



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



December 16, 2009

Sharon Zubrod
Supervisor, Regulatory Affairs
Burlington Resources Oil & Gas Company, LP
3401 E. 30th Street
Farmington, New Mexico 87402

Ref:

Request for Extension of time to submit technical Report of the Results of the Pilot CO2 Sequestration injection Project Within the Basin-Fruitland Coal Gas Pool Pursuant to Order No. R-12836.

Dear Ms Zubrod:

The Oil Conservation Division (Division) received your letter of December 11, 2009, regarding the referenced subject on December 15, 2009. The Division has reviewed your request and hereby extends the time to submit a complete report of the results of the CO2 Sequestration injection project to April 26, 2010.

If you have any questions, please call me at 505-476-3467.

Sincerely,

Richard Ezeanyim, P.E
Chief Engineer
Oil Conservation Division

Cc: Oil Conservation District Office – Aztec
File – Order No. R-12836, Case No 13933



December 11, 2009

Mr. Richard Ezeany, P.E.
Chief Engineer
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Reference: Technical Report Request
Pilot CO₂ Sequestration injection Project
Order No. R-12836

ConocoPhillips ("COPC") is in receipt of the above referenced request directed to our affiliate, Burlington Resources Oil & Gas Company LP ("BR"), to furnish a technical report for the above referenced project. Due to delays in completing some of the analysis, including receipt of data from third party companies, BR respectfully requests an extension to furnish the final results of the Pilot CO₂ sequestration injection project to the Division on or before February 26, 2010. Initial results, along with a recap of the project, are outlined below:

The injection well was drilled as approved within Fruitland Coal Gas Pool in T31N-8W-Sec 32, San Juan County, New Mexico.

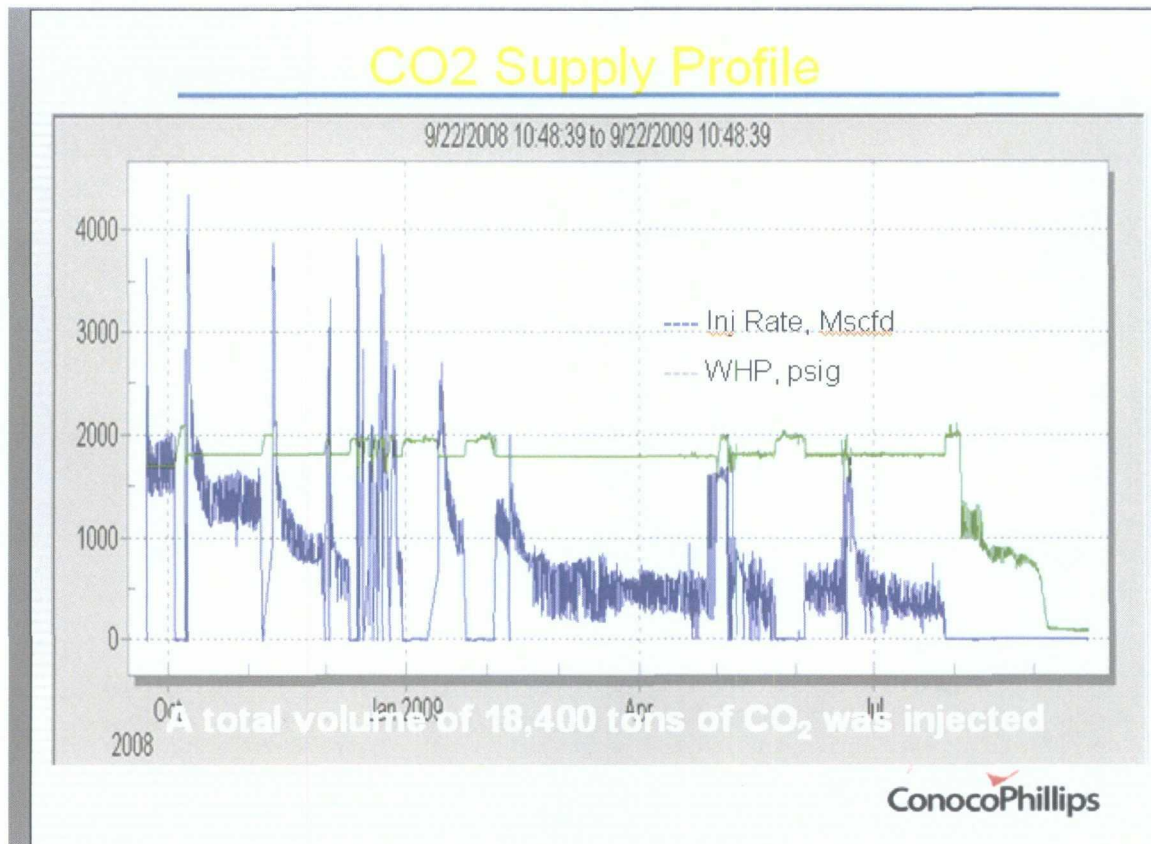


31N-8W-SEC 32

- The permit to inject CO₂ was received in October 2007 and the EPNG Com A Injection 1 well was drilled and completed on 25th June 2008.



Rate and pressure data profile of the CO₂ supplied by Kinder Morgan.



The CO₂ properties are:

CO ₂	97.830 %
CH ₄	0.243 %
N ₂	1.927 %
Specific Volume	8.665

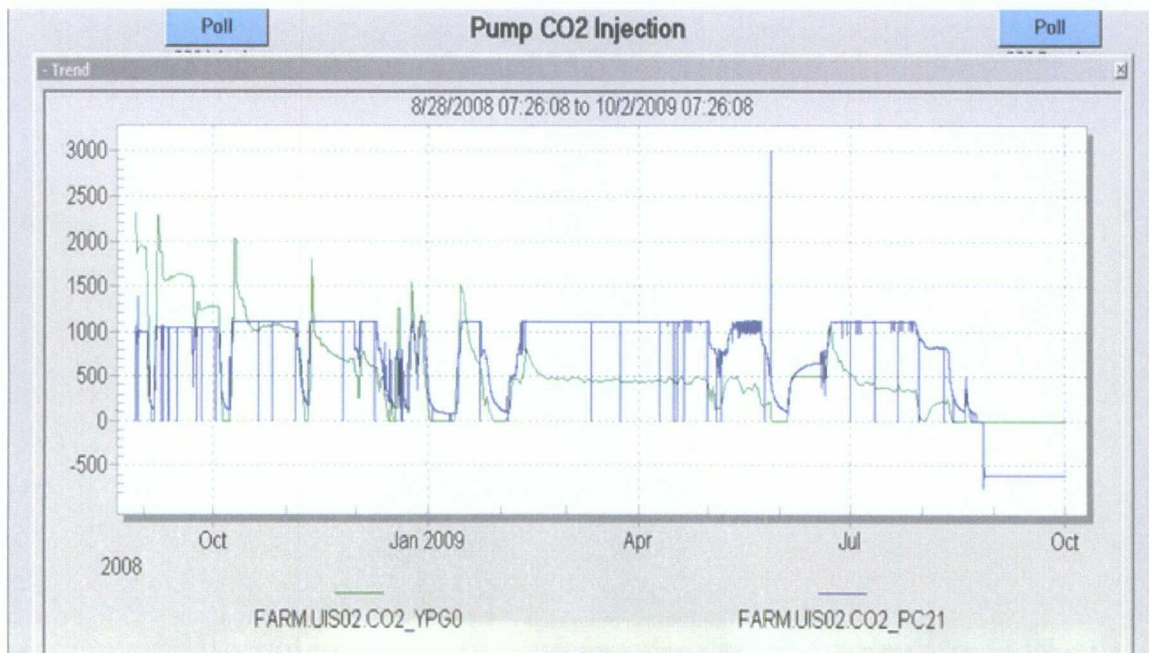
Monitoring the movement of the CO₂ in the reservoir was accomplished with the use of tracers, time lapse vertical seismic profiling, produced fluid analysis, tiltmeters and InSAR satellite to monitor ground swelling and deformation.

The well was completed with pressure control sensors to monitor the injection pressure to stay below 1135 psi pressure limit to avoid fracturing the formation.

Below is the field layout of the EPNG Com A #1 Injection well.



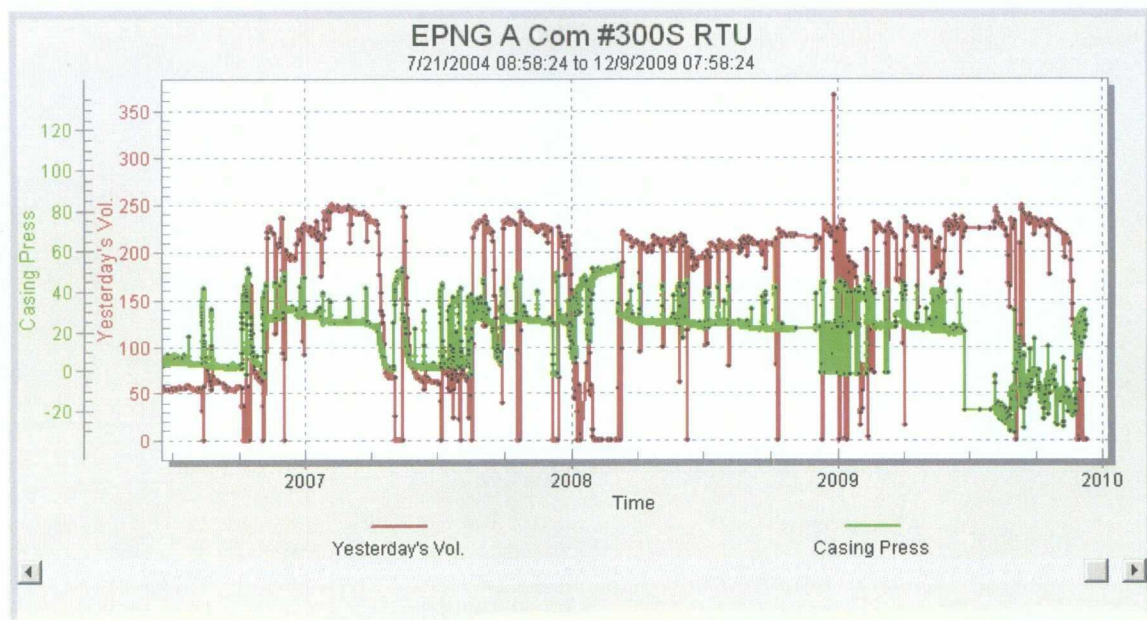
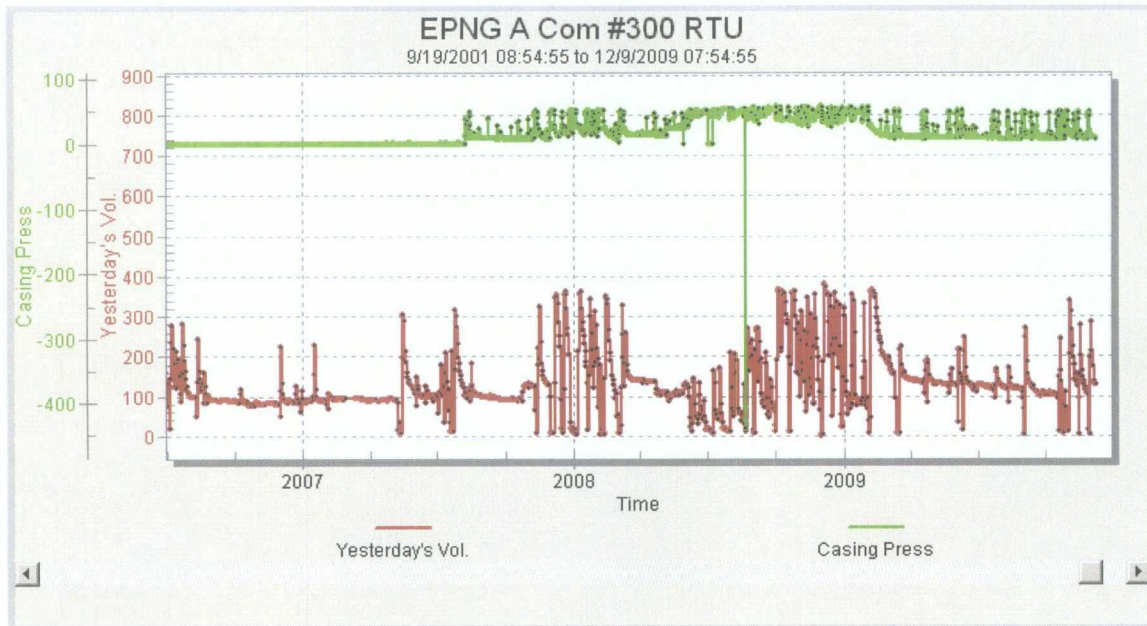
Pressure and rate profile of the injected CO₂



Cumulative volume injected was 18.4 tons or 327 MMCF of CO₂

We believe that the initial results show that the objectives of this project were met. Although the well was not stimulated before injection of CO₂ was initiated, the gas rates were reached with limited surface pressure not to exceed 1350 psig shows that CO₂ can be injected into the Fruitland formation.

Observing the production profile of the offset wells, the EPNG A 300 and 300S shown below indicate that there was an enhanced production profile during the period of injection from July 29, 2008 to July 29, 2009.



The bottom hole pressure data and the pre and post Vertical Seismic profiling data analysis to determine the CO₂ storage capabilities in the Fruitland Coal is still on going.

As noted, with the requested extension, the final report will include more details of the work done which including the results of the tiltmeters survey and the final analysis of the Pre and Post Vertical Seismic profiling. Should you have any questions, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon R. Zubrod". The signature is fluid and cursive, with the first name "Sharon" being more prominent.

Sharon R. Zubrod

Manager, Stakeholder Engagement and Regulatory Affairs

Cc: NMOCD Aztec – Charlie Perrin
COP – Bill Akwari