



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

May 29, 2003

Lori Wrotenbery
Director
Oil Conservation Division

Amerada Hess Corporation
P. O. Box 840
Seminole, Texas 79360

Attention: **Chad McGehee**
CMcGehee@Hess.com

Re: *Administrative application (application reference No. pKRV0-313628147) for an exception to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for Amerada Hess Corporation's proposed Turner "B" Well No. 4 or Fred Turner, Jr. "B" Well No. 4 at an unorthodox oil well location 1400 feet from the South line and 1900 feet from the East line (Unit J) of Section 17, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, within a standard 40-acre oil spacing and proration unit comprising the NW/4 SE/4 of Section 17.*

Dear Mr. McGehee:

Well location exceptions/unorthodox well locations in New Mexico are granted for specific pools/formations. Your application references no such interval(s). Further, in reviewing the subject application at face value and assuming no other factors, it would appear that there maybe other locations within the southeastern portion of the Fred Turner, Jr. "B" fee that adequately meet the well location set back requirements while avoiding "deteriorating reservoir quality."

The conservation rules in all oil and gas producing states governing well spacing and the placement of these wells within such drilling tracts and spacing units have been enacted to promote the orderly development of that states valuable oil and gas resources by preventing waste, protecting correlative rights, and preventing the drilling of unnecessary wells. It is very easy to get into a mode of thinking that considers these rules as minor inconveniences and applications for exceptions as "open and shut" issues.

Since your application offers no explanation and technical support data and being woefully incomplete, is hereby deemed unnecessary and unwarranted at this time and is therefore **denied**.

Should Amerada Hess Corporation find it necessary to reapply, you may do so through the Division's hearing process. Should you have any questions, please contact your legal counsel Mr. William F. Carr in Santa Fe at (505) 988-4421.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
Kathy Valdes, NMOCD - Santa Fe
William F. Carr (Wcarr@hollandhart.com), Legal Counsel for Amerada
Hess Corporation - Santa Fe

DATE IN 5/13/03	SUBMIT 6/3/03	ENGINEER WVS	LOGGED IN KW	TYPE NSL	PRV PRV0313628147
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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



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]

[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.

Chad McGehee
 Print or Type Name

Chad McGehee
 Signature

Sr. Petroleum Engineer
 Title

May 7, 2003
 Date

Amerada Hess Corporation (000495)
 Fred Turner Jr. "B" No. 4 - Drilling Location
 1900' FEL & 1400' FSL, Unit J, Sec. 17, T20S, R38E, Lea County, N.M.

cmcgehee@hess.com
 e-mail Address

AMERADA HESS CORPORATION

P. O. BOX 840
SEMINOLE, TEXAS 79360
915-758-6700

May 7, 2003

New Mexico Oil Conservation Division
Engineering Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Fred Turner Jr. "B" No. 4 - Drilling Location
1900' FEL & 1400' FSL, Unit J, Sec. 17, T20S, R38E
Non-Standard Location, Lea County, N.M.

Dear Sir,

Amerada Hess Corporation respectfully request approval of attached administrative application for a non-standard drilling well location as referenced above. AHC request to drill this well less than the required 330' to the outer boundary of quarter/quarter section or subdivision boundary line. Deteriorating reservoir quality is expected at the standard location.

The Fred Turner Jr. "B" Lease consist of the S/2 NW/4, SW/4 NE/4, W/2 SE/4, SW/4 of Section 17 plus NW/4 NW/4 of Section 20, Township 20S, Range 38E. The proposed location will be located 580' from the lease boundary as indicated on the attached lease map.

Enclosed is lease map, plat, notification list and copy of letter mailed to affected persons by Certified, Returned Receipt Requested for your review. If additional information is needed, please let us know at your earliest convenience.

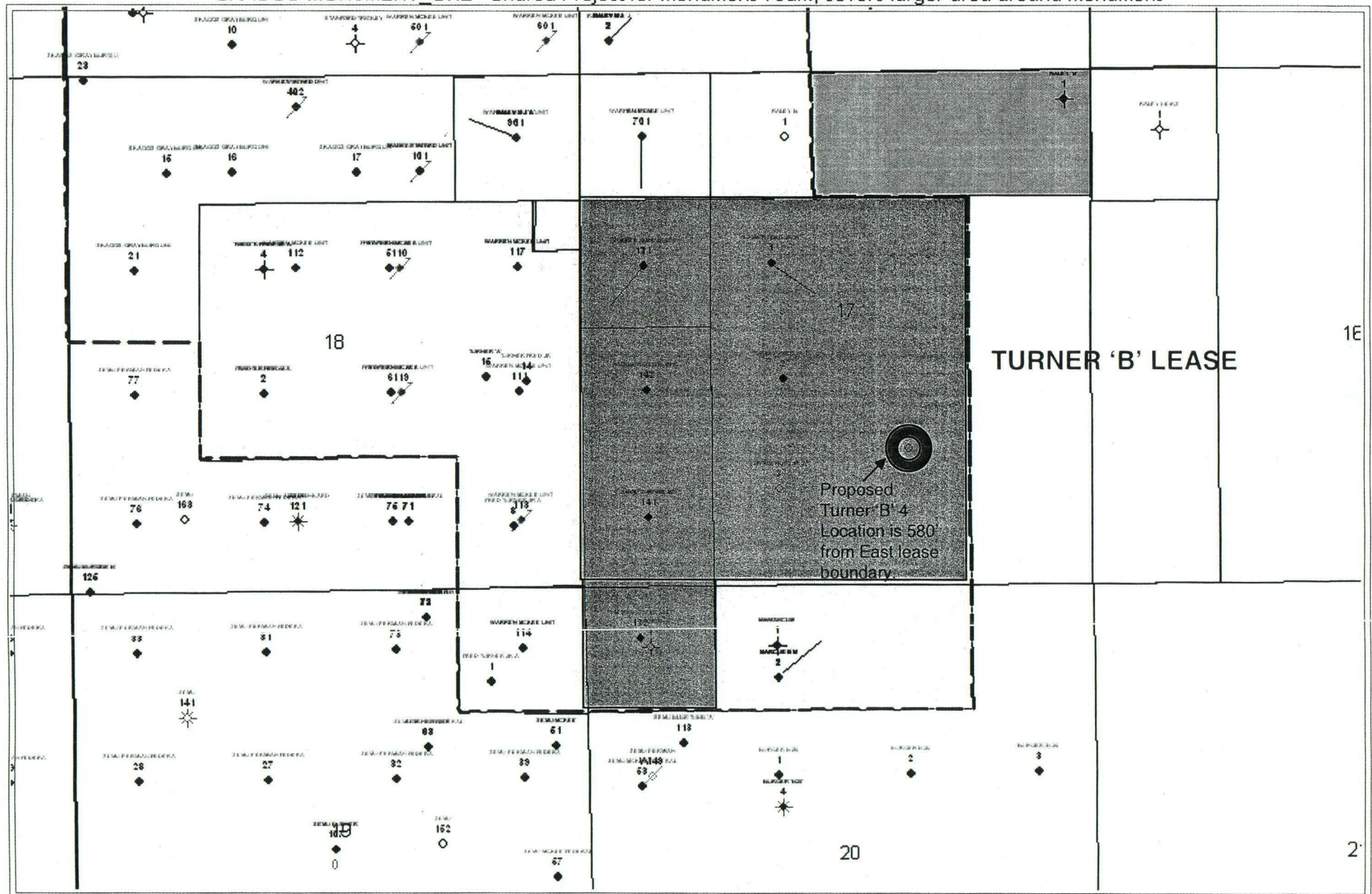
Sincerely,


Chad McGehee
Petroleum Engineer

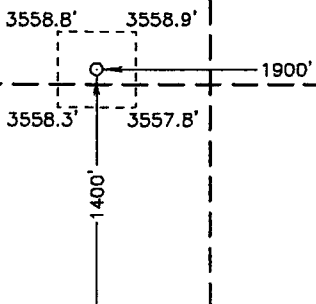
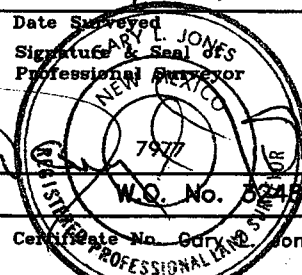
Xc: Mr. Chris Williams, NMOCD-Hobbs

TURNER 'B' LEASE AND PROPOSED TURNER 'B' #4 LOCATION

SKAGGS-MONUMENT_GHL - Shared Project for Monument Team, covers larger area around Monument



DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

	<p>Lot.: N32°34'11.7" Long.: W103°10'05.8"</p> 		<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><u>Chad McGehee</u> Signature</p> <p><u>Chad McGehee</u> Printed Name</p> <p><u>Sr. Petroleum Engineer</u> Title</p> <p><u>May 7, 2003</u> Date</p>
			<p>SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p><u>April 28, 2003</u> Date Surveyed</p> <p><u>ARY L. JONES</u> Signature & Seal of Professional Surveyor</p>  <p><u>W.O. No. 8248</u> Certificate No. Gary L. Jones 7977</p>

AMERADA HESS CORPORATION

P. O. BOX 840
SEMINOLE, TEXAS 79360
915-758-6700

May 7, 2003

Re: Fred Turner Jr. "B" No. 4 – Drilling Location
1900' FEL & 1400' FSL, Unit J, Sec. 17, T20S, R38E
Non-Standard Location, Lea County, N.M.

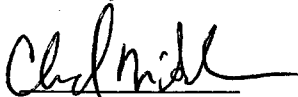
Dear Sir,

Enclosed, for your information, is copy of application filed with New Mexico Oil Conservation Division requesting administrative approval for a non-standard location on above referenced well.

New Mexico Oil Conservation Division, (NMOD), regulation require that objection to this application be filed with NMOCD within 20 days of the receipt of this letter.

If we can furnish additional information concerning this application, please contact me at 432 758-6707 or at above address.

Sincerely,



Chad McGehee
Petroleum Engineer

NOTIFICATION LIST

BP America, Inc.
600 N. Marienfeld, Suite 800
Midland, Texas 79701

ChevronTexaco PBBU
15 Smith Road
Midland, Texas 79705

ConocoPhillips Company
4001 Penbrook
Odessa, Texas 79762

Exxon Corporation
P. O. Box 1600
Midland, Texas 79702

Meridian Oil, Inc.
P. O. Box 51810
Midland, Texas 79710

Oryx Energy Company
P. O. Box 2880
Dallas, Texas 75221-2880

Oxy USA, Inc.
P. O. Box 50250
Midland, Texas 79710

AMERADA HESS CORPORATION

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SEMINOLE, TEXAS 79360
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May 7, 2003

ChevronTexaco PBBU
15 Smith Road
Midland, Texas 79705

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915-758-6700

May 7, 2003

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600 N. Marienfeld, Suite 800
Midland, Texas 79701

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AMERADA HESS CORPORATION

P. O. BOX 840
SEMINOLE, TEXAS 79360
915-758-6700

May 7, 2003

ConocoPhillips Company
4001 Penbrook
Odessa, Texas 79762

Re: Fred Turner Jr. "B" No. 4 - Drilling Location
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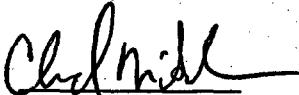
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Petroleum Engineer

AMERADA HESS CORPORATION

P. O. BOX 840
SEMINOLE, TEXAS 79360
915-758-6700

May 7, 2003

Exxon Corporation
P. O. Box 1600
Midland, Texas 79702

Re: Fred Turner Jr. "B" No. 4 - Drilling Location
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Non-Standard Location, Lea County, N.M.

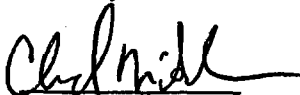
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Petroleum Engineer

AMERADA HESS CORPORATION

P. O. BOX 840
SEMINOLE, TEXAS 79360
915-758-6700

May 7, 2003

Meridian Oil, Inc.
P. O. Box 51810
Midland, Texas 79710

Re: Fred Turner Jr. "B" No. 4 - Drilling Location
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Non-Standard Location, Lea County, N.M.

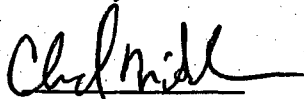
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AMERADA HESS CORPORATION

P. O. BOX 840
SEMINOLE, TEXAS 79360
915-758-6700

May 7, 2003

Oryx Energy Company
P. O. Box 2880
Dallas, Texas 75221-2880

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Petroleum Engineer

AMERADA HESS CORPORATION

P. O. BOX 840
SEMINOLE, TEXAS 79360
915-758-6700

May 7, 2003

Oxy USA, Inc.
P. O. Box 50250
Midland, Texas 79710

Re: Fred Turner Jr. "B" No. 4 - Drilling Location
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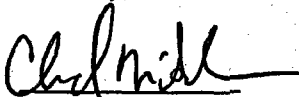
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Chad McGehee
Petroleum Engineer

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

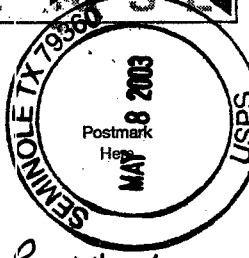
Postage \$.60

Certified Fee 2.30

Return Receipt Fee
(Endorsement Required) 1.75

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$ 4.65



Sent To
Chevron Texaco PBOU
Street, Apt. No.,
or PO Box No. 15 Smith Road
City, State, ZIP+4
Midland, Tx. 79705
PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

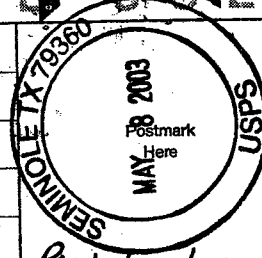
Postage \$.60

Certified Fee 2.30

Return Receipt Fee
(Endorsement Required) 1.75

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$ 4.65



Sent To
BP America Inc
Street, Apt. No.,
or PO Box No. 600 N. Mariah fold, Suite 800
City, State, ZIP+4
Midland, Tx. 79701
PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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OFFICIAL USE

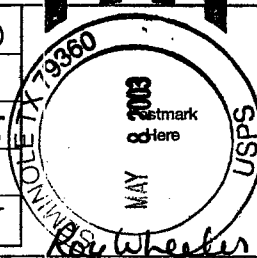
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Sent To
Exxon Corporation
Street, Apt. No.,
or PO Box No. P.O. Box 1600
City, State, ZIP+4
Midland, Tx. 79702
PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

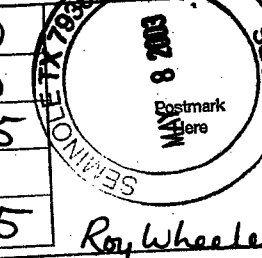
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(Endorsement Required)

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Sent To
Conoco Phillips Company
Street, Apt. No.,
or PO Box No. 4001 Penbrook
City, State, ZIP+4
Odessa, Tx. 79762
PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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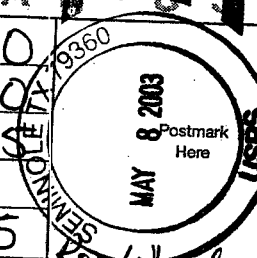
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Sent To
Oryx Energy Company
Street, Apt. No.,
or PO Box No. P.O. Box 2880
City, State, ZIP+4
Dallas, Tx. 75221-2880
PS Form 3800, January 2001 See Reverse for Instructions

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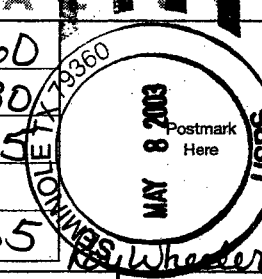
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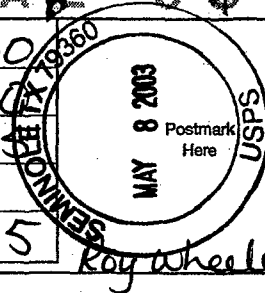
Sent To
Meridian Oil Inc.
Street, Apt. No.,
or PO Box No. P.O. Box 51810
City, State, ZIP+4
Midland, Tx. 79710
PS Form 3800, January 2001 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

5598 8909 1000 0411 1002

OFFICIAL USE

Postage	\$.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65



Sent To
Oxy USA Inc.
**Street, Apt. No.
or PO Box No.** *P.O. Box 50250*
City, State, ZIP+4 *Midland, Tx 79710*

PS Form 3800, January 2001

See Reverse for Instructions

Stogner, Michael

From: Catanach, David
Sent: Thursday, May 29, 2003 10:47 AM
To: 'McGehee, Chad'
Cc: Stogner, Michael
Subject: RE: Fred Turner B #4 Non-standard Location Request

Chad, I am forwarding your E-mail to Mike Stogner, phone 476-3465.

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

From: McGehee, Chad [mailto:CMcGehee@Hess.com]
Sent: Thursday, May 29, 2003 10:32 AM
To: dcatanach@state.nm.us
Subject: Fred Turner B #4 Non-standard Location Request

David,

I was trying to determine the status of a request for Non-standard Location for the Fred Turner B #4 well, spotted in section 17-20S-38E. Would you be able to direct me to the right person? I think yesterday was the 20th day for operators to respond and was wondering if it looked like there would be any problems getting the location approved. This is a location that we are prepared to begin building once approved.

Thank you for your help.

Chad McGehee
(432) 758-6707

*Voice mail message
10:48 AM
Chad McGehee
432-758-6707
Chad on 10/5/03
add.*