



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

July 20, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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

Attention: Mr. Mark Stephens

Administrative Order No. PMX-109-B

Dear Mr. Stephens:

Reference is made to your request dated June 28, 2004, 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 Limited Partnership seeks to amend the portion of the order relating to the:

North Hobbs Grayburg San Andres Unit Well No. 242
API No. 30-025-26832
1300' FSL & 2600' FWL, Unit N, Section 24, T-18 South, R-37 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 (CO₂) and produced gas into the Grayburg-San Andres formation at a surface injection pressure not to exceed:

- (i) 1100 psig for water
- (ii) 1250 psig for CO₂; and
- (iii) 1770 psi for 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.

Occidental Permian Limited Partnership

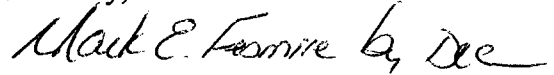
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Prior to injecting carbon dioxide and produced gas into the subject well, Occidental Permian Limited Partnership shall comply with any and all requirements relating to the amendment of the H₂S Contingency Plan for unit operations.

Sincerely,

A handwritten signature in cursive script that reads "Mark E. Fesmire by Dec".

Mark E. Fesmire, P.E.
Director

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