

Amoco Exploration and Production
U. S. A. Operations Group

501 WestLake Park Boulevard
Houston, Texas 77079-2696

March 5, 1997

New Mexico Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, New Mexico 87505

11757

Attention: Ms. Florene Davidson
Hearing Administrator

Re: **Application of Amoco Production Company for Permanent Exemption to Title 19, Chapter 15, Part F, Rules 402 and 406, and Part M, Rule 1125, in the Bravo Dome Carbon Dioxide Gas Unit, Union, Harding and Quay Counties, New Mexico**

Amoco Production Company is seeking approval for permanent exemption to Rules 402, 406 and 1125 for the Bravo Dome Carbon Dioxide Gas Unit ("Bravo Dome Unit"). Please docket this request for the April 3, 1997, Examiner Hearing in Santa Fe.

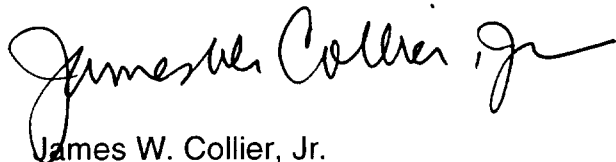
Rule 402.A. requires that shut-in pressure tests be taken on all natural gas wells annually. Rule 406 extends all statewide rules pertaining to natural gas wells and natural gas reservoirs to carbon dioxide gas wells and reservoirs. Rule 1125 requires the submittal of Forms C-125 to report shut-in pressure tests on gas wells as required under the provisions of Rule 406 and any special pool rules.

Amoco will show at the hearing that an ample amount of shut-in pressure data exists to prove that 1) this CO₂ reservoir behaves volumetrically, 2) similar rates of pressure depletion exist throughout the producing area, 3) production of CO₂ resources is proceeding without waste, and 4) reservoir pressure has declined low enough that measuring pressure in every well annually has reached the point of insignificant value. We have been taking 24-hour shut-in pressures annually on all wells since production began in 1984. The well count now numbers about 400.

Alternatively, Amoco recommends that the annual shut-in pressure requirement be changed to measure shut-in pressure in a few key wells, but not more than one well per township in the developed area.

NMOCD
March 5, 1997
Page 2

Mr. Roy Johnson of your office will be interested in this request. If there are any questions of a technical or legal nature, please contact Mr. Perry Jarrell at (281) 366-7309 or Mr. Andrew Gallo at (281) 366-3709.

A handwritten signature in black ink, reading "James W. Collier, Jr." with a stylized flourish at the end.

James W. Collier, Jr.
Sr. Petroleum Engineering Associate

cc: A. A. Gallo - Room 5.148
P. M. Jarrell - Room 8.184
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