

Occidental Permian Ltd.

580 Westlake Park Blvd. P.O. Box 4294, Houston, TX 77210-4294 Phone 281-552-1000 Fax 281-552-1200

October 21, 2002

New Mexico Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Attention: Mr. Richard Ezeanyim

Re: Authorization to Utilize Treated Effluent from Municipal Waste Treatment Plant

North Hobbs Grayburg-San Andres Unit Pressure Maintenance Project

Hobbs: Grayburg - San Andres Pool

Lea County, New Mexico

Dear Richard:

It was a pleasure to see you again last week at the surface commingling meeting. I appreciate your leadership on that important project and look forward to final adoption of the new rules. You may recall that I mentioned to you an application that we filed back in March of this year relating to the use of treated effluent at our North Hobbs Unit. I have not been able to determine the status of the NMOCD's review of this request, so maybe you can help me out. Attached is a copy of the filing. Please let me know if the NMOCD requires any additional information, or has any concerns about our request. As you can see from the letter, we believe it is a true win-win for us and the city of Hobbs.

Thanks in advance for your assistance on this. If you need anything else, please don't hesitate to call me at 281-552-1303.

Sincerely,

Richard E. Foppiano Senior Advisor – Regulatory Affairs

REF:ref
Attachment