Brooks, David K., EMNRD

From:

Brooks, David K., EMNRD

Sent:

Tuesday, October 19, 2010 3:40 PM

To:

'William Carr'

Cc:

Jones, William V., EMNRD

Subject:

Case No. 14545; Application of Hess Corporation for Approval of Enlargement of West Bravo

Dome

Dear Bill

I am a little confused here. MR. Hughart testified (Tr 21) that "we have 100% ownership of the unit and 100% ownership of the Mithchell." Then on Page 25, he talks about some "windows" in the Unit. I understand that this is not inconsistent with the previous statement because these are uncommitted interests.

My concern is that Exhibit 4, which appears to be the land description exhibit to the Second Enlargement shows some unleased interests in the "working interest and percentage" column. Under the Enlargement of Unit Area provision (Article 12.1) of the Unit Agreement, it would seem to require 100% of the working interest to agree to the enlargement. So what about the unleased interests shown on Exhibit 4. I understand they are not "working interests" if they are not committed, but I cannot correlate that with the testimony.

I would greatly appreciate you furnishing an explanation.

Thanks

David