

DATE IN <u>1-29-11</u>	SUSPENSE	ENGINEER <u>DKB</u>	LOGGED IN <u>1.28.11</u>	TYPE <u>NSP</u>	APP NO. <u>1107856725</u>
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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



*Ness Corporation*  
*WBDGU 1830E*  
*1830#111L*

## 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]

### [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.

William F. Carr  
Print or Type Name

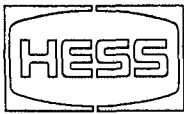
William F. Carr  
Signature

ATTORNEY  
Title

1/28/11  
Date

wcarr@hollandhart.com  
e-mail Address

RECEIVED OCD  
2011 JAN 28 P 2:40



HESS CORPORATION  
500 Dallas Street  
Houston, TX 77002

James S. Hughart  
Land Manager  
PHONE: (713) 609-5517  
FAX: (713) 609-5670  
jhughart@hess.com

January 27, 2011

**HAND-DELIVERED**

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

Re: *Application of Hess Corporation for Administrative Approval of a Non-Standard Gas Spacing Unit for its WBDGU 1830 111L Well, comprised of 160 acres in the Southwest quarter of Section 11, Township 18 North, Range 30 East, N.M.P.M., Harding County, New Mexico.*

Dear Mr. Fesmire:

Hess Corporation, operator of the WBDGU (formerly Mitchell) 1830 111L carbon dioxide gas well, located in the NW/4SW/4 of Section 11, T18N, R30E, West Bravo Dome Field, hereby seeks administrative approval pursuant to the provisions of Division Rule 19.15.15.11.B(2), of a non-standard gas spacing and proration unit in the Tubb formation, Bravo Dome Carbon Dioxide Gas Pool for its WBDGU 1830 111L Well to be comprised of 160 acres in the Southwest quarter of Section 11, Township 18 North, Range 30 East, N.M.P.M., Harding County, New Mexico.

The creation of this non-standard gas spacing unit will enable Hess to produce the well from its lease from T. E. Mitchell & Son, Inc., which is committed to the West Bravo Dome Carbon Dioxide Gas Unit (WBDGU). Hess would not include Federal Lease # NM 66803, comprising W/2NW/4 of Section 11 and which is owned by Hess and State of New Mexico Lease LO 5854-01 covering the E/2NW/4 and the NE/4 of Section 11, which is owned by Oxy USA, Inc. Both leases are committed to the Bravo Dome Carbon Dioxide Gas Unit operated by Oxy USA, Inc. Also excluded from this non-standard unit will be the SE/4 of Section 11 which is owned by Hess Corporation and is also committed to the WBDGU. The creation of this non-standard spacing unit will facilitate efficient WBDGU operations and avoid the cumbersome operational, accounting and division of interest issues that would result from merging Bravo Dome and West Bravo Dome units for a single well due to State spacing rules.

1650 FSL & 760 FW (C)

As you will note from the attached plat, this non-standard spacing and proration unit is comprised of contiguous quarter-quarter sections and lots and lies wholly within a single governmental half section. Attached is a plat which shows the subject spacing unit for this well and all adjoining spacing units or leases. Also attached is a list of all parties affected by this application.

On or before the date on which this application was filed with the Division, a copy of this application with all attachments thereto was mailed to each of the affected parties by Certified Mail - Return Receipt Requested. Each of the affected parties was advised that if they have an objection to the proposed non-standard spacing or proration unit it must be filed in writing with the Division's Santa Fe office within twenty days from the date notice was sent. They were also advised that if no objections were received by the Division within twenty days, the Division Director could approve the application.

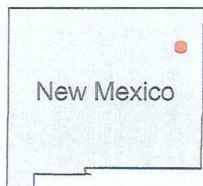
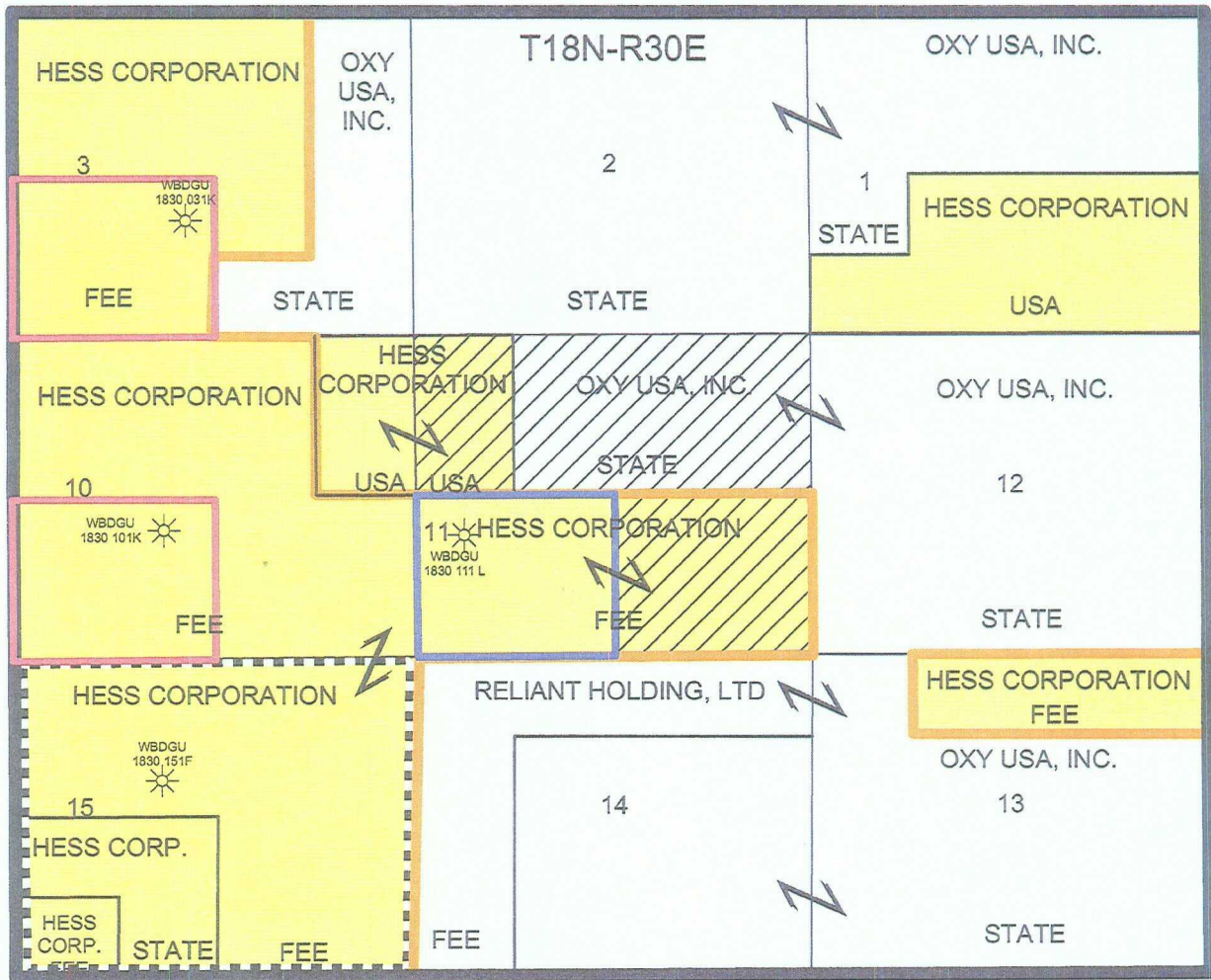
Yours truly,

A handwritten signature in dark ink, appearing to read "James S. Hughart", written over the typed name.

James S. Hughart,  
Land Manager

Encl.

cc: Mr. William F. Carr  
Holland & Hart



#### Legend Proposed wells

- NON-STANDARD UNIT  
MITCHELL 1830 111 L
- OFFSETTING UNITS
- OTHER PROPOSED  
NON-STANDARD UNITS
- ACREAGE TO BE EXCLUDED  
FROM NON-STANDARD UNIT
- BRAVO DOME/WEST BRAVO DOME  
BOUNDARY LINE

**HESS CORPORATION**  
LEASE MAP  
WBDGU 1830 111 L WELL  
NINE SECTION AREA  
AROUND DRILLSITE LOCATION

Harding\_Co\_NM\_4m.MXD

AFFECTED PARTIES

Application of Hess Corporation  
Administrative approval of a non-standard spacing unit  
WBDGU 1830 111L Well  
160 acres (Southwest Quarter)  
Section 11, Township 18 North, Range 30 East, NMPM  
Harding, New Mexico.

Oxy USA, Inc.  
Attn: Mark Hodge  
110 Five Greenway Plaza  
Houston, TX. 77046

New Mexico State Land Board  
Attn: Jeff Albers  
310 Old Santa Fe Trail  
Santa Fe, NM. 87504

United States Department of the Interior  
Bureau of Land Management  
Attn: Wayne Townsend  
1235 La Plata Highway, Suite A  
Farmington, NM 87401