



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 23, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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. 232
API No. 30-025-29172
2501' FSL & 1410' FWL (Unit K)
Section 19, T-18S, R-38E, NMPM,
Lea County, New Mexico

Dear Mr. Stephens:

The Division has received and reviewed your request dated August 16, 2005 to complete the North Hobbs Grayburg San Andres Unit ("NHGSAU") Well No. 232 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 at a later time. It is our understanding that the NHGSAU Well No. 232 is now going to be converted to an injection well.

Pursuant to Order No. R-6199-B, the NHGSAU Well No. 232 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.

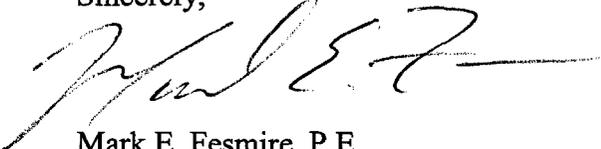
Pursuant to Order No. R-6199-B, the NHGSAU Well No. 232 is authorized to inject water, CO₂, and produced gas at surface injection pressures as follows:

Water	1100 psi
CO ₂	1250 psi
Produced Gas	1770 psi

Occidental Permian, Ltd.
Injection Well Activation
NHGS AU Pressure Maintenance Project
August 23, 2005
Page 2

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

Xc: OCD-Hobbs
Case File-12722