



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

September 14, 2004

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

OXY USA, Inc.
P. O. Box 50250
Midland, Texas 79710-0250

Attention: **David Stewart**
david_stewart@oxy.com

Administrative Order NSL-5111 (SD)

Dear Mr. Stewart:

Reference is made to the following: (i) your application dated July 23, 2004 (*administrative application reference No. pMES0-425838488*); (ii) Mr. Alan J. Schwartz's e-mail correspondence to Mr. Roy Johnson, Supervisor New Mexico Oil Conservation Division ("Division") District IV – Santa Fe, concerning your application dated July 19, 2004; (iii) Mr. Danny Holcomb's e-mail correspondences with Mr. Johnson on July 14, August 27, September 10, September 13, 2004; and (iv) the Division's records in Santa Fe, including the files in Division Cases No. 8190 and 11497 and Division Administrative Orders NSL-3966 (SD), as amended, NSL-3688 (SD), NSL-4762, NSL-4873 (SD), NSL-5096, NSL-5096-A (SD): all concerning OXY USA, Inc.'s ("OXY") request for an exception to the well location requirements (Rule 4) provided within the "*Special Rules and Regulations for the Bravo-Dome 640-Acre Area*," as promulgated by Division Order No. R-7556, dated June 19, 1984, as amended by Division Order No. R-7556-A, dated June 10, 1987, for a non-standard infill carbon dioxide gas (CO₂) well location within an existing 640-acre gas spacing unit for the Bravo Dome Carbon Dioxide (640-acre) Gas Pool (96010) comprising all of Section 35, Township 22 North, Range 32 East, NMPM, Bravo Dome Carbon Dioxide Gas Unit (BDCDGU), Union County, New Mexico.

This spacing unit is currently dedicated to OXY's BDCDGU "2232" Well No. 351-F (API No. 30-059-20311), that is apparently located at a standard CO₂ gas well location within the SE/4 NW/4 (Unit F) of Section 35 either: (i) 1782 feet from the North line and 2278 feet from the East line of Section 35; or (ii) 2000 feet from the North line and 2152 feet from the West line of Section 35.

By authority granted me under the provisions of: (i) Rule 5 of the special rules governing the *Bravo Dome 640-Acre Area* (see Division Orders No. R-7556 and R-7556-A); (ii) Decretory Paragraph No. (4) of Division Order No. R-10576, issued in Case No. 11497 on April 1, 1996; and (iii) Division Rule 104.F (2), the following-described infill CO₂ gas well location to be drilled within this 639.84-acre gas spacing unit is hereby approved:

BDCDGU "2232" Well No. 352-J
1664' FSL & 2578' FEL (Unit J)
(API No. 30-059-20460).

Further, OXY is hereby authorized to simultaneously dedicate production attributed to the Bravo Dome Carbon Dioxide (640-acre) Gas Pool within the subject 640-acre spacing unit from its existing BDCDGU "2232" Well No. 351-F with the proposed BDCDGU "2232" Well No. 352-J.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P. E.
Director

MF/ms

cc: Roy Johnson, District Supervisor – NMOCD, Santa Fe
New Mexico State Land Office - Santa Fe
Danny J. Holcomb, Operations Manager (OXY USA, Inc.) - Amistad, NM (Danny_Holcomb@oxy.com)
W. Thomas Kellahin, Legal Counsel for OXY USA, Inc. – Santa Fe
Richard E. Foppiano, Regulatory Team Leader (OXY USA, Inc.) – Houston (Rick_Foppiano@oxy.com)
Alan J. Schwartz, Land Negotiator (OXY USA, Inc.) – Houston (Alan_Schwartz@oxy.com)