

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



March 1, 2013

Mike Feldewert, Esq.  
Attorney for Occidental Permian Ltd  
Holland & Hart, LLP  
PO Box 2208,  
Santa Fe, NM 87504-2208

Dear Mr. Feldewert,

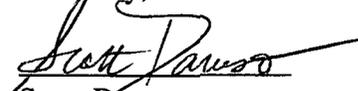
On December 20, 2012, under the provisions of Division Order R-6199, as amended, Occidental Permian Ltd. (OGRID No. 157984) made administrative application to the Division for permission to add Well No. 431 (API No. 30-025-05445) as an injection well for water, CO<sub>2</sub>, or produced gas in its North Hobbs Grayburg-San Andres Unit Tertiary Recovery Project located within the Hobbs; Grayburg-San Andres Pool (31920) in Lea County, New Mexico.

This well was previously approved for (only) water injection under administrative permit PMX-89.

Division Order R-6199, has been amended to expand the defined Phase I area, but has not yet included this proposed well and its location in those lands. The Phase I area was specifically designated by Order R-6199-B as the project area for the CO<sub>2</sub> and produced gas injection within this Unit. In addition to the issue of extending the Phase I area boundaries, Occidental should propose to equip and monitor the proposed CO<sub>2</sub>/produced gas injection well in a manner consistent with recent Division and Commission requirements of wells injecting or disposing of acid gas.

The Division has decided not to consider this matter administratively. If your client wishes to pursue this matter to hearing, please enter a case before the Oil Conservation Commission to do so.

Sincerely,

  
Scott Dawson  
Deputy Director

Cc: Case No. 12722