

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor BETTY RIVERA Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

July 24, 2002

OXY USA Inc. P. O. Box 50250 Midland, Texas 79710-0250 Attention: David Stewart

Administrative Order NSL-4762

Dear Mr. Stewart:

Reference is made to your application dated July 11, 2002 for fifteen unorthodox "infill" Bravo Dome carbon dioxide gas (CO₂) well locations all within existing standard 640-acre, more or less, gas spacing and proration units for said Bravo Dome Carbon Dioxide (640-acre) Gas Pool in its Bravo Dome Carbon Dioxide Gas Unit (BDCDGU), Union County, New Mexico:

(a) all of Section 28, Township 19 North, Range 34 East, NMPM, comprising 640 acres, which is currently dedicated to the BDCDGU "1934" Well No. 281 (API No. 30-059-20252), located at a standard CO₂ gas well location 1650 feet from the North and East lines (Unit G) of said Section 28, is to be simultaneously dedicated to said Well No. 281 and to the proposed BDCDGU "1934" Well No. 282 (API No. 30-059-20386) to be drilled at an unorthodox CO₂ gas well location 1672 feet from the South line and 2314 feet from the East line (Unit J) of said Section 28;

(b) all of Section 22, Township 19 North, Range 34 East, NMPM, comprising 640 acres, which is currently dedicated to the BDCDGU "1934" Well No. 221 (API No. 30-059-20059), located at a standard CO₂ gas well location 1650 feet from the North line and 1652 feet from the West line (Unit F) of said Section 22, is to be simultaneously dedicated to said Well No. 221 and to the proposed BDCDGU "1934" Well No. 222 (API No. 30-059-20384) to be drilled at an unorthodox CO₂ gas well location 1673 feet from the South line and 1641 feet from the East line (Unit J) of said Section 22;

(c) all of Section 14, Township 19 North, Range 34 East, NMPM, comprising 640 acres, which is currently dedicated to the

BDCDGU"1934" Well No. 141 (API No. 30-059-20055), located at a standard CO₂ gas well location 1980 feet from the North line and 1976 feet from the East line (Unit G) of said Section 14, is to be simultaneously dedicated to said Well No. 141 and to the proposed **BDCDGU "1934" Well No. 142 (API No. 30-059-20383)** to be drilled at an unorthodox CO₂ gas well location 703 feet from the South line and 2466 feet from the West line (Unit N) of said Section 14;

(d) all of Section 9, Township 19 North, Range 34 East, NMPM, comprising 640 acres, which is currently dedicated to the BDCDGU "1934" Well No. 091 (API No. 30-059-20063), located at a standard CO_2 gas well location 1650 feet from the South line and 1994 feet from the West line (Unit K) of said Section 9, is to be simultaneously dedicated to said Well No. 091 and to the proposed BDCDGU "1934" Well No. 092 (API No. 30-059-20382) to be drilled at an unorthodox CO_2 gas well location 173 feet from the North line and 2281 feet from the West line (Unit C) of said Section 9;

(e) all of Section 8, Township 19 North, Range 34 East, NMPM, comprising 640 acres, which is currently dedicated to the BDCDGU "1934" Well No. 081 (API No. 30-059-20080), located at a standard CO₂ gas well location 1650 feet from the North line and 1980 feet from the West line (Unit F) of said Section 8, is to be simultaneously dedicated to said Well No. 081 and to the proposed BDCDGU "1934" Well No. 082 (API No. 30-059-20381) to be drilled at an unorthodox CO₂ gas well location 644 feet from the South line and 2439 feet from the West line (Unit N) of said Section 8;

(f) all of Section 23, Township 19 North, Range 34 East, NMPM, comprising 640 acres, which is currently dedicated to the BDCDGU "1934" Well No. 231 (API No. 30-059-20027), located at a standard CO₂ gas well location 1980 feet from the South and West lines (Unit K) of said Section 23, is to be simultaneously dedicated to said Well No. 231 and to the proposed BDCDGU "1934" Well No. 232 (API No. 30-059-20385) to be drilled at an unorthodox CO₂ gas well location 2347 feet from the South line and 1267 feet from the East line (Unit I) of said Section 23;

(g) all of Section 5, Township 19 North, Range 35 East, NMPM,

comprising 640 acres, which is currently dedicated to the BDCDGU "1935" Well No. 051 (API No. 30-059-20121), located at a standard CO₂ gas well location 1980 feet from the North and East lines (Unit G) of said Section 5, is to be simultaneously dedicated to said Well No. 051 and to the proposed BDCDGU "1935" Well No. 052 (API No. 30-059-20387) to be drilled at an unorthodox CO₂ gas well location 584 feet from the South line and 1963 feet from the East line (Unit O) of said Section 5;

(h) all of Section 7, Township 19 North, Range 35 East, NMPM, comprising 640 acres, which is currently dedicated to the BDCDGU "1935" Well No. 071 (API No. 30-059-20065), located at a standard CO₂ gas well location 1980 feet from the North and East lines (Unit G) of said Section 7, is to be simultaneously dedicated to said Well No. 071 and to the proposed BDCDGU "1935" Well No. 072 (API No. 30-059-20388) to be drilled at an unorthodox CO₂ gas well location 660 feet from the South line and 2005 feet from the East line (Unit O) of said Section 7;

(i) all of Section 8, Township 19 North, Range 35 East, NMPM, comprising 640 acres, which is currently dedicated to the BDCDGU "1935" Well No. 081X (API No. 30-059-20145), located at a standard CO₂ gas well location 1980 feet from the North line and 1880 feet from the West line (Unit G) of said Section 8, is to be simultaneously dedicated to said Well No. 081X and to the proposed BDCDGU "1935" Well No. 082 (API No. 30-059-20389) to be drilled at an unorthodox CO₂ gas well location 1635 feet from the North line and 1659 feet from the West line (Unit F) of said Section 8;

(j) all of Section 17, Township 19 North, Range 35 East, NMPM, comprising 640 acres, which is currently dedicated to the BDCDGU "1935" Well No. 171 (API No. 30-059-20288), located at a standard CO₂ gas well location 1650 feet from the South and West lines (Unit K) of said Section 17, is to be simultaneously dedicated to said Well No. 171 and to the proposed BDCDGU "1935" Well No. 172 (API No. 30-059-20390) to be drilled at an unorthodox CO₂ gas well location 481 feet from the North line and 475 feet from the West line (Unit D) of said Section 17;

(k) all of Section 20, Township 20 North, Range 34 East, NMPM, comprising 640 acres, which is currently dedicated to the BDCDGU "2034" Well No. 201 (API No. 30-059-20141), located at a standard CO₂ gas well location 1980 feet from the North and East lines (Unit G) of said Section 20, is to be simultaneously dedicated to said Well No. 201 and to the proposed BDCDGU "2034" Well No. 202 (API No. 30-059-20391) to be drilled at an unorthodox CO₂ gas well location 320 feet from the South line and 996 feet from the East line (Unit P) of said Section 20;

(I) all of Section 21, Township 20 North, Range 34 East, NMPM, comprising 640 acres, which is currently dedicated to the BDCDGU "2034Il No. 211 (API No. 30-059-20177), located at a standard CO₂ gas well location 1980 feet from the South line and 660 feet from the East line (Unit L) of said Section 21, is to be simultaneously dedicated to said Well No. 211 and to the proposed BDCDGU "2034" Well No. 212 (API No. 30-059-20392) to be drilled at an unorthodox CO₂ gas well location 1819 feet from the North line and 2332 feet from the West line (Unit F) of said Section 21;

(m) all of Section 28, Township 20 North, Range 34 East, NMPM, comprising 640 acres, which is currently dedicated to the BDCDGU "2034" Well No. 281 (API No. 30-059-20137), located at a standard CO₂ gas well location 1980 feet from the South and East lines (Unit J) of said Section 28, is to be simultaneously dedicated to said Well No. 281 and to the proposed BDCDGU "2034" Well No. 282 (API No. 30-059-20393) to be drilled at an unorthodox CO₂ gas well location 2491 feet from the North line and 238 feet from the West line (Unit E) of said Section 28.

(n) all of Section 32, Township 20 North, Range 34 East, NMPM, comprising 640 acres, which is currently dedicated to the BDCDGU "2034" Well No. 321 (API No. 30-059-20278), located at a standard CO₂ gas well location 1650 feet from the North and East lines (Unit G) of said Section 32, is to be simultaneously dedicated to said Well No. 321 and to the proposed BDCDGU "2034" Well No. 322 (API No. 30-059-20394) to be drilled at an unorthodox CO₂ gas well location 1027 feet from the South line and 264 feet from the West line (Unit M) of said Section 32.

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(o) all of Section 35, Township 20 North, Range 34 East, NMPM, comprising 640 acres, which is currently dedicated to the BDCDGU "2034" Well No. 351 (API No. 30-059-20070), located at a standard CO₂ gas well location 1980 feet from the North and East lines (Unit G) of said Section 35, is to be simultaneously dedicated to said Well No. 351 and to the proposed BDCDGU "2034" Well No. 352 (API No. 30-059-20395) to be drilled at an unorthodox CO₂ gas well location 671 feet from the South line and 2356 feet from the East line (Unit O) of said Section 35.

From the information provided by the applicant, the royalty interests in all of the affected offsetting acreage to the proposed unorthodox locations have either been notified by certified mail or have ratified the Bravo Dome Carbon Dioxide Gas Unit (BDCDGU) Agreement.

By authority granted me under the provisions of Rule 5 of the "*Special Rules and Regulations for the Bravo dome 640-Acre Area*," as promulgated by Division Order No. R–7556, dated June 19, 1984, Decretory Paragraph No. (4) of said Order No. R-10576, and Division General Rule 104.F(2) the above-described BDCDGU "1934" Well Nos. 082, 092, 142, 222, 232, 282, and BDCDGU "1935" Well Nos. 052, 072, 082, 172, and BDCDGU "2034" Well Nos. 202, 212, 282, 322, and 352, all to be drilled at unorthodox "infill" CO₂ gas well locations are hereby approved.

Sincerely,

Lori Wrotenbery Director

LW/MES/kv

cc: Roy Johnson, District Supervisor - Santa Fe
New Mexico State Land Office - Santa Fe
Danny J. Holcomb, Operations Manager (OXY) - Amistad, New Mexico