

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address

MILLER STRATVERT
LAW OFFICES

Ranne B. Miller
Alice T. Lorenz
Stephen M. Williams
Stephan M. Vidmar
Seth V. Bingham
Timothy R. Briggs
Rudolph Lucero
Deborah A. Solove
Gary L. Gordon
Lawrence R. White
Virginia Anderman
Marte D. Lightstone
J. Scott Hall
Thomas R. Mack
Thomas M. Domme

Ruth O. Pregenzer
James J. Widland
Bradley D. Tepper
Robin A. Goble
James R. Wood
Dana M. Kyle
Kirk R. Allen
Ruth Fuess
H. Brook Laskey
Paula G. Maynes
M. Dylan O'Reilly
Jennifer D. Hall
Todd A. Schwarz
Nell Graham Sale
Scott P. Hatcher

Ann M. Conway
Randall J. McDonald
Robert H. Clark
Richard L. Alvidrez
Jennifer L. Stone
Kelsey D. Green
Marcy Baysinger
Caroline Blankenship
Matthew S. Rappaport
Karen E. Wootton
Nicole V. Strauser
Kelly A. Stone
Deron B. Knoner
Charlotte Lamont
Patricia A. Bradley

T. Aaron Garrett
Amy P. Hauser
Rebecca M. Alves
Alisa R. Wigley-DeLara
W. Scott Jaworski
Anita M. Kelley
Elizabeth B. Driggers
Jerome A. O'Connell
Christopher J. Tebo

Of Counsel
William K. Stratvert
James B. Collins
Sharon P. Gross
Robert D. Taichert

Reply to Santa Fe

150 Washington Ave., Suite 300
Santa Fe, NM 87501

Mailing Address:
P.O. Box 1986
Santa Fe, NM 87504-1986

Telephone: (505) 989-9614
Facsimile: (505) 989-9857

June 14, 2007

HAND-DELIVERED

Mr. Mark Fesmire, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: Request for Administrative Approval of Unorthodox Well Location
Koch Exploration Company LLC
Nordhaus Well No. 716 S API No. 30-045-32655
Basin-Fruitland Coal Formation
445' FSL and 2350' FEL
Section 13 (E/2) T31N, R9W, NMPM, San Juan County, New Mexico

Dear Mr. Fesmire:

On behalf of Koch Exploration Company LLC, enclosed for filing is an original and one copy of an application for administrative approval of an unorthodox location for the above referenced well.

If I may be of any assistance locally regarding this matter, please do not hesitate to contact me.

Very truly yours,

MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb

Enclosures

cc (w/encl.) Morgan Connor, Koch Exploration Company LLC

S:\Clients\12017\Fesmire\061407.doc

A PROFESSIONAL ASSOCIATION

ALBUQUERQUE
(505) 842-1950

FARMINGTON
(505) 326-4521

SAN CRUCES
(505) 523-2481

SANTA FE
(505) 989-9614

RECEIVED
2007 JUN 14 PM 4 14



RECEIVED

2007 JUN 14 PM 4 14

KOCH EXPLORATION COMPANY LLC

Mr. Mark Fesmire, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: Request for Administrative Approval of Unorthodox Well Location
Koch Exploration Company, LLC
Nordhaus Well No. 716 S API No. 30-045-32655
Basin-Fruitland Coal Formation
445' FSL and 2350' FEL
Section 13 (E/2) T31N, R9W, NMPM, San Juan County, New Mexico

5562

Dear Mr. Fesmire:

Koch Exploration Company, LLC, pursuant to Division Rule 104.F and the applicable rules governing the Basin-Fruitland Coal Gas Pool (71629; Order No. R-8768, as amended), requests administrative approval for an unorthodox well location for the Nordhaus Well No. 716 S (API No. 30-045-32655) drilled at the surface and bottom-hole locations reflected above.

The straight-hole well was drilled to a depth sufficient to test the Basin-Fruitland Coal Gas formation, but the well has not been placed on production. The pool rules for the pool currently provide that wells shall be drilled no closer than 660' to the outer boundary of the 320-acre GPU and no closer than 10' to any quarter-quarter section line or subdivision inner boundary.

Koch Exploration Company, LLC seeks an exception from the applicable well location rules for topographical reasons. This well was originally permitted and surveyed by Burlington Resources Oil and Gas Company. As reflected on the attached topographical plats (Exhibits A and B) both the access to and the location of the well site are limited by steep terrain, preventing the well from being located at a standard location. Further, the Bureau of Land Management, the owner and manager of the surface, directed that the rig pad and well location be placed at their current unorthodox location. The BLM's APD approving of the location for this well is attached as Exhibit C.

The E/2 of Section 13, T31N, R9W will be dedicated to the well (316.87 acres). A plat showing the E/2 spacing unit, the unorthodox surface and bottom hole locations, and adjoining spacing units and wells is attached as Exhibit D. The well encroaches toward the three 320 acre units consisting of the W/2 of Section 13 and the E/2 and the W/2 of adjoining Section 24, T31N, R9W. Koch Exploration Company is the operator of each of those units and accordingly, notice of this application and requests for waivers of objections is being sent to the non-operating interest owners in those units shown on the attached Exhibit E.

Mr. Mark Fesmire
June 13, 2007
Page 2

Thank you for your consideration of this request. Should more information be required, please do not hesitate to contact me.

Sincerely

A handwritten signature in black ink, appearing to read 'Morgan Connor', with a long horizontal flourish extending to the right.

Morgan Connor
Land Manager
Koch Exploration Company, LLC

BURLINGTON RESOURCES OIL & GAS COMPANY LP

NORDHAUS #716S

445' FSL 2350' FEL

SEC13, T31N, R9W N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO

APD MAP #1

200' NEW BLM ACCESS

SE SEC13, T31N, R9W

NORDHAUS #716S

EXISTING ACCESS

NEW ACCESS

0 1000 FEET 0 500 1000 METERS

Printed from TOPO! ©2001 National Geographic Holdings (www.topo.com)

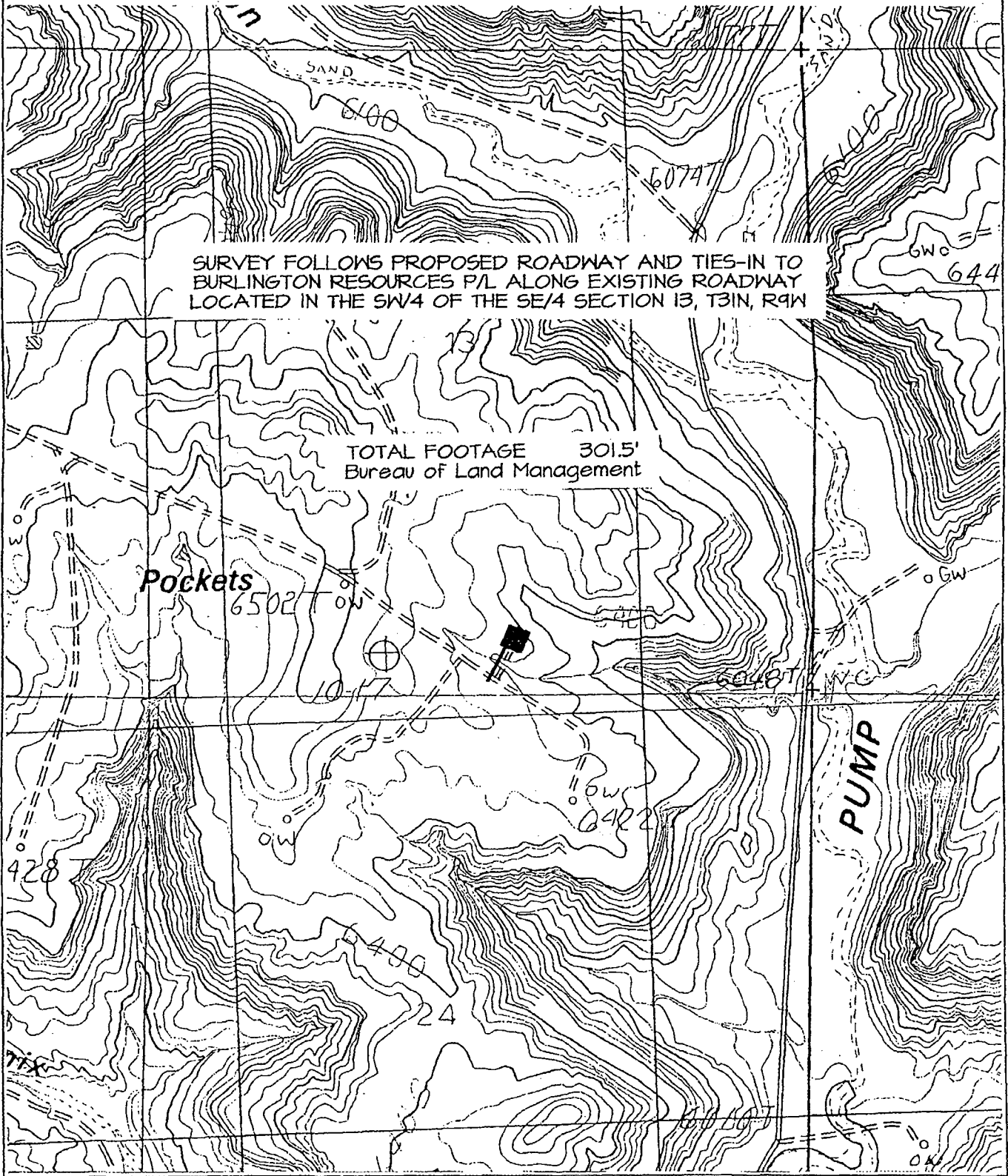
EXHIBIT

A

PROPOSED PIPELINE ROUTE

BURLINGTON RESOURCES OIL & GAS NORDHAUS #716S

445' FSL & 2350' FEL, SECTION 13, T31N, R9W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



EXHIBIT

B

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	2004 NOV 2 AM 10 06 RECEIVED OTO FARMINGTON	5. Lease Number SF-078508 Unit Reporting Number
1b. Type of Well GAS		6. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company		7. Unit Agreement Name
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700		8. Farm or Lease Name Nordhaus 9. Well Number #716S
4. Location of Well 445' FSL, 2350' FEL Latitude 36° 53.5162'N, Longitude 107° 43.8213'W		10. Field, Pool, Wildcat Basin Fruitland Coal 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 13, T31N, R09W API # 30-045-32655
14. Distance in Miles from Nearest Town 18 miles to intersection Hwy 550 & 173, Aztec	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 445'		
16. Acres in Lease	17. Acres Assigned to Well E/2 316.87	
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 1347'		
19. Proposed Depth 3348'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6431' GR	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u>Joni Clark</u> Regulatory/Compliance Specialist	<u>10/12/04</u> Date	

PERMIT NO.

APPROVAL DATE

APPROVED BY D. Martinez

TITLE AFM

DATE 3/16/06

Archaeological Report attached

Threatened and Endangered Species Report attached

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

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 presentations as to any matter within its jurisdiction.

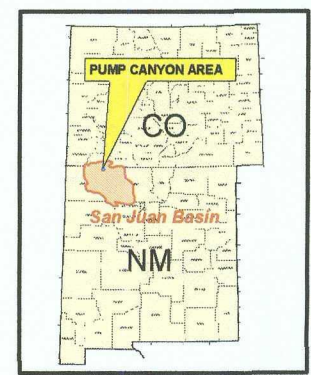
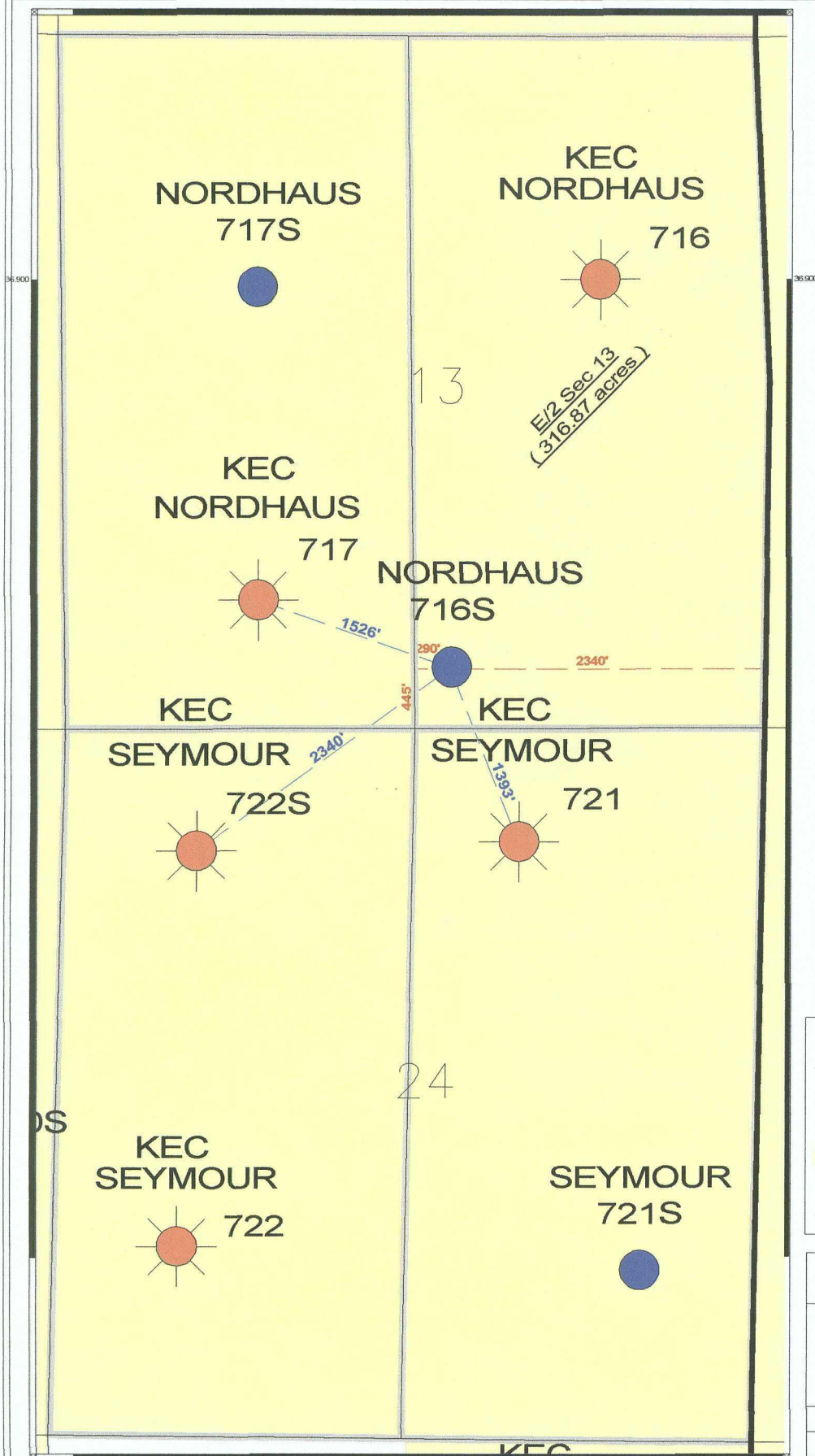
This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

OPERATOR

DRILLING OPER
SUBJECT TO CO
"GENERAL REQ

EXHIBIT

C



LEGEND

- D&A
- Location Well
- FRUITLAND COAL
- KEC LEASE
- 2007 UD Wells
- 320 acre (Half-Section) Spacing Units

KOCH EXPLORATION COMPANY, LLC

NORDHAUS 716S
Pump Canyon Area: Sec. 13 & 24, T31 R9W
San Juan County, New Mexico

Kenny McGee	CONFIDENTIAL	6/13/2007
	Scale 1:14000.	test.gpf

Scale 1:14000.

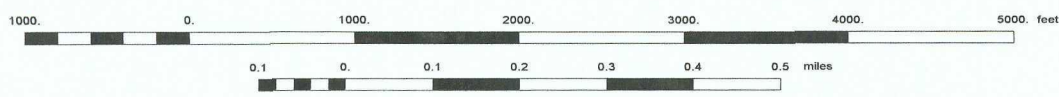


Exhibit D

Exhibit E
Offset Wells - Nordhaus 716S

Nordhaus 717	SW/4 Sec. 13:T31N-R9W	
Working Interest Owner	Working Interest	
BP American Production Company		0.2500000
Conoco/Phillips - Burlington Resources Oil and Gas Company, LP		0.0750000
Koch Exploration Company, LLC		0.6750000
		1.0000000
Seymour 722S	NW/4 Sec. 21:T31N-R9W	
Working Interest Owner	Working Interest	
BP American Production Company		0.2500000
Conoco/Phillips - Burlington Resources Oil and Gas Company, LP		0.0750000
Koch Exploration Company, LLC		0.6750000
		1.0000000
Seymour 721	NE/4 Sec. 21:T31N-R9W	
Working Interest Owner	Working Interest	
BP American Production Company		0.2500000
Conoco/Phillips - Burlington Resources Oil and Gas Company, LP		0.0750000
Koch Exploration Company, LLC		0.6750000
		1.0000000

Koch Exploration Company, LLC



KOCH EXPLORATION COMPANY LLC

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

June 13, 2007

BP America Production Company
501 Westlake Park Blvd.
Houston Texas, 77079
Attn: John W. Larson

Re: Request for Administrative Approval of Unorthodox Well Location
Koch Exploration Company, LLC
Nordhaus Well No. 716 S API No. 30-045-32655
Basin-Fruitland Coal Formation
445' FSL and 2350' FEL
Section 13 (E/2) T31N, R9W, NMPM, San Juan County, New Mexico

Dear Mr. Larson:

Pursuant to New Mexico Oil Conservation Division (NMOCD) Rule 1207 and 1210 A(2), you are hereby notified that Koch Exploration Company, LLC has made application to the NMOCD for administrative approval for an unorthodox well location for its Nordhaus Well No. 716 S drilled at the surface and bottom-hole locations reflected above for a straight-hole well to the Basin-Fruitland Coal formation. A copy of the application is enclosed.

As the owner of an interest that may be affected, you have the right to object to the application. To do so, you must file a written protest with the NMOCD within twenty days. Failure to do so will prevent you from challenging the matter at a later time. A letter of protest may be sent to the NMOCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505.

Should you consent to the application and the proposed unorthodox well location, you are requested to indicate your waiver of objection by signing where indicated below and then returning this letter to me at your earliest convenience.

Sincerely

A handwritten signature in black ink, appearing to read 'Morgan G. Connor'.

Morgan G. Connor
Land Manager
Koch Exploration Company LLC

June 13, 2007
Page 2

CONSENT:

BP America Production Company

By: _____



KOCH EXPLORATION COMPANY LLC

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

June 13, 2007

Conoco/Phillips
3401 E. 30th
Farmington, New Mexico 87499
Attn: David Valdez

Re: Request for Administrative Approval of Unorthodox Well Location
Koch Exploration Company, LLC
Nordhaus Well No. 716 S API No. 30-045-32655
Basin-Fruitland Coal Formation
445' FSL and 2350' FEL
Section 13 (E/2) T31N, R9W, NMPM, San Juan County, New Mexico

Dear Mr. Valdez:

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Morgan J. Connor
Land Manager
Koch Exploration Company LLC

June 13, 2007

Page 2

CONSENT:

Conoco/Phillips

By: _____



RECEIVED

2007 JUN 20 AM 10:05

KOCH EXPLORATION COMPANY LLC

Sent Via Fax: 505 476-3462 and Federal Express Overnight Mail

June 19, 2007

Mr. Mark Fesmire, Director
New Mexico Oil Confederation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

Re: Request for Administrative Approval of Unorthodox Well Location
Koch Exploration Company, LLC
Nordhaus Well No. 716 S - API No. 30-045-32655
Basin-Fruitland Coal Formation
445' FSL and 2350' FEL
Section 13 (E/2) T31N, R9W, NMPM, San Juan County, New Mexico

Dear Mr. Fesmire:

By letter dated June 14, 2007, J. Scott Hall, with Miller Stratvert P.A., submitted on behalf of Koch Exploration Company, LLC, a filing of an Application for Administrative Approval Location for the above referenced well. In the package there were copies of the letters sent to BP America Production Company and Conoco/Phillips as "owner of an interest that may be affected...". Please find attached a faxed copy of the consent letter executed by BP America Production Company.

Please give me a call at 303-325-2569 should you have any questions.

Very truly yours,

Morgan J. Connor
Land Manager
Koch Exploration Company LLC

w/attachment

cc: J. Scott Hall, Miller Stratvert P.A. – w/o attachment



JUN 18 2007

KOCH EXPLORATION COMPANY LLC

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

June 13, 2007

BP America Production Company
501 Westlake Park Blvd.
Houston Texas, 77079
Attn: John W. Larson

Re: Request for Administrative Approval of Unorthodox Well Location
Koch Exploration Company, LLC
Nordhaus Well No. 716 S API No. 30-045-32655
Basin-Fruitland Coal Formation
445' FSL and 2350' FEL
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Sincerely

A handwritten signature in black ink, appearing to read "Morgan G. Connor".

Morgan G. Connor
Land Manager
Koch Exploration Company LLC



June 13, 2007
Page 2

CONSENT:

BP America Production Company

By:

Michael Rogers
Senior Counsel



RECEIVED

KOCH EXPLORATION COMPANY LLC

2007 JUN 22 AM 10:31

Sent Via Fax: 505 476-3462 and Federal Express Overnight Mail

June 20, 2007

Mr. Mark Fesmire, Director
New Mexico Oil Confederation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

Re: Request for Administrative Approval of Unorthodox Well Location
Koch Exploration Company, LLC
Nordhaus Well No. 716 S - API No. 30-045-32655
Basin-Fruitland Coal Formation
445' FSL and 2350' FEL
Section 13 (E/2) T31N, R9W, NMPM, San Juan County, New Mexico

Dear Mr. Fesmire:

By letter dated June 14, 2007, J. Scott Hall, with Miller Stratvert P.A., submitted on behalf of Koch Exploration Company, LLC, a filing of an Application for Administrative Approval Location for the above referenced well. In the package there were copies of the letters sent to BP America Production Company and Conoco/Phillips as "owner of an interest that may be affected...". Please find attached a faxed copy of the consent letter executed by ConocoPhillips. We have now provided copies with consent letters from all owners of an interest that may be affected.

Please give me a call at 303-325-2569 should you have any questions.

Very truly yours,



Morgan J. Connor
Land Manager
Koch Exploration Company LLC

w/attachment

xc: J. Scott Hall, Miller Stratvert P.A. – w/ attachment



KOCH EXPLORATION COMPANY LLC

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

June 13, 2007

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3401 E. 30th
Farmington, New Mexico 87499
Attn: David Valdez

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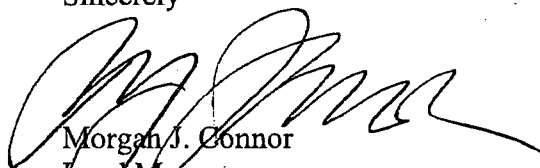
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Sincerely



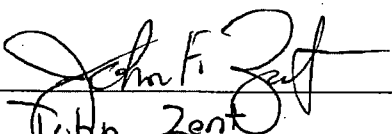
Morgan J. Connor
Land Manager
Koch Exploration Company LLC

June 13, 2007
Page 2

CONSENT:

~~ConocoPhillips~~ ConocoPhillips Company

By:


John Zent
Projects Development Manager



JUN 18 2007

KOCH EXPLORATION COMPANY LLC

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

June 13, 2007

BP America Production Company
501 Westlake Park Blvd.
Houston Texas, 77079
Attn: John W. Larson

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Sincerely

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Morgan G. Connor
Land Manager
Koch Exploration Company LLC



June 13, 2007

Page 2

CONSENT:

BP America Production Company

By:

Michael Rogers
Senior Landman