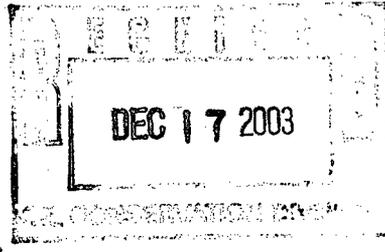


SD

WVJ



December 15, 2003

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

Re: Amerada Hess Corporation/application for simultaneous dedication
N½ §7-21S-36E/Amendment of Administrative Order NSP-378-A(L)(SD)

Mr. Ezeanyim:

Per our phone conversation and at your request, Amerada Hess is re-submitting the referenced Simultaneous Dedication Application **with notice** to offsets. I have attached a copy of the original application as submitted by James Bruce, a map showing offset Eumont production and estimated reserves, copies of waivers from all offset Eumont producers, and the certified mail receipts showing that notice was given to offset operators.

Approval of this application will allow Amerada Hess to effectively drain reserves in the NW/4 of section 7, protect from offset drainage, and utilize an abandoned wellbore. Since all offset operators have signed waivers agreeing not to object to this application, it is requested that approval be granted prior to the 20-day waiting period. Amerada Hess has a frac date scheduled for December 30th, pending approval of the SD application.

If you have any questions, please contact Chad McGehee at (432) 758-6707 before December 19th. Otherwise, direct any questions or correspondence to Carol Moore at (432) 758-6738.

I appreciate your assistance in this matter.

Respectfully,

Chad McGehee

12-19-2003
Note: I pulled this application from the state of addl. to be entered into RDB MS data base by Lawrence Romero who is out on Christmas vacation.
[Signature]

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



DEC 17 2003

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application is One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

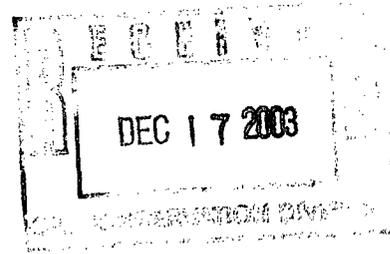
Carol J. Moore
 Print or Type Name

Carol J. Moore
 Signature

Senior Advisor
 Title

11/26/2003
 Date

cmoore@hess.com
 e-mail Address



November 21, 2003

Hand Delivered

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

Re: Amerada Hess Corporation/application for simultaneous dedication
N½ §7-21S-36E/Amendment of Administrative Order NSP-378-A(L)(SD)

Ladies and gentlemen:

Attached is an application requesting approval of a third well in the above well unit. The N½ §7 is a previously approved non-standard well unit in the Eumont Gas Pool, with two existing wells in the NE¼ §7. The well unit and simultaneous dedication were approved before the pool rules for the Eumont Gas Pool were amended in 2001 (Order No. R-8170-P). Under Rule 3(C), one well per is allowed per 160 acres, and two wells are allowed on a 320 acre unit. An exception requires notice to offsetting operators.

Strictly speaking, the application violates Rule 3(C). However, it appears that existing non-standard units and well densities were grandfathered-in. As a result, this application has been filed **without notice to offsets** because it is the first well in the NW¼ §7. Please let us know if this interpretation is correct.

Applicant has a rig available to commence the work in the first week of December, and thus requests approval before the normal 20 day waiting period.

Please call if you have any questions.

Very truly yours,

James Bruce

Attorney for Amerada Hess Corporation

District I
 1625 N. French Dr., Hobbs, NM 88240
District II
 1301 W. Grand Avenue, Artesia, NM 88210
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised June 10, 2003
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies
 DEC 17 2003
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-04553	² Pool Code 22800	³ Pool Name EUMONT YATES 7 RIVERS QUEEN
⁴ Property Code 000108	⁵ Property Name H L HOUSTON GAS COM	⁶ Well Number 005
⁷ OGRID No. 000495	⁸ Operator Name AMERADA HESS CORPORATION	⁹ Elevation 3582' KB

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	7	21S	36E		1650	NORTH	1650	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

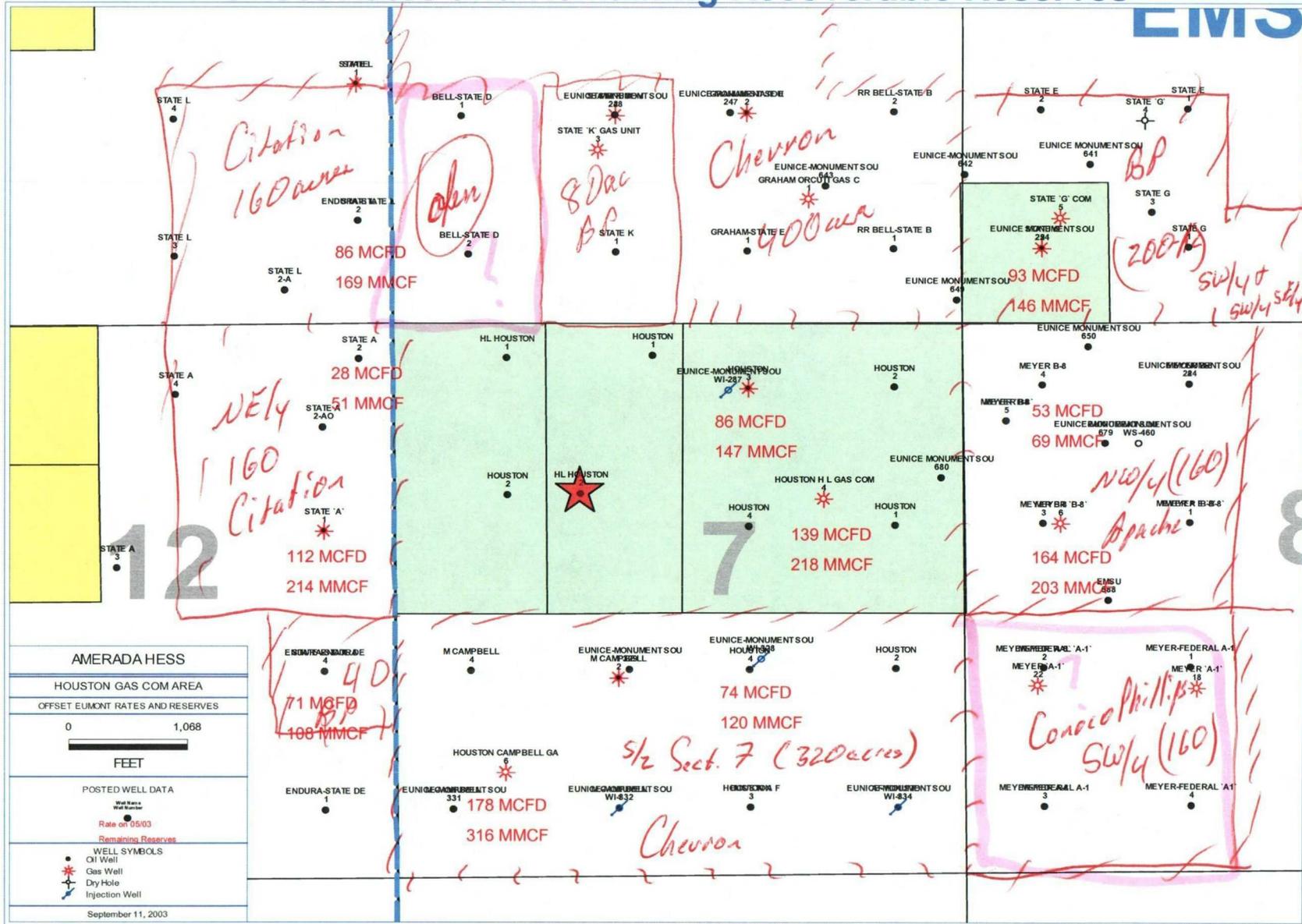
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature CAROL J. MOORE Printed Name SENIOR ADVISOR cmoore@hess.com Title and E-mail Address 11/14/2003 Date
	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

HOUSTON GAS COM #5 PROSPECT

Offset Rates and Remaining Recoverable Reserves



Amerada Hess Corporation



Permian Business Asset
P. O. Box 840
100 N. W. 7th Street
Seminole, Texas 79360

RECEIVED

DEC 02 2003

TULSA
LAND DEPT.

November 26, 2003

Apache
Attn: Gary Carson
Two Waren Place, Ste 1500
6120 S. Yale
Tulsa, OK 74136-4224
CERTIFIED MAIL

Re: Amerada Hess Corporation / Application for Simultaneous Dedication
N/2 of Section 7-21S-36E / Amendment of Administrative Order NSP-378-A(L)(SD)

Amerada Hess Corporation (AHC) respectfully requests your signature on the waiver below in order to expedite approval of requested Amendment of Administrative Order NSP-378-A(L)(SD). A copy of the administrative application is enclosed for your information.

AHC is planning to recomplate the HL Houston Gas Com #5, API No. 30-025-04553 (formerly Eunice Monument South Unit #291, located 1650' FNL and 1650' FWL, Section 7-21S-36E) in the Eumont Yates 7 Rivers Queen Pool. It is our desire to simultaneously dedicate the existing 320 acre Eumont Gas Proration Unit currently assigned to our HL Houston Gas Com #3 & #4 to all three wells. As the existing wells are currently producing at a rate of 183 MCF/D from the NE/4 of Section 7, recompletion of the Houston Gas Com #5 in the NW/4 of Section 7 will allow Amerada Hess to effectively capture reserves which otherwise would not be produced from this GPU.

Under Rule 3(C) of the Eumont Gas Pool Special Pool Rules, one well is allowed per 160 acres, and two wells are allowed on a 320 acre unit. However, exception is provided if the well is necessary (a) to effectively and efficiently drain a 160-acre quarter section that cannot be adequately drained by the existing well or wells, or (b) to adequately protect the subject unit from offsetting drainage, or (c) to prevent waste by utilizing an existing or previously abandoned wellbore, or (d) to recover additional reserves that would otherwise not be recovered from the reservoir. It is Amerada Hess' position that our proposed recompletion meets the above criteria.

The NMOCD requires that offset operators be notified and given 20 days from receipt to object to this application. However, if you have no objection, AHC requests that you sign and fax us the attached waiver to (432)758-6768.

If you have questions or require any further information concerning this application, please contact Chad McGehee at (432) 758-6707. Otherwise, please return a copy of the signed waiver and address to my attention.

Sincerely,

Carol J. Moore
Senior Advisor

Attachments

I, the undersigned, waive the right to object to Amerada Hess' Amendment of Administrative Order NSP-378-A(L)(SD) to simultaneously dedicate the H.L. Houston Gas Com #5 to the existing gas proration unit.	
Signature	<u>Mario R Moreno Jr</u>
Name	<u>MARIO R MORENO JR</u>
Company	<u>APACHE CORPORATION</u>
Date	<u>12-11-03</u>

Amerada Hess Corporation



Permian Business Asset
P. O. Box 840
100 N. W. 7th Street
Seminole, Texas 79360

November 26, 2003

Citation Oil & Gas
Attn: Deborah Harris
P.O. Box 690688
Houston, Texas 77269-0688
CERTIFIED MAIL

Re: Amerada Hess Corporation / Application for Simultaneous Dedication
N/2 of Section 7-21S-36E / Amendment of Administrative Order NSP-378-A(L)(SD)

Amerada Hess Corporation (AHC) respectfully requests your signature on the waiver below in order to expedite approval of requested Amendment of Administrative Order NSP-378-A(L)(SD). A copy of the administrative application is enclosed for your information.

AHC is planning to recomplete the HL Houston Gas Com #5, API No. 30-025-04553 (formerly Eunice Monument South Unit #291, located 1850' FNL and 1850' FWL, Section 7-21S-36E) in the Eumont Yates 7 Rivers Queen Pool. It is our desire to simultaneously dedicate the existing 320 acre Eumont Gas Proration Unit currently assigned to our HL Houston Gas Com #3 & #4 to all three wells. As the existing wells are currently producing at a rate of 183 MCF/D from the NE/4 of Section 7, recompletion of the Houston Gas Com #5 in the NW/4 of Section 7 will allow Amerada Hess to effectively capture reserves which otherwise would not be produced from this GPU.

Under Rule 3(C) of the Eumont Gas Pool Special Pool Rules, one well is allowed per 180 acres, and two wells are allowed on a 320 acre unit. However, exception is provided if the well is necessary (a) to effectively and efficiently drain a 180-acre quarter section that cannot be adequately drained by the existing well or wells, or (b) to adequately protect the subject unit from offsetting drainage, or (c) to prevent waste by utilizing an existing or previously abandoned wellbore, or (d) to recover additional reserves that would otherwise not be recovered from the reservoir. It is Amerada Hess' position that our proposed recompletion meets the above criteria.

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If you have questions or require any further information concerning this application, please contact Chad McGehee at (432) 758-6707. Otherwise, please return a copy of the signed waiver and address to my attention.

Sincerely,

Carol J. Moore
Senior Advisor

Attachments

I, the undersigned, waive the right to object to Amerada Hess' Amendment of Administrative Order NSP-378-A(L)(SD) to simultaneously dedicate the H.L. Houston Gas Com #5 to the existing gas proration unit.	
Signature	<i>[Handwritten Signature]</i>
Name	<i>K. C. Adams, Reservoir Eng. Mgr.</i>
Company	<i>Citation Oil & Gas Corp</i>
Date	<i>12/2/03</i>

Amerada Hess Corporation



Permian Business Asset
P. O. Box 840
100 N. W. 7th Street
Seminole, Texas 79360

November 26, 2003

BP
Attn: Tony Webb
200 Westlake Park Blvd.
Houston, Texas 77079
CERTIFIED MAIL

Re: Amerada Hess Corporation / Application for Simultaneous Dedication
N/2 of Section 7-21S-36E / Amendment of Administrative Order NSP-378-A(L)(SD)

Amerada Hess Corporation (AHC) respectfully requests your signature on the waiver below in order to expedite approval of requested Amendment of Administrative Order NSP-378-A(L)(SD). A copy of the administrative application is enclosed for your information.

AHC is planning to recompletes the HL Houston Gas Com #5, API No. 30-025-04553 (formerly Eunice Monument South Unit #291, located 1650' NW/4 and 1650' FWL, Section 7-21S-36E) in the Eumont Yates 7 Rivers Queen Pool. It is our desire to simultaneously dedicate the existing 320 acre Eumont Gas Proration Unit currently assigned to our HL Houston Gas Com #3 & #4 to all three wells. As the existing wells are currently producing at a rate of 183 MCF/D from the NE/4 of Section 7, recompletion of the Houston Gas Com #5 in the NW/4 of Section 7 will allow Amerada Hess to effectively capture reserves which otherwise would not be produced from this GPU.

Under Rule 3(C) of the Eumont Yates Pool Special Pool Rules, one well is allowed per 160 acres, and two wells are allowed on a 320 acre unit. However, exception is provided if the well is necessary (a) to effectively and efficiently drain a 160-acre quarter section that cannot be adequately drained by the existing well or wells, or (b) to adequately protect the subject unit from offsetting drainage, or (c) to prevent waste by utilizing an existing or previously abandoned wellbore, or (d) to recover additional reserves that would otherwise not be recovered from the reservoir. It is Amerada Hess' position that our proposed recompletion meets the above criteria.

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Sincerely,

Carol J. Moore
Senior Advisor

Attachments

I, the undersigned, waive the right to object to Amerada Hess' Amendment of Administrative Order NSP-378-A(L)(SD) to simultaneously dedicate the HL Houston Gas Com #5 to the existing gas proration unit.	
Signature	<i>James Webb</i>
Name	<u>JAMES Webb</u>
Company	<u>BP America Production Company</u>
Date	<u>12-3-03</u>

Amerada Hess Corporation



Permian Business Asset
P. O. Box 840
100 N. W. 7th Street
Seminole, Texas 79360

November 26, 2003

ChevronTexaco
Attn: Denise Wann
15 Smith Road
Midland, TX 79705
CERTIFIED MAIL

Re: Amerada Hess Corporation / Application for Simultaneous Dedication
N/2 of Section 7-21S-36E / Amendment of Administrative Order NSP-378-A(L)(SD)

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Sincerely,

Carol J. Moore
Senior Advisor

Attachments

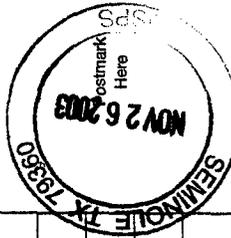
I, the undersigned, waive the right to object to Amerada Hess' Amendment of Administrative Order NSP-378-A(L)(SD) to simultaneously dedicate the H.L. Houston Gas Com #5 to the existing gas proration unit.

Signature Joan Denise Wann
 Name Joan Denise Wann
 Company Chevron Texaco
 Date 12-3-03

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 2.67



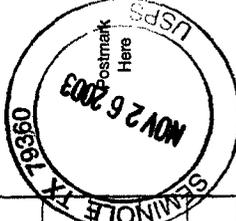
Sent To
 CITATION OIL & GAS - DEBORAH HARRIS
 Street, Apt. No.,
 or PO Box No. P.O. BOX 690688
 City, State, ZIP+ 4 HOUSTON, TX 77269-0688
 PS Form 3800, January 2001 See Reverse for Instructions

7002 1140 0001 6093 8985

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 2.67



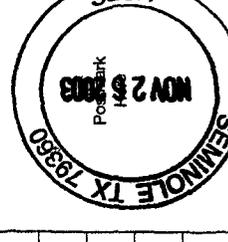
Sent To
 GARY CARSON - APACHE CORP
 Street, Apt. No.,
 or PO Box No. 6120 S. YALE
 City, State, ZIP+ 4 TULSA, OK 74136-4224
 PS Form 3800, January 2001 See Reverse for Instructions

7002 1140 0001 6093 8978

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 2.67



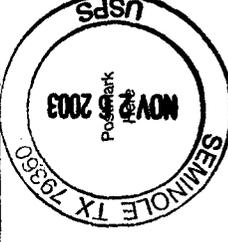
Sent To
 BP - ATTN: TONY WEBB
 Street, Apt. No.,
 or PO Box No. 200 WESTLAKE PARK BLVD
 City, State, ZIP+ 4 HOUSTON, TX 77079
 PS Form 3800, January 2001 See Reverse for Instructions

7002 1140 0001 6093 8968

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 2.67



Sent To
 CHEVRONTXACO - DENISE WANN
 Street, Apt. No.,
 or PO Box No. 15 SMITH RD
 City, State, ZIP+ 4 MIDLAND, TX 79705
 PS Form 3800, January 2001 See Reverse for Instructions

7002 1140 0001 6093 9005