

# Koch Exploration Company, LLC

## Summary

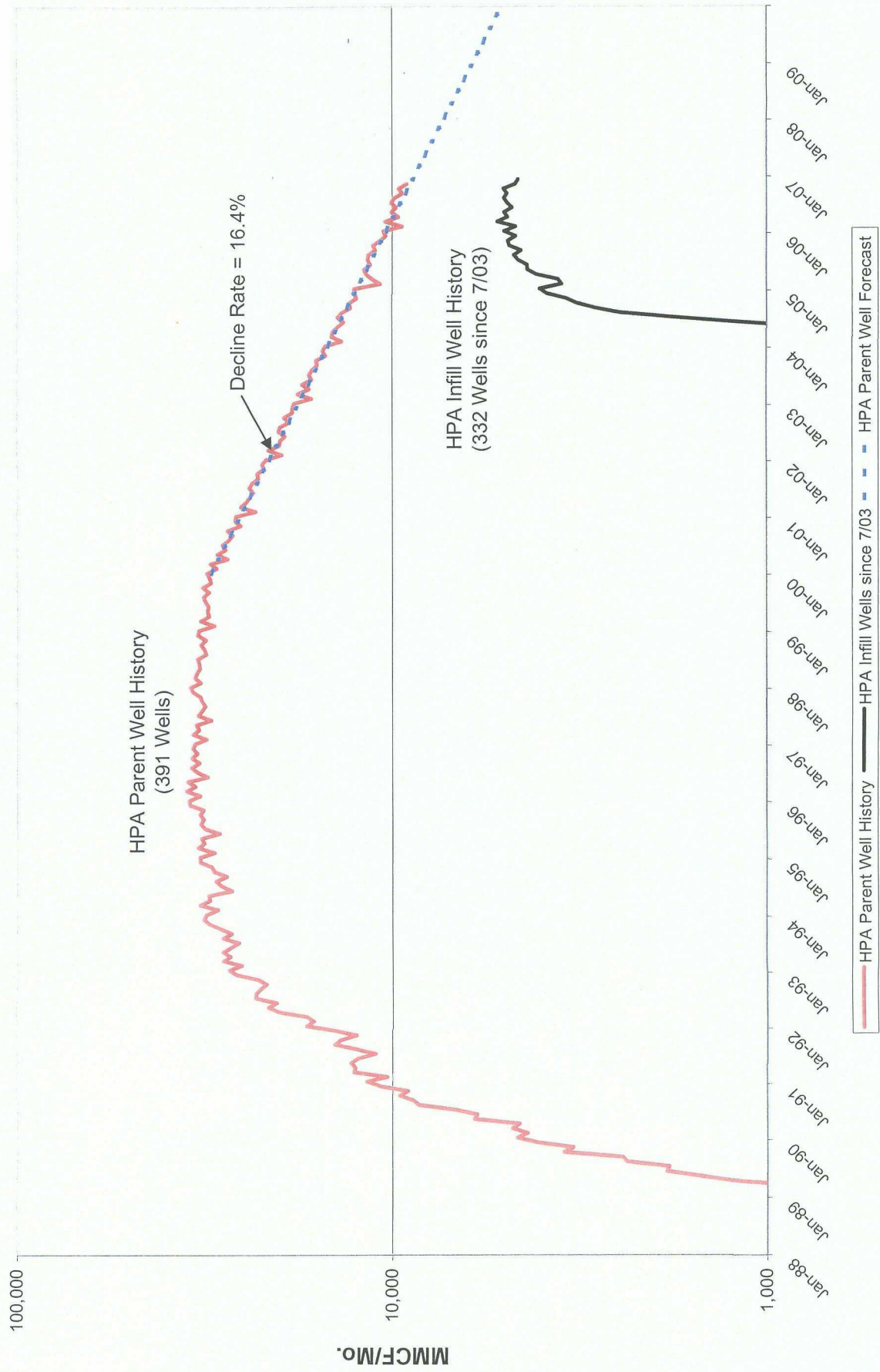
- The drilling of the requested exception locations will result in incremental recovery and the prevention of waste
- New wells at the exception locations will protect the correlative rights of our working and mineral interest owners
- Infill at the exception locations will continue the current drilling pattern
- Exception locations have been granted in 18 other non-standard sections within the HPA without special hearings
- The drilling of the exception locations will not adversely impact existing wells based on actual experience within the HPA and Pump Canyon vicinity
- The drilling of the exception locations is economically beneficial

# Fruitland Coal HPA Infill

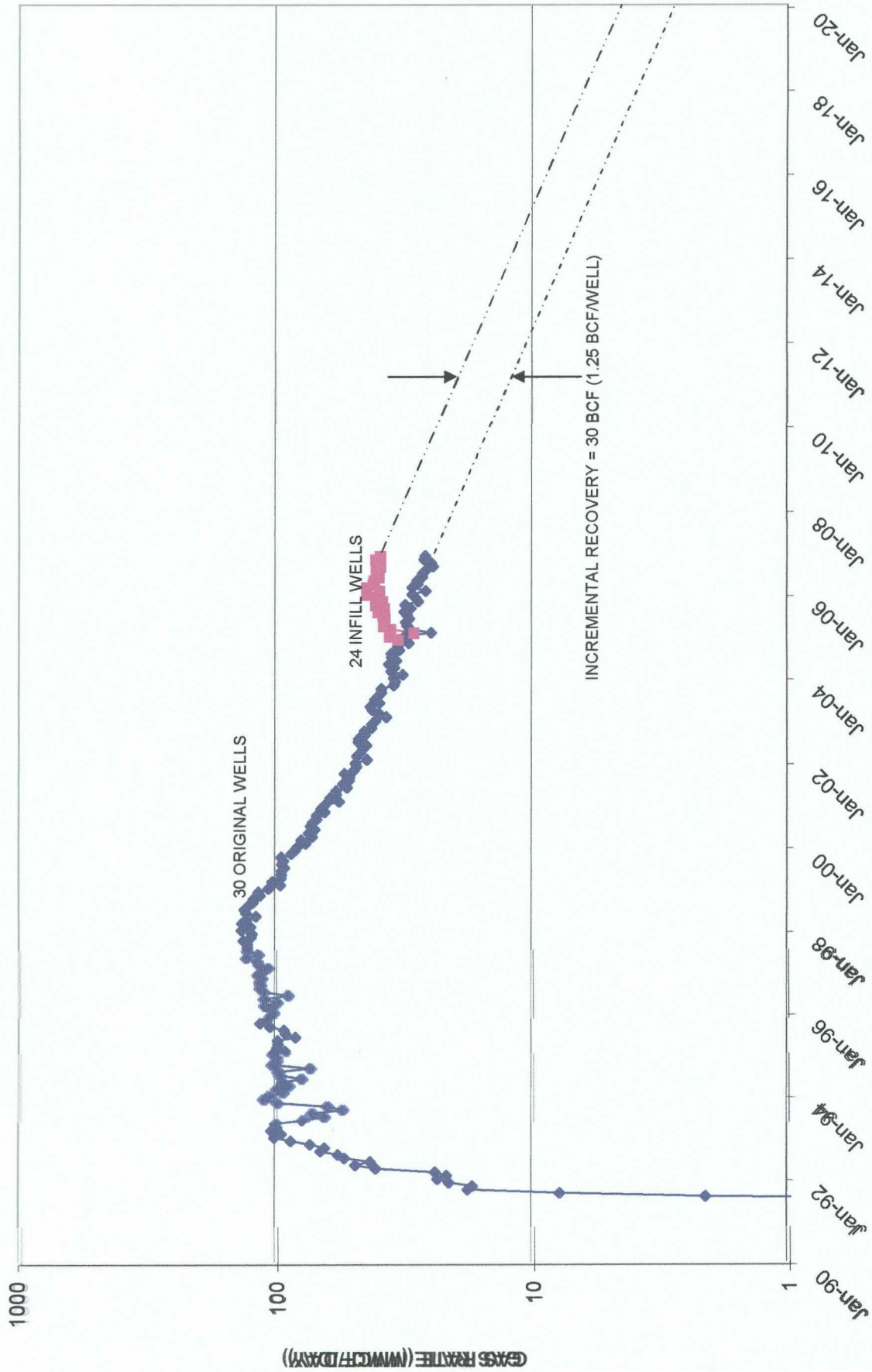
## Prevention of Waste

- Industry estimates of incremental reserve recovery for infill in the HPA sited during 2002/03 hearings:
  - 240 BCF to 640 BCF (Bill Hawkins, BP America)
  - 300 BCF to 600 BCF (Jeff Balmer, Ph.D., Burlington Resources)
- There are 205 sections contained within the HPA with 400 possible infill locations with four wells per section
- Based on above ranges, industry estimate of incremental reserve recovery is 600 to 1,600 MMCF per infill well (Hawkins estimate)
- Incremental Recovery in Pump Canyon Area (24 Wells):
  - Estimated incremental recovery range: 253 MMCF - 2,384 MMCF
  - Estimated average incremental recovery: 1,307 MMCF
- Estimated Incremental reserve recovery in proposed locations
  - Per location: 1,102 MMCF (above average recovery reduced by ratio of quarter section equivalent size to normal quarter section)
  - Total estimated incremental recovery: 3,306 MMCF
- This represents a valuable resource

### HIGH PRODUCTIVITY AREA PARENT & INFILL WELL PERFORMANCE



KOCH EXPLORATION COMPANY, LLC  
 OPERATED PRODUCTION T31N-R9W & T31N-R8W



NMOCC CASE NO. 13841  
 MAY 17, 2007  
 KOCH EXPLORATION, LLC  
 EXHIBIT NO. 18B