

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF KOCH EXPLORATION COMPANY,  
LLC FOR AN ORDER AUTHORIZING INCREASED  
WELL DENSITY AND SIMULTANEOUS DEDICATION  
ON CERTAIN NON-STANDARD SPACING UNITS IN THE  
BASIN-FRUITLAND COAL GAS POOL, SAN JUAN  
COUNTY, NEW MEXICO.**

**Case No. 13,841**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by BP America Production Company as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Koch Exploration Company, LLC

**APPLICANT'S ATTORNEY**

William F. Carr

**OPPONENT**

BP America Production Company  
P.O. Box 3092  
Houston, Texas 77253

**OPPONENT'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attention: J. William Hawkins  
(303) 830-3259

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks to drill several Fruitland Coal infill wells on undersigned units.

**OPPONENT**

BP America Production Company is a working interest owner in the subject well units. It believes that additional wells on the well units are unnecessary.

WVJ 12/7/06

**PROPOSED EVIDENCE****APPLICANT****WITNESSES****EST. TIME****EXHIBITS****OPPONENT****WITNESSES****EST. TIME****EXHIBITS**

David Reese  
(engineer)

15 min.

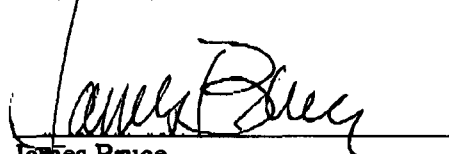
Approx. 4

J. William Hawkins  
(engineer)

possible witness

**PROCEDURAL MATTERS**

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for BP America Production  
Company