



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

May 23, 2006

Occidental Permian Ltd.
P.O. Box 4294
Houston, Texas 77210-4294

Attention: Mr. Mark Stephens

Re: Request for Activation of Injection Status
North Hobbs Grayburg San Andres Unit Well No. 414
API No. 30-025-28879
10' FNL & 1280' FEL (Unit A)
Section 24, T-18S, R-37E, NMPM,
Lea County, New Mexico

Dear Mr. Stephens:

The Division has received and reviewed your request dated May 9, 2006 to activate the North Hobbs Grayburg San Andres Unit ("NHGSAU") Well No. 414 as an injection well within the NHGSAU Pressure Maintenance Project.

By Order No. R-6199-B dated October 22, 2001, the Division authorized Occidental Permian Ltd. to implement a tertiary recovery injection project within the NHGSAU Pressure Maintenance Project by the injection of water, CO₂ and produced gas into the Grayburg and San Andres formations, Hobbs Grayburg-San Andres Pool. The order further approved sixty (60) wells to be utilized for injection, including thirty-six (36) existing wells that were to be converted from producers to injection wells at a later time. It is our understanding that the NHGSAU Well No. 414 is now going to be activated as an injection well.

Pursuant to Order No. R-6199-B, the NHGSAU Well No. 414 has already been permitted for injection. Occidental Permian, Ltd. is therefore authorized to utilize this well as an injection well within the NHGSAU Pressure Maintenance Project.

Injection and operation of this well shall be in conformance with all provisions contained within Division Order No. R-6199-B.

Injection into the NHGSAU Well No. 414 shall be through the perforated interval from approximately 4,000 feet to 4,370 feet through 2 7/8-inch fiberglass-lined tubing installed in a packer located at a depth of approximately 3,900 feet.

In accordance with the provisions of R-6199-B, the NHGSAU Well No. 414 is authorized to inject water, CO₂ and produced gas into the Grayburg-San Andres formation at the following-described surface injection pressures:

| | |
|-------------------|----------|
| Water: | 1100 psi |
| CO ₂ : | 1250 psi |
| Produced Gas: | 1770 psi |

Sincerely,



Mark E. Fesmire, P.E.
Director

Xc: OCD-Hobbs
Case File-12722