

DATE IN 2-3-10	SUSPENSE	ENGINEER DB	LOGGED IN 2-3-10	TYPE NSL	APP NO. 1003432001
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



RECEIVED 000 (495)

2010 FEB Mitchell: 0830 11/L

ADMINISTRATIVE APPLICATION CHECKLIST 30-021-20511

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]

CO2 well
 Handling
 6154

[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 _____

Mitchell Well # 11/L
 30-021-20511

[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.

James S. Hughart
 Print or Type Name

James S. Hughart
 Signature

Land Manager
 Title

2/2/10
 Date

jhughart@hess.com
 e-mail Address

Hughart, Jim

From: Mark_Hodge@oxy.com
Sent: Tuesday, February 02, 2010 2:20 PM
To: Hughart, Jim.
Subject: RE: Mitchell 1830 111L - CERTIFIED LETTER RECEIVED BY OXY
Attachments: 20100125131038075.pdf

Jim,

Yes, the certified letter dated 1-25-2010 was in fact received by OXY, as evidenced by the attached copy of same.

Please let me know if I can assist further.

Thank you, Mark E. Hodge

From: Hughart, Jim [mailto:JHughart@hess.com]
Sent: Tuesday, February 02, 2010 1:41 PM
To: Hodge, Mark
Subject: Mitchell 1830 111L

Mark,

It seems that the green card for the certified letter dated 1-25-2010 you received last week from Hess regarding the non-standard location (NSL) for the Mitchell 1830 111L has been lost. You would do me a big favor by responding to this e-mail that you did, in deed, receive the letter on behalf of Oxy. Internet records show it was delivered on Friday, January 29th. I need sufficient verification that you received the letter so that I can apply for the NSL application with the NM OCD. Thanks!

Jim Hughart
Hess Corporation
713-609-5517
jhughart@hess.com

Brooks, David K., EMNRD

From: Hughart, Jim [JHughart@hess.com]
Sent: Wednesday, February 03, 2010 6:32 AM
To: Brooks, David K., EMNRD
Cc: fhunold@flococo2.com; Martin, Ed, EMNRD
Subject: Mitchell 1830 111L Unconventional Location Application
Attachments: 1830 111L NSL Plat.pdf; 1830 111L Mitchell - C-102 and Road.pdf; 1830 111L NSL Ltr..pdf

<<1830 111L NSL Plat.pdf>> <<1830 111L Mitchell - C-102 and Road.pdf>> <<1830 111L NSL Ltr..pdf>>

Mr. Brooks,

Attached are PDF's relating to Hess Corporation's unconventional location application for the proposed Mitchell 1830 111L CO2 well located in Harding County, N.M. Please recall that Hess applied in January to drill the Mitchell 1830 111M well to be located in the SW/4SW/4 of Section 11, but that application was objected to by Reliant Holdings, Ltd., one of the offset leaseholders in Section 14. Hess has withdrawn that application and has moved the location to the NW/4SW/4 of Section 11. Reliant has advised that they will withdraw their objection given that the new location is 1,650' from the south line of Section 11.

Please contact me with any problems or questions with this application.

Thank you!

Jim Hughart
Hess Corporation
713-609-5517
jhughart@hess.com

This inbound email has been scanned by the MessageLabs Email Security System.



HESS CORPORATION
500 Dallas Street
Houston, TX 77002

James S. Hughart

Land Manager

PHONE: (713) 609-5517

FAX: (713) 609-5670

jhughart@hess.com

VIA EMAIL

February 2, 2010

David Brooks, OCD Hearing Examiner
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: Unorthodox Well Location Application
Mitchell 1830 111L
Harding County, New Mexico

Dear Mr. Brooks:

In compliance with 19.15.15.13 NMAC, Hess Corporation (Hess) as operator of the proposed Mitchell 1830 111L requests administrative approval of our application for permit to drill the subject well to be located 1,650' FSL and 760' FWL (NW/4SW/4) of Section. 11, T18N, R30E. Hess cannot drill at a legal location in the NE/4SW/4 of Section 18 due to topographical and landowner considerations.

A copy of the C-102 filed with the APD is enclosed. The well is to be drilled to a depth of 2,188' to test the Granite Wash sand of the Tubb formation. Based on our records, Order # R-7737 covering the Tubb Formation in West Bravo Dome Field is in effect for Section 11 providing for 640 acre spacing. Hess has 62.5% of the mineral interest leased in this section being the S/2 and the W/2NW/4 and Oxy USA has the remaining 37.5% being the NE/4 and the E/2NW/4. We intend to ballot Oxy as operator of the Bravo Dome Carbon Dioxide Gas Unit for participation and joinder in the well for the entire N/2 which is included in the Bravo Dome Carbon Dioxide Gas Unit as soon as the application for permit to drill is approved. Upon the successful completion of the well as a producer of carbon dioxide gas, we will communitize Section 11 according to State Land Office regulations as we have previously done for other wells completed in the area.

Enclosed is a plat showing the spacing unit, being all of Section 11, T18N, R30E, the drill site located in the unorthodox location of the NW/4SW/4 of Sec. 11 and the adjoining affected units being all of Section's 10, 14 and 15 (subject to 640 acre spacing per R-7737). Hess owns 100% of the working interest in the Section's 10 and 14 offsetting 640 acre units. Reliant Holdings, Ltd and Oxy USA, Inc. own divided interests in offsetting unit Section 14 (see below for affected parties).

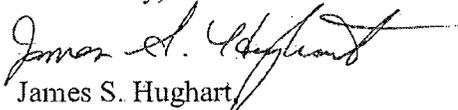
The affected parties are:

1. All of Section's 10 and 15 – **Hess Corporation** – 100%
2. All of Section 14 – **Reliant Holdings, Ltd** , 43.75% and **Oxy USA, Inc.**, 56.25%

I, James S. Hughart, Land Manager of Hess Corporation, attest that Hess waives its own right to object to this unorthodox well application as to its working interest in the two offset units of Sections 10 and 15. Further, I attest that on January 25, 2009 I sent certified letters to Reliant Holdings, Ltd and Oxy USA, Inc. along with a copy of Form C-102 and other particulars advising both Reliant and Oxy that they could object to our application to drill by filing notice with the Oil Conservation Division in Santa Fe within 20 days of its receipt of the certified letter which was received by Reliant on January 28, 2010 and by Oxy on January 29, 2010 (copy of green certified receipt is enclosed for Reliant and computer tracking sheet is enclosed for Oxy since the green card has been lost). Also enclosed is an Administrative Application Checklist.

If you have any comments or question, please contact me.

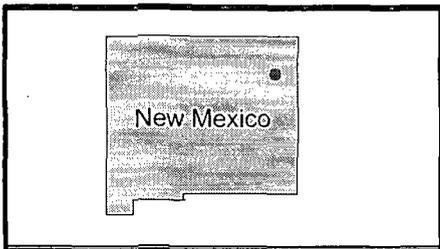
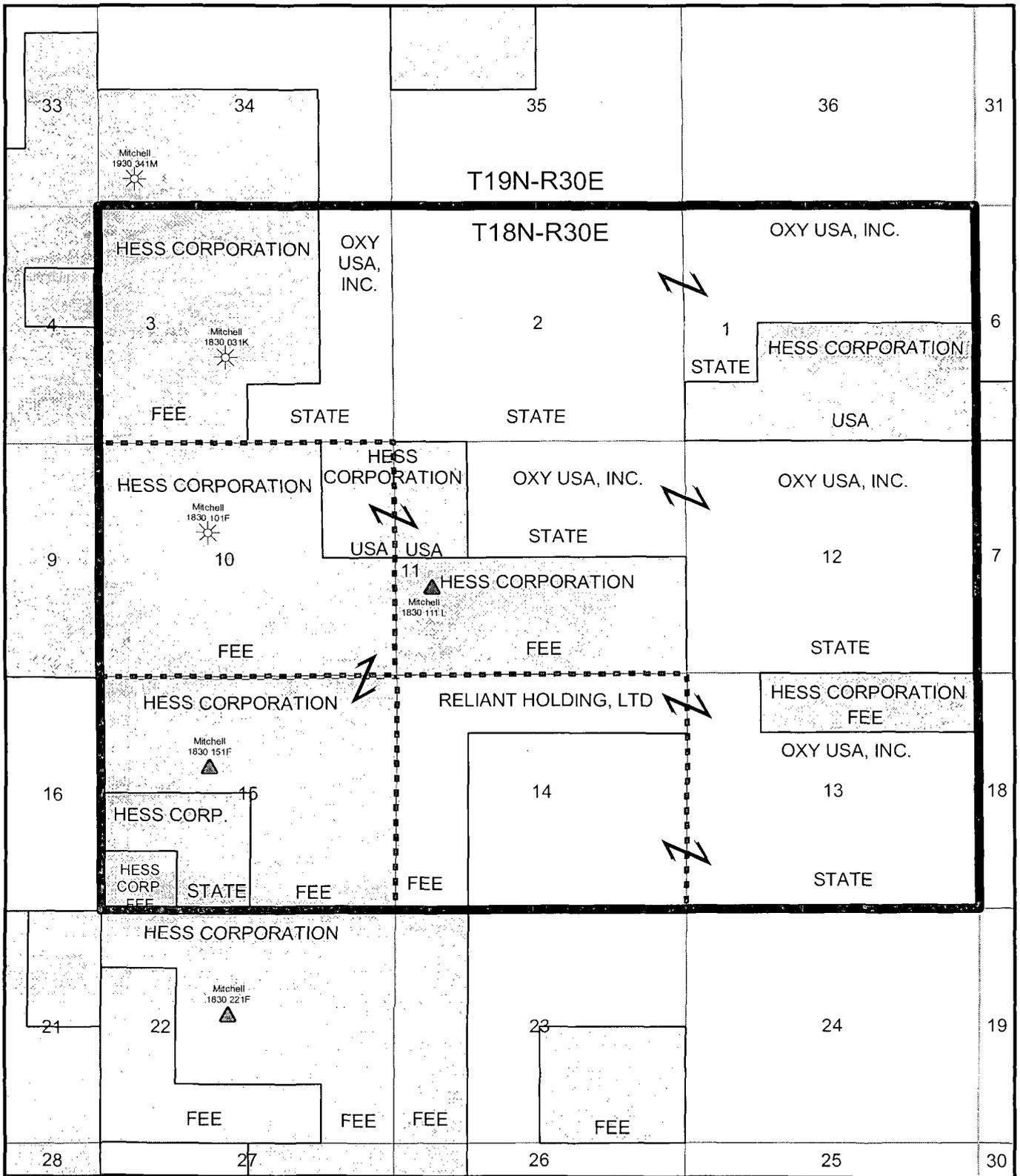
Yours truly,


James S. Hughart
Land Manager

Encls.

Cc. Ed Martin, District Supervisor OCD – ed.martin@state.nm.us

Mitchell 1830 111L



Legend

Proposed wells

- ▲ FUTURE DRILL
- ▲ 2010 DRILL
- ■ ■ OFFSETTING AFFECTED UNITS

HESS CORPORATION
 LEASE MAP
 MITCHELL 1830 111 L WELL
 — NINE SECTION AREA
 AROUND DRILLSITE LOCATION

Harding_Co_NM_1.MXD

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240

DISTRICT II
1801 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 and Natural Resources Department

Form C-102
Revised October 15, 2009

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-021-20511	Pool Code	Pool Name <i>West Bravo Pome CO₂ Gas</i>
Property Code	Property Name MITCHELL 1830	Well Number 111L
OGRID No. 495	Operator Name HESS CORPORATION	Elevation 4375'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	11	18 N	30 E		1650	SOUTH	760	WEST	HARDING

Bottom Hole Location If Different From Surface

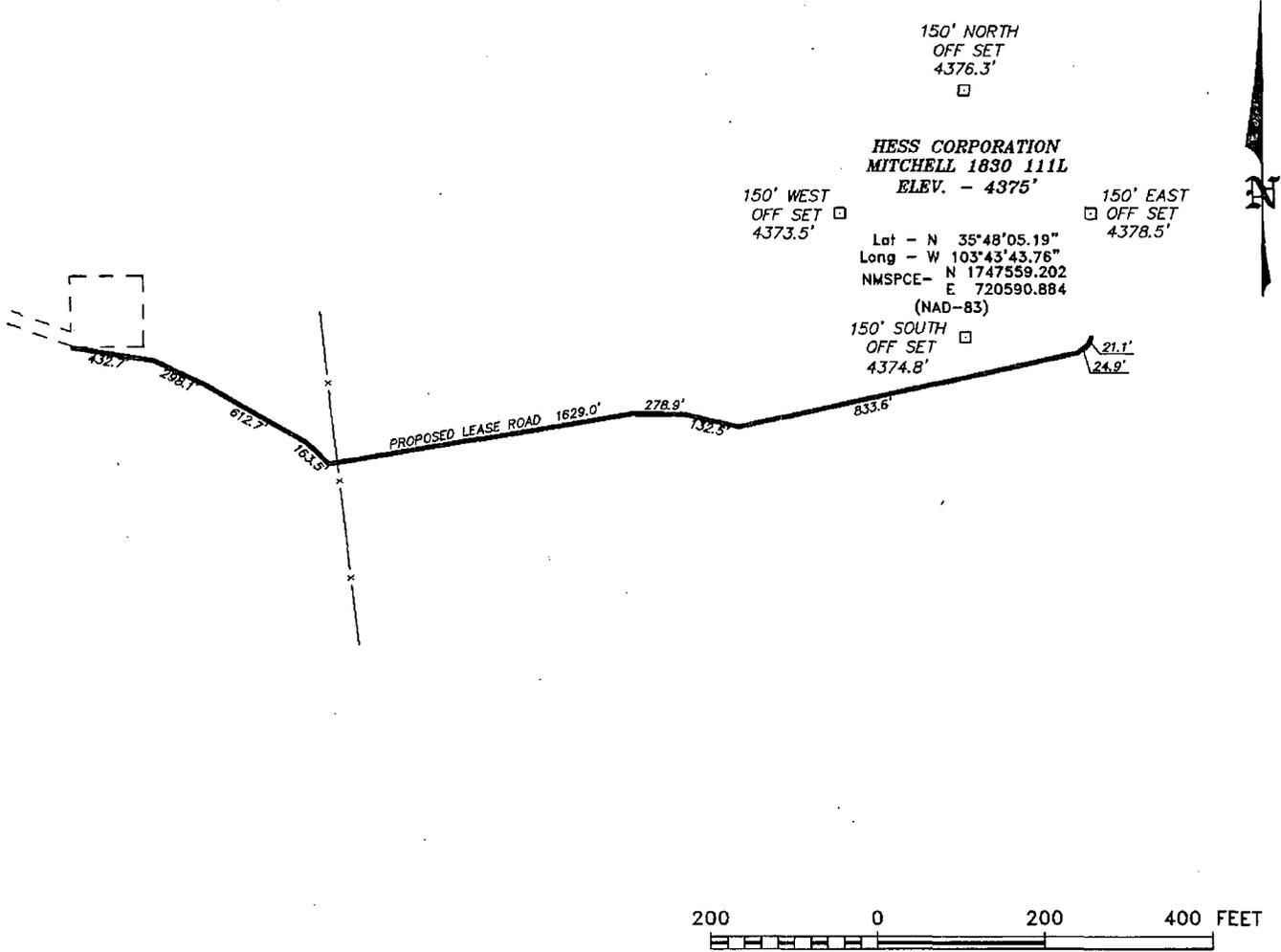
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	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

<p>SURFACE LOCATION Lat - N 35°48'05.19" Long - W 103°43'43.76" NMSPC E - N 1747559.202 E 720590.884 (NAD-83)</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p>
	<p>Date Surveyed JANUARY 2010</p> <p>Signature _____ Seal of Professional Surveyor</p>
	<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

SECTION 11, TOWNSHIP 18 NORTH, RANGE 30 EAST, N.M.P.M.,
 HARDING COUNTY, NEW MEXICO.



150' NORTH
 OFF SET
 4376.3'

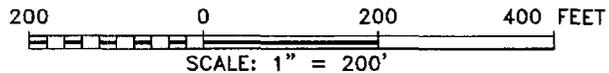
HESS CORPORATION
MITCHELL 1830 111L
 ELEV. - 4375'

150' WEST
 OFF SET
 4373.5'

150' EAST
 OFF SET
 4378.5'

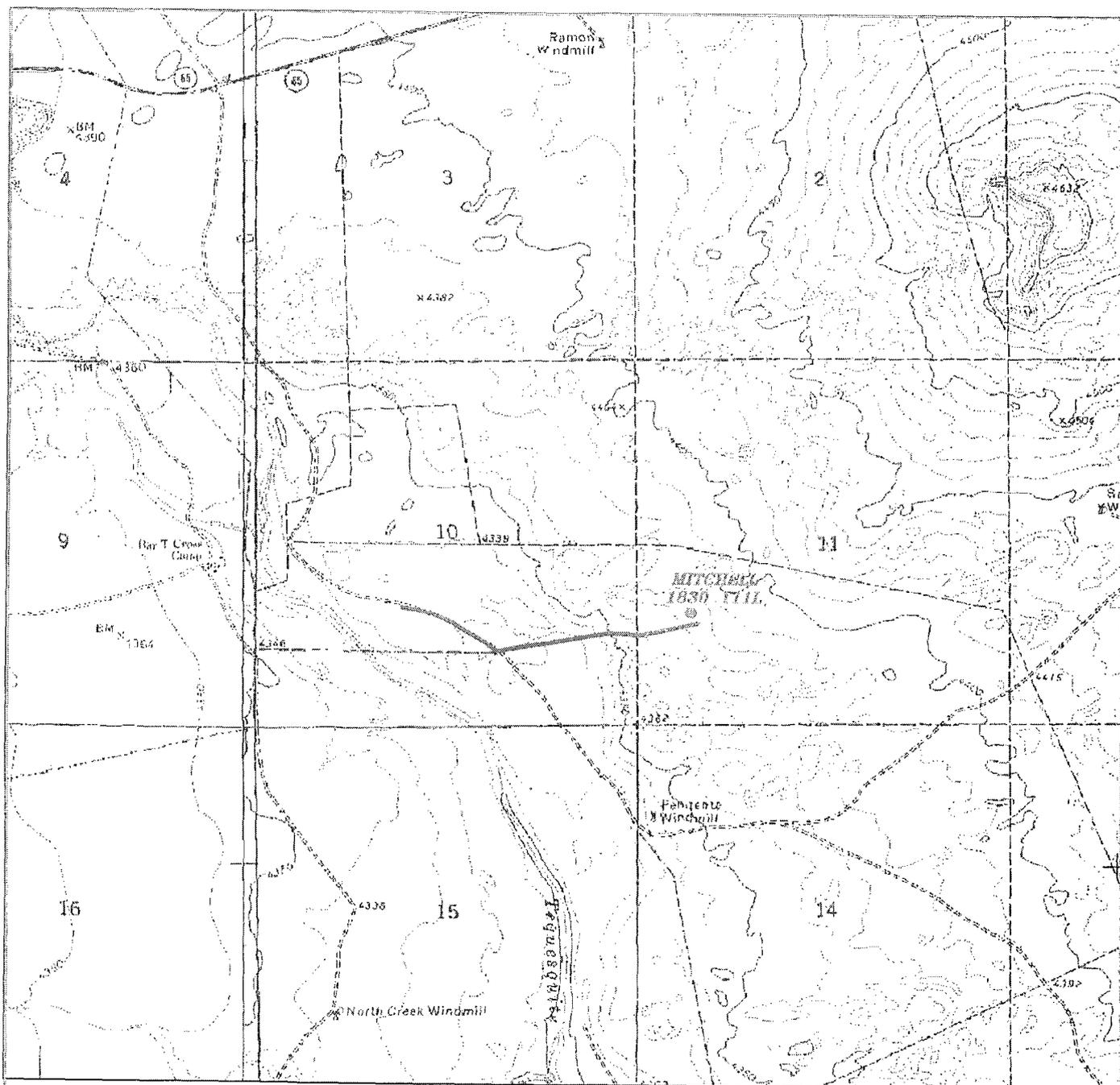
Lat - N 35°48'05.19"
 Long - W 103°43'43.76"
 NMSPCE- N 1747559.202
 E 720590.884
 (NAD-83)

150' SOUTH
 OFF SET
 4374.8'



HESS CORPORATION	
REF: MITCHELL 1830 111L / WELL PAD TOPO	
THE MITCHELL 1830 111L LOCATED 1650'	
FROM THE SOUTH LINE AND 760' FROM THE WEST LINE OF	
SECTION 11, TOWNSHIP 18 NORTH, RANGE 30 EAST,	
N.M.P.M., HARDING COUNTY, NEW MEXICO.	
W.O. Number: 22210	Drawn By: J. SMALL
Date: 01-20-2010	Disk: JMS 22210
Survey Date: 01-18-2010	Sheet 1 of 1 Sheets

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO



MITCHELL 1830 111L

Located 1650' FSL and 760' FWL

Section 11, Township 18 North, Range 30 East,
N.M.P.M., Harding County, New Mexico.



Founded on excellence
in the oilfield

P.O. Box 1786
1123 N. West County Rd.
Hobbs, New Mexico 88241
(575) 523-7513 - Office
(575) 392-2206 - Fax
basinsurveys.com

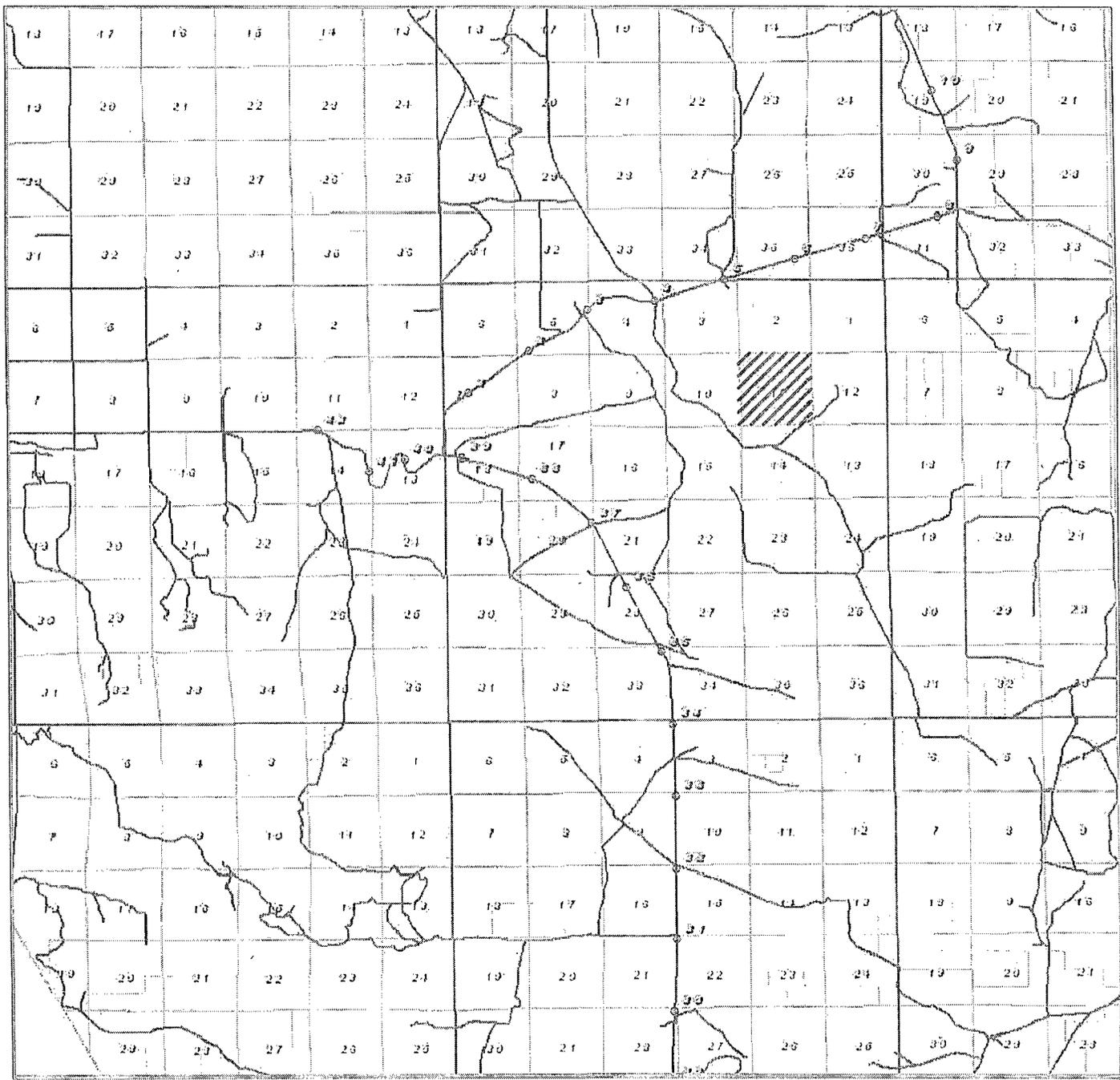
W.O. Number: JMS 22210

Survey Date: 01-18-2010

Scale: 1" = 3000'

Date: 01-20-2010

**HESS
CORPORATION**



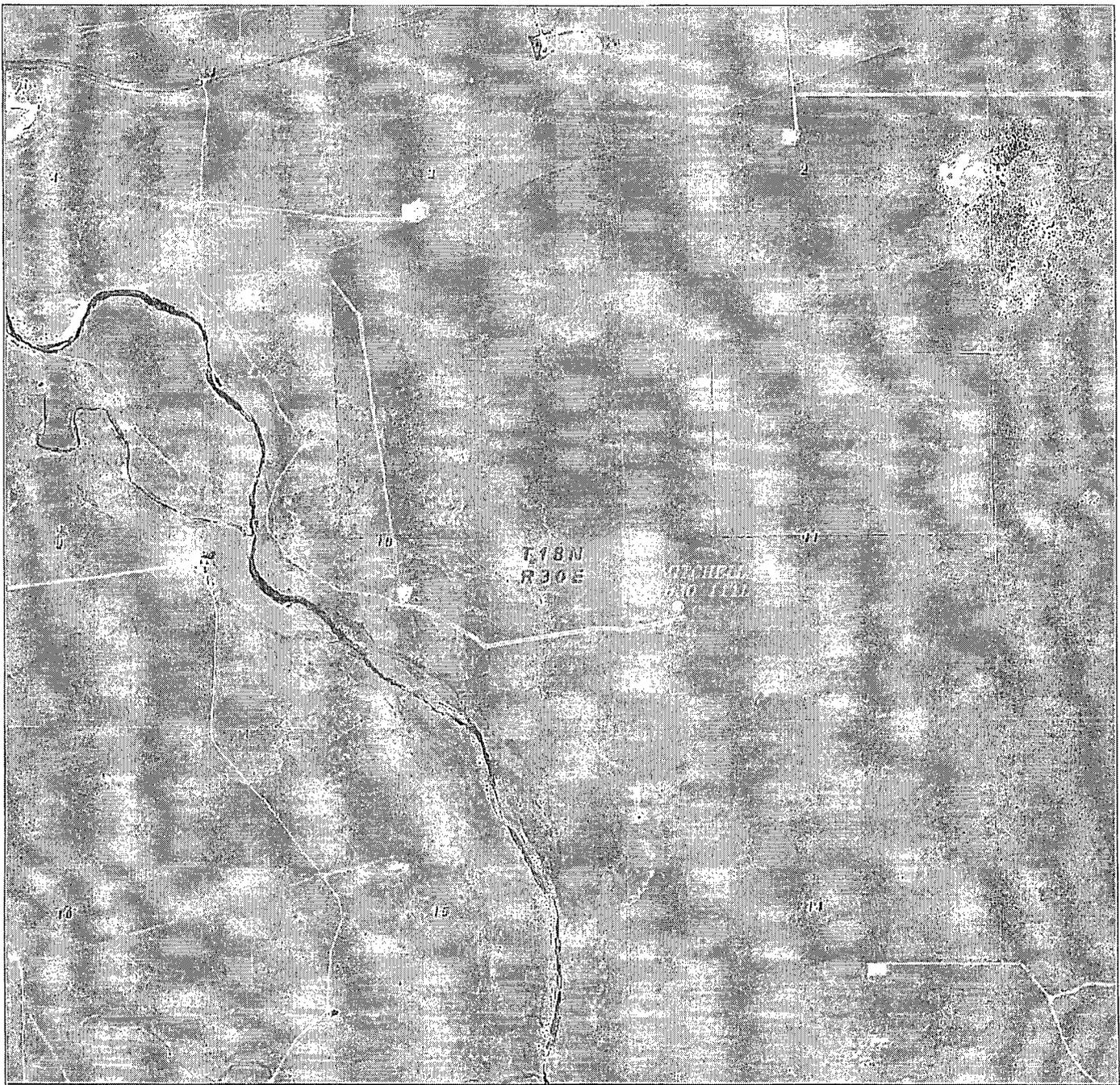
MITCHELL 1830 111L
 Located 1650' FSL and 760' FWL
 Section 11, Township 18 North, Range 30 East,
 N.M.P.M., Harding County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1780
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7516 - Office
 (575) 392-2203 - Fax
 basin-surveys.com

W.O. Number:	JMS 22210
Survey Date:	01-18-2010
Scale:	1" = 2 Miles
Date:	01-20-2010

HESS
CORPORATION



MITCHELL 1830 111L

Located 1650' FSL and 760' FWL

Section 11, Township 18 North, Range 30 East,
N.M.P.M., Harding County, New Mexico.



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in the oilfield

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1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7315 - Office
(575) 392-2209 - Fax
balsinsurveys.com

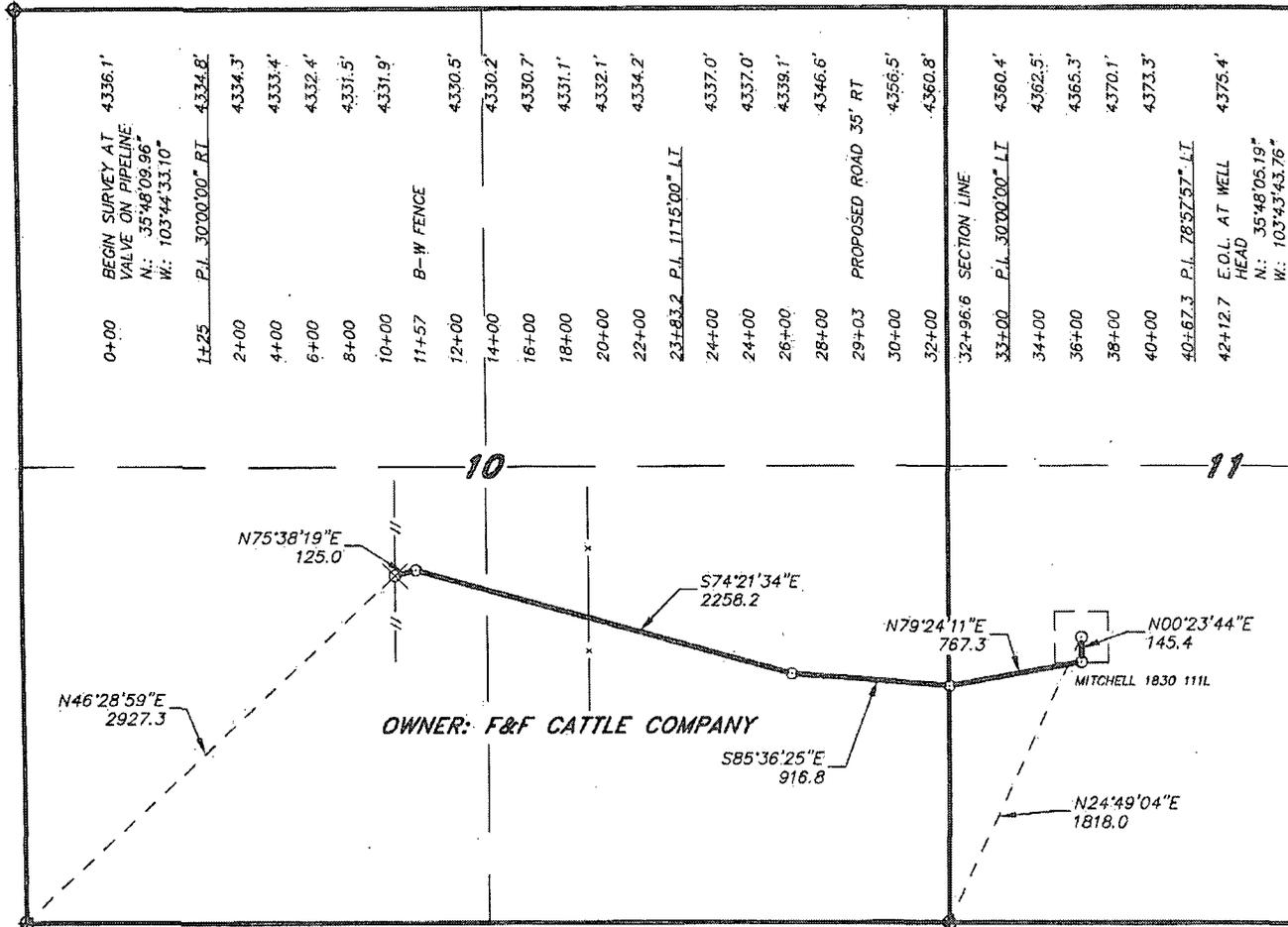
W.D. Number: JMS 22210

Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND

**HESS
CORPORATION**

**SECTIONS 10&11, TOWNSHIP 18 NORTH, RANGE 30 EAST, N.M.P.M.
HARDING COUNTY, NEW MEXICO.**



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTIONS 10&11, TOWNSHIP 18 NORTH, RANGE 30 EAST, N.M.P.M., HARDING COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.
 BEGINNING AT A POINT WHICH LIES N.46°28'59\"E., 2927.3 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 10; THENCE N.75°38'19\"E., 125.0 FEET; THENCE S.74°21'34\"E., 2258.2 FEET; THENCE S.85°36'25\"E., 916.8 FEET; THENCE N.79°24'11\"E., 767.3 FEET; THENCE N.00°23'44\"E., 145.4 TO THE END OF THIS LINE WHICH LIES N.24°49'04\"E., 1818.0 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 11. SAID STRIP OF LAND BEING 4212.7 FEET OR 255.32 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES, S. No. 7977
 TEXAS P.L.S. No. 5074



HESS CORPORATION

REF: PROPOSED PIPELINE TO THE MITCHELL 1830 111L

A PIPELINE CROSSING FEE LAND IN
 SECTIONS 10&11, TOWNSHIP 18 NORTH, RANGE 30 EAST,
 N.M.P.M., HARDING COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 22210	Drawn By: J. M. SMALL	Survey Date: 01-18-2010	Sheet 1 of 1 Sheets
Date: 01-20-2010	Disk: JMS 22210		

7099 3400 0016 8788 0770

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

Loyce Morris

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Recipient's Name (Please Print Clearly) (to be completed by mailer)
 Street, Apt. No., or PO Box No.
 City, State, ZIP+4

7099 3400 0016 8788 0763

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

Loyce Morris

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Recipient's Name (Please Print Clearly) (to be completed by mailer)
 Mark Hodge
 Street, Apt. No., or PO Box No.
 110 FIVE GREENWAY PLAZA
 City, State, ZIP+4
 HOUSTON, TX 77046

Is your RETURN ADDRESS completed on the reverse side?

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.	I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
	3. Article Addressed to: Scott Vanderburg President Reliant Holdings Ltd. 300 North Marienfeld, Ste 600 Midland, TX 79701
5. Received By: (Print Name) <i>S. Doland</i>	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
6. Signature: (Addressee or Agent) <i>x Alize Doland</i>	7. Date of Delivery <i>1-28-10</i>
8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service.



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Track & Confirm

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Label/Receipt Number: **7099 3400 0016 8788 0763**
Service(s): **Certified Mail™**
Status: **Delivered**

Your item was delivered at 12:57 PM on January 29, 2010 in HOUSTON, TX 77046.

Detailed Results:

- **Delivered, January 29, 2010, 12:57 pm, HOUSTON, TX 77046**
- **Arrival at Unit, January 28, 2010, 10:22 am, HOUSTON, TX 77027**

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FOIA



U.S. Department of Justice



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