



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 10, 2006

Division Order No. IPI-269

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

Attention: Mr. Mark Stephens

**RE: *Injection Pressure Increase
North Hobbs Grayburg San Andres Unit
Pressure Maintenance Project
Lea County, New Mexico***

Dear Mr. Stephens:

Reference is made to your request received by the Division on June 20, 2006, to increase the surface injection pressure on twenty-six injection wells within the North Hobbs Grayburg San Andres Unit Pressure Maintenance Project. This request is based on step rate test data obtained during 2005. The results of the step rate test data show that an increase in the surface injection pressure for these well is justified and will not result in the fracturing of the injection formation and confining strata.

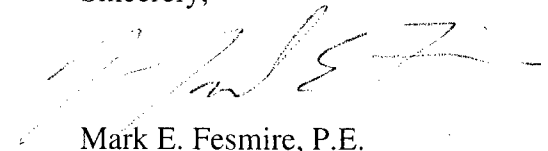
You are therefore authorized to increase the surface injection pressure to **1100 psi** on the following wells:

<u>Well Name & Number</u>	<u>API Number</u>	<u>Well Location</u>
NHGS AU Well No. 111	30-025-07422	Unit D, Section 28, T-18S, R-38E
NHGS AU Well No. 232	30-025-28882	Unit K, Section 28, T-18S, R-38E
NHGS AU Well No. 242	30-025-29276	Unit N, Section 28, T-18S, R-38E
NHGS AU Well No. 311	30-025-07417	Unit B, Section 28, T-18S, R-38E
NHGS AU Well No. 422	30-025-27243	Unit H, Section 28, T-18S, R-38E
NHGS AU Well No. 441	30-025-07411	Unit P, Section 28, T-18S, R-38E
NHGS AU Well No. 341	30-025-07500	Unit O, Section 31, T-18S, R-38E
NHGS AU Well No. 132	30-025-27139	Unit L, Section 32, T-18S, R-38E

NHGSAU Well No. 141	30-025-07523	Unit M, Section 32, T-18S, R-38E
NHGSAU Well No. 142	30-025-28265	Unit M, Section 32, T-18S, R-38E
NHGSAU Well No. 144	30-025-31662	Unit M, Section 32, T-18S, R-38E
NHGSAU Well No. 341	30-025-07539	Unit O, Section 32, T-18S, R-38E
NHGSAU Well No. 342	30-025-28266	Unit O, Section 32, T-18S, R-38E
NHGSAU Well No. 432	30-025-26974	Unit I, Section 32, T-18S, R-38E
NHGSAU Well No. 142	30-025-28411	Unit M, Section 33, T-18S, R-38E
NHGSAU Well No. 211	30-025-07564	Unit C, Section 33, T-18S, R-38E
NHGSAU Well No. 221	30-025-07560	Unit F, Section 33, T-18S, R-38E
NHGSAU Well No. 231	30-025-07545	Unit K, Section 33, T-18S, R-38E
NHGSAU Well No. 232	30-025-26834	Unit K, Section 33, T-18S, R-38E
NHGSAU Well No. 322	30-025-27169	Unit G, Section 33, T-18S, R-38E
NHGSAU Well No. 342	30-025-28267	Unit O, Section 33, T-18S, R-38E
NHGSAU Well No. 422	30-025-28268	Unit H, Section 33, T-18S, R-38E
NHGSAU Well No. 432	30-025-28269	Unit I, Section 33, T-18S, R-38E
NHGSAU Well No. 534	30-025-34373	Unit J, Section 33, T-18S, R-38E
NHGSAU Well No. 543	30-025-34997	Unit H, Section 33, T-18S, R-38E
NHGSAU Well No. 631	30-025-34994	Unit B, Section 33, T-18S, R-38E

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected fluid is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

cc: Oil Conservation Division - Hobbs
Case File: 12722