



Case 13520

OXY USA Inc.
P. O. Box 303
Amistad, NM 88410-0303

March 31, 2017

Ray Powell
Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Division Director
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, New Mexico 87505
Attn: William Jones, P.E

Re: 2017 Plan of Development
Bravo Dome Carbon Dioxide Gas Unit
Union, Harding and Quay Counties, New Mexico

Ladies and Gentlemen,

In accordance with Article 4 of the Bravo Dome Carbon Dioxide Gas Unit Agreement, OXY USA, Inc, as Unit Operator herewith submits the 2017 Bravo Dome Unit POD. This POD is tentative pending approval by Unit Working Interest Owners and Permitting from the State of New Mexico.

Current CO2 production is approximately 215 mmscfd from 571 producing wells. Current cumulative Unit Sales are approximately 3.53 TCF.

There are currently no new CO2 wells planned for drilling in the 2017 Plan of Development for the Bravo Dome Unit. Oxy will be evaluating lower producing wells in the Unit for Plug and Abandonment in 2017. Possibly P&A of 5 – 10 low producing wells.

The long range plans (2018 – 2021) is to continue to add well capacity to the existing compression/dehydration facility based on CO2 demand. These plans include possibly drilling approximately 10-20 wells per year to offset Unit decline. A mixture of both infill and expansion wells are included in these plans with emphasis on extension wells in future. Unit production peaked in 2011 and will decline at 9% per year without additional drilling.

Current Oxy manpower operating the Bravo Dome Unit consists of 12 Oxy employees. There are also 6 full time contractors working in the Bravo Dome Unit operations. All of these employees and contractors are New Mexico residents



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2016 Unit Accomplishments

- 1) Spent approximately \$555k on preventative compressor maintenance to maintain reliability.
- 2) Maximize compressor runtime
- 3) Evaluated wells to maximize well production

2017 Unit Priorities

- 1) Manage field operations to maximize CO2 production
- 2) Continue to Maximize Compressor runtime
- 3) Evaluate low producing wells as possible P & A candidates
- 4) Change the inlet pipe configuration of the plant to allow the Leg 10 into plant booster suction
- 5) No Development Activity

Five-Year Priorities

- 1) Evaluate possible Drill extension/infill wells and extend collection system as needed to offset Unit decline.
- 2) Evaluate possible Exploratory well in the undeveloped North West Area of the Unit.
- 3) Evaluate possible expansion of Western Bravo Dome Unit Acreage.

The items detailed in this 2017 Plan of Development are subject to Unit working interest owners and the NMOCD approvals, continued strong CO2 demand and favorable project economics. Oxy and other working interest owners plan to continue to develop the Bravo Dome Unit to the best interest of all parties involved. The Plan of Development hereby submitted shall be revised if Unit development plans change.

If you have any questions, please contact Chuck Terry at (575) 374-3055 or at the above letterhead address.

Sincerely,

A handwritten signature in cursive script that reads 'Chuck Terry'.

Chuck Terry
Bravo Dome/Sheep Mountain Plant Team Leader
Office Phone 575-374-3055
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Cc: Mr. Jesse Juen
State Director
Bureau of Land Management
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Santa Fe, NM 87502-0115