver, CO 80201
Royalty/Override Owners

Dawn Colucci
PO Box 140145
Brooklyn, NY 11214-0145
Royalty/Override Owners

Robert D. Nigh Trustee of the
Nigh Revocable Trust Agreement
7080 Deam Road
Indianapolis, IN 46220
Royalty/Override Owners

Myra King Johnston Tstee of the
Charles Cecil Johnston Trust
PO Box 587
Clarksville, AR 72830
Royalty/Override Owners

Lowell M. Parrish Jr.
PO Box 1922
Farmington, NM 87499
Royalty/Override Owners

Katherine Reese Shepherd Executrix
of Estate of Katie Lee Reese
PO Box 1469
Levelland, TX 79336
Royalty/Override Owners

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0115
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

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, NM 87410 (505)-334-9111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec. 10, T34N, R10W (P) SE/SE
969' FSL & 1165' FEL

5. Lease Designation and Serial No.

NM-014110

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

8. Well Name and ID

Walker 3

9. API Well No.

10. Field and Pool, or Laboratory Area

Basin Pictured Cliff

11. County or Parish, State

San Juan County
New Mexico

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

TYPE OF ACTION

- ☒ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other
☐ 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.)*

During November and December of 1995 we had a significant decrease in production. During Workover we discovered that we had collapsed casing above our Model D packer. Retrieved tubing down to collapsed 4-1/2" casing @ 2721' KB. Collapsed 4 1/2" casing is from 2721' KB to top of packer @ 2890' KB.

We Plan to set a cement plug (Class B cement) from 2710' - 2450' KB. Since cement was not circulated to surface and with no temperature survey or CBL, we plan to perforate 4 1/2" casing @ 1552' KB and circulate back side to surface with 100% excess of class B cement. Then set second cement plug @ 1502' - 1281' KB and set last cement plug @ 242' up to surface (both Class B cement).

Will set a permanent marker to BLM Specs. Request approval to dig a small pit on existing well pad 10' x 10' x 4' deep to be used to circulate cement returns from P&A.

Plan to submit redrill application in the near future to redrill well (Walker 3-R) on the existing well pad.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct

Signed

Donald L. Johnson

Foreman

Title

1/11/96

Date

(This space for Federal or State Office use)

Approved by

Conditions of approval, if any:

Title

Date

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

Exhibit #8



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

BLM CONCERN DIVISION
RECEIVED

1996 SEP 21 AM 8 52

IN REPLY REFER TO:

NM-014110 (WF)
3162.7-3 (07327)

September 16, 1996

Mr. Michael Scates
Administrative Manager
Koch Exploration Company
P.O. Box 2256
Wichita, KS 67201-2256

RE: Federal Lease NMNM014110
CA 14080011635 (MV)
CA SW-1050 (PC)
No. 2A Walker
1165' FSL and 790' FEL
Section 10-T31N-R10W
San Juan County, New Mexico

Dear Mr. Scates:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter dated August 26, 1996, for downhole commingling of the Blanco Pictured Cliffs and Blanco Mesaverde Pools in the above referenced well.

The No. 3 Walker, prior to casing failure, had a bottom hole pressure of 350 psia and a average production rate of 237 Mcfpd with a BTU content of 1120. The No. 2 A Walker has a bottom hole pressure of 350 psia and an average production rate of 454 Mcfpd and 1 Bcpd with a BTU value of 1252 and API gravity of 46 degrees.

The estimated allocation method is to extrapolate out the Mesaverde decline and than attribute any gas production over this amount to the Pictured Cliffs formation. Condensate production will be allocated at 100% to the Mesaverde formation.

This method of allocation is acceptable for this well and approval for downhole commingling is hereby granted.

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

/s/ Duane W. Spencer

Duane W. Spencer
Team Leader, Petroleum Management

bcc:
NMOCD, Santa Fe