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BP America Production Company
1660 Lincoln Street, Suite 2900
Denver CO 80264

February 13, 2008

Mr. Mark Fesmire, P.E.
Director
Oil Conservation Division
1220 St. Francis Drive
Santa Fe, New Mexico 87505

RE: NMOCD Case No. 14092: Application of Koch Exploration Company for Exception to Well Density Provisions of Special Rules and Regulations for the Basin Fruitland Coal Gas Pool, San Juan County, New Mexico

Dear Mr. Fesmire:

BP America Production Company is one of the largest oil and gas producers in New Mexico. We are an operator in the Basin Fruitland Coal Gas Pool with well operations near Koch's proposed increased density.

BP objects to the application by Koch to increase the well density in the Basin Fruitland Coal Pool in the six spacing units operated by Koch in T29N-R9W. If their application is approved, these six spacing units would be the only place in the pool where 4 wells per 320-acre spacing unit would be allowed. Approval of Koch's application would potentially violate the correlative rights of offset owners with only 2 wells per 320-acre spacing unit.

BP participates with the NMOCD, the BLM and many Basin Fruitland Coal operators on the Coalbed Methane Committee. This Committee was established to coordinate efforts of the agencies and operators to make recommendations on Basin Fruitland Coal pool rules. In the past, the Committee members have worked together to evaluate potential infill areas and participated in many NMOCD hearings regarding the pool spacing. We would suggest that Koch work with the Coalbed Methane Committee on this issue.

Sincerely,

James W. Hawkins
BP San Juan Regulatory Consultant