



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 13, 2005

David Stewart
432-685-5717
Oxy USA Inc.
PO Box 50250
Midland, Texas 79710-0250

RE: Exception to Statewide Rule 107(J)
Bravo Dome Carbon Dioxide Gas Unit
Harding/Union County, New Mexico

Dear Mr. Stewart:

The Division received your April 28, 2005 letter on behalf of Oxy USA Inc. requesting a blanket exception to the Division's Well Tubing Requirements as specified in NMAC 19.15.3.107J.

For the reason's outlined in your letter and because waste will not be caused, you are hereby authorized to produce your CO2 gas wells up the casing without installing tubing. This approval is contingent on such wells being completed with steel casing across the Tubb formation and fiberglass casing from the Tubb to the surface.

The Division may terminate the authority granted herein upon failure of the operator to conduct operations to protect fresh water, prevent waste, and protect correlative rights.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

MARK E. FESMIRE, P.E.
DIRECTOR

cc: Oil Conservation Division – Roy Johnson
Case No. 6967



OXY USA INC.

Approx. 60 + % of the wells in BD are tubingless completions - in which they have applied for exceptions to Rule 107J

PO Box 50250
Midland, TX 79710-0250

This is OK with me,
Roy

April 28, 2005

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

Attn: Roy Johnson

Re: *Exception to Statewide Rule 107(J)*
Bravo Dome Carbon Dioxide Gas Unit
Harding/Union County, NM

NO WASTE covered

19, 15, 3, 107 J. (4)

Roy ✓ OK
Will ✓ OK
Daniel ✓ OK
Mark ✓ OK JDS

Dear Mr. Johnson:

OXY USA Inc. respectfully requests a blanket exception to SWR 107 (J), in order to drill and complete our wells in the Bravo Dome Carbon Dioxide Gas Unit. On the wells where this exception would pertain, OXY plans to run 5-1/2" 5.3# fiberglass through the Cimarron and 15.5# J55 LTC steel casing through the Tubb to TD. OXY will produce the well through the production casing in lieu of producing through the tubing. In support of our request, the following reasons exist.

1. Eliminate casing corrosion.
2. Eliminate expense for tubing, on and off tool, packer and inhibited fluid.
3. Increase production rates since the well can flow up the casing.
4. The well is not a wildcat or dual completion and will be completed with a total depth of less than 3000 feet.

A wellbore schematic is attached for your information and review.

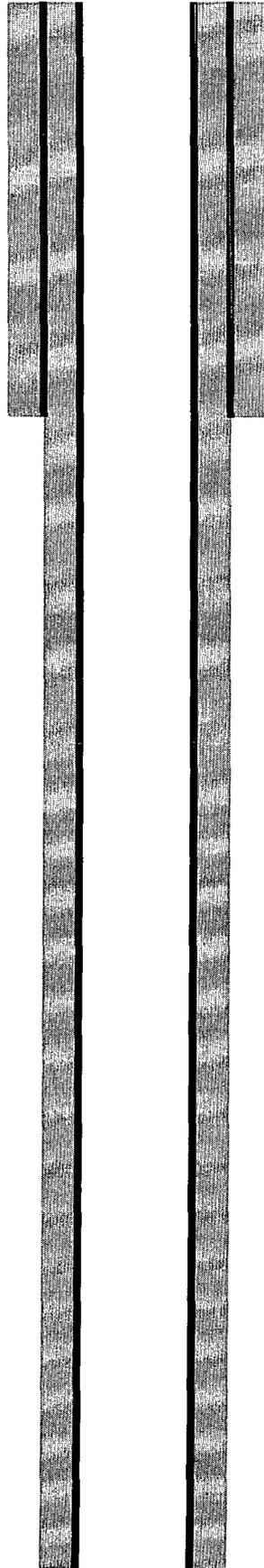
Your administrative approval of this request will be appreciated. If additional information is needed, you can contact me at 432-685-5717 or Danny Holcomb at 505-374-3010.

Sincerely,

David Stewart
Sr. Regulatory Analyst
OXY USA Inc.

Attachments

Exception SWR 107(J) - Proposed
OXY USA Inc.
Bravo Dome Carbon Dioxide Gas Unit



12-1/4" hole @ +/-700'
8-5/8" csg @ +/-700'
w/300sx-TOC-Surface

7-7/8" hole @ +/-2600'
5-1/2" csg @ +/-2600'
0-2300'-5.3# 10rd FG
2300-2600'-15.5# J55 8rd LTC
w/300sx-TOC-Surface

TD-2600'