

Ezeanyim, Richard

From: McGehee, Chad [CMcGehee@Hess.com]
Sent: Monday, November 24, 2003 11:13 AM
To: rezeanyim@state.nm.us
Cc: jamesbruc@aol.com; Smith, Dennis
Subject: FW: HOUSTON GC 5 MAP.ppt

Mr. Ezeanyim,

Attached is a map showing the Houston Gas Com #5 (indicated with a red star, formerly EMSU #291, API # 30-025-04553) and proximity to offset production. As we discussed on the phone, Amerada Hess' desire is to determine if we may obtain Simultaneous Dedication approval on this gas com as submitted by Jim Bruce on Friday. The application was submitted without notice to offsets because it is the only well on the west half of the gas com. The two previous Amerada Hess producers (Houston Gas Com #3 and Houston Gas Com #4) were approved on the east 160 acres prior to 2001.

The subject wellbore was delivered to Amerada Hess this week from ChevronTexaco. The wellbore was previously temporarily abandoned in the EMSU waterflood. Amerada Hess is currently rigged up on this well to test the Eumont formation. A frac is scheduled for the first week of December in order to meet our 2003 capital spending requirements. However, if we do not have the SD application approved, we will need to defer the frac job until we are approved.

Amerada Hess respectfully requests your approval of the application. Dedication of this well will protect from offset drainage, prevent waste and allow us to recover additional reserves that would otherwise not be recovered from the wellbore. It will also allow utilization of an otherwise abandoned well.

Please advise if we can provide additional information or clarification.

Respectfully,

Chad McGehee

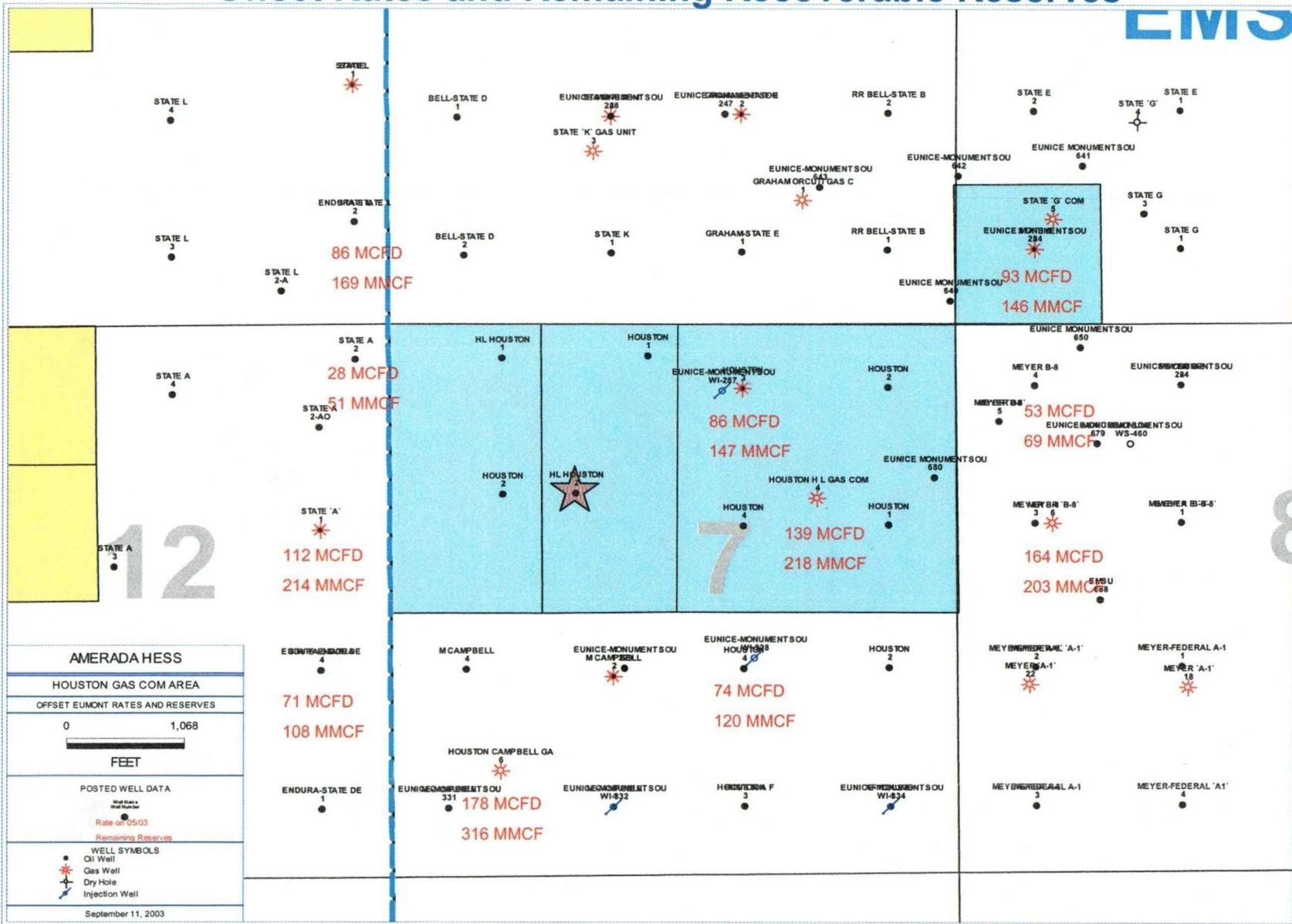
cmcgehee@hess.com

(432)209-1071

<<HOUSTON GC 5 MAP.ppt>>

HOUSTON GAS COM #5 PROSPECT

Offset Rates and Remaining Recoverable Reserves



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)
(505) 982-2151 (FAX)

jamesbruc@aol.com

November 24, 2003

Hand Delivered

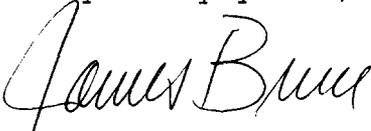
Lori Wrottenbery
Oil Conservation Commission
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Amerada Hess Corporation
Application to amend Administrative Order NSP-378-
A(L) (SD); N $\frac{1}{4}$ S7-21S-36E

Dear Ms. Wrottenbery:

Regarding the above application, filed on November 21st, enclosed is a production map showing that the NW $\frac{1}{4}$ S7, where the proposed infill well is located, is surrounded by producing wells, and thus the well is needed to produce reserves located on the well unit.

Very truly yours,


James Bruce
Attorney for Amerada Hess Corporation

RECEIVED

NOV 24 2003

Oil Conservation Division

Stogner, Michael

From: Stogner, Michael
Sent: Thursday, December 04, 2003 3:25 PM
To: Jim Bruce (E-mail)
Subject: Amerada Hess's appl. to amend NSP-378-A (L) (SD)

Jim,

As I told you today at the hearing, my work on case file imaging preparation is complete. I looked through my stack of administrative applications that I've been letting stack up over the last few weeks (27+ -). I came across your letter dated Nov. 24th referencing an application filed on Nov. 21st. I've scoured my files and can not find your initial application. I've checked w/ Catanach and Jones and neither of them has seen it. RDBMS does not have this application listed so I know I've lost it somewhere. If you get me a copy I'll post date it accordingly and get to it ASAP. Sorry about this. It may pop up somewhere, I'll keep looking in the mean time.

Stogner, Michael

From: JamesBruc@aol.com
Sent: Friday, December 05, 2003 10:50 AM
To: mstogner@state.nm.us
Subject: Amerada Hess application

Mike - Thanks for the e-mail, but stop looking. Amerada had me file an application for an infill Jalmat well, but there was an issue as to whether notice was required. I knew you were snowed under, so I directed Amerada to Richard (believe it or not). He told them to give notice, which they have done, so the emergency has subsided, and you can forget about it for awhile.

Jim



State of New Mexico
OIL CONSERVATION COMMISSION

From

MICHAEL E. STOGNER
PETROLEUM ENGINEER

Memo Note to F.I.C

12/19/2003
10:30 AM

To

Left Jim Beale a ^{note} message to
forward me a copy of the
proof of notice that Richard
had forwarded there note.

Note: I pulled this out of
Lawrence's desk this morning.

P.O. BOX 2088
LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
505-827-5811

Stogner, Michael

From: JamesBruc@aol.com
Sent: Monday, December 22, 2003 8:09 AM
To: mstogner@state.nm.us
Subject: Amerada Hess

Mike: I'll get the notice letter to you on the infill/simo dedication application. Sorry for the delay in getting back to you.

Jim Bruce

12/23/03
10:30AM
Conference w/ the
Chief Eng.
Richard wants
this application
to get special
treatment.

10:40AM 12/23/03
Met w/ Jim Bruce
He will contact
Amerada Hess
to get copies of
notice ASAP.

Stogner, Michael

From: JamesBruc@aol.com
Sent: Tuesday, December 23, 2003 1:32 PM
To: mstogner@state.nm.us
Subject: N½ §7-21S-36E

Mike: I just got back to my office, and have requested Amerada Hess to e-mail the notice materials directly to you.

Jim Bruce

Stogner, Michael

From: Stogner, Michael
Sent: Tuesday, December 23, 2003 4:03 PM
To: Jim Bruce (E-mail)
Subject: Amerada Hess Corp.'s Houston Gas Com. #5

Per our telephone conversation at 3:50 p.m. this afternoon; I now have the complete SD application together in this mater (both the old Nov. filing and Mr. McGehee's re-filing with notice and waivers of Dec. 17th. The waivers submitted are from Apache, Citation, BP, and ChevronTexaco. My review of this application however shows that: (i) the SW/4 of offsetting Section 8 is dedicated to two ConocoPhillips operated Eumont gas wells; and (ii) the 80-acres to the north comprising the W/2 SW/4 of Irregular Section 6 is open acreage (not currently dedicated to any Eumont production). As required by Rule 4 (B) (3) of the special Eumont pool rules please submit notice as required or proof of an error on my part. Thank you.

*This is a follow-up
email to a
telephone conversation
w/ Jim @ 4:00 PM
12/23/2003*

Stogner, Michael

From: Stogner, Michael
Sent: Monday, January 05, 2004 1:03 PM
To: 'Jim Bruce (E-mail)'
Subject: RE: Amerada Hess Corp.'s Houston Gas Com. #5

As a follow-up to our meeting this morning at 10:15 a.m. in the Engineering Bureau's public area; it is my understanding that you have been in contact with Amerada Hess and that I should be receiving the required information to complete this application in the near future.

-----Original Message-----

From: Stogner, Michael
Sent: Tuesday, December 23, 2003 4:03 PM
To: Jim Bruce (E-mail)
Subject: Amerada Hess Corp.'s Houston Gas Com. #5

Per our telephone conversation at 3:50 p.m. this afternoon; I now have the complete SD application together in this matter (both the old Nov. filing and Mr. McGehee's re-filing with notice and waivers of Dec. 17th. The waivers submitted are from Apache, Citation, BP, and ChevronTexaco. My review of this application however shows that: (i) the SW/4 of offsetting Section 8 is dedicated to two ConocoPhillips operated Eumont gas wells; and (ii) the 80-acres to the north comprising the W/2 SW/4 of Irregular Section 6 is open acreage (not currently dedicated to any Eumont production). As required by Rule 4 (B) (3) of the special Eumont pool rules please submit notice as required or proof of an error on my part. Thank you.

Stogner, Michael

From: JamesBruc@aol.com
Sent: Monday, January 05, 2004 2:54 PM
To: mstogner@state.nm.us
Cc: cmcgehee@hess.com
Subject: Amerada Hess Corp./Houston Gas Com. No. 5

Mike: I was just informed by Amerada that the lessee of the SW/4 of Section 8 has waived objection to the infill well. Chad McGehee of Amerada will e-mail you a scanned copy of the waiver as soon as he receives it. As to the undedicated acreage in Section 6, Chevron is the lessee as to the pertinent formation, and Chevron has already signed a waiver (previously provided to you).

Amerada would like to commence work on the project, so as soon as the additional waiver is provided to you. Amerada would like at least verbal approval to commence work.

Thanks.

Jim Bruce
982-2043

Stogner, Michael

From: McGehee, Chad [CMcGehee@Hess.com]
Sent: Monday, January 05, 2004 4:05 PM
To: mstogner@state.nm.us
Cc: JamesBruc@aol.com; Moore, Carol
Subject: RE: Amerada Hess Corp./Houston Gas Com. No. 5

Mr. Stogner:

I have attached a scanned copy of the signed waiver from Conoco Phillips. Please let me know if there is anything else I need to provide.

Thank you,

Chad McGehee
(432) 758-6707

-----Original Message-----

From: JamesBruc@aol.com [mailto:JamesBruc@aol.com]
Sent: Monday, January 05, 2004 3:54 PM
To: mstogner@state.nm.us
Cc: McGehee, Chad
Subject: Amerada Hess Corp./Houston Gas Com. No. 5

Mike: I was just informed by Amerada that the lessee of the SW/4 of Section 8 has waived objection to the infill well. Chad McGehee of Amerada will e-mail you a scanned copy of the waiver as soon as he receives it. As to the undedicated acreage in Section 6, Chevron is the lessee as to the pertinent formation, and Chevron has already signed a waiver (previously provided to you).

Amerada would like to commence work on the project, so as soon as the additional waiver is provided to you. Amerada would like at least verbal approval to commence work.

Thanks.

Jim Bruce
982-2043

Amerada Hess Corporation



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

November 26, 2003

Conoco Phillips
Attn: Mike O'Connor
4001 Panbrook Street
Odessa, Texas 79762
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 H.L. Houston Gas Com #5, API No. 30-025-04553 (formerly Eunice Monument South Unit #291, located 1660' FNL and 1660' 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 Production Unit currently assigned to our H.L. 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 NE1/4 of Section 7, recompletion of the Houston Gas Com #5 in the NW1/4 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 production unit.

Signature Michael O'Connor
 Name Michael O'Connor
 Company Conoco Phillips
 Date 1/5/04

MJO
1/5/04