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HOLLAND & HART LLP



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May 21, 2007

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HAND DELIVERED

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

Re: West Bravo Dome Carbon Dioxide Gas Unit Agreement
Harding County, New Mexico
Amended 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, Hess Corporation hereby submits the Amended 2007 Plan of Development.

If you have questions concerning the enclosed, please advise.

Very truly yours,

William F. Carr

Enc.

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

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HESS CORPORATION
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Project Manager
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(713) 609-4087
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May 16, 2007

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

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 Amended 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 (WBDGU) and in accordance with New Mexico Oil Conservation Order Number 7707, Hess Corporation, as unit operator, hereby submits five (5) copies of the proposed **Amended** 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).

Earlier this year Hess management authorized development of the WBDGU and a large adjacent fee lease. Specifically, Hess plans to drill 18 CO₂ gas wells, 10 of which will be unit wells. Hess has negotiated to obtain a plant site for CO₂ processing, surface use agreements with various surface owners to be affected by our operations, entered into a drilling contract, and

worked extensively with a private contractor toward the design of surface facilities, gathering pipelines, compression and third party electric lines and substations.

The revised Plan of Development for the remainder of 2007 will include:

- Drill 10 unit wells identified and located as follows:

1. Well name: WBDGU 1829 041 G
Location: T18N, R29E, Sec. 4; 1950' FNL, 1650' FEL
Lease Type and Name: Fee – Bessie Brown
Surface Owner: Glen and Betty Lou White
2. Well Name: WBDGU 1829 161 G
Location: T18N, R29E, Sec. 16; 1900' FNL, 1700' FEL
Lease Type and Name: State – Lease # LG-4603-1
Surface Owner: JMB Trust
3. Well Name: WBDGU 1829 031 O
Location: T18N, R29E, Sec. 3; 1800' FEL, 1200' FSL
Lease Type and Name: USA - Lease # NM-27898
Surface Owner: JMB Trust
4. Well Name: WBDGU 1829 091 G
Location: T18N, R29E, Sec. 9; 2150' FNL, 1650' FEL
Lease Type and Name: Fee – Sun Exploration & Production Company
Surface Owner: JMB Trust
5. Well Name: WBDGU 1829 111 F
Location: T18N, R29E, Sec. 11; 1950' FWL, 1750' FNL
Lease Type and Name: USA - Lease # NM-63272
Surface Owner: T. E. Mitchell & Son, Inc.
6. Well Name: WBDGU 1829 051 G
Location: T18N, R29E, Sec. 5; 2100' FEL, 2100' FNL
Lease Type and Name: Fee – T. J. Stickel
Surface Owner: Glen & Betty Lou White
7. Well Name: WBDGU 1829 011 G
Location: T18N, R29E, Sec. 1; 2310' FNL, 1650' FEL
Lease Type and Name: State - Lease #LG-4601
Surface Owner: T. E. Mitchell & Son, Inc.
8. Well Name: WBDGU 1829 021 H
Location: T18N, R29E, Sec. 2; 2000' FNL, 1100' FEL
Lease Type and Name: State - Lease #LG-4602-4
Surface Owner: T. E. Mitchell & Son, Inc.

9. Well Name: WBDGU 1929 321 G
Location: T19N, R29E, Sec. 32; 2100' FEL, 2100' FNL
Lease Type and Name: Fee – Samantha S. Galentine
Surface Owner: Glen & Betty Lou White

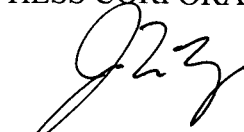
10. Well Name: WBDGU 1929 341 G
Location: T19N, R29E, Sec. 34; 1650' FEL, 2420' FNL
Lease Type and Name: USA - Lease #NM-19714
Surface Owner: T. E. Mitchell & Son, Inc.

- Evaluate additional drilling well locations for subsequent years
- Finalize surface use agreements with surface owners and warranty deed for acquisition of site for gas plant
- Continue work with a private contractor toward design of the production infrastructure and construct same in 2008
- Order long lead equipment
- Continue collaboration with power providers to bring low cost electricity to WBDGU
- Make unit payments which escalate at 5% yearly until the unit is in production (estimate 4th Quarter, 2008)
- Monitor and maintain existing wells in accordance with State Regulations

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

Yours truly,

HESS CORPORATION



Joaquin M. Martinez
Project Manager, West Bravo Dome Development

Cc: Mr. Brian Davis – Bureau of Land Management