



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

February 15, 2006

Patrick H. Lyons
Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Attn: Jami Bailey, Director, Oil, Gas and Minerals Division

Mark Fesmire
Director
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, New Mexico 87505
Attn: Roy Johnson, District IV Supervisor

Re: 2006 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 2006 Bravo Dome Unit Plan of Development. This plan is tentative pending approval by Unit Working Interest Owners.

Current CO2 production is approximately 300 mmscfd from 422 producing wells. Development projects in 2005 added 14 producing wells to the Unit. Attachment I is a listing of the wells drilled in 2005. Ten wells were plugged during 2005 as noted on Attachment II. Current cumulative Unit sales are approximately 2.55 TCF.

The 2006 Plan of Development for the Bravo Dome Unit is two fold. Oxy expects to begin detailed engineering and procurement activities on a proposed \$30 million booster compression project to be located at the existing compressor station. These boosters will likely be commissioned and running by mid 2007. Preliminary estimates indicate that these boosters could increase Unit deliverability by 70-90 mmscfd to around 380 mmscfd, which is near existing Unit facility capacity. Secondly, Oxy plans to increase production by an estimated 14 mmscfd through a 15 well extension and infill drilling program to be completed during the summer months of 2006. Four of these wells are extension wells and eleven are infill wells. Drilling is scheduled to begin in June and all wells should be completed by September, 2006. Attachment III is a tentative listing of these proposed 2006 wells (pending staking and permitting).

The longer range plans (2007 – 2010) continue this strategy to add well capacity to the existing compression / dehydration facility. These plans include drilling approximately 20-30 wells per year to offset unit decline. A mixture of both infill and expansion wells are included in the plans, however there will be more of an emphasis on extension wells in the future. Unit production is expected to peak in 2008 and decline at 8.5% without additional drilling. We are currently planning additional drilling projects each year to offset this Unit decline and maintain production in the 360-380 mmscfd range.

Current Oxy manpower operating the Bravo Dome Unit is 12 employees, up one employee from 2005. Currently, there are 4 full time contractors working at the Unit. All of these employees and contractors are New Mexico residents.

2005 UNIT ACCOMPLISHMENTS

- 1) Spent \$5.2MM to drill 14 infill and extension wells resulting in additional production of 15 mmscfd
- 2) Continued evaluation of booster compression at the existing compressor station
- 3) Performed remedial acid jobs on 66 wells to increase production
- 4) Spent \$0.53MM to rewind two large horsepower electric motor stators
- 5) Maximized compressor reliability/runtime

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2006 UNIT PRIORITIES

- 1) Drill 15 new wells and lay new gathering lines at a cost of \$6.62MM to add approximately 14 mmscfd in production
- 2) Begin detailed engineering and procurement activities on a 24,000hp booster compression project.
- 3) Spend approximately \$150,000 on preventative compressor maintenance in order to maintain compressor reliability and runtime
- 4) Spend approximately \$450,000 to purchase a new, spare 8000hp electric motor stator to improve reliability and runtime
- 5) Maximize compressor reliability/runtime

FIVE YEAR PRIORITIES

- 1) Install booster compression at the central compressor station to increase plant throughput by 70-90 mmscfd
- 2) Drill extension wells and lay new gathering lines each year to offset unit decline and maintain production in the 360-380 mmscfd range
- 3) Maintain effective cost control to sustain competitive position

The items detailed in this 2006 Plan of Development are subject to Unit working interest owner and NMOCD approvals, continued strong CO2 demand and favorable project economics. Oxy and the 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 Danny Holcomb at 505-374-3010 or at the above letterhead address.

Sincerely,



Danny J. Holcomb
Bravo Dome Team Leader

cc: Mr. Jim Lovato
District Manager
Bureau of Land Management
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

Attachment I – Unit Wells Drilled in 2005
Attachment II – Unit Wells Plugged in 2005
Attachment III – Unit Wells Proposed to be Drilled in 2006
Attachment IV – Bravo Dome Unit Map

**Bravo Dome Unit
2006 Plan of Development
Attachment I**

2005 BDU Wells Drilled

<u>WELL NAME</u>	<u>LEGAL DESCRIPTION</u>	<u>UL</u>	<u>SECTION</u>	<u>TWN</u>	<u>RANGE</u>	<u>County</u>
1834-072	2038' FSL X 2002' FWL	K	07	T-18-N	R-34-E	Union
1835-052	1621' FNL X 941' FWL	E	05	T-18-N	R-35-E	Union
1932-361	1653' FNL X 1650' FEL	G	36	T-19-N	R-32-E	Harding
1933-162	1993' FSL X 1658' FWL	K	16	T-19-N	R-33-E	Harding
1933-191	1980' FNL X 1718' FEL	G	19	T-19-N	R-33-E	Harding
1933-202	1650' FSL X 1654' FEL	J	20	T-19-N	R-33-E	Harding
1934-172	1650' FSL X 1980' FEL	J	17	T-19-N	R-34-E	Union
2033-222	1980' FSL X 1980' FEL	J	22	T-20-N	R-33-E	Harding
2033-272	2079' FSL X 1878' FEL	J	27	T-20-N	R-33-E	Harding
2033-282	1930' FSL X 1981' FEL	J	28	T-20-N	R-33-E	Harding
2132-342	2278' FSL X 1692' FEL	J	34	T-21-N	R-32-E	Harding
2233-012	1978' FNL X 1755' FWL	F	01	T-22-N	R-33-E	Union
2333-363	1880' FNL X 1979' FEL	G	36	T-23-N	R-33-E	Union
2334-312	1980' FNL X 1980' FEL	G	31	T-23-N	R-34-E	Union

**Bravo Dome Unit
2006 Plan of Development
Attachment II**

2005 BDU Wells Plugged

<u>WELL NAME</u>	<u>LEGAL DESCRIPTION</u>	<u>UL</u>	<u>SECTION</u>	<u>TWN</u>	<u>RANGE</u>	<u>County</u>
1835-082	712' FSL X 2076' FWL	N	08	T-18-N	R-35-E	Union
1835-163	625' FNL X 2032' FWL	C	16	T-18-N	R-35-E	Union
2034-091	1980' FNL X 1980' FEL	G	09	T-20-N	R-34-E	Union
* 2034-241	1650' FNL X 1650' FEL	G	24	T-20-N	R-34-E	Union
2132-341	1655' FSL X 1694' FEL	J	34	T-21-N	R-32-E	Harding
2133-031	1838' FNL X 1973' FEL	G	03	T-21-N	R-33-E	Harding
2134-132	660' FSL X 660' FEL	P	13	T-21-N	R-34-E	Union
2134-243	600' FSL X 250' FWL	M	24	T-21-N	R-34-E	Union
2135-181	2013' FSL X 1986' FWL	K	18	T-21-N	R-35-E	Union
2135-201	1985' FNL X 1942' FWL	F	20	T-21-N	R-35-E	Union

* Well plugged during drilling operations

**Bravo Dome Unit
2006 Plan of Development
Attachment III**

2006 Proposed BDU Wells *

<u>WELL NAME</u>	<u>LEGAL DESCRIPTION</u>	<u>UL</u>	<u>SECTION</u>	<u>TWN</u>	<u>RANGE</u>	<u>County</u>
1833-052	1650' FSL X 1650' FEL	J	05	T-18-N	R-33-E	Harding
1835-292	1650' FNL X 1650' FEL	G	29	T-18-N	R-35-E	Union
1835-302	1650' FSL X 1650' FWL	K	30	T-18-N	R-35-E	Union
1933-152	1650' FNL X 1650' FWL	F	15	T-19-N	R-33-E	Harding
1933-171	1650' FSL X 1650' FEL	J	17	T-19-N	R-33-E	Harding
1933-181	1650' FSL X 1650' FEL	J	18	T-19-N	R-33-E	Harding
1933-362	1650' FSL X 1650' FWL	K	36	T-19-N	R-33-E	Harding
1935-322	1650' FSL X 1650' FWL	K	32	T-19-N	R-35-E	Union
1935-342	1650' FNL X 1650' FWL	F	34	T-19-N	R-35-E	Union
2034-082	1650' FSL X 1650' FEL	J	08	T-20-N	R-34-E	Union
2034-292	1650' FSL X 1650' FWL	K	29	T-20-N	R-34-E	Union
2035-322	1650' FSL X 1650' FEL	J	32	T-20-N	R-35-E	Union
2133-312	1650' FSL X 1650' FWL	K	31	T-21-N	R-33-E	Harding
2333-131	1650' FNL X 1650' FWL	F	13	T-23-N	R-33-E	Union
2333-241	1650' FSL X 1650' FWL	K	24	T-23-N	R-33-E	Union

* The legal descriptions are estimated since wells have yet to be staked.



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RECEIVED

SEP 18 2006

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Oil and Gas COMMISSIONER'S OFFICE

1220 S. San Francisco St. Santa Fe, NM 87505
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

September 15, 2006

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

Attn: Mr. Danny J. Holcomb

2006 Plan of Development
Bravo Dome Carbon Dioxide Gas Unit
Union, Harding and Quay Counties, New Mexico

Dear Mr. Holcomb:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/cpm
xc: Reader File

OCD

BLM

Holland & Hart

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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

September 13, 2006

Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

Attn: Ms. Janet Woolridge

Re: Northeast Blanco Unit
Dakota Participating Area Expansion
1st Expansion Effective 9/1/1992
2nd Expansion Effective 10/1/2001
3rd Expansion Effective 5/1/2002
4th Expansion Effective 6/1/2002
5th Expansion Effective 8/1/2002
6th Expansion Effective 9/1/2002
7th Expansion Effective 10/1/2002
8th Expansion Effective 11/1/2002
9th Expansion Effective 12/1/2002
10th Expansion Effective 1/1/2003
11th Expansion Effective 2/1/2003
12th Expansion Effective 3/1/2003
13th Expansion Effective 4/1/2003
14th Expansion Effective 9/1/2003
15th Expansion Effective 10/1/2003
16th Expansion Effective 11/1/2003
17th Expansion Effective 12/1/2003
18th Expansion Effective 1/1/2005
19th Expansion Effective 3/1/2003
20th Expansion Effective 4/1/2004
21st Expansion Effective 5/1/2004
22nd Expansion Effective 1/1/2005
San Juan and Rio Arriba Counties, New Mexico

Dear Ms. Woolridge:

We are in receipt of your letters of June 26, 2006 and August 28, 2006 together with your application and for approval of the first through twenty-second expansions to the Dakota participating area for the Northeast Blanco Unit:

The Bureau of Land Management approved the above referenced expansions by their letter of August 9, 2006.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced Dakota participating area expansions. The revisions for the above mentioned participating areas submitted with your letter of August 28, 2006 have also been accepted.

Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,

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State of New Mexico
Commissioner of Public Lands

PATRICK H. LYONS
COMMISSIONER

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310 OLD SANTA FE TRAIL

P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

September 15, 2006

ConocoPhillips
P. O. Box 4289
Farmington, NM 87499-4289

Attention: Ms. Dawn Howell

Re: San Juan 30-5 Unit
Fruitland Coal Participating Area
Thirty-Second Expansion Effective August 1, 2000 (Revised)
Thirty-Third Expansion – Effective February 1, 2001 (Revised)
Thirty-Fourth Expansion – Effective November 1, 2001 (Revised)
Thirty-Fifth Expansion – Effective August 1, 2002
Thirty-Sixth Expansion – Effective January 1, 2004
Thirty-Seventh Expansion – Effective October 1, 2004
Rio Arriba County, NM

Dear Ms. Howell:

We are in receipt of your letter of August 11, 2006, together with your application for approval of the Thirty-Second through Thirty-Seventh Expansions to the Fruitland Coal participating area for the San Juan 30-5 Unit, Rio Arriba County, New Mexico.

The Bureau of Land Management approved the above referenced expansions by their letter of August 28, 2006.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced Fruitland Coal participating area revisions and expansions.

Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
OCD-Attention: Mr. Roy Johnson
BLM-Farmington Attn: Mr. Wayne Townsend
TRD-Attention: Mr. Valdean Severson
RMD-Attention: Ms. Linda Viera

State Land Office Beneficiaries -



PATRICK H. LYONS
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State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
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September 15, 2006

Amerada Hess Corporation
P.O. Box 2040
Houston, Texas 77252-2040

Attn: Mr. Marc S. Young

Re: 2006 Plan of Development
West Bravo Dome Carbon Dioxide Gas Unit
Harding County, New Mexico

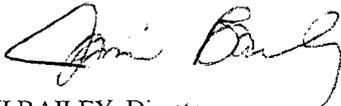
Dear Mr. Young:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/cpm

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