

Entered September 14, 1984  
JMK

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 8289  
Order No. R-6446-C

IN THE MATTER OF CASE 8289 BEING  
CALLED BY THE OIL CONSERVATION  
COMMISSION ON ITS OWN MOTION PUR-  
SUANT TO THE PROVISIONS OF DIVISION  
ORDER R-6446-B WHICH APPROVED THE  
BRAVO DOME CARBON DIOXIDE GAS UNIT  
AGREEMENT, TO PERMIT AMOCO PRODUCTION  
COMPANY, THE OPERATOR OF SAID UNIT,  
TO REVIEW OPERATIONS AND DEMONSTRATE  
TO THE COMMISSION THAT ITS OPERATIONS  
WITHIN THE UNIT ARE RESULTING IN THE  
PREVENTION OF WASTE AND THE PROTECTION  
OF CORRELATIVE RIGHTS ON A CONTINUING  
BASIS, HARDING, UNION AND QUAY COUNTIES,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 3, 1984, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 13th day of September, 1984, the Commission, a quorum being present, having considered the testimony, the record, and the exhibits, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That on January 23, 1981, the Commission entered Order No. R-6446-B which granted the application of Amoco Production Company, hereinafter referred to as "Amoco", for approval of the Bravo Dome Carbon Dioxide Gas Unit, hereinafter referred to as "the unit", located in Union, Harding and Quay Counties, New Mexico.

- (3) That Order R-6446-B provided, among other things:
  - (a) "That the operator of said unit shall be required to periodically demonstrate to the Commission that its operations within the unit are resulting in the prevention of waste and the protection of correlative rights on a continuing basis."
  - (b) "That such demonstration shall take place at a public hearing held at least every four years following the effective date of the unit or at such lesser intervals as the Commission may require."
- (4) That the unit became effective on November 1, 1980.
- (5) That since the effective date of the unit, Amoco, as unit operator, has:
  - (a) drilled 269 additional wells within the unit area;
  - (b) located the new wells which it has drilled throughout the unit area; and
  - (c) conducted additional flow tests to assist in determining the optimum methods of developing the unit;
  - (d) has constructed a dehydration and compression facility;
  - (e) installed gathering lines; and
  - (f) drilled salt water disposal wells within the unit area.
- (6) The evidence showed that at the time of the hearing, Amoco had:
  - (a) commenced the installation of additional dehydration and compression facilities;
  - (b) commenced the installation of additional gathering lines;

- (c) commenced drilling of 31 additional wells;  
and
- (d) a capital outlay in the project in excess  
of \$150 million dollars.

(7) That the evidence showed production commenced from the unit to the Rosebud Pipeline on April 2, 1984 and that Bravo Pipeline System, a common carrier line, had commenced constructing an additional pipeline to transport additional carbon dioxide to markets in the Permian Basin in Southeast New Mexico and West Texas.

(8) That the evidence showed that unit operations have:

- (a) reduced the number of surface facilities required to produce carbon dioxide in the unit;
- (b) resulted in efficient central facilities design and gathering system location;
- (c) reduced well operating costs which should result in a longer economic well life for the wells in the unit thereby maximizing recovery of carbon dioxide from the unit area.

(9) That unit operations have resulted in efficient, orderly and economical exploration of the unit area and economical production, field gathering and treatment of carbon dioxide within the unit thereby preventing surface and underground waste of carbon dioxide.

(10) That Order No. R-6446-B found the method of sharing the income from production from the unit to be reasonable and appropriate at that time and further found that approval of the proposed unit should promote the protection of correlative rights within the unit area.

(11) That for the interest owners in the unit area to derive the benefits of unitization and for their correlative rights to be protected, Amoco, as unit operator, must develop the carbon dioxide throughout the unit area in a prudent and expeditious manner.

(12) That the evidence established that since unitization became effective, numerous wells have been drilled

-4-

Case No. 8289  
Order No. R-6446-C

throughout the unit area and that the present plans for development included drilling of additional wells.

(13) That in addition to the drilling done since unitization, Amoco has performed substantial amounts of seismic work and that 500 miles of additional seismic lines have been authorized within the unit area.

(14) That as the additional drilling, seismic work and core analysis is performed by Amoco, the interpretation of the Tubb reservoir in this area continues to change.

(15) That Amoco is carrying out its duties as unit operator of the Bravo Dome Carbon Dioxide Gas Unit in a prudent and expeditious manner and that its actions within the unit area are resulting in the protection of the correlative rights of interest owners within the unit on a continuing basis.

(16) That in accordance with ordering paragraphs (4) and (5) of said Order No. R-6446-B, this case should be reopened for additional testimony at a hearing during or before August, 1988.

IT IS THEREFORE ORDERED:

(1) That the operations of Amoco Production Company, as unit operator of the Bravo Dome Carbon Dioxide Gas Unit located in Harding, Union and Quay Counties, New Mexico, are hereby found to be resulting in the prevention of waste of carbon dioxide gas and the protection of correlative rights of interest owners within the unit on a continuing basis.

(2) That this case shall be reopened for additional testimony at a hearing during or before August, 1988.

(3) That jurisdiction of this case is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JIM BACA, Member

  
ED KELLEY, Member

  
JOE D. RAMEY, Chairman and Secretary

S E A L  
fd/