

DATE IN 8-23-04	SUSPENSE 9-13-04	ENGINEER MS	LOGGED IN ms	TYPE NSL	APPROVED P. MESO - APP NO. 425755031
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



2234-182D

### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

#### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]  
 [A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify \_\_\_\_\_

- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply  
 [A] ☒ Working Royalty or Overriding Royalty Interest Owners  
 Lessors with unratified interests and/or owners of unleased interests  
 [B] ☐ Offset Operators, Leaseholders or Surface Owner  
 [C] ☐ Application is One Which Requires Published Legal Notice  
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F] ☐ Waivers are Attached

- [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

- [4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

XXXXXX Note: Statement must be completed by an individual with managerial and/or supervisory capacity. XXXXXX

David Stewart  
 Print or Type Name

Signature

Sr. Regulatory Analyst 8/20/04  
 Title Date

david\_stewart@oxy.com  
 e-mail Address



**OXY USA INC.**

PO Box 50250  
Midland, TX 79710-0250

August 20, 2004

New Mexico Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Attention: Roy Johnson

Re: *Application for Administrative Approval of Unorthodox Well Locations  
Bravo Dome Carbon Dioxide Gas Unit 2234-182D  
Harding, Union and Quay Counties, New Mexico*

Dear Mr. Johnson:

OXY USA Inc., as operator of the Bravo Dome Carbon Dioxide Gas Unit ("BDCDGU"), respectfully requests administrative approval pursuant to Order No. 10576 for one unorthodox gas well location within the subject unit. To support this request, the following information is submitted for your review:

1. A narrative explaining the reason for NSL location.
2. OCD Forms C-101 and C-102 were filed April 6, 2004.
3. A map showing where the proposed well is located and the location of the unratified tracts was sent Federal Express July 15, 2004.
4. Letter from Gallegos Law Firm representing Poole Leasing, Inc. withdrawing their objection to the NSL application for this well that was originally filed May 27, 2004 and July 23, 2004.

Notice to affected parties, lessors with unratified interests and/or owners of unleased interests, located in the drillsite section and adjoining spacing unit that are being encroached upon were notified July 15 and 16, 2004. The reason for locating this well at a non-standard location is the need to drill it at a 1. proximity to fault and 2. higher porosity\*net height pay. Approval of this unorthodox location will promote conservation by enhancing the recovery of carbon dioxide from these areas of the reservoir and thereby prevent waste. If you need anything else, please don't hesitate to call me at 432-685-5717.

Sincerely,

David Stewart  
Sr. Regulatory Analyst  
OXY USA Inc.

**RECEIVED**

**AUG 23 2004**

**Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505**

Attachments

CC: Richard E. Foppiano - Danny Holcomb - Alan Schwartz  
Poole Leasing, Inc. - Galleos Law Firm

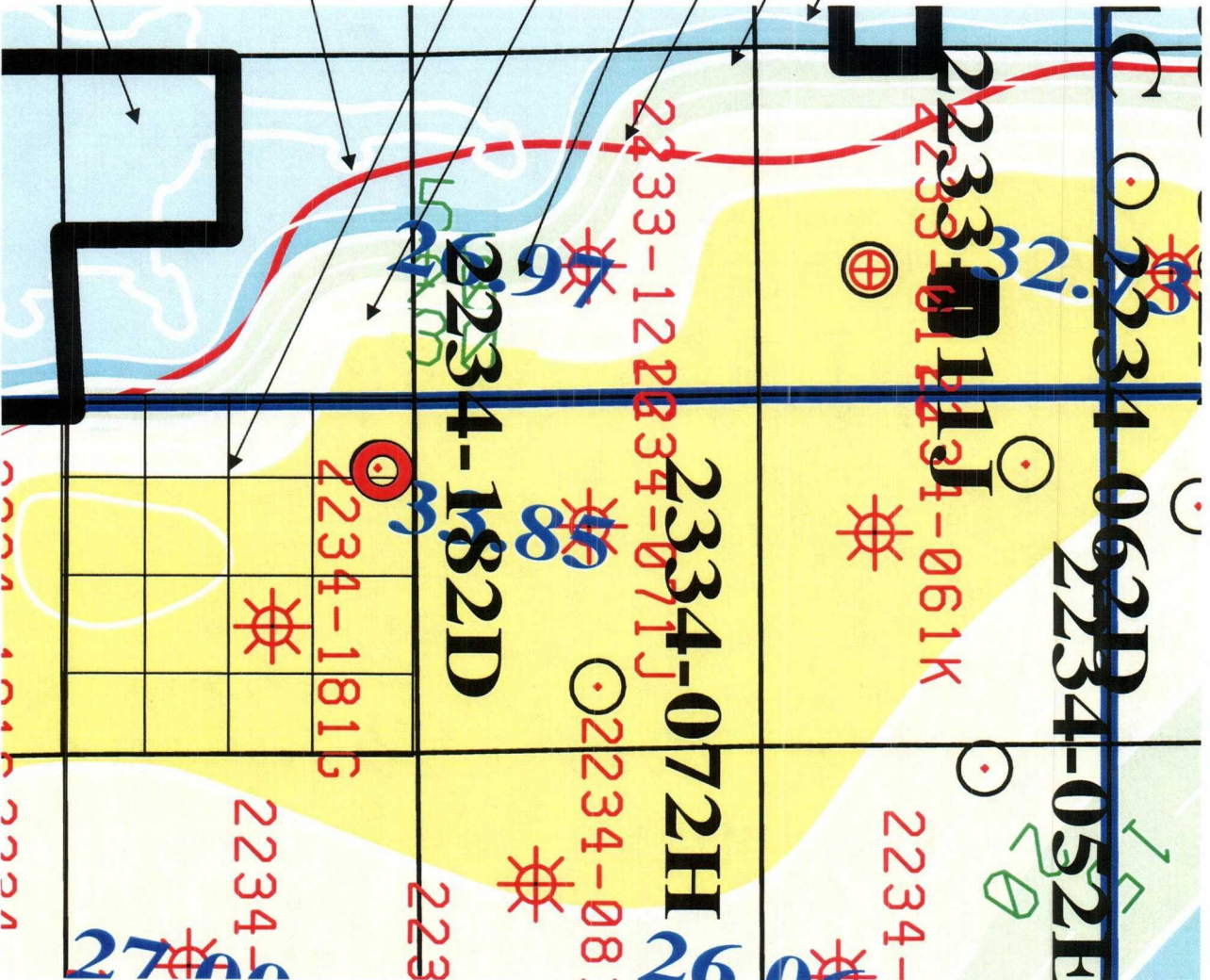
**Attachment NSL Application  
Bravo Dome CDGU 2234-182S**

On the attachment, our proposed unorthodox well number 2234-182D is denoted by a heavy red circle and Mr. Poole's unleased tract in the SW/4 of section 13 is also indicated. The red line meandering north to south-southeast across sections 1, 12 and 13 of T22N, R33E is the Clapham Fault. The area west of this fault (average of 2 - 5 miles) is the non-productive area known as the "Graben".

The labels/colors indicate changes in phi h. This measurement unit is a combination of porosity and height of the productive zone. Higher phi h values historically indicate better production prospects. Oxy targets these higher phi h areas for new drilling candidates. We currently don't drill anything below 15 phi h. This graphic is developed by a computer model using information obtained from individual well logs plus information from a 1984 seismic program. This reservoir management tool has proven successful at Bravo Dome over the past 20 years.

As you can see, the phi h in the area of our proposed unorthodox well number 2234-182D is above 30. The area of Mr. Poole's unleased 160 acre tract is 0 - 5 phi h. The Clapham Fault runs between these two locations. For these reasons and the long distance between the proposed well and Mr. Poole's unleased acreage, Oxy does not believe that there are any drainage issues with Mr. Poole's unleased acreage.

- PHIH = 5
- PHIH = 10
- PHIH = 15
- PHIH = 20
- PHIH = 25
- PHIH = 30
- CLAPHAM FAULT
- Poole Unleased 160 acres T



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. 1st Street, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-10  
Revised March 17, 199

Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address OXY USA Inc. P.O. Box 50250 Midland, TX 79710-0250		<sup>2</sup> OGRID Number 16696
<sup>4</sup> Property Code 27111	<sup>5</sup> Property Name Bravo Dome Carbon Dioxide Gas Unit 2234	<sup>3</sup> API Number 30-059-20454
		<sup>6</sup> Well No. 182

<sup>7</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
D	18	22 N	34 E		330	North	990	West	Union

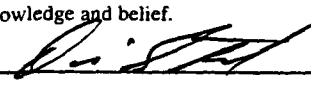
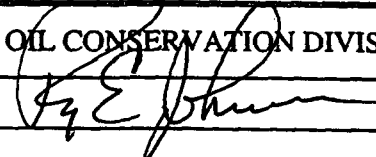
<sup>8</sup> Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
<sup>9</sup> Proposed Pool 1 Bravo Dome Carbon Dioxide Gas 640					96010	<sup>10</sup> Proposed Pool 2			

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code C	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 4954.5'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 2600'	<sup>18</sup> Formation Tubb	<sup>19</sup> Contractor N/A	<sup>20</sup> Spud Date 8/6/04

<sup>21</sup> Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	700'	300sx	Surface
7-7/8"	5-1/2"	5.9#FG/15.5#	2600'	300sx	Surface

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

SEE ATTACHED

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: 		Approved by: 	
Printed name: David Stewart		Title:	
Title: Sr. Regulatory Analyst		Approval Date: 4/8/04	Expiration Date: 4/8/05
Date: 4/6/04	Phone: 432-685-5717	Conditions of Approval: NSL MUST BE APPROVED	
		Attached <input type="checkbox"/> PRIOR TO PRODUCTION	

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-10

Revised October 18, 199

Instructions on bac

Submit to Appropriate District Office

State Lease - 4 Copie

Fee Lease - 3 Copie

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96010	Pool Name BRAVO DOME CARBON DIOXIDE GAS (640)
Property Code 27111	Property Name BRAVO DOME CARBON DIOXIDE GAS UNIT 2234	Well Number 182
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 4954.5

Surface Location


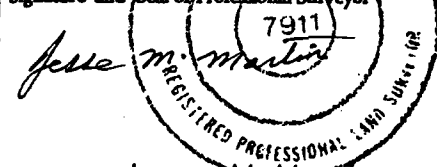
UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
D	18	22 N	34 E		330'	NORTH	990'	WEST	UNION

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 640	Joint or Infill Y	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>18</p> <p>990'</p> <p>2</p> <p>NM-E NAD27 Lot - 36° 08' 36.40" Lon - 103° 21' 40.09"</p> <p>2821'</p> <p>1</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature </p> <p>Printed Name David Stewart</p> <p>Title Sr. Regulatory Analyst</p> <p>Date 4/6/04</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey March 24, 2004</p> <p>Signature and Seal of Professional Surveyor  Jesse M. Martin</p> <p>Certificate Number 7911</p>

# GALLEGOS LAW FIRM

A Professional Corporation

460 St. Michael's Drive  
Building 300  
Santa Fe, New Mexico 87505  
Telephone No. 505-983-6686  
Telefax No. 505-986-1367  
Telefax No. 505-986-0741  
E-Mail glf460@spinn.net

INFORMATION COPY  
OF FACSIMILE

August 17, 2004  
(Our File No. 04-370.00)

J.E. GALLEGOS \*\*

## VIA TELECOPY

David Stewart  
OXY USA Inc.  
P.O. Box 50250  
Midland, TX 79710-0250

Re: Bravo Dome Carbon Dioxide Gas Unit 2234-182D, Unit D, Section 18,  
T22N, R34E

Dear Mr. Stewart:

Danny Holcomb provided me and I forwarded to my client data that persuaded us that Jim Poole does not have reason to object to the referenced well being developed at an unorthodox/nonstandard location. If the application of Oxy is resubmitted, the NMOCD is advised that our July 30, 2004 opposition is withdrawn.

We appreciate the fruitful efforts of Mr. Holcomb, but respectfully suggest that had the available science been provided to Mr. Poole in advance this bit of procedure could have been avoided.

Sincerely,

GALLEGOS LAW FIRM, P.C.

By

  
J.E. GALLEGOS

JEG:sg

fx: Chief Examiner Michael Stogner  
Danny Holcomb  
Jim Poole