

AMERADA HESS CORPORATION

North Monument Grayburg/San Andres Unit (NMGSAU)

October 5, 2000

Summary of C-108 Dated November 17, 1999

Intent of C-108 dated 11/17/99

- Amendment of Division Order R-9596 approving the North Monument Grayburg/San Andres Unit (NMGSAU). Original C-108 filed August 2, 1991. Order issued October 15, 1991.
- Amerada Hess seeks approval to convert NMGSAU wells #215 and #503 to injection.
- Both wells are completed within the unitized formation. The 'unitized formation' is defined as 'that interval underlying the Unit Area, the vertical limits of which extend from an upper limit described as the top of the Grayburg formation to a lower limit at the base of the San Andres formation; the geologic markers having been previously found to occur at 3,642 feet and 5,050 feet on the electric log for the AHC - Monument Abo Unit No. 1 Well, located in Section 2, Township 20 South, Range 36 East, Lea County, New Mexico.' (Section 2, Article w, NMGSAU Unit Agreement)
- Conversion is designed to improve recovery efficiency and enhance oil production in the NMGSAU secondary recovery project.
- Both wells are currently active Grayburg producers.

NMGSAU
Boundary

