

2007 MAY 10 PM 8:55  
STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE 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. 13841  
ORDER NO. R-12723  
DE NOVO

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Miller Stratvert P.A. (J. Scott Hall) on behalf of KOCH EXPLORATION COMPANY, LLC, as required by the Oil Conservation Commission.

**APPEARANCES**

**APPLICANT'S ATTORNEY**

J. Scott Hall, Esq.  
Miller Stratvert P.A.  
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Post Office Box 1986  
Santa Fe, New Mexico 87504  
(505) 989-9614

**APPLICANT**

Koch Exploration Company, LLC

**OPPONENT'S ATTORNEY**

James Bruce, Esq.  
Post Office Box 1056  
Santa Fe, New Mexico 87504

**OPPONENT**

BP America Production Company

## STATEMENT OF THE CASE

### APPLICANT

Applicant seeks authorization to drill an additional coal gas well at a standard location in each of three existing, pre-approved non-standard gas spacing units in the high productivity area of the Basin-Fruitland Coal Gas Pool. These three GPU's comprise the following acreage located in the narrow, irregular sections along the west side of Township 31 North, Range 8 West: (a) W/2 equivalent of Section 6 and the NW/4 equivalent of Section 7 (the additional well is proposed at a standard location in the NW/4 of Section 6); (b) SW/4 equivalent of Section 7 and W/2 equivalent of Section 18 (the additional well is proposed at a standard location in the NW/4 of Section 18); and (c) W/2 equivalent of Section 19 and the NW/4 equivalent of Section 30 (the additional well is proposed at a standard location in the NW/4 of Section 19).

Approval will authorize the Applicant to drill these infill wells at standard locations consistent with the existing development pattern in the area of four wells per section. The production of additional, incremental coal gas reserves that will otherwise go un-recovered will result.

Applicant also seeks authorization to simultaneously dedicate each of these units to the three coal gas wells located thereon. This area is located approximately 6.5 miles west of the Los Pinos arm of the Navajo Reservoir approximately 30.66 miles north of Aztec, New Mexico.

### OPPOSITION OR OTHER PARTY

## PROPOSED EVIDENCE

### APPLICANT

#### **WITNESSES**

	<b>EST. TIME</b>	<b>NO. OF EXHIBITS</b>
Morgan J. Conner (Land Manager)	20 Minutes	10
Bob Wright (Petroleum Engineer)	20 Minutes	8
Glenn Baack (Geologist)	20 Minutes	12

### OPPOSITION

WITNESSES

EST. TIME

NO. OF EXHIBITS

PROCEDURAL MATTERS

MILLER STRATVERT P.A.

By: J. Scott Hall  
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Attorneys for Koch Exploration  
Company, LLC

**Certificate of Mailing**

I hereby certify that a true and correct copy of the foregoing was delivered to counsel of record on the 10 day of May, 2007, as follows:

James Bruce, Esq.  
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J. Scott Hall  
J. Scott Hall