

Sent via email

December 4, 2007

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: EPNG Com #1 - CO2 Sequestration Project
Change to Order R-12836 & cancellation of DHC - 3412

Dear Sirs:

In March of 2005, ConocoPhillips received an OCD administrative approval, DHC - 3412 to commingle the Fruitland Coal zone to the existing Mesaverde zone on the State Com K 7A (API 30-45-21702) in T31N R8W Section 32. As it now stands, the Fruitland Coal zone was never completed and there are no plans to complete the Fruitland coal on this well. A NOI has been submitted to the OCD to cancel the NOI to re-complete this well (see attached copy). We wish at this time to cancel DHC - 3412.

Also ConocoPhillips recently was granted Order R-12836 after Hearing Case 13933 to drill and inject into the EPNG Com A INJ 1 and since the State Com #7A hasn't been completed in the FC zone we are requesting a change to the Order R-12836. Conclusion 9 of Order R-12836 includes a requirement that a plug be set below the Fruitland Coal in State Com K 7A to protect the Mesa Verde from CO2 that would reach its location. We request to be released from this requirement because the Fruitland Coal has not been completed nor will be completed in the State Com K 7A.

Please let me know if more information is needed to make your decision on this matter by calling me at 505-326-9518 or emailing me at clugspl@conocophillips.com. Thank you in advance for considering this request.

Sincerely,

Patsy Clugston

Patsy Clugston
Regulatory Specialist