

**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. 13933
ORDER NO. R-12836-A**

**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.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for consideration of Applicant's request, by letter dated December 4, 2007, before Examiners David K. Brooks and Richard Ezeanyim.

NOW, on this 25th day of January, 2008, the Division Director, having reviewed the record of the hearing previously held in this case and the recommendations of the Examiners, and being fully advised,

FINDS THAT:

- (1) Due notice has been given, and the Division has jurisdiction of the subject matter of this case.
- (2) On October 29, 2007, following a hearing in this case, the Division issued Order No. R-12836, granting the application of Burlington Resources Oil & Gas Company LP ("Burlington" or "Applicant") for approval of a pilot carbon dioxide (CO₂) injection project in San Juan County, New Mexico, subject to certain conditions therein stated.
- (3) Among the conditions imposed on the authority granted to Applicant in Order No. R-12836 was the following requirement stated in Ordering Paragraph (4) of that Order, as follows:

Prior to commencement of injection, Operator shall enter the State Com K Well No. 7A (API No. 30-045-21702), located 990 feet from the South line and 990 feet from the East line (Unit P) of Section 32, and set a cast iron bridge plug at the base of the Fruitland Coal formation, in order to seal off that formation and prevent the escape of injected fluids therefrom.

(4) The condition thus imposed that Applicant set a plug to isolate the Fruitland Coal formation in the State Com K Well No. 7A [the subject well] was based on the following finding stated in Finding Paragraph (9) of Order No. R-12836:

Division records indicate that one of the producing wells in the AOR, the State Com K Well No. 7A (API No. 30-045-21702), located 990 feet from the South line, and 990 feet from the East line (Unit P) of Section 32, has been approved for downhole commingling of production between the Fruitland Coal and the Mesaverde. Prior to commencement of injection, the Mesaverde interval in this well should be sealed off to prevent communication of injected fluids to that formation.

(5) By letter to the Division dated December 4, 2007, Applicant represents that the subject well has not been, and will not be, completed in the Fruitland Coal formation, and requests cancellation of the authority for downhole commingling of production from the Mesaverde and Fruitland Coal formations in that well, granted by Division Administrative Order DHC-3412.

(6) Division records indicate that 7-inch casing was set in the subject well to a depth of 3422 feet (below the base of the Fruitland Coal), and cemented with 180 sacks of cement. Reported top of cement was 1250 feet, thus apparently sealing off the Fruitland Coal. The only reported perforations were below that level, in the intervals ranging from 5123 feet to 5500 feet, in the Mesaverde formation.

(7) In view of the foregoing findings (5) and (6), the Division concludes that there is no necessity to set a plug in the subject well prior to CO₂ injection into the Fruitland Coal, as required by Ordering Paragraph (4) of Order No. R-12836.

IT IS THEREFORE ORDERED THAT:

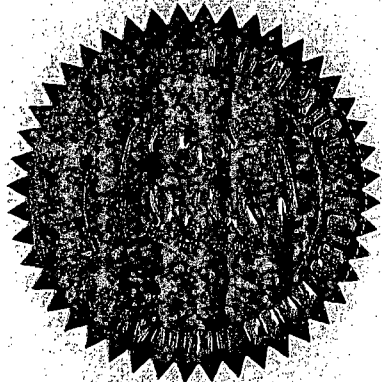
(1) Order No. R-12836 is hereby amended by deleting Ordering Paragraph (4); so that setting a cast iron bridge plug at the base of the Fruitland Coal formation in the State Com K Well No. 7A (API No. 30-045-21702), located 990 feet from the South line and 990 feet from the East line (Unit P) of Section 32, shall not be required as a condition of the injection authority granted by Order No. R-12836, or otherwise.

(2) In all other respects, Order No. R-12836 shall remain in full force and effect.

(3) Administrative Order DHC-3412, granting authority to downhole commingle gas from the Fruitland Coal and Measverde formations in the State Com K Well No. 7A, is hereby rescinded.

(4) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "Mark E. Fesmire", is written over the printed name.

MARK E. FESMIRE, P.E.
Director