

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



November 2, 2015

Shelly Doescher as agent for
Breitburn Operating LP
1401 McKinney Street
Houston, TX 77070

RE: Offsite Cuttings Disposal Exception

Well 1: Breitburn Operating LP 1930 SWD Well No. 124G (30-021-20692) G-12-19N-30E NMPM
Well 2: Libby Minerals LLC 1931 Well No. 022N (30-021-20688) N-02-19N-31E NMPM

Dear Sir or Madame:

Reference is made to your request on behalf of Breitburn Operating LP (OGRID 370080; "Breitburn") received by the Division on November 2, 2015, for the above named wells. Breitburn applied for an exception to Division Rule 19.15.17.13 D (1) NMAC "A temporary pit or burial trench that receives waste from another temporary pit must be onsite within the same lease".

The exception to this rule would allow drill cuttings from the above named Well 1 to be placed in the temporary pit which is onsite of the above named Well 2. Well 1 will be drilled with a closed loop system and Well 2 will use a temporary drill pit. Well 1 is located on separately owned lands than Well 2. Both wells will be located nearby and drilled to similar depths; therefore cuttings should consist of the same formations. This is a CO2 production area and there are no hydrocarbons anticipated to be encountered.

We understand that the surface owner of Well 2 was notified and has agreed to this action.

For the reasons stating in your application and because it appears this request will not endanger any fresh water aquifer or the environment, this exception is hereby granted.

This exception is in effect only as to rock drill cuttings obtained from the drilling of Well 1. The transportation of these cuttings and the closing of the pit or deep trench burial at Well 2 and the timing of those closings shall be per Division Rules under guidance of the Division's Environmental Bureau.

The Division Director may rescind this exception if it becomes apparent that the terms of this permit are not being complied with or it becomes apparent this will endanger fresh waters of New Mexico.

Sincerely,

DAVID R. CATANACH
Director

DRC/wvjj

cc: Oil Conservation Division – Santa Fe
API: 30-021-20692/20688

11-01-2015

From: Shelly Doescher
Agent
Breitburn Operating LP
1401 McKinney Street
Houston, Texas 77070

To: William Jones
District 4 Supervisor
New Mexico Oil Conservation Division

Dear Sir:

Breitburn Operating LP hereby requests an exception to rule paragraph (1) Subsection D, 19.15.17.13 "A temporary pit or burial trench that receives waste from another temporary pit must be onsite within the same lease". The exception to the rule would allow drill cuttings from the Breitburn Operating LP 1930 SWD 12-4-G to be placed in the temporary pit which is onsite of the Libby Minerals LLC 1931 2-2-N.

The Breitburn Operating LP 1930 SWD 12-4-G, located in Sec. 12, Township 19 North, Range 30 East, Harding County NM, being drilled as a closed loop system, is owned by Breitburn Operating LP and not included in the Libby Mineral Lease. The Libby Minerals LLC 1931 2-2-N located in Section 13, Township 20 North, Range 30 East, Harding County NM, with a temporary pit on site, is included in the Libby Mineral Lease. Although not in the same lease, the well sites are reasonably close together, insuring that the drill cuttings from both locations will consist of materials geologically the same. Breitburn does not anticipate that any hydrocarbon bearing formations will be encountered in the drilling of these wells.

Norman Libby Jr., the surface owner of the Libby Minerals LLC 1931 2-2-N, agreed in writing to accept drill cuttings from the Breitburn Operating LP SWD NO. 12-3-G, and has agreed verbally to the transfer of materials from the Breitburn Operating LP 1930 SWD No. 12-4-G into the temporary pit on site of the Libby Minerals LLC 1931 COM No. 2-2-N.

If you should require further information, please contact me at the number below.

Thank you for your consideration of this request.

Best regards



Shelly Doescher
Agent
Breitburn Operating LP
505-320-5682