



OXY USA Inc.
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March 28, 2018

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148
Attention: Director of the Oil and Gas Division

APR 03 2018 PM02:47

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
1220 South St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones, P.E.

R-7707

Re: 2018 Plan of Development
West Bravo Dome Carbon Dioxide Gas Unit
Harding County, New Mexico

Ladies and Gentlemen,

In accordance with New Mexico Oil Conservation Order Number 7707, OXY USA Inc., as Unit Operator herewith submits the 2018 West Bravo Dome Unit Plan of Development (POD). This POD is tentative pending continued CO₂ demand and permitting from the State of New Mexico.

On September 1ST 2017, OXY took over the operation of the Unit. Prior to this date for 2017 production for the Unit averaged 32.9 mmscfpd, since then production has averaged 41.3 mmscfpd. The estimate for the 2018 average production is 40.5 mmscfp reflecting an emphasis on maximizing unit production. Current well count shows 74 producing wells and 2 water disposal wells. Cumulative Unit sales at the end of 2017 were 167 BCF.

For 2018, no new CO₂ wells are planned. Work is currently being carried out to understand how to develop portions of the unit with thin pay and bottom water. Results from this study might lead to a couple of test wells in the near future. Oxy will continue to evaluate marginal producing wells in the Unit to permanently abandon.

The long-range plans (2019 – 2023) is to continue to add rate capacity to the existing compression/dehydration facility based on CO₂ demand. These plans include possibly drilling approximately 5-10 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 the future. Unit production peaked in the second half of 2012 and will decline at 9% per year without additional drilling.

Current Oxy work force operating the West Bravo Dome Unit consists of three Oxy employees. There are no contractors working in the West Bravo Dome Unit operations. All of these employees and contractors are New Mexico residents.

2017 Unit Accomplishments

- 1) Focus on maximizing unit production since taking over operations.
- 2) Maximize compressor runtime.
- 3) Combine and optimize operations for the West Bravo Dome and Bravo Dome Units.

2018 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) Evaluate possible solutions for the limitation of the current two produced fluid disposal wells.
- 5) Review the geological and reservoir interpretation of the Unit with the goal to identify possible candidates for new well development.

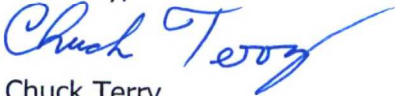
Five-Year Priorities

- 1) Evaluate possible development opportunities to maximize unit recovery, which might include extension of the collection system and additional compression facilities.

The items detailed in this 2018 Plan of Development are subject the NMOCD approvals, continued strong CO₂ demand and favorable project economics. Oxy plans to continue to develop the West 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,



Chuck Terry
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