

PATRICK H. LYGRECEIVED OCD State of New Mexico Commissioner of Public Lands

2011 JAN -5 P 1: 10

310 OLD SANTA FE TRAIL P.O. BOX 1148

December 6, 2010

SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

Hess 500 Dallas Street Houston, TX 77002

Attention: Mr. James S. Hughart

Re:

Final Approval to Second Unit Enlargement West Bravo Dome Carbon Dioxide Gas Unit

Harding County, New Mexico

Dear Mr. Hughart:

This office has received your letter of November 16, 2010, wherein you have requested final approval of the Second Enlargement of the West Bravo Dome Carbon Dioxide Gas Unit. Also enclosed are Hess Corporation's original ratification and revised Exhibits "A", "B" and "C".

It is our understanding that Hess is the sole owner of the leases committed to the Unit and the sole working interest owner of the Unit.

The Commissioner of Public Lands has this date approved the Second Enlargement and Expansion of the West Bravo Dome Carbon Dioxide Gas Unit Area, Harding County, New Mexico. The Commissioner also accepts revised Exhibits "A", "B" and "C", reflecting the addition of Tracts F116 to F120 (Federal), S525 to S539 (State) and 2047 to 2054 (Fee) to the Unit. The Unit Area as expanded now contains a total of 76,949.58 acres.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management. Pursuant to Article 12.3 of the Unit Agreement, the effective date of any enlargement of the Unit Area shall be 7:00 A.M. on the first day of the calendar month following compliance with conditions for enlargement.

Your filing fee in the amount of \$3,240.00 has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS

COMMISSIONER OF PUBLIC LANDS

JAMI BAILEY, Director

Oil, Gas and Minerals Division

PL/JB/pm

CC:

OCD-Santa Fe, Attention: Mr. Ed Martin BLM Farmington, Attn: Mr. Jim Lovato H. & H. – Attn: Mr. William F. Carr

SECOND EXPANSION

UNIT NAME: WEST BRAVO DOME CARBON DIOXIDE GAS UNIT OPERATOR: HESS CORPORATION COUNTY: HARDING

DATE APPROVED

OCD CASE NO.

TOTAL ACREAGE STATE

FEE SEGREGATION CLAUSE

FEDERAL

TERM

EFFECTIVE

CASE NO.

ORDER NO. R-7707-A

76,949.58 15,995.24 7,913.72 53,040.62 MODIFIED

SO LONG AS

1/1/2011

APPROVALS

OCD-11/03/2010 SLO-12/06/2010

BLM-12/16/2010

TOWNSHIP 17 NORTH, RANGE 29 EAST

SECTION 1: LOTS 1-4, SE/4NE/4 SECTION 2: LOTS 1-4, SW/4NE/4, S/2NW/4 SECTION 3: LOTS 1-4, S/2N/2, NW/4SE/4, SW/4 SECTION 4: LOTS 1-4, S/2N/2, S/2

SECTION 5: LOTS 1, SE/4NE/4

SECTION 9: NE/4NW/4

TOWNSHIP 17 NORTH, RANGE 30 EAST

SECTION 1: W/2SW/4

SECTION 2: LOTS 1-4, S/2N/2, S/2 SECTION 3: LOTS 1-4, SW/4NE/4, S/2NW/4, S/2

SECTION 4: LOTS 1-4, S/2N/2, N/2S/2, S/2SW/4 SECTION 5: LOTS 1-4. S/2N/2, SE/4, E/2SW/4

SECTION 6: LOTS 1-7, SE/4NW/4, S/2NE/4, E/2SW/4, W/2SE/4

SECTION 8: N/2

SECTION 9: N/2, NE/4SW/4, SE/4

SECTION 10: ALL

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TOWNSHIP 17 NORTH, RANGE 30 EAST

SECTION 11: N/2, W/2SW/4 SECTION 12: W/2NW/4

SECTION 14: NW/4NW/4

SECTION 15: N/2N/2, NW/4SE/4, N/2SW/4

TOWNSHIP 18 NORTH, RANGE 29 EAST

SECTION 1: LOTS 1-4, S/2N/2, S/2 SECTION 2: LOTS 1-4, S/2N/2, S/2 SECTION 3: LOTS 1-4, S/2N/2, S/2 SECTION 4: LOTS 1-4, S/2N/2, S/2 SECTION 5: LOTS 1-4, S/2N/2, S/2

SECTION 6: LOTS 1-3, S/2NE/4, SE/4NW/4, E/2SW/4, SE/4

SECTION 7: E/2NW/4, E/2

SECTION 8: ALL

SECTION 9: ALL

SECTION 10: ALL

SECTION 11: ALL

SECTION 12: ALL

SECTION 13: ALL

TOWNSHIP 18 NORTH, RANGE 29 EAST

SECTION 14: ALL

SECTION 15: ALL

SECTION 16: ALL

SECTION 17: W/2, NE/4, W/2SE/4, NE/4SE/4

SECTION 18: E/2

SECTION 19: E/2E/2

SECTION 20: ALL

SECTION 21: ALL

SECTION 22: ALL

SECTION 23: ALL

SECTION 24: ALL

SECTION 25: ALL

TOWNSHIP 18 NORTH, RANGE 29 EAST

SECTION 26: ALL

SECTION 28: ALL

SECTION 29: E/2, E/2W/2, W/2NW/4, NW/4SW/4

SECTION 32: E/2, E/2NW/4

SECTION 33: ALL

SECTION 35: ALL SECTION 34: ALL

SECTION 36: ALL

TOWNSHIP 18 NORTH, RANGE 30 EAST

SECTION 3: LOTS 2, 3, 4, SW/4NE/4, NW/4SE/4, S/2NW/4, SW/4

SECTION 4: LOTS 1-4, S/2N/2, S/2 SECTION 5: LOTS 1-4, S/2N/2, S/2

SECTION 6: LOTS 1-7, SE/4NW/4, S/2NE/4, E/2SW/4, SE/4

SECTION 7: LOTS 1-4, E/2W/2, E/2

SECTION 8: ALL

SECTION 9: ALL

SECTION 10: W/2NE/4, SE/4, W/2

SECTION 11: S/2

SECTION 15: ALL

SECTION 16: ALL SECTION 17: ALL

TOWNSHIP 18 NORTH, RANGE 30 EAST

SECTION 18: LOTS 1-4, E/2W/2, E/2 SECTION 19: LOTS 1-4, E/2W/2, E/2

SECTION 20: ALL

SECTION 21: ALL

SECTION 22: ALL

SECTION 23: W/2W/2

SECTION 25: SW/4SW/4

SECTION 26: W/2NW/4, S/2S/2

SECTION 27: ALL

SECTION 28: ALL

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TOWNSHIP 18 NORTH, RANGE 30 EAST

SECTION 29: ALL

SECTION 30: LOTS 1-4, E/2W/2, E/2 SECTION 31: LOTS 1-4, E/2W/2, E/2

SECTION 32: ALL

SECTION 33: ALL

SECTION 34: ALL

SECTION 35: ALL

TOWNSHIP 19 NORTH, RANGE 29 EAST

SECTION 1: LOTS 4, SW/4NW/4, S/2 SECTION 2: LOTS 1-4, S/2N/2, S/2 SECTION 3: LOTS 1-4, S/2N/2, S/2 SECTION 4: LOTS 1-4, S/2N/2, S/2 SECTION 5: LOTS 1-4, S/2N/2, S/2

SECTION 6: LOTS 1-7, SE/4NW/4, S/2NE/4, E/2SW/4, SE/4

SECTION 7::LOTS 1-4, E/2W/2, E/2

SECTION 8: ALL

SECTION 9: ALL

SECTION 10: ALL

SECTION 11: ALL

SECTION 12: ALL

SECTION 13: ALL

SECTION 15: ALL SECTION 14: ALL

TOWNSHIP 19 NORTH, RANGE 29 EAST

SECTION 16: ALL SECTION 17: ALL

SECTION 18: LOTS 1-4, E/2W/2, E/2 SECTION 19: LOTS 1-4, E/2W/2, E/2

SECTION 20: ALL

SECTION 21: ALL

SECTION 22: ALL

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TOWNSHIP 19 NORTH, RANGE 29 EAST

SECTION 23: ALL SECTION 24: ALL

SECTION 25: ALL

SECTION 26: ALL

SECTION 27: ALL SECTION 28: ALL SECTION 29: ALL

SECTION 30: LOTS 1-4, E/2W/2, E/2 SECTION 31: LOTS 1-2, E/2W/2, E/2

SECTION 32: ALL

SECTION 33: ALL

SECTION 34: ALL

SECTION 35: ALL SECTION 36: ALL

TOWNSHIP 19 NORTH, RANGE 30 EAST

SECTION 5: LOTS 3, 4, S/2NW/4, SW/4
SECTION 6: LOTS 1-7, SE/4NW/4, S/2NE/4, SE/4SW/4, SW/4SE/4
SECTION 7: LOTS 1-4, E/2NW/4, W/2NE/4, SE/4NE/4, NE/4SW/4, NW/4SE/4, SE/4SE/4

SECTION 8: N/2SW/4, SW/4SW/4

SECTION 17: SW/4

SECTION 18: LOTS 1-4, E/2W/2, W/2NE/4, SE/4NE/4, SE/4 SECTION 19: LOTS 1-4, E/2W/2, E/2

SECTION 20: W/2, E/2NE/4, N/2SE/4 SECTION 29: W/2, SE/4

SECTION 30: LOTS 1-4, E/2W/2, E/2 SECTION 31: LOTS 1-4, E/2W/2, E/2

TOWNSHIP 19 NORTH, RANGE 30 EAST

SECTION 32: W/2, W/2E/2, SE/4NE/4, E/2SE/4

SECTION 33: NW/4SW/4, SE/4NE/4, NE/4SE/4, S/2S/2 SECTION 34: SW/4, W/2SE/4

TOWNSHIP 20 NORTH, RANGE 29 EAST

SECTION 21: SW/4SW/4, E/2W/2, W/2SE/4, SE/4SE/4
SECTION 27: W/2SW/4, SE/4SW/4
SECTION 28: S/2NE/4, NW/4NE/4, NW/4, S/2
SECTION 29: S/2
SECTION 30: LOTS 1-4, E/2W/2, SW/4NE/4, SE/4
SECTION 31: LOTS 1-4, E/2W/2, E/2
SECTION 32: ALL
SECTION 33: ALL
SECTION 34: W/2NE/4, SE/4NE/4, NW/4, S/2
SECTION 35: SW/4