



NSL-5096

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

September 13, 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-5096-A (SD)

Dear Mr. Stewart:

Reference is made to the following: (i) your application dated August 20, 2004 (*administrative application reference No. pMES0-425755031*); and (ii) the records of the New Mexico Oil Conservation Division in Santa Fe ("Division"), 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), and NSL-5096: 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 639.84-acre gas spacing unit for the Bravo Dome Carbon Dioxide (640-acre) Gas Pool (**96010**) comprising all of Section 18, Township 22 North, Range 34 East, NMPM, Bravo Dome Carbon Dioxide Gas Unit (BDCDGU), Union County, New Mexico.

This spacing unit is currently dedicated to OXY's BDCDGU "2234" Well No. 181-G (**API No. 30-059-20338**), located at a standard CO₂ gas well location 1961 feet from the North line and 1979 feet from the East line (Unit G) of Section 18.

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) Secretary 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 "2234" Well No. 182-D
330' FNL & 990' FWL (Lot 1/Unit D)
(API No. 30-059-20454).

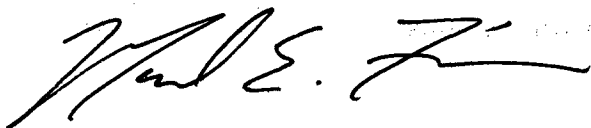
OXY USA, Inc.
September 13, 2004
Page 2

Division Administrative Order NSL-5096-A (SD)

Further, OXY is hereby authorized to simultaneously dedicate production attributed to the Bravo Dome Carbon Dioxide (640-acre) Gas Pool from its existing BDCDGU "2234" Well No. 181-G with the proposed BDCDGU "2234" Well No. 182-D.

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)
File: NSL-5096