

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,

A handwritten signature in black ink that reads "David R. Catanach". The signature is written in a cursive style and is positioned above the printed name of the Director.

DAVID R. CATANACH  
Director

DRC/wvjj

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