

Johnson, Roy*pMESO-425838488*

From: David_Stewart@oxy.com
Sent: Friday, July 23, 2004 8:58 AM *receipt date*
To: REJOHNSON@state.nm.us *OCW - Santa Fe*
Cc: Rick_Foppiano@oxy.com; Danny_Holcomb@oxy.com; Alan_Schwartz@oxy.com
Subject: NSL Application - BDCDGU #2232-352J, 2234182D

Roy, please see attached for the NSL application for wells 2232-352J and 2234-182D that is being sent today. I plan to Fed-Ex to your attention and marked personal and confidential. If you require any additional information, let me know. We appreciate your help in this manner.

Thanks,
David Stewart
Sr. Regulatory Analyst
OXY Permian
432-685-5717
Fax-432-685-5742

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TOP

7/23/2004

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NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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.

~~XXXX~~ Statement must be completed by an individual with managerial and/or supervisory capacity.

David Stewart
 Print or Type Name

Signature

Sr. Regulatory Analyst
 Title

7/23/04
 Date

david_stewart@oxy.com

e-mail Address



OXY USA INC.

PO Box 50250
Midland, TX 79710-0250

July 23, 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 2232-352J, 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 two unorthodox gas well locations 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 for each proposed well were filed April 6 and 8, 2004.
3. A map showing where the proposed wells are located and the location of the unratified tracts was sent Federal Express July 15, 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 these wells at a non-standard location is the need to drill them 1. proximity to fault, 2. higher porosity*net height pay, 3. topography, and/or 4. close proximity to the existing gathering system to minimize costs. Approval of these unorthodox locations 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,

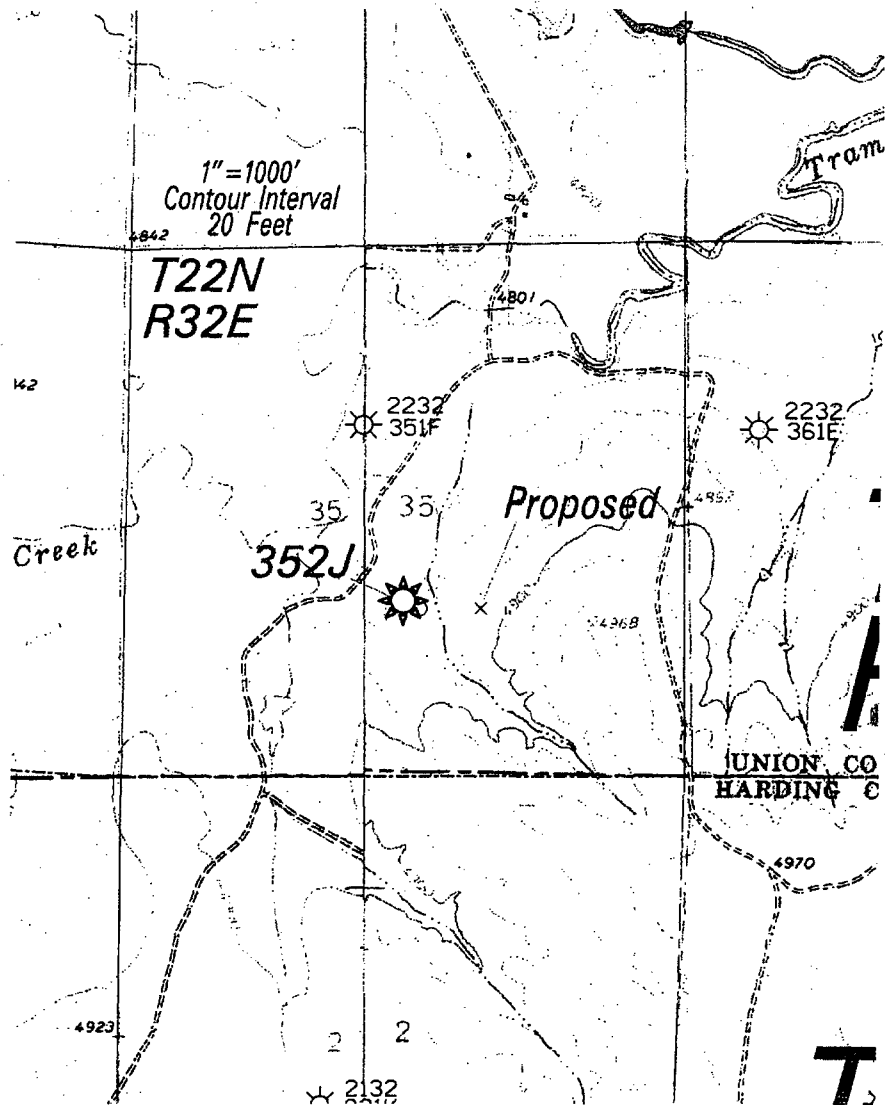
David Stewart
Sr. Regulatory Analyst
OXY USA Inc.

Attachments

CC: Richard E. Foppiano
Danny Holcomb
Alan Schwartz

Bravo Dome Carbon Dioxide Gas Unit Well Number 2232-352J

Topographical Reason for Non-Standard Location: There is an existing producing well in unit letter F of this section. Well 352J was originally intended to be located at 1650' FSL x 1980' FEL in unit letter J (see "Proposed" location on plat below). During staking operations it was moved to its present location of 1664' FSL x 2578' FEL due to a steep hill and arroyo in this area. This present location is less than 330' from the quarter-quarter line causing this to be considered a non-standard location. If drilled at the original location, the cut and fill required for the well location could cause rain-runoff / drainage issues. These issues could potentially threaten our ability to safely drill and complete the well while equipment is on location. Therefore, due to these topographical reasons, we request your approval to drill the 352J location at 1664' FSL x 2578' FEL.



Bravo Dome Carbon Dioxide Gas Unit Well Number 2234-182D

Geological Reason for Non-Standard Location: There is an existing producing well in unit letter G of this section. The Clapham fault runs north-south in section 13 adjoining to the west. We request approval to drill the second well in a D location due to it being nearest the fault and in the best phi-H in this section. We forecast the initial rate on this D location well to be higher than any potential wells in standard locations due to its proximity to the fault. Therefore, in order to prevent waste in this section, we request approval to drill the D non-standard location.

Attachment NSL Application
Bravo Dome CDGU 2232-352J
Bravo Dome CDGU 2234-182D

Marguerite Annie Poling
Allen Poling Corp.
44 Tramperos Lane
Clayton, NM 88415-7229

James A. Harrison
P.O. Box 6277
Santa Fe, NM 87502-6277

Gary Dwight Langaner
509 Main
Clayton, NM 88415-2921

Michael Lee Longanecker
6968 Blackwood
Dallas, TX 75231-5704

John M. Poling III
323 Oneal Road
Clayton, NM 88415-7226

Steven B. Harrison
P.O. Box 6277
Santa Fe, NM 87502-6277

Peggy Ann Poling
P.O. Box 306
Clayton, NM 88415-0306

Tyson Poling
13 Blooming Acres Lane
Clayton, NM 88415-4740

Stephanie Whitney
13 Musick Road
Clayton, NM 88415-4701

Ronald Milton Longanecker
18 Citadel
Amarillo, TX 79124-1400

Judy Jo Robertson
958 Ione Road
Nara Visa, NM 88430-9750

Don Poling
P.O. Box 633
Vega, TX 79092-0633

Barry Poling
c/o First National Bank, Clayton
P.O. Box 385
Texline, TX 79087-0385

Lee Walton Poling
P.O. Box 130
Fritch, TX 79036-0130

George F. Vaught, Jr.
P.O. Box 13557
Denver, CO 80201-3557

Paul L. McCulliss
P.O. Box 3248
Littleton, CO 80161-3248

Patsy Poling
6 PMS Lane
Clayton, NM 88415-7267

Ronald M. Longanecker Trust
Gary D. Longanecker Trust
Michael L. Longanecker Trust
GST N/E UTA DTD 5/5/90
Amarillo National Bank, Trustee
Plaza One, Box 1
Amarillo, TX 79105-0001

Poole Leasing, Inc.
P.O. Box 8
Texline, TX 79087-0008

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Handwritten signature/initials

2232-352J

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~~None of these items must be completed by an individual with managerial and/or supervisory capacity.~~

David Stewart
 Print or Type Name

Handwritten Signature
 Signature

Sr. Regulatory Analyst
 Title

7/23/04
 Date

david_stewart@oxy.com
 e-mail Address



OXY USA INC.

PO Box 50250
Midland, TX 79710-0250

July 23, 2004

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1220 South St. Francis Dr.
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Re: *Application for Administrative Approval of Unorthodox Well Locations
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*Dropped on
Request.*

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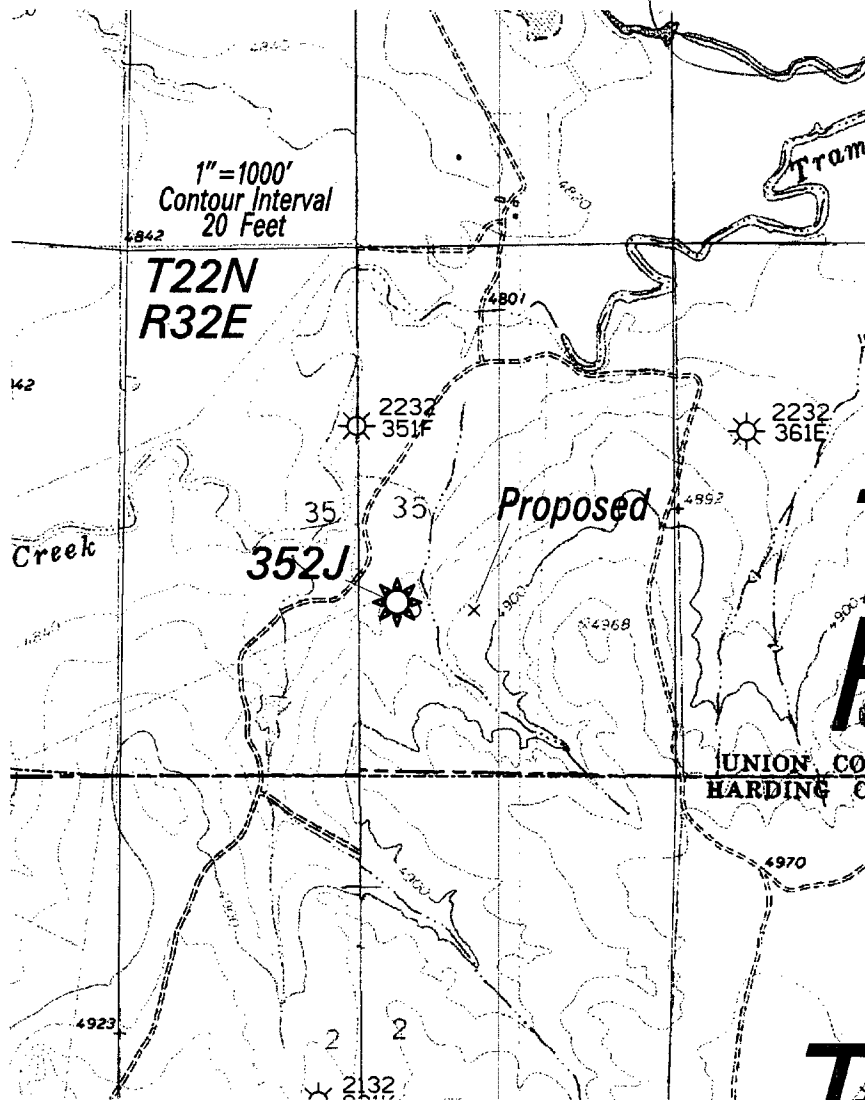
David Stewart
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OXY USA Inc.

Attachments

CC: Richard E. Foppiano
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Bravo Dome Carbon Dioxide Gas Unit Well Number 2232-352J

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Bravo Dome CDGU 2234-182D

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Texline, TX 79087-0385

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Poole Leasing, Inc.
P.O. Box 8
Texline, TX 79087-0008

per J. Gallegos —
contested.