



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 17, 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. 741
API No. 30-025-37480
360' FNL & 1294' FEL (Unit A)
Section 25, T-18S, R-37E, NMPM,
Lea County, New Mexico

Dear Mr. Stephens:

The Division has received and reviewed your request dated April 10, 2006 to complete as an injection well the recently-drilled North Hobbs Grayburg San Andres Unit ("NHGSAU") Well No. 741 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. 741, which was originally identified by Order No. R-6199-B as the NHGSAU Well No. 125, has been drilled and will be completed as an injection well.

Pursuant to Order No. R-6199-B, the NHGSAU Well No. 741 has already been permitted for injection. Occidental Permian, Ltd. is therefore authorized to complete this well as an injection well within the NHGSAU Pressure Maintenance Project.

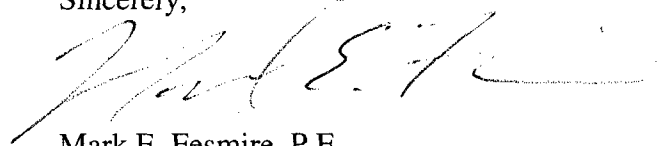
Injection and operation of this well shall be in conformance with all provisions contained within Division Order No. R-6199-B.

Injection into the NHGSAU Well No. 741 shall be through the perforated interval from approximately 4,180 feet to 4,298 feet through 2 7/8-inch fiberglass-lined tubing installed in a packer located at a depth of 4,080 feet.

In accordance with the provisions of R-6199-B, the NHGSAU Well No. 741 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