



OXY USA Inc.

P. O. Box 303

Amistad, NM 88410-0303

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March 31, 2016

Ray Powell
Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Division Director
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, New Mexico 87505
Attn: William Jones, P.E

Case 8351

Re: 2016 Plan of Development
Bravo Dome Carbon Dioxide Gas Unit
Union, Harding and Quay Counties, New Mexico

Ladies and Gentlemen,

In accordance with Article 4 of the Bravo Dome Carbon Dioxide Gas Unit Agreement, OXY USA, Inc, As Unit Operator herewith submits the 2016 Bravo Dome Unit Plan of Development. This Plan is tentative pending approval by Unit Working Interest Owners and Permitting from the State of New Mexico.

Current CO2 production is approximately 225 mmscfd from 571 producing wells. Current Cumulative Unit Sales are approximately 3.53TCF.

There are currently no new CO2 wells planned for drilling in the 2016 Plan of Development for the Bravo Dome Unit. Oxy will be evaluating lower producing wells in the Unit for Plug and Abandonment in 2015. Possible P&A of 5 - 10 low producing wells

The long range plans (2017 - 2020) is to continue to add well capacity to the existing compression/dehydration facility based on CO2 demand. These plans include possibly drilling approximately 10-20 wells per year to offset Unit decline. A mixture of both infill and expansion wells are included in these plans however; there will be more of an emphasis on extension wells in future years. Unit production peaked in 2011 and will decline at 9% per year without additional drilling. We are currently evaluating additional drilling projects to offset this Unit decline.

Current Oxy manpower operating the Bravo Dome Unit consists of 12 Oxy employees. There are also 7 full time contractors working in the Bravo Dome Unit operations. All of these employees and contractors are New Mexico residents

2015 Unit Accomplishments

- 1) Spent approximately \$360k on preventative compressor maintenance to maintain reliability.
- 2) Maximize compressor runtime
- 3) Evaluated wells to maximize well production

2016 Unit Priorities

- 1) Manage field operations to maximize CO2 production
- 2) Continue to Maximize Compressor runtime
- 3) Evaluate low producing wells as possible P & A candidates

Five-Year Priorities

- 1) Evaluate possible Drill extension/infill wells and extend collection system as needed to offset Unit decline.
- 2) Evaluate possible expansion of Western Bravo Dome Unit Acreage.

The items detailed in this 2016 Plan of Development are subject to Unit working interest owners and the NMOCD approvals, continued strong CO2 demand and favorable project economics. Oxy and other working interest owners plan to continue to develop the Bravo Dome Unit to the best interest of all parties involved. The Plan of Development hereby submitted shall be revised if Unit development plans change.

If you have any questions, please contact Chuck Terry at (575) 374-3055 or at the above letterhead address.

Sincerely,



Chuck Terry
Bravo Dome/Sheep Mountain Plant Team Leader
Office Phone 575-374-3055
Cell Phone 806-282-2801
Email Charles_Terry@oxy.com

Cc: Mr. Jesse Juen
State Director
Bureau of Land Management
P.O. Box 27115
Santa Fe, NM 87502-0115