



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 11, 2006

Occidental Permian Ltd. Partnership
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. 431
API No. 30-025-05467
2310' FSL & 330' FEL (Unit I)
Section 23, T-18S, R-37E, NMPM,
Lea County, New Mexico

Dear Mr. Stephens:

The Division has received and reviewed your request dated June 21, 2006 to return to active injection status the North Hobbs Grayburg San Andres Unit ("NHGSAU") Well No. 431 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 twenty-four (24) wells that were to be drilled at a later time. It is our understanding that the NHGSAU Well No. 431 was originally permitted as an injection well within this project by Division Order No. PMX-89 dated August 26, 1980. It is further our understanding that the well has been in temporary abandonment status for some time, and that Oxy now proposes to resume injection operations into this well.

Pursuant to Division Orders No. PMX-89, the NHGSAU Well No. 431 has already been permitted for injection. Occidental Permian, Ltd. is therefore authorized to resume injection operations into the NHGSAU Well No. 431.

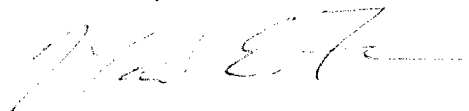
Injection and operation of this well shall be in conformance with all provisions contained within Division Order No. R-6199-B.

Injection into the NHGSAU Well No. 431 shall be through the perforated and open-hole interval from approximately 4,000 feet to 4,300 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. 431 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
PMX-89