

DATE IN <u>1/31/11</u>	SUSPENSE	ENGINEER <u>WJF</u>	LOGGED IN <u>1/31/11</u>	TYPE <u>NSP</u>	APR. NO. <u>PTGW 1103153862</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



RECEIVED OGD
 Hess 495
 2011 JAN 31 P 12:36
 WBDGU #321F
 30-021-20231

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

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]

16752
 Tubbs
 Harding
 Stadel
 1952

- [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 _____

2011 JAN 28 P 2:40
 RECEIVED OGD

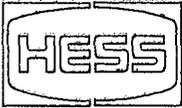
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval 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 William F. Carr ATTORNEY 1/28/11
 Print or Type Name Signature Title Date
wcarr@hollandhart.com
 e-mail Address



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

1650 FNL & FWL

Re: *Application of Hess Corporation for Administrative Approval of a Non-Standard Gas Spacing Unit for its WBDGU 1930 321F Well, comprised of 160 acres in the Northwest quarter of Section 32, Township 19 North, Range 30 East, N.M.P.M., Harding County, New Mexico.*

Dear Mr. Fesmire:

Hess Corporation, operator of the West Bravo Dome Carbon Dioxide Gas Unit, 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, West Bravo Dome Carbon Dioxide Gas Pool for its WBDGU 1930 321F Well to be comprised of 160 acres in the Northwest quarter of Section 32, Township 19 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 State of New Mexico Lease # LO 5827-5 which is fully committed to the West Bravo Dome Carbon Dioxide Gas Unit (WBDGU), without having to include State of New Mexico Lease # LO 5827-4 covering the NE/4NE/4 of Section 32 in a 640 acre unit. This 40 acre lease is owned by Oxy USA and committed to the Bravo Dome Carbon Dioxide Gas Unit. Also excluded from this non-standard unit will be additional acreage out of State of New Mexico Lease # LO 5827-5 and covering N/2SW/4, NW/4SE/4, S/2SE/4 and SE/4SW/4, State of New Mexico Lease # LO 5828-5 covering SW/4SW/4, and a fee lease from T. E. Mitchell & Son, Inc. covering the NW/4NE/4, S/2NE/4 and the NE/4SE/4. All of this additional excluded acreage is in Section 32 and is owned by Hess Corporation and is 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..

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.

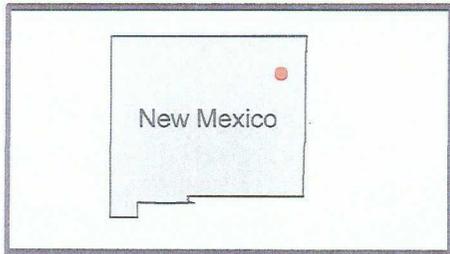
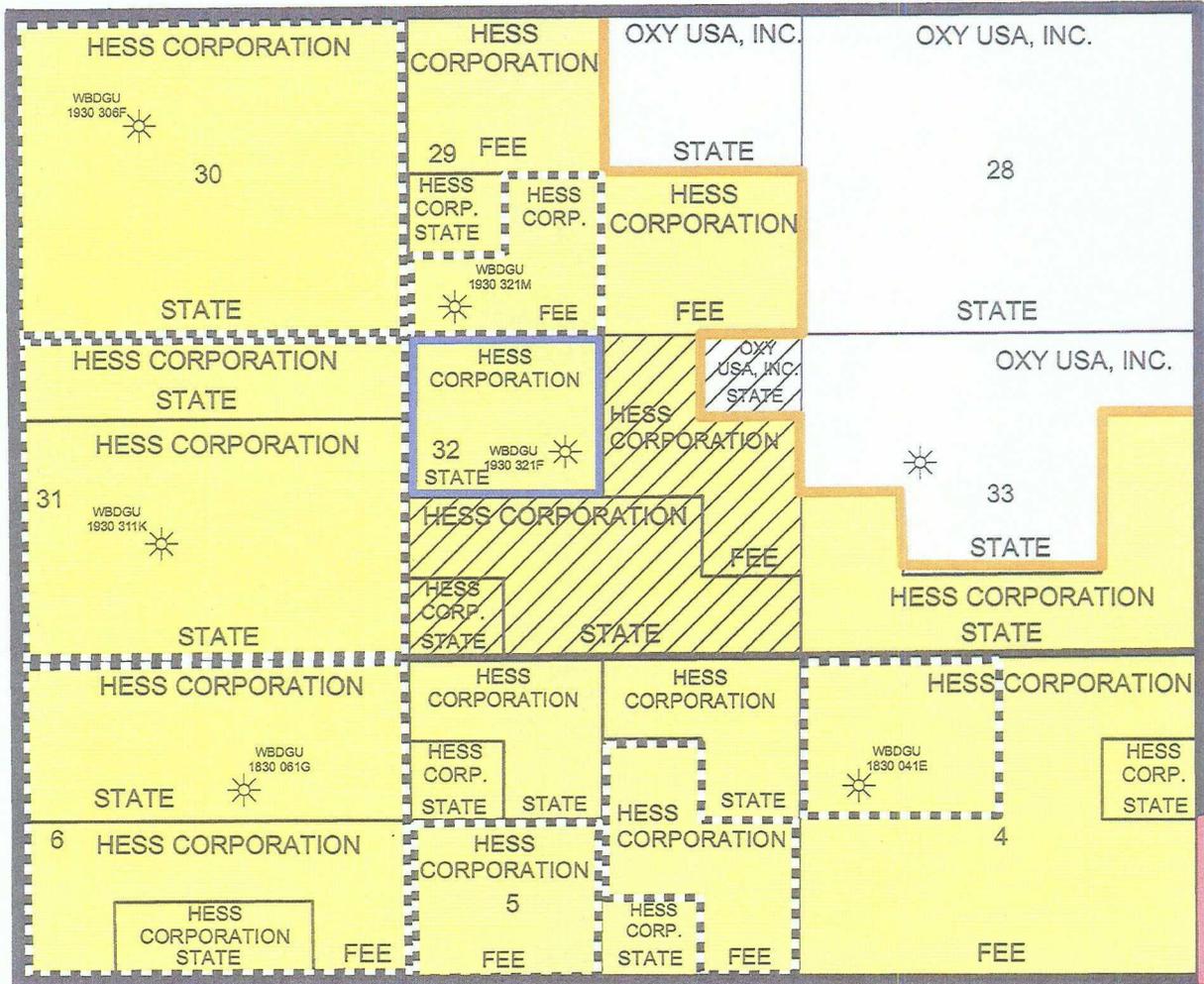
Yours truly,

A handwritten signature in black ink, appearing to read "James S. Hughart", with a long, sweeping horizontal stroke extending to the right.

James S. Hughart,
Land Manager

Encl.

cc: Mr. William F. Carr
Holland & Hart



Legend
Proposed wells

- NON-STANDARD UNIT MITCHELL 1830111L
- 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 1930 321 F WELL
NINE SECTION AREA
AROUND DRILLSITE LOCATION

Harding_Co_NM_7m.MXD

AFFECTED PARTIES

Application of Hess Corporation

Administrative approval of a non-standard spacing unit
WBDGU 1930 321F Well
160 acres (Northwest Quarter)
Section 32, Township 19 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

Martin, Ed, EMNRD

From: Mark_Hodge@oxy.com
Sent: Monday, February 14, 2011 8:26 AM
To: JHughart@hess.com
Cc: Martin, Ed, EMNRD; WCarr@hollandhart.com
Subject: RE: Non-statdard Unit Applications.
Attachments: 20110214085808804.pdf

Jim,

Thank you for the extra effort in this regard. The attached NSU Applications were received via e-mail by OXY this date, and will be forwarded immediately to the appropriate personnel.

Thanks again, Mark E. Hodge

-----Original Message-----

From: Hughart, Jim [mailto:JHughart@hess.com]
Sent: Monday, February 14, 2011 9:19 AM
To: Hodge, Mark
Cc: Martin, Ed, EMNRD; William Carr
Subject: Non-statdard Unit Applications.

Mark,

Here is the mailing I sent to you.

If you would please acknowledge receipt of this to Ed Martin at New Mexico OCD, I would be grateful. Thanks!

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

This e-mail and any attachments are for the sole use of the intended recipient(s) and may contain information that is confidential. If you are not the intended recipient(s) and have received this e-mail in error, please immediately notify the sender by return e-mail and delete this e-mail from your computer. Any distribution, disclosure or the taking of any other action by anyone other than the intended recipient(s) is strictly prohibited.

20 DAYS 2/17/2011
25 " 2/22/2011

Martin, Ed, EMNRD

To: Hughart, Jim
Subject: Application for NSP Unit

Today, I received Hess' application for a non-standard proration unit for their WBDGU 1830-111L well.

Please send proof of notice to the affected parties to me at the below address. The affected parties, according to the application cover letter are:

OXY USA, Inc., Attn: Mark Hodge
New Mexico State Land Board, Attn: Jeff Albers
United States Department of the Interior – Bureau of Land Management

Ed Martin
Supervisor District IV
1220 S. St Francis Dr.
Santa Fe, NM 87505
Office: 505-476-3470
Res: 505-685-4056
Cell: 505-690-2365
e-mail: ed.martin@state.nm.us

Martin, Ed, EMNRD

From: Hughart, Jim [JHughart@hess.com]
Sent: Monday, February 07, 2011 2:53 PM
To: Martin, Ed, EMNRD
Cc: Albers, Jeff J.; Wayne_Townsend@blm.gov; Mark_Hodge@oxy.com; William Carr
Subject: RE: Application for NSP Unit

Ed,

I'll send proof of notice for the affected parties for the 1830 111L, 1830 031K, 1830 101K and 1930 321F as soon as I can. Our office is presently shut down due to a failure of the main power supply, with no end in sight. We hope to be up and running in a day or two?

In case this problem drags on for very much longer, I am copying Mark Hodge with Oxy, Jeff Albers with the State Land Board and Wayne Townsend with the BLM and asking them to e-mail you that they did, in deed, receive notices of applications for these non-standard well applications. From memory, here's what each received:

Oxy - 1 certified mailing for all 4 well applications.
BLM - 1 certified mailing for 1830 111L, 830 031K and a reference copy for the 1930 321F.
SLB - 1 certified mailing for 1830 111L, 1830 031K and 1930 321F

Thanks!

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

From: Martin, Ed, EMNRD [<mailto:ed.martin@state.nm.us>]
Sent: Monday, February 07, 2011 2:09 PM
To: Hughart, Jim
Cc: WCarr@hollandhart.com
Subject: Application for NSP Unit

Today, I received Hess' application for a non-standard proration unit for their WBDGU 1830-111L well.

Please send proof of notice to the affected parties to me at the below address. The affected parties, according to the application cover letter are:

OXY USA, Inc., Attn: Mark Hodge
New Mexico State Land Board, Attn: Jeff Albers
United States Department of the Interior – Bureau of Land Management

Ed Martin
Supervisor District IV
1220 S. St Francis Dr.
Santa Fe, NM 87505
Office: 505-476-3470

Martin, Ed, EMNRD

From: Hughart, Jim [JHughart@hess.com]
Sent: Monday, February 14, 2011 8:19 AM
To: Mark_Hodge@oxy.com
Cc: Martin, Ed, EMNRD; William Carr
Subject: Non-statdard Unit Applications.
Attachments: 20110214085808804.pdf

Mark,

Here is the mailing I sent to you.

If you would please acknowledge receipt of this to Ed Martin at New Mexico OCD, I would be grateful. Thanks!

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

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Res: 505-685-4056
Cell: 505-690-2365
e-mail: ed.martin@state.nm.us

This e-mail and any attachments are for the sole use of the intended recipient(s) and may contain information that is confidential. If you are not the intended recipient(s) and have received this e-mail in error, please immediately notify the sender by return e-mail and delete this e-mail from your computer. Any distribution, disclosure or the taking of any other action by anyone other than the intended recipient(s) is strictly prohibited.

Martin, Ed, EMNRD

From: Hughart, Jim [JHughart@hess.com]
Sent: Friday, February 11, 2011 6:27 AM
To: Mark_Hodge@oxy.com
Cc: Martin, Ed, EMNRD; William Carr
Subject: Non-Standard Units in West Bravo Dome

Mark,

I sent you 4 non-standard unit affected party notice letters in West Bravo Dome on January 27th. These were sent together in one certified mailing and pertained to the WBDGU 1830 111L, WBDGU 1830 031K, WBDGU 1830 101K and the WBDGU 1930 321F wells. The U. S. Postal Service's website indicates the package was received by Oxy, but the certified receipt was never returned and I presume is lost. Would you confirm that you indeed received the 4 letters by replying to this e-mail and copy Ed Martin with the New Mexico Oil Conservation Division. If the web site is incorrect and you did not receive the letters, please advise and I will re-send them. Thanks!

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

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