

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. 13,933

APPLICATION OF BURLINGTON RESOURCES)
 OIL AND GAS COMPANY, LP, FOR APPROVAL)
 OF A PILOT SEQUESTRATION INJECTION WELL)
 PROJECT, SAN JUAN COUNTY, NEW MEXICO)

OFFICIAL EXHIBIT FILEEXAMINER HEARING

BEFORE: DAVID K. BROOKS, Jr., Legal Examiner
 RICHARD EZEANYIM, Technical Examiner

June 21st, 2007

Santa Fe, New Mexico

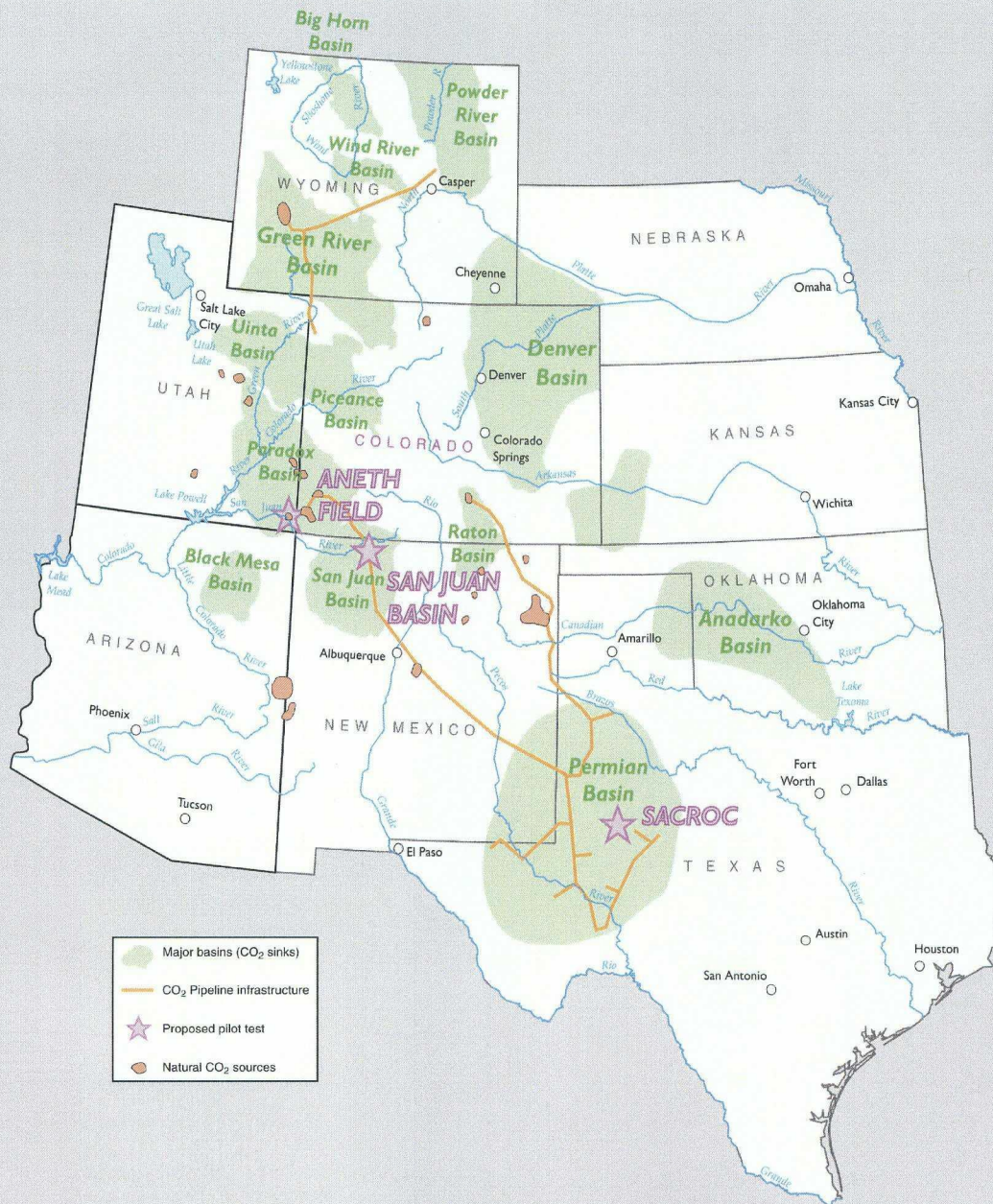
This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Jr., Legal Examiner, and RICHARD EZEANYIM, Technical Examiner, on Thursday, June 21st, 2007, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

Burlington Resources

Carbon Dioxide Sequestration Project

Fruitland Coal Formation



NMOCD Case # 13933
June 21, 2007

KELLAHIN & KELLAHIN
Attorney at Law

W. THOMAS KELLAHIN
706 GONZALES ROAD
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-4285
FACSIMILE 505-982-2047
TKELLAHIN@COMCAST.NET

May 8, 2007

**TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW MEXICO OIL
CONSERVATION DIVISION CASE:**

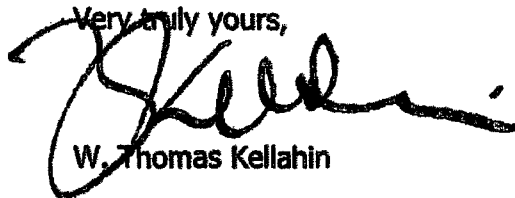
**Re: Application of Burlington Resources Oil & Gas Company LP for approval of
a Pilot Sequestration Injection Well Project, Basin Fruitland Coal Gas Pool
San Juan County, New Mexico**

On behalf of Burlington Resources Oil & Gas Company LP, please find enclosed our application for approval of a Pilot Sequestration Injection Well Project that has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for 8:15 a.m. on June 7, 2007. The hearing will be held in Porter Hall in the Division's offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505.

As an offsetting operator who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Rule 1208.B, you are further notified that if you desire to appear in this case or to oppose the proposed risk charge (See Order R-11992), then you are required to file a Pre-Hearing Statement with the Division not later than 5:00 PM on Thursday, May 31, 2007, with a copy delivered to the undersigned. The Pre-Hearing Statement should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and the identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,



W. Thomas Kellahin

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

CASE NO. _____

**Application of Burlington Resources Oil & Gas Company LP
for approval of a Pilot Sequestration Injection Well Project
within the Basin Fruitland Coal Gas Pool
San Juan County, New Mexico**

2007 MAY 7 PM 4 43

APPLICATION

Burlington Resources Oil Gas Company LP ("Burlington"), a wholly owned subsidiary of ConocoPhillips Company, by its attorneys, Kellahin & Kellahin, applies to the New Mexico Oil Conservation Division ("Division") for an order approving a pilot sequestration injection well project within a project area consisting of all of Section 32, T31N R8W, including the drilling of an CO2 injection well at an unorthodox location 2500 feet FNL and 2665 feet FWL (Unit F) of Section 32 for injection within an interval from 3123 feet to 3148 feet into the Fruitland formation of Basin Fruitland Coal Gas Pool, for the purpose of testing the feasibility of disposal of carbon dioxide as a alternative to the current practice of venting carbon dioxide to the atmosphere and to test the feasibility of enhancing methane production from offset wells.

In support of its application Burlington states:

- (1) Burlington is the current operator of the Fruitland Coal Gas Pools wells within Section 32, T31N, R8W, San Juan County, New Mexico. **See locator Map attached as Exhibit "A"**
- (2) On June 2, 2005, Governor Richardson issued Executive Order EO-2005-033 establishing greenhouse gas emission reduction goals for New Mexico and called for the creation of the Climate Change Advisory Group.

- (3) This Advisory Group, consisting of about 40 representatives from tribes, industry, agriculture, universities and our national labs and environmental nonprofit groups, forwarded sixty-nine (69) recommendations covering the sectors of energy supply with the impact of implementing these recommendations expected to result in net savings of \$2 billion to New Mexico's economy while reducing the equivalent of 267 million metric tons of carbon dioxide through the year 2020.
- (4) On December 28, 2006, Governor Richardson issued Executive Order EO-2006-69 expanding the reduction goals set forth for the state in Executive Order 2005-033 and implementing these progressive recommendations.
- (5) As part of this implementation, New Mexico Tech in partnership with United State Department of Energy (DOE) and members of the oil and gas industry, including Burlington, propose this pilot project to see if carbon dioxide currently produced as a waste byproduct of the production of gas from the Fruitland Coal formation can be re-injected and isolated in that formation, i.e. "sequestered."
- (6) Burlington, in cooperation with New Mexico Tech and the DOE, has agreed to operate this pilot project.
- (7) Section 32, T31N, R8W has been selected by Burlington as the proposed Pilot Project Area that currently contains 10 producing wells. **See tabulation of current wells attached as Exhibit "B"**
- (8) If approved, Burlington proposes to drill from one injection wellbore at a location 2500 feet FNL and 2665 feet FWL of this section, a location that would be unorthodox if it were a producing well in the Basin Fruitland Coal Gas Pool. **See Division form C-102, attach as Exhibit "C"**
- (9) In accordance with Division Rule 701, Burlington seeks a permit for the injection of carbon dioxide gas for storage in the Fruitland formation of the Basin Fruitland Coal Gas Pool and approval of its Division Form C-108, **See completed form C-108, attached as Exhibit "D"**

(10) Approval of a Pilot Project will afford an opportunity to:

- a. Determine the optimum injection rate:
 - i. Maximum rate and corresponding pressure
 - ii. Stabilized rate and pressure
 - iii. Permeability changes (coal swelling)
 - iv. Fracture gradients (over time)
- b. Evaluate the sequestration potential:
 - i. Replacement ratio
 - ii. Injection conformance
 - iii. Gross adsorption capacity at varying pressures

(11) Notice of this application and the requested hearing will to be sent to all operators of all wells within 1 mile of the outer boundaries of this pilot project area.

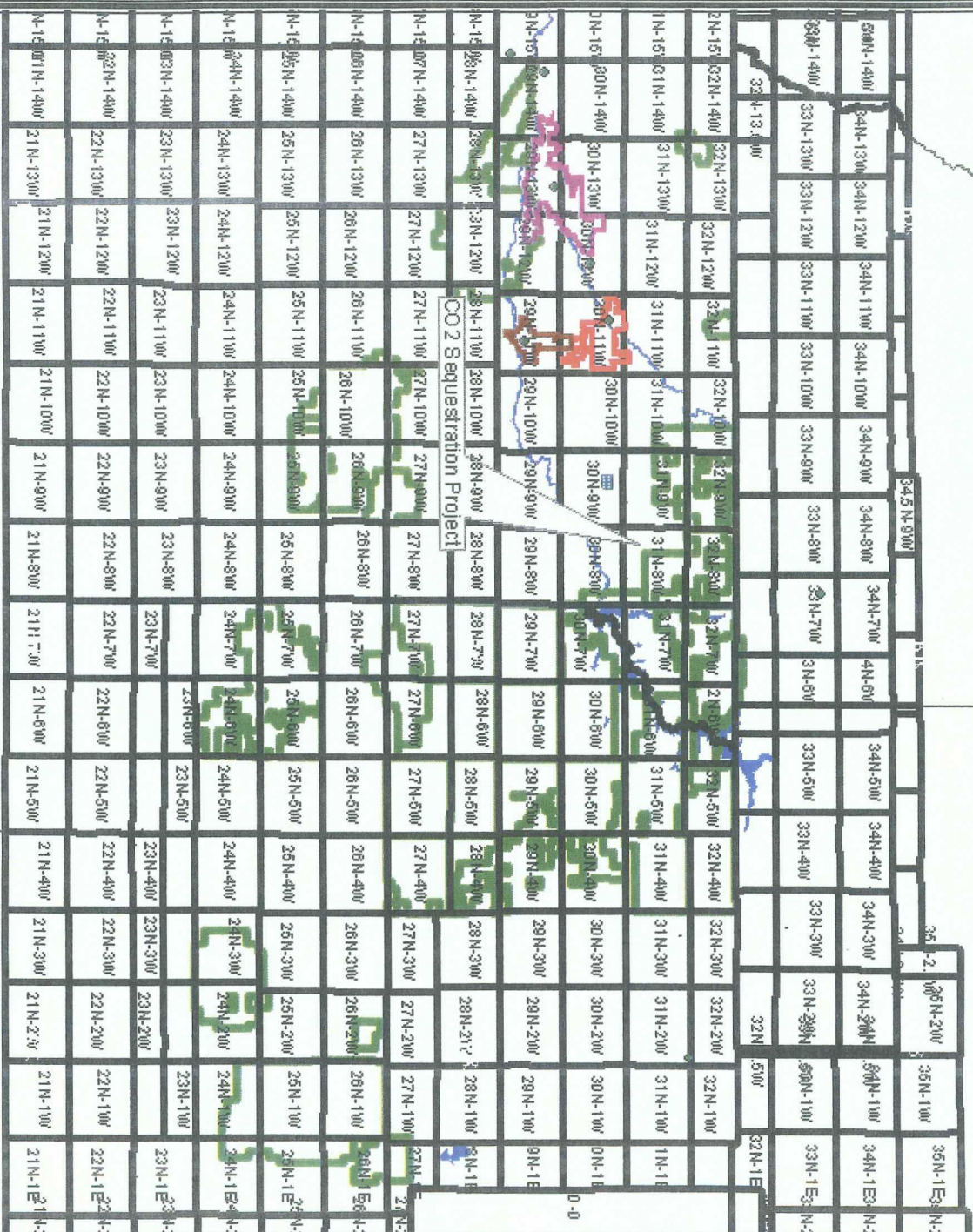
(12) Approval of this application is in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Burlington requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 7, 2007 and after notice and hearing as required by law, the Division enter its order approving this application.

RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN
706 Gonzales Road
Santa Fe, New Mexico 87501
(505) 982-4285



Legend

- U.S. Cities (SJD)
- SJD State Names
- SJD County Names
- AZTEC
- BLOOMFIELD
- FARMINGTON
- Townships_(SJD)
- San Juan Federal Units
- SDE.COUNTIES_TOBIN
- U.S. Water Bodies (SJD)

BURLINGTON RESOURCES

1970 g28 - 1" equals 80.911'

GCS North American 1983

Unpublished work, Burlington Resources, Inc.

PLAT

Feet

BURLINGTON RESOURCES *San Juan* **CO2 Sequestration Project**

Prepared By: Alan Alexander Date: 5/1/2007

File Number: Revised Date: 5/1/2007

The information on this map is for informational purposes only and does not constitute a contract.

Exhibit B

API NUMBER	WELL NAME	WELL #	CURRENT OPERATOR	FORMATION	SEC	TWNSHP	RANGE	UN LTR
300452093400	EPNG COM A	2A	BURLINGTON RESOURCES O&G CO LP	MESAVERDE	32	31N	8W	D
300452687700	EPNG COM A	300	BURLINGTON RESOURCES O&G CO LP	FRUITLAND COAL	32	31N	8W	K
300453192900	EPNG COM A	300S	BURLINGTON RESOURCES O&G CO LP	FRUITLAND COAL	32	31N	8W	D
300452130400	EPNG COM I	10	BURLINGTON RESOURCES O&G CO LP	MESAVERDE/DAKOTA	32	31N	8W	F
300451004400	EPNG STATE	2	BURLINGTON RESOURCES O&G CO LP	MESAVERDE	32	31N	8W	M
300452747900	FC STATE COM 1		CONOCOPHILLIPS COMPANY	FRUITLAND COAL	32	31N	8W	G
300452011300	STATE COM AL 36		CONOCOPHILLIPS COMPANY	MESAVERDE/DAKOTA	32	31N	8W	O
300452403900	STATE COM-AL 36-E		CONOCOPHILLIPS COMPANY	MESAVERDE/DAKOTA	32	31N	8W	G
300453288500	STATE COM-AL 36-F		CONOCOPHILLIPS COMPANY	MESAVERDE/DAKOTA	32	31N	8W	I
300453289700	STATE COM-AL 36-M		CONOCOPHILLIPS COMPANY	MESAVERDE/DAKOTA	32	31N	8W	A
300452170200	STATE COM-K	7-A	CONOCOPHILLIPS COMPANY	MESAVERDE	32	31N	8W	P

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

Form C-101
Permit 51821

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address BURLINGTON RESOURCES OIL & GAS COMPANY LP 3401 E. 30TH STREET FARMINGTON , NM 87402		2. OGRID Number 14538	
		3. API Number	
4. Property Code 6979	5. Property Name EPNG COM A		6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	32	31N	08W	F	2500	N	2665	W	SANDOVAL

8. Pool Information

BASIN FRUITLAND COAL (GAS)	71629
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Additional Well Information

9. Work Type New Well	10. Well Type CO2	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 6321
14. Multiple N	15. Proposed Depth 3257	16. Formation Fruitland Coal	17. Contractor	18. Spud Date
Depth to Ground water 101		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 4400 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	32.3	200	162	0
Intl	8.75	7	20	3080	452	0
Prod	6.25	5.5	15.5	3257	0	3050

Casing/Cement Program: Additional Comments

A 7" Reliant Series Model M Mechanical Set Single String Retrievable packer from Baker Oil Tools will be set @ approx. 3040'. Tubing will be 2-7/8" 6.4# J-55.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	Schafer
DoubleRam	2000	2000	Schafer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
 I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐ a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

OIL CONSERVATION DIVISION

Printed Name: Electronically filed by Juanita Farrell

Approved By:

Title: Regulatory Specialist

Title:

Email Address: juanita.r.farrell@conocophillips.com

Approved Date:

Expiration Date:

Date: 5/4/2007

Phone: 505-599-3419

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 51821**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 6979	5. Property Name EPNG COM A	6. Well No. 001
7. OGRID No. 14538	8. Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	9. Elevation 6321

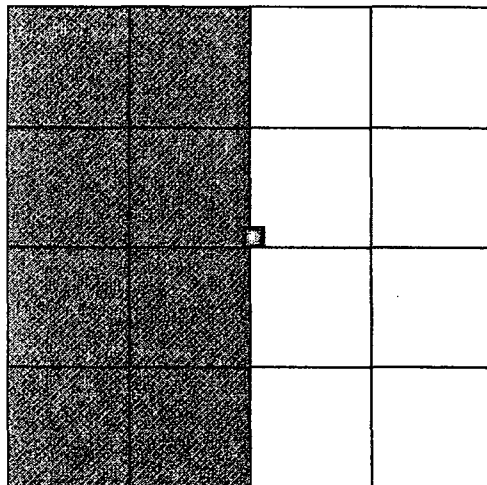
10. Surface Location

UL - Lot F	Section 32	Township 31N	Range 08W	Lot Idn	Feet From 2500	N/S Line N	Feet From 2665	E/W Line W	County SANDOVAL
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00		13. Joint or Infill		14. Consolidation Code		15. Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Juanita Farrell

Title: Regulatory Specialist

Date: 5/4/2007

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Glen W. Russell

Date of Survey: 2/23/2007

Certificate Number: 15703

Permit Comments

Operator: BURLINGTON RESOURCES OIL & GAS COMPANY LP , 14538

Well: EPNG COM A #001

API:

Created By	Comment	Comment Date
PLCLUGSTON	This is a CO2 injection well. We will be submitting a C108 permit and taking this well to hearing for approval. We have entered in to a partnership with the NM Tech and the Department of Energy on the project. And the project will run for a year.	4/18/2007
PLCLUGSTON	Will be using a uncement liner for the production casing on this well.	4/25/2007
PLCLUGSTON	The pit sundry will be submitted after the APD is approved	4/25/2007

APPLICATION FOR AUTHORIZATION TO INJECT

PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance XX Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No

II. OPERATOR: Burlington Resources Oil & Gas, LP

ADDRESS: 3401 East 30th Street, Farmington, NM 87402

CONTACT PARTY: Patsy Clugston PHONE: 505-326-9518

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes XX No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Patsy Clugston TITLE: Regulatory Specialist

SIGNATURE: Patsy Clugston DATE: _____

E-MAIL ADDRESS: clugspl@conocophillips.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted.
Please show the date and circumstances of the earlier submittal: _____



WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.



XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.



NOTE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

OPERATOR: BURLINGTON RESOURCES OIL & GAS, LPWELL NAME & NUMBER: EPNG COM A INJ #1WELL LOCATION: 2500' FNL & 2665' FWL F 32 SECTION T31N TOWNSHIP R08W RANGE
FOOTAGE LOCATION UNIT LETTERWELLBORE SCHEMATIC

See attached wellbore schematic

WELL CONSTRUCTION DATA
Surface CasingHole Size: 12-1/4" Casing Size: 9-5/8" set @ 200'
Cemented with: 162 sx or ft³
Top of Cement: SURFACE Method Determined: CIRCULATEDIntermediate CasingHole Size: 8-3/4" Casing Size: 7" set @ 3080'
Cemented with: 452 sx or ft³
Top of Cement: SURFACE Method Determined: CIRCULATEDProduction CasingHole Size: 6-1/4" Casing Size: 5-1/2" 3050' - 3257'
Cemented with: NONE or ft³
Top of Cement: N/A Method Determined:
Total Depth: 3257' PBTD: 3257'Injection Interval7524' feet To 7868'

(Perforated) or Open Hole; indicate which)



Other Type of Tubing/Casing Seal (if applicable): W-7" seal bore

1. Is this a new well drilled for injection? XX Yes XX No

If no, for what purpose was the well originally drilled?

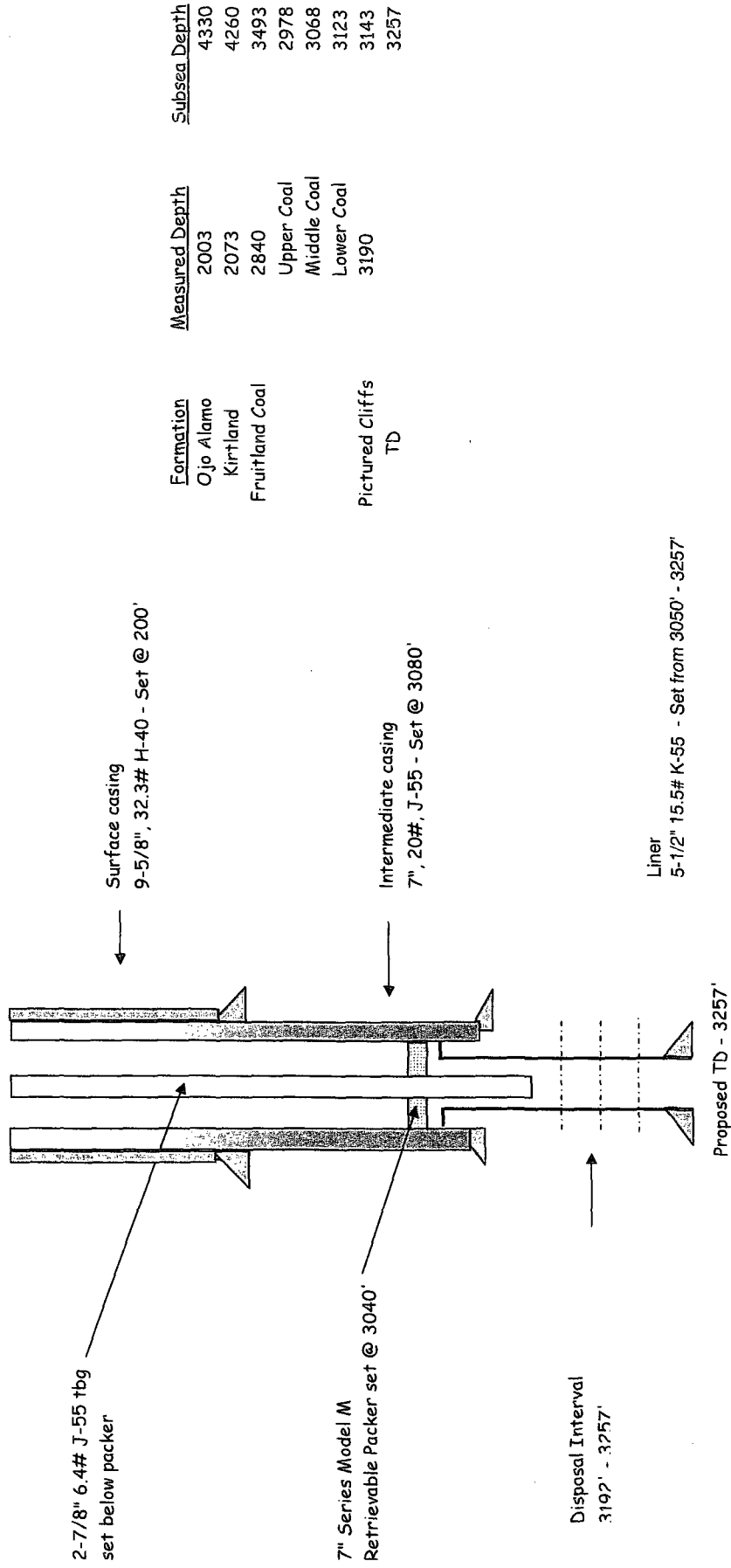
2. Name of the Injection Formation: _____ Fruitland Coal
3. Name of Field or Pool (if applicable): _____ Basin Fruitland Coal
4. Has the well ever been perforated in any other zone(s)? No
List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Fruitland Coal – Top @ 2842'; Pictured Cliffs -- Top @ 3192'

EPNG Com A INJECTION Well #1

Lease - E-1196-B
Unit F, 2500' FNL & 2665' FWL
Sec. 32, T31N, R8W
San Juan County, New Mexico

Proposed Wellbore Schematic



Burlington Resources Oil & Gas, LP
Application for Authorization to Inject
EPNG COM A INJ #1
Unit F (SEnw), 2500' FNL & 2665' FWL,
Section 32, T31N, R8W,
San Juan County, New Mexico

I. Purpose is CO2 Sequestration Project

II. Operator: Burlington Resources Oil & Gas, LP
Operator phone Number: (505) 326-9700
Operator address: 3401 East 30th Street
Farmington, New Mexico 87402
Contact: Patsy Clugston, Regulatory Specialist
Phone: (505) 326-9518

- III. A. (1) Lease: State Lease - E-1196-B
Lease Size: 160 Acres
Lease Area: NW/4 of Section 32, T31N, R8W
Closest Lease Line: 35'
Well Name and Number: EPNG COM A INJ #1
Well Location: Unit F (SEnw), 2500' FNL & 2665' FWL
Section 32, T31N R8W - See Exhibit A (plat)
- A. (2) Surface Casing - 9-5/8", 32.3 ppf, H-40 ST&C casing
Intermediate - 7", 20# J-55 ST&C casing
Production Casing - 5-1/2", 15.5 ppf, K-55 LTC casing
- A. (3) Tubing will be - 2-7/8" 6.4# J-55
- A. (4) Packer Placement - 7" Reliant Series Model M Mechanical set Single
String Retrievable packer from Baker Oil Tools & will be set @
approximately 3040'.
- B. (1) Disposal zone will be Basin Fruitland Coal
- B. (2) Disposal interval will be 3192' - 3257'
- B. (3) The original purpose will be the CO2 Sequestration Project
- B. (4) Fruitland Coal

IV. Is this an expansion of an existing project? _____ YES XX NO

If yes, give the Division order number authorizing the Project: N/A

V. Attach a map that identifies all wells and leases with two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

See Attachment B (wells) & C (leases)

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion and a schematic of any plugged well illustrating all plugged detail. (See completion reports on wells within area of review - Attachment D).

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected: Anticipate maximum injection rate is 2 MMCFD with an average of 1.5 MMCFD. Duration will be for one year.
2. Whether the system is open or closed: The system will be closed.
3. Proposed average and maximum injection pressure: Anticipate average injection pressure at the surface is 1000 psi with a maximum of 1135 psi. Plans for completion include continuous surface monitoring of Downhole pressure. In this instance the average Downhole injection pressure would be 1550 psi with a maximum of 1995 psi.
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than re-injected produced water: The injected CO₂ will be supplied by Kinder Morgan. The purity of the CO₂ is in excess of 95% with 4% N₂.
5. If injection is for disposal purposes into a zone not productive of oil or gas within one mile of the proposed well, attached a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.). The injection zone is productive of hydrocarbons.

VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geological name, thickness and depth. Give the geologic name, and depth to the bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

The proposed injection zones are permeable coal intervals within the Upper Cretaceous Fruitland Formation (Basin Fruitland Coal Pool). The proposed test is expected to encounter three separate coal bearing packages between depths of 2978 to 3165. The test is expected to penetrate 26' of net coal in a Lower Coal interval with average bulk density of 1.55 g/cc, 15' of net coal in a Middle Coal interval with average bulk density of 1.62 g/cc, and 12' of net coal in an Upper Coal interval with average bulk density of 1.57 g/cc. Estimated formation tops:

<u>Formation</u>	<u>Measured Depth</u>	<u>Subsea Depth</u>
Ojo Alamo	2003	+4330
Kirtland	2073	+4260
Fruitland Coal		2840 +3493
Upper Coal		2978 +3355
Middle Coal		3068 +3265
Lower Coal		3123 +3210

Pictured Cliffs
TD

3190 +3143
3255 +3078

Two water wells have been drilled within a 2 mile radius of the proposed test according to review of records from the New Mexico Office of the State Engineer. A well located in NE/4 of Section 30-T31N-R8W was drilled by El Paso Natural Gas in October 1952 to a depth of 1021' and reportedly encountered water bearing sand between depths of 475' to 546' and 703' to 720'. Casing was set to 828', but the well was plugged and abandoned by November 1953. No water sample analysis data is available. The Pump Mesa Water Well #1, located in SE/4SW/4 of Section 32-T31N-R8W, was drilled by El Paso Natural Gas in 1975 for use as a water supply well for drilling and workover operations. It was drilled and cased to a total depth of 2003'. Casing is believed to be perforated in sand intervals between depths of 546' to 1934'. Those perforations from 1862' to 2034' are placed in Ojo Alamo sand. All perforations higher in the wellbore are placed in Tertiary age sands. All water samples from the Pump Mesa Water Well #1 have total dissolved solid concentrations greater than 10,000 mg/l.

There are no existing drinking water source wells located within a two mile radius of the proposed test. No existing underground drinking water sources are located below the Fruitland Formation within a two mile radius of the proposed location.

- IX. Describe the stimulation program, if any: The well will be cased to the top of the lower coal interval and completed open-hole. There is no planned stimulation.
- X. Attach appropriate logging and test data on the well. (if well logs have been filed with the Division, they need not be resubmitted). All logs and test data for the injection well will be submitted to the New Mexico Oil Conservation Division.
- XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken).

The Pump Mesa Water Well #1, located in SE/4SW/4 of Section 32-T31N-R8W, was drilled by El Paso Natural Gas in 1975 for use as a water supply well for drilling and workover operations. It was drilled and cased to a total depth of 2003'. Casing is believed to be perforated in sand intervals between depths of 546' to 1934'. Those perforations from 1862' to 2034' are placed in Ojo Alamo sand. All perforations higher in the wellbore are placed in Tertiary age sands. Water samples from the Pump Mesa Water Well #1 have total dissolved solid concentrations greater than 10,000 mg/l. Water sample analyses from this well are attached. No other water wells are known to exist within one mile of the proposed test.

- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

Available geologic and engineering data has been reviewed and there is no evidence of any hydrologic connection between the proposed injection zone and known underground sources of drinking water.

- XIII. PROOF of NOTICE (newspaper affidavit of publication and interested party certified mailing proof). The newspaper affidavit of publication and the interested party certified mailing will be taken care of by our attorney since this well has to go to hearing for approval. The hearing notification and publication takes precedence over the C108 notification per our landman.

MINISTRY I
1620 E. French St., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form O-102
Revised October 12, 2003

MINISTRY II
101 West Grand Avenue, Santa Fe, NM 87501

OIL CONSERVATION DIVISION
1620 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Pac Lease - 3 Copies

MINISTRY III
1620 E. French St., Santa Fe, NM 87505

MINISTRY IV
1620 E. French St., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-		*Well Code 71629	*Well Name BASIN FRONTLAND COAL
*Property Code 36348	*Property Name HPNG COM A INJ		*Well Number 1
*CERL No. 14538	*Operator Name BURLINGTON RESOURCES OIL AND GAS, LP		*Elevation 6921'

" Surface Location

UL or Lot no.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County
F	32	31-N	5-W		2500'	NORTH	2665'	WEST	SAN JUAN

" Bottom Hole Location If Different From Surface

UL or Lot no.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County
F									
*Dedicated Acres 320.00		*Joint or Infill		*Consolidation Code		*Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>STATE OF NEW MEXICO E 1106-0</p> <p>2500'</p> <p>2665'</p> <p>32</p> <p>STATE OF NEW MEXICO E 1106-0</p> <p>LAT: 36°51.2891' N LONG: 107°41.8707' W NAD 1983</p> <p>LAT: 36°55.4023' N LONG: 107°38.8606' W NAD 1983</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and accurate to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or a working interest, or to a secondary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Rhonda Rogers</i> Signature Rhonda Rogers Printed Name</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of recent surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>2-73-1106-0 Date of Survey Signature and Seal of Registered Surveyor 15703 Certificate Number</p>

COPLeases

2 Mile Radius



EUPL/NOTION
FRANCE

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1:62,818 - 1" equals 5,235'
GCS North American 1927

GCS North American 1927

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 10. *...*

CO2 Project

Prepared By: davisrt

Date: 2/8/2007

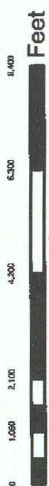
File Number:

2/8/2007

File Name: r:\platt\davis\Projects\San Juan NSL Template\San Juan NSL Template.mxd

Legend

FRUITLAND
FRUITLAND COAL
PICTURED CLIFFS
MESAVEERDE
DAKOTA
MORRISON ENTRADA
MORROW
San Juan Federal Units



**BURLINGTON
RESOURCES**



© Unpublished Work, Burlington Resources, Inc.

1:43,432 - 1" equals 3,619'
GCS North American 1927

BURLINGTON RESOURCES

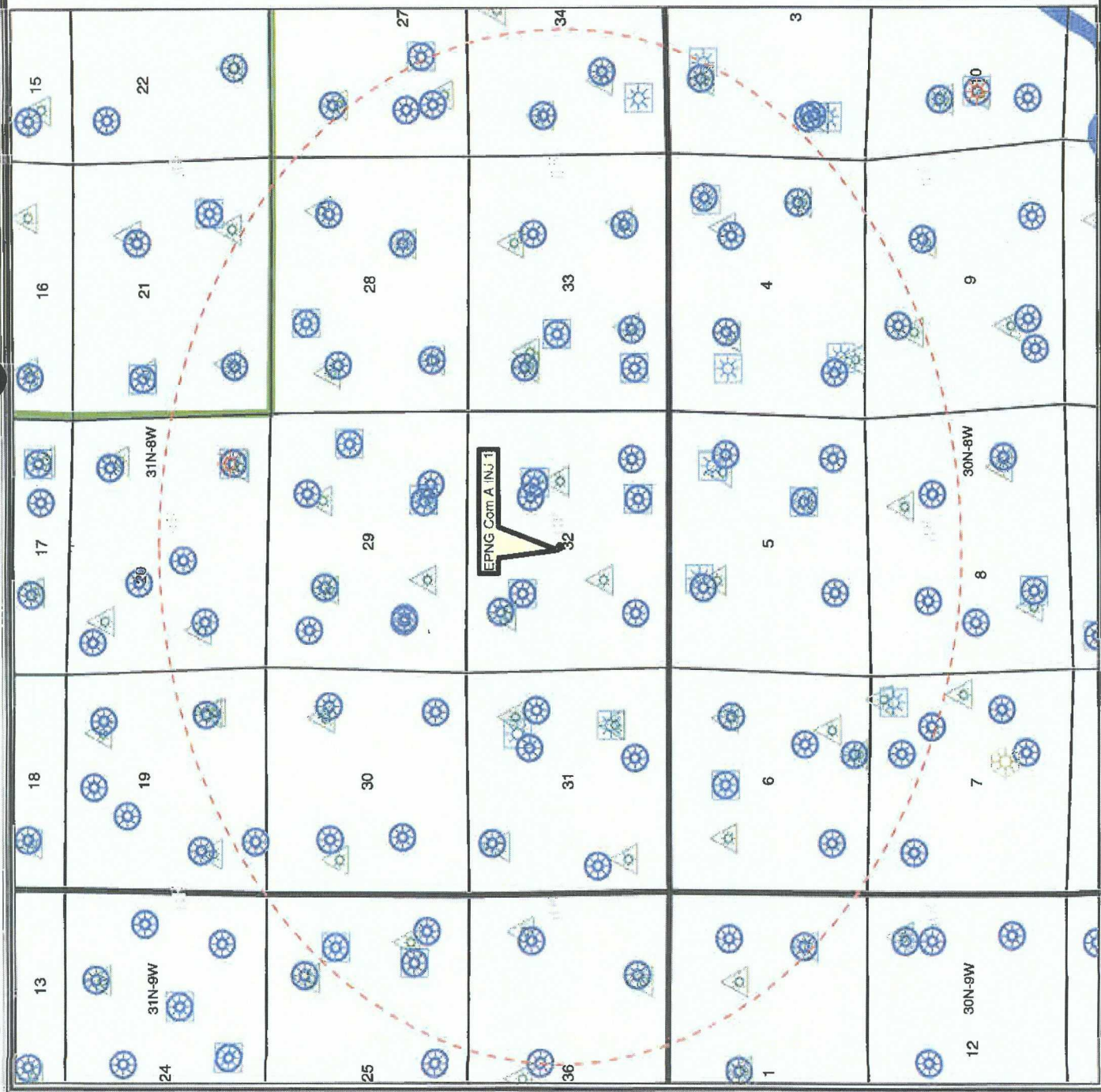
San Juan

**CO2 Project
Wells in 2 Mile Radius**

Prepared By: gavlart Date: 2/8/2007

File Number: 2/8/2007

File Name: \projects\San Juan NSL Template\San Juan NSL Template.dwg



BURLINGTON RESOURCES OIL & GAS COM, LP
C108 ITEM VI - Well Tabulation in Review Area
EPNG COM A INJ #1 - CO2 Sequestration Project

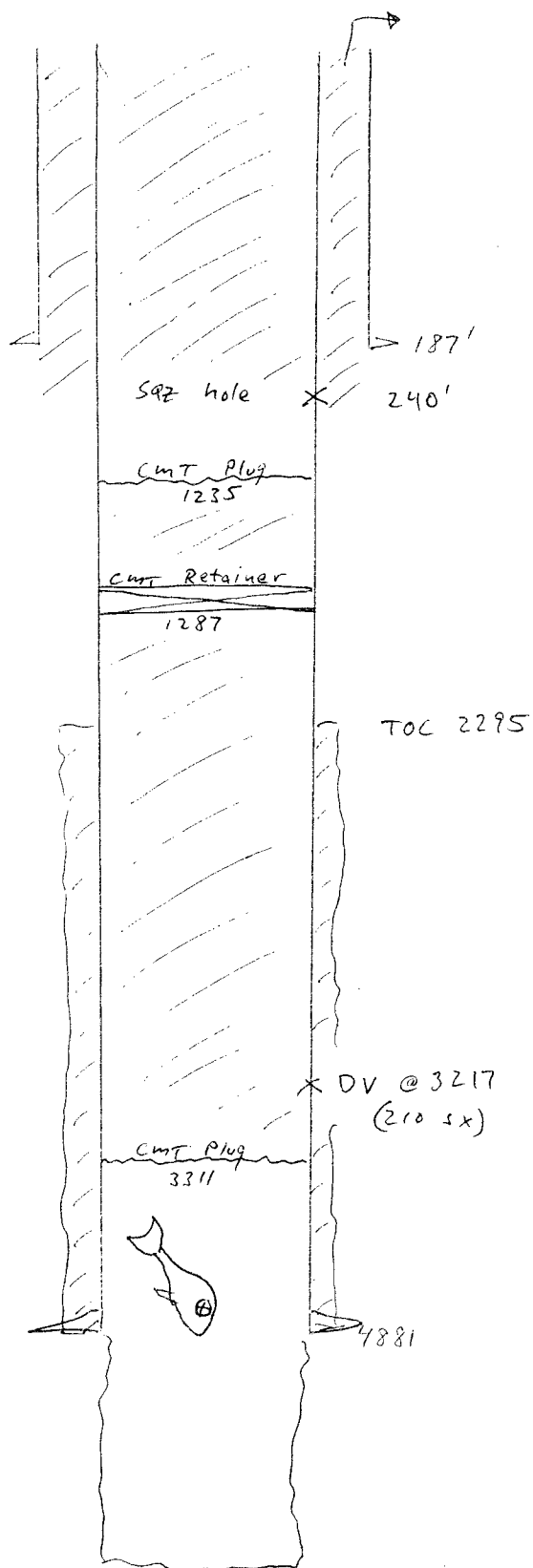
Operator	Well Name	API No.	County	Sec. Twn Range	Type	Status	Spud Date	Comp Date	TD	PBTD	Com Zone	Comp Interval	Casing Program	TOC
1 Burlington	EPNG Com A #300S	30-045-31929	San Juan	32-31N-8W	Gas	Act.	5/15/2004	7/16/2004	3440'	3440'	Basin FC	3157'-3249'	9-5/8" 32.3# @ 222' w/207 cf 7", 20# @ 3067" w/906 cf 5-1/2" 15.5# @ 30-50-3437" no cmt	Circ. circ. no cement
2 Burlington	EPNG Com A #2	30-045-10044	San Juan	32-31N-8W	gas	act.	12/3/1966	12/21/1966	5520'	5465'	MV	4712'-5452'	9-5/8" 25.4# @ 180' w/125 sx 7", 20 & 23# @ 4600' w/300 sx 4-1/2" 10.5# @ 5520' w/125 sx	Circ. 2880' - Temp Surv ?
3 Burlington	EPNG Com A #2A	30-045-20934	San Juan	32-31N-8W	gas	act.	8/22/1971	9/24/1971	7872'	6080'	MV	5211'-5952'	9-5/8" 32.3# @ 235' w/190 sx 7", 20# @ 3652 w/240 sx 5-1/2" 15.5# @ 6569 w/100 sx	Circ. 2010' 3390'
4 Burlington	EPNG Com I #10	30-045-21304	San Juan	32-31N-8W	gas	act.	7/29/1973	8/14/1973	7987'	7978'	DK	7724'-7922'	10-3/4" 32.75# @ 221' w/240 cf 7-5/8" 26.4# @ 3655' w/476 cf 4-1/2" 11.6# @ 10.5# @ 7987' w/897 cf	Circ. 2260' - Temp 3285' - CBL
5 Burlington	EPNG Com I #10	30-045-21304	San Juan	32-31N-8W	gas	act.	7/29/1973	8/14/1973	7987'	7680'	MV	4157' - 5658'	10-3/4" 32.75# @ 221' w/240 cf 7-5/8" 26.4# @ 3655' w/476 cf 4-1/2" 11.6# @ 10.5# @ 7987' w/897 cf	Circ. 2260' - Temp 3285' - CBL
6 Burlington	EPNG Com A #300	30-045-26877	San Juan	32-31N-8W	gas	act	4/27/1999	5/23/1999	3099'	3099'	FC	2885'-3097'	9-5/8" 36# @ 434' w/437 cf 7", 20# @ 2899 w/960 cf 5-1/2" 15.5# @ 2836-3098' no cement	Circ. Circ. no cement
7 ConocoPhillips	FC State Com #1	30-045-27479	San Juan	32-31N-8W	gas	act	7/11/1990	4/25/1991	3158'	3158'	FC	2924'-3147'	9-5/8" 36# @ 235' w/150 sx 7", 23# @ 2820 w/400 sx 5-1/2" 15.5# @ 2732'-3158' no cement	Circ. Circ. no cement
8 ConocoPhillips	State Com K #7R	30-045-24039	San Juan	32-31N-8W	gas	act	10/8/1980	12/17/1993	7821'	6440'	MV	5032'-5452'	10-3/4" 32.75# @ 249' w/275 sx 7", 20# @ 3598 w/470 sx 4-1/2" 11.6 & 10.5# @ 7794 w/225 sx	Circ. unknown Circ. 1535'
9 ConocoPhillips	State Com AL #36	30-045-20113	San Juan	32-31N-8W	gas	TA'd	7/18/1967	8/10/1967	7755'	7736'	DK	7518'-7700'	10-3/4" 32.75# @ 332' w/240 sx 7-5/8" 26.4# @ 3456 w/930 cf 4-1/2" 10.5# @ 7753 w/800 cf	Circ. 500+ Calc 3100' - Temp Surv
10 ConocoPhillips	State Com AL #36	30-045-20113	San Juan	32-31N-8W	gas	act	7/18/1967	10/1/2005	7755'	5590'	MV	4981'-5473'	10-3/4" 32.75# @ 332' w/240 sx 7-5/8" 26.4# @ 3456 w/930 cf 4-1/2" 10.5# @ 7753 w/800 cf	Circ. 500+ Calc 3100' - Temp Surv
11 ConocoPhillips	State Com AL #36M	30-045-32897	San Juan	32-31N-8W	gas	act.	6/5/2006	9/1/2006	7949'	7929'	DK	7724'-7869'	9-5/8" 32.3# @ 244' w/285 sx 7", 20# @ 3677 w/700 sx 4-1/2" 11.6# @ 7930' w/484 sx	Circ. Circ. 2890'
12 ConocoPhillips	State Com AL #36M	30-045-32897	San Juan	32-31N-8W	gas	act.	6/5/2006	9/1/2006	7949'	7929'	MV	5182'-5710'	9-5/8" 32.3# @ 244' w/285 sx 7", 20# @ 3677 w/700 sx 4-1/2" 11.6# @ 7930' w/484 sx	Circ. Circ. 2890' - CBL
13 ConocoPhillips	State Com K #7A	30-045-21702	San Juan	32-31N-8W	gas	act.	6/15/1975	7/12/1975	5710'	5645'	MV	4992'-5500'	10-3/4" 32# @ 150' w/125 sx 7", 23# @ 3422 w/180 sx 4-1/2" 10.5# @ 2484' - 5705' w/365 sx	Circ. 1250' TOC Circ.

State Com K #7

P: A 10/14/88

10 3/4" 32#

7" 20/23#
(4355x)



KELLAHIN & KELLAHIN
Attorney at Law

W. THOMAS KELLAHIN
706 GONZALES ROAD
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-4285
FACSIMILE 505-982-2047
TKELLAHIN@COMCAST.NET

June 4, 2007

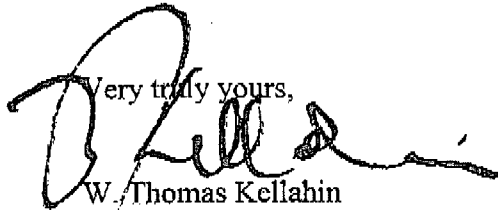
VIA FACSIMILE
476-3462

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

Re: Request to Continue
NMOCD Case 13933
Application of Burlington Resources Oil & Gas Company LP
for approval of Pilot Sequestration Injection Well Project
(Codex 1525-34 Well #1)
(Sec 32, T31N, R8W)
San Juan County, New Mexico

Dear Mr. Fesmire:

On behalf of Burlington Resources Oil & Gas Company LP, the applicant, please continue the referenced case from the June 7, 2007 hearing docket to the June 21, 2007 hearing docket.

Very truly yours,

W. Thomas Kellahin

Facsimile:

Burlington Resources
Attn: Alan Alexander
Fax: 713-624-5460

Ocean Munds-Dry, Esq.
Attorney for BP
Fax: 505-983-6043

7110 6605 9590 0016 4547

RETURN RECEIPT SERVICE	RESTRICTED DELIVERY FEE	\$0.40	POSTMARK OR DATE
	CERTIFIED FEE	\$0.00	
	RETURN RECEIPT FEE	\$2.85	
	TOTAL POSTAGE AND PRICE	\$2.16	
SENT TO:		\$5.21	

Code: 2007 Inj Well Proj-KW Cryer

BP America Production Company
Attn: John Larson/SJBU
West Lake 1 RM 19.179
501 Westlake Park Blvd.
Houston, Texas 77079

PS FORM 3842 8/24/2007 8:11 AM



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