

18 New Wells

December 6, 2006

HAND DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

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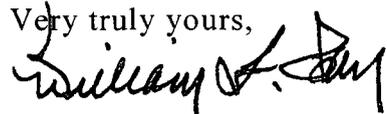
Re: West Bravo Dome Carbon Dioxide Gas Unit Agreement
Harding County, New Mexico
2007 Plan of Development

Dear Mr. Fesmire:

Pursuant to Article 4.2 of the Unit Agreement for the Development and Operation of the West Bravo Dome Carbon Dioxide Gas Unit and Division Order No. R-7707, Hess Corporation, unit operator, hereby submits the 2007 Plan of Development.

If you have questions concerning the enclosed, please advise.

Very truly yours,



William F. Carr

WFC:keh

cc: James S. Hughart
Hess Corporation
500 Dallas Street
Houston, TX 77002



HESS CORPORATION
500 Dallas Street
Houston, TX 77002

Joaquin Martinez
Project Manager
Major Projects
(713) 609-4087
FAX: (713) 609-5684

November 29, 2006

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

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Attention: Director of the Oil and Gas Division

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

RE: Proposed Plan of Development: January 1, 2007 through December 31, 2007
West Bravo Dome Carbon Dioxide Gas Unit (WBDCDU)
Harding County, New Mexico

Gentlemen:

With respect to the West Bravo Dome Carbon Dioxide Gas Unit (WBDCDU) and in accordance with New Mexico Oil Conservation Order Number 7707, Hess Corporation, formerly Amerada Hess Corporation, as unit operator, hereby submits five (5) copies of the proposed Plan of Development for January 1, 2007 through December 31, 2007.

Presently, there are twenty (20) shut-in carbon dioxide (CO₂) gas wells in the Unit which are capable of production. Lack of available electrical power and pipeline infrastructure to gather CO₂ and a sustained viable market has resulted in no CO₂ gas production since unitization. The Unit originally contained 50,020.78 acres consisting of 18 Federal tracts (22,624.65 acres). The unit was contracted effective on November 15, 1994 and now contains 34,655.33 acres consisting of 15 Federal tracts (6,834.47 acres) 24 State of New Mexico tracts (13,201.18 acres) and 46 patented tracts (14,619.68).

During 2006, Hess performed lease road repairs as required under the leases within West Bravo Dome Unit.

Also, during 2006, Hess continued its assessment of the carbon dioxide demand in markets that could be supplied by the Unit and continued to review the economic viability of Unit development. To further refine and update its project economics, Hess management recently authorized the expenditure of an additional \$451,000 to complete the "Front End Engineering and Design" ("FEED") study. The FEED identified costs and order lead times for the following project components including, but not limited to, surface facilities, well drilling and work over costs, gathering pipelines, rights of way, compression, and third party electric lines and substations.

In addition to the FEED study, Hess Corporation presented a proposal to its Board of Directors for authorization to develop the WBDCDU. Pending approval, the Plan of Development for January 1, 2007 through December 31, 2007, will include:

- Evaluating expanding the Unit to include adjacent leases
- Executing contracts with engineering companies to commence detailed engineering
- Developing implementation plans
- Evaluating potential drilling locations
- Mobilizing a drilling rig contingent on market availability
- Potentially drilling approximately 18 new wells in the area
- Ordering long-lead equipment
- Continuing collaboration with power providers to bring low cost electricity to WBDCDU
- Making Unit payments which escalate at 5% yearly until the unit is in production
- Monitoring and maintaining existing wells in accordance with State regulations.

If there are questions regarding this proposed Plan of Development for 2007, please contact me at (713) 609-4087.

Yours truly,

HESS CORPORATION

A handwritten signature in black ink, appearing to read "J. R. Hess", is written over the typed name "HESS CORPORATION". The signature is fluid and cursive.

Cc: Mr. Brian Davis – Bureau of Land Management