



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

September 11, 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. 131
API No. 30-025-07527
2310' FSL & 330' FWL (Unit L)
Section 32, T-18S, R-38E, NMPM,
Lea County, New Mexico

Dear Mr. Stephens:

The Division has received and reviewed your request dated August 28, 2006 to reactivate the North Hobbs Grayburg San Andres Unit ("NHGSAU") Well No. 131 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. 131, which has been a producing well for a period of time, is now going to be converted to an injection well.

Pursuant to Order No. R-6199-B, the NHGSAU Well No. 131 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.

Prior to commencing injection operations into the NHGSAU Well No. 131, the 4 1/2 inch casing liner shall be squeeze cemented in the interval from approximately 4,110 feet (Current TOC) to 3,813 feet (Top of liner) to ensure that the injected fluid does not migrate from the injection interval. The operator shall notify the Hobbs District Office of the Division of the date and time such work shall be performed in order that these operations may be witnessed. After completion of this work, the application shall forward a letter to the Engineering Bureau, OCD Santa Fe, that details the work performed on the well.

Injection into the NHGSAU Well No. 131 shall be through the perforated/open hole interval from 4,050 feet to 4,250 feet. 2 3/8-inch and/or 2 7/8-inch fiberglass-lined tubing shall be installed in a packer set at a depth of 3,950 feet.

In accordance with the provisions of R-6199-B, the NHGSAU Well No. 131 is authorized to inject water and CO₂ into the Grayburg-San Andres formation at the following-described surface injection pressures:

Water:	1100 psi
CO ₂ :	1250 psi

Sincerely,



Mark E. Fesmire, P.E.
Director

Xc: OCD-Hobbs
Case File-12722 ✓