

**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

WVJ 12/17/06

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.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

David Reese
(engineer)

15 min.

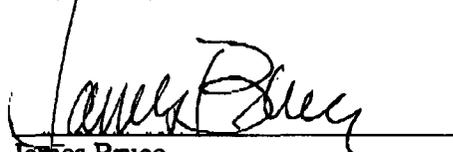
Approx. 4

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