

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson Governor Joanna Prukop Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

February 25, 2003

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

Attention: Mr. Mark Stephens

Adminstrative Order No. PMX-109-A

Dear Mr. Stephens:

Reference is made to your request dated January 30, 2003, to amend Division Order No. PMX-109 dated August 13, 1981, which order authorized the conversion to injection of eighteen wells within the North Hobbs Grayburg San Andres Unit Pressure Maintenance Project. It is our understanding that Occidental Permian Ltd. seeks to amend the portion of the order relating to the:

North Hobbs Grayburg San Andres Unit Well No. 442 API No. 30-025-27001 1300' FSL & 1050' FEL, Unit P, Section 30, T-18 South, R-38 East, NMPM, Lea County, New Mexico

and that the order is proposed to be amended by authorizing the subject well to inject water, carbon dioxide and produced gas into the Grayburg-San Andres formation at a surface injection pressure not to exceed:

- (i) 1100 psi for water
- (ii) 1250 psi for carbon dioxide
- (iii) 1770 psi for carbon dioxide and produced gas

It is further our understanding that the subject well is located within the North Hobbs Grayburg San Andres Unit Phase I Tertiary Recovery Project, approved by Division Order No. R-6199-B.

Pursuant to your request, the proposed amendment to Division Order PMX-109 is hereby approved.

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Prior to injecting carbon dioxide and produced gas into the subject well, Occidental Permian Ltd. shall comply with any and all requirements relating to the amendment of the H_2S Contingency Plan for unit operations.

Sincerely, Kan Whotenberry by Dre

Lori Wrotenbery Director

Xc: Case File: 12722 File-PMX-109 OCD-Hobbs Roger Anderson