

following described acreage in Section 34, Township 15 South, Range 25 East, NMPM, in the following manner: the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within that vertical extent. This unit is to be dedicated to its Codex 1525-34 Well No. 1 (API # 30-005-63853) which will be located at an unorthodox surface location 1750 feet from the North line and 203 feet from the East line (Unit H) and when the vertical wellbore penetrates the Wolfcamp formation then drilled horizontally in a westerly direction staying within a producing area 660 feet from each of the end and side boundaries of this spacing unit and ending at a bottomhole location 1880 feet from the North line and 660 feet from the West line (Unit E). Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 4 miles southwest of Lake Arthur, New Mexico.

**CASE 13933: (Continued from June 7, 2007 Examiner Hearing.)**

**Application of Burlington Resources Oil & Gas Company LP for approval of a Pilot Sequestration Injection Well Project, San Juan County, New Mexico.** Applicant, pursuant to Division Rule 701, seeks an order approving a pilot sequestration injection well project within a project area consisting of all of Section 32, Township 31 North, Range 8 West, including the drilling of a CO<sub>2</sub> injection well at an unorthodox location 2500 feet from the North line and 2665 feet from the West line (Unit F) of Section 32 for injection within an interval from 3123 feet to 3148 feet into the Fruitland formation of the Basin-Fruitland Coal Gas Pool, for the purpose of testing the feasibility of disposal of carbon dioxide as an alternative to the current practice of venting carbon dioxide to the atmosphere and to test the feasibility of enhancing methane production from offset wells. This project is located approximately 6 miles northwest of the spillway of the Navajo Dam, New Mexico.