

**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:**

CASE NO. 13841

**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.**

2006 DEC 6 PM 3 00

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Koch Exploration & Production Co.
Attn: Mr. Morgan J. Connor
9777 Pyramid Court
Englewood, Colorado 80112
(303) 325-2569

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
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(505) 988-4421

OPPOSITION

BP America Production Company

ATTORNEY

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STATEMENT OF CASE

APPLICANT

Applicant seeks authorization to drill an additional coal gas well at a standard location in each of three existing non-standard gas spacing units in the Basin-Fruitland Coal Gas Pool. These three GPU's comprise the following acreage located in the narrow 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).

Applicant also seeks authorization to simultaneously dedicated 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.

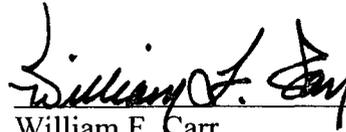
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Morgan J. Connor (Land Manager)	Approx. 20 Minutes	Approx. 5
Bob Wright (Petroleum Engineer)	Approx. 20 Minutes	Approx. 15

PROCEDURAL MATTERS

Koch Exploration Company, LLC, has none at this time.



William F. Carr

Attorney for Koch Exploration Company,
LLC

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CERTIFICATE OF SERVICE

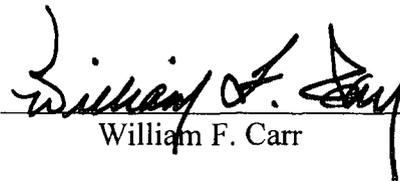
I certify that on December 6, 2006 I served a copy of the foregoing document to the following
by

U.S. Mail, postage prepaid

Hand Delivery

Fax

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