



September 14, 2007

Patrick J. Rogers
505.848.1849
Fax: 505.848.1891
patrogers@modrall.com

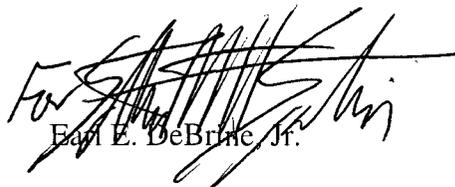
Forene Davidson
New Mexico Energy Minerals & Natural Resources
Oil Conservation Division
1220 S. St. Francis, Dr.
Santa Fe, NM 87505-4000

Re: In the Matter of the Application of Chevron USA, Inc. for Approval of a Pilot Project for the Purpose of Determining Proper Well Density Requirements for Wells in the Basin-Fruitland Coal Gas Pool, San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico

Dear Ms. Davidson:

Enclosed are the original Entry of Appearance and Pre-Hearing Statement in the above-referenced matter, which were faxed to your office for filing yesterday. Please endorse the enclosed copies and return in the envelope provided. Thank you for your assistance in this matter.

Sincerely,


Earl E. DeBrine, Jr.

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Enclosures
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WVST 9/17/07

Modrall Sperling
Roehl Harris & Sisk P.A.

Bank of America Centre
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

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

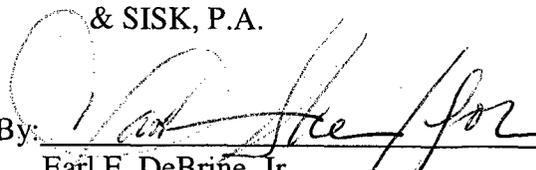
IN THE MATTER OF THE APPLICATION
OF CHEVRON USA, INC. FOR APPROVAL OF A PILOT
PROJECT FOR THE PURPOSE OF DETERMINING
PROPER WELL DENSITY REQUIREMENTS FOR WELLS
IN THE BASIN-FRUITLAND COAL GAS POOL
SAN JUAN, RIO ARRIBA, McKINLEY AND
SANDOVAL COUNTIES, NEW MEXICO

CASE NO. 13991

ENTRY OF APPEARANCE

Modrall, Sperling Roehl, Harris & Sisk, P.A. (Earl E. DeBrine, Jr.) hereby enters its
appearance on behalf of Koch Exploration Company, LLC as required by the Oil Conservation
Division.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

Earl E. DeBrine, Jr.
Attorneys for Koch Exploration Co., LLC
Post Office Box 2168
Bank of America Centre, Suite 1000
500 Fourth Street, N.W.
Albuquerque, New Mexico 87103-2168
Telephone: (505) 848-1800

W. J. DeBrine

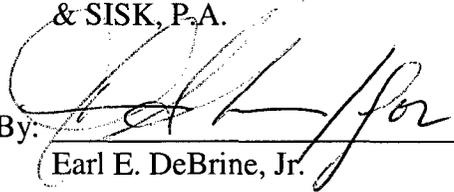
WE HEREBY CERTIFY that a true
and correct copy of the foregoing
pleading was faxed to counsel of record
this 13th day of September, 2007.

William F. Carr, Esq.
Holland & Hart
110 North Guadalupe Street, Suite 1
P.O. Box 2208
Santa Fe, NM 87504
(505) 988-4421/Fax: (505) 983-6043

Thomas W. Kellahin, Esq.
Kellahin & Kellahin
706 Gonzales Rd.
Santa Fe, NM 87501-8744
(505) 982-4285

James G. Bruce
James G. Bruce Attorney at Law
P.O. Box 1056
Santa Fe, NM 87504-1056
(505) 982-2043

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

Earl E. DeBrine, Jr.

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

IN THE MATTER OF THE APPLICATION
OF CHEVRON USA, INC. FOR APPROVAL OF A PILOT
PROJECT FOR THE PURPOSE OF DETERMINING
PROPER WELL DENSITY REQUIREMENTS FOR WELLS
IN THE BASIN-FRUITLAND COAL GAS POOL
SAN JUAN, RIO ARRIBA, MCKINLEY AND
SANDOVAL COUNTIES, NEW MEXICO

CASE NO. 13991

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Modrall Sperling Law Firm (Earl E. DeBrine, Jr.) on behalf of Koch Exploration Company, LLC as required by the Oil Conservation Division.

APPEARANCES

APPLICANT'S ATTORNEY

William F. Carr, Esq.
Holland & Hart
110 North Guadalupe Street, Suite 1
P.O. Box 2208
Santa Fe, NM 87504
(505) 988-4421/Fax: (505) 983-6043

APPLICANT

Chevron USA, Inc.

OPPONENT'S ATTORNEY

Thomas W. Kellahin, Esq.
Kellahin & Kellahin
706 Gonzales Rd.
Santa Fe, NM 87501-8744
(505) 982-4285

OPPONENT

Burlington Resources

James G. Bruce
James G. Bruce Attorney at Law
P.O. Box 1056
Santa Fe, NM 87504-1056
(505) 982-2043

Devon Energy

WSP 8/2/07

OTHER PARTY'S ATTORNEY

Earl E. DeBrine, Jr.
Modrall Sperling Law Firm
Post Office Box 2168
Bank of America Centre, Suite 1000
500 Fourth Street, N.W.
Albuquerque, New Mexico 87103-2168
Telephone: (505) 848-1800

OTHER PARTY

Koch Exploration Company, LLC

STATEMENT OF THE CASE

APPLICANT

Applicant seeks approval for a pilot program in the Fruitland Coal formation, Basin-Fruitland Coal Gas Pool, to gather data to determine the appropriate well density in the Fruitland Coal formation for wells in pools governed by the “Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool” which currently limits well density to two wells on each 320 acre standard gas spacing unit. The pilot project area encompasses all or a portion of the following acreage in San Juan County, New Mexico:

Township 31 North, Range 7 West, NMPM

Sections 2, 3 and 10

KOCH EXPLORATION COMPANY’S

STATEMENT OF THE CASE

Koch Exploration Company is an active operator of wells and owner of leasehold interests in the Basin-Fruitland Coal Gas Pool in the immediate vicinity of the area that is the subject of the Application filed in this matter and is therefore an interested party. Koch Exploration Company, LLC has not been provided with sufficient information to determine whether it will ultimately support or oppose the relief requested in this Application but it reserves its right to present testimony at the hearing concerning the desirability of adopting the Pilot Project.

PROPOSED EVIDENCE

WITNESSES

EST. TIME 30 Minutes

NO. OF EXHIBITS

Robert Wright, Reservoir Engineer – Mr Wright may testify concerning the propriety of adopting the Chevron Pilot Project.

PROCEDURAL MATTERS

MODRALL SPERLING LAW FIRM

By: 

Modrall Sperling Law Firm
Post Office Box 2168
Bank of America Centre, Suite 1000
500 Fourth Street, N.W.
Albuquerque, New Mexico 87103-2168
Telephone: (505) 848-1800

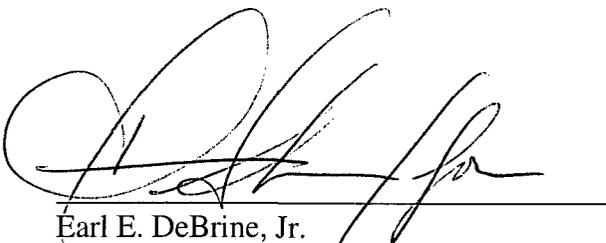
Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of record on the 13th day of September, 2007, as follows:

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