

DATE IN 1-28-11	SUSPENSE	ENGINEER DKB	LOGGED IN 1/28/11	TYPE NSP	APP NO 1102856924
--------------------	----------	-----------------	----------------------	-------------	----------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



New Corps
WB DGB 930 #101K

30-021-20445

ADMINISTRATIVE APPLICATION CHECKLIST

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

1957

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 OOD
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 101K Well, comprised of 160 acres in the Southwest quarter of Section 10, 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 101K carbon dioxide gas well, located in the NE/4SW/4 of Section 10, 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 101K Well to be comprised of 160 acres in the Southwest quarter of Section 10, Township 18 North, Range 30 East, N.M.P.M., Harding County, New Mexico.

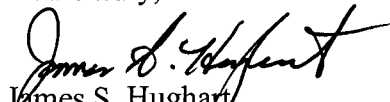
The creation of this non-standard gas spacing unit will enable Hess to produce the well from its lease from T. E. Mitchell & Son, Inc., which is committed to the West Bravo Dome Carbon Dioxide Gas Unit (WBDGU). Hess would not include Federal Lease # NM 66803, comprising E/2NE/4 of Section 10, in a 640 acre spacing unit, which acreage is owned by Hess Corporation and was long ago committed to the Bravo Dome Carbon Dioxide Gas Unit operated by Oxy USA, Inc. Also excluded from this non-standard unit will be the NW/4, SE/4 and the W/2NE/4 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.

1830 FSL & 2100 Fwd

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.

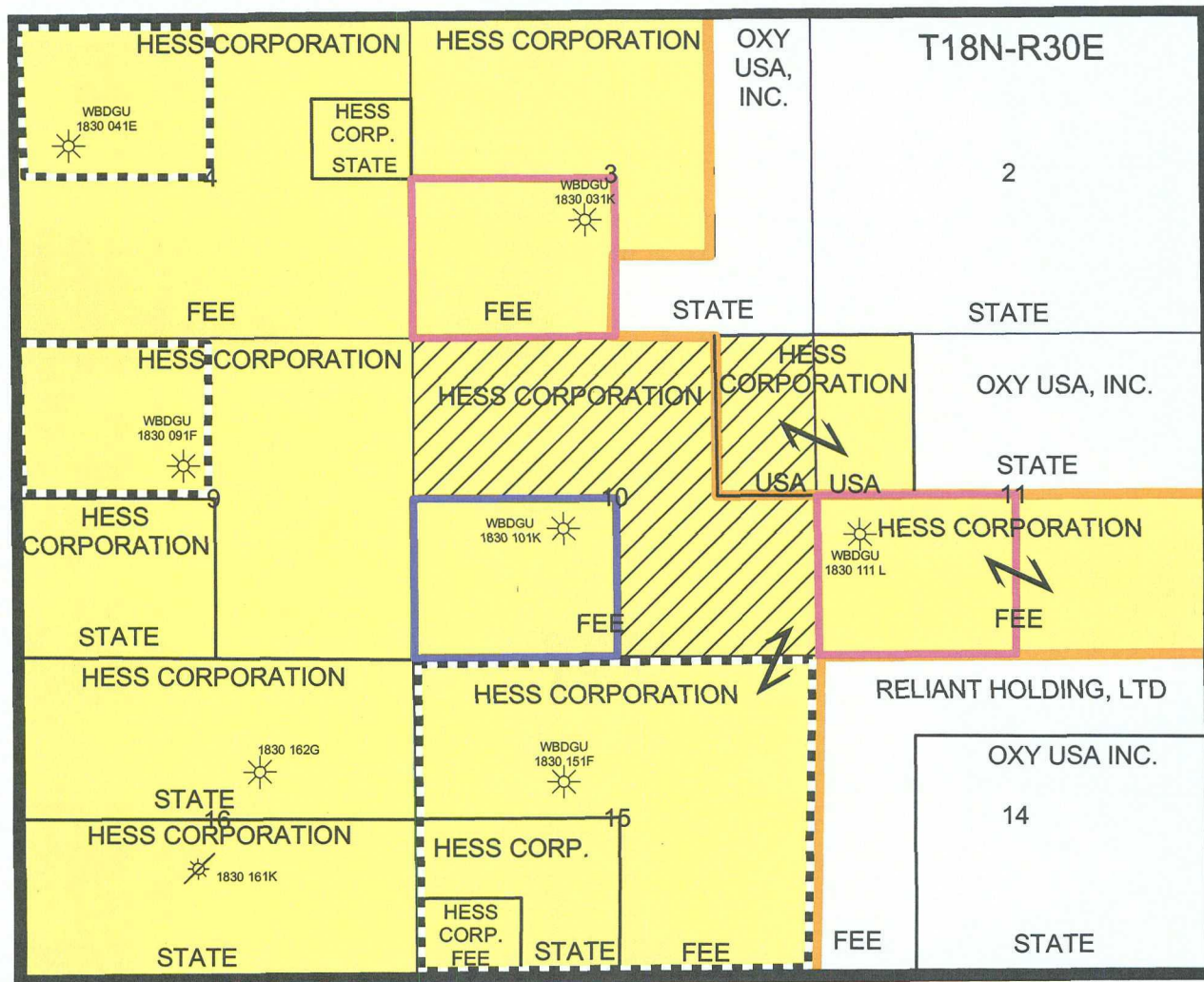
On or before the date on which this application was filed with the Division, a copy of this application with all attachments thereto was mailed to each of the affected parties by Certified Mail - Return Receipt Requested. Each of the affected parties was advised that if they have an objection to the 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,


James S. Hughart
Land Manager

Encl.

cc: Mr. William F. Carr
Holland & Hart



Legend Proposed wells

- NON-STANDARD UNIT
MITCHELL 1830 101K
- - - 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 101 K WELL
NINE SECTION AREA
AROUND DRILLSITE LOCATION

Harding_Co_NM_5m.MXD

AFFECTED PARTIES

Application of Hess Corporation
Administrative approval of a non-standard spacing unit
WBDGU 1830 101K Well
160 acres (Southwest Quarter)
Section 10, 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