

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.

James Bruce

Print or Type Name

James Bruce
 Signature

Attorney for Applicant

Title

8/9/04
 Date

jamesbruc@aol.com

e-mail Address

2004 AUG 9 PM 4:44

Amerada Hess Corporation



Permian Business Asset
P. O. Box 840
100 N. W. 7th Street
Seminole, Texas 79360

August 9, 2004

Hand Delivered

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

Attention: Michael E. Stogner

Dear Sir:

Pursuant to Division Rule 104.F.(2), Amerada Hess Corporation applies for administrative approval of an unorthodox oil well location for the following well:

Well: Fred Turner Jr. "B" No. 7
Location: 525' FSL & 1230' FWL
Well Unit: SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 17, Township 20 South, Range 38 East, N.M.P.M.,
Lea County, New Mexico

West Nadine - Paddock - Blinebry

This well will be drilled to test the Blinebry formation (Blinebry Oil and Gas Pool), Tubb formation (Warren-Tubb Gas Pool), Drinkard formation (Skaggs-Drinkard Pool), and Abo formation (West Warren-Abo Pool), and applicant requests approval for all four zones.

West Nadine / Tubb

It is anticipated that the ~~Blinebry and Tubb zones will be oil bearing. Under Order No. R-8170, as amended, spacing for a Blinebry oil well is 40 acres.~~ Also, under Rule 17 of the special rules for the Warren-Tubb Gas Pool (Order No. R-1234), spacing for a Tubb oil well is 40 acres. The other pools are spaced on statewide rules, with 40 acre well units. Wells must be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 for the well is attached as Exhibit A.

The application is based on geophysical and engineering reasons. The Blinebry formation is the primary zone of interest. A geophysical discussion, with appropriate maps, is attached as Exhibit B. Basically, the proposed location will allow applicant to encounter higher porosity in the Blinebry, which is not as likely to be present in the standard locations to the west.

This is further evidenced in Exhibit C, which compares logs from the Turner A #13 and the Turner B#3. This cross-section supports the seismic interpretation in the Upper Blinebry, with increasing porosity in the eastward direction. Further, the log strips show better development in the Tubb and Drinkard zones as you go east. IP and production data from these wells is consistent with the porosity, with the Turner B #3 producing much better than the Turner A #13 from the Blinebry, Tubb, and Drinkard.

Attached as Exhibit D is a land plat, highlighting the proposed well's location. The SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 17 (and the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 20) is a single fee tract, which has common royalty, overriding royalty, and working interest ownership. The well's location is internal to the tract. Therefore, there are no offset interest owners or adversely affected parties to notify of this application.

Please call me or James Bruce (Attorney for Amerada Hess Corporation) if you need any further information on this matter.

Sincerely,

A handwritten signature in black ink that reads "Chad McGehee". The signature is written in a cursive, flowing style.

Chad McGehee
Sr. Petroleum Engineer
Amerada Hess Corporation
(432) 758 - 6707

cc: James Bruce

DISTRICT I
2625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 86210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name TURNER "B"	Well Number 7
OCRID No.	Operator Name AMERADA HESS CORPORATION	Elevation 3551'

Surface Location

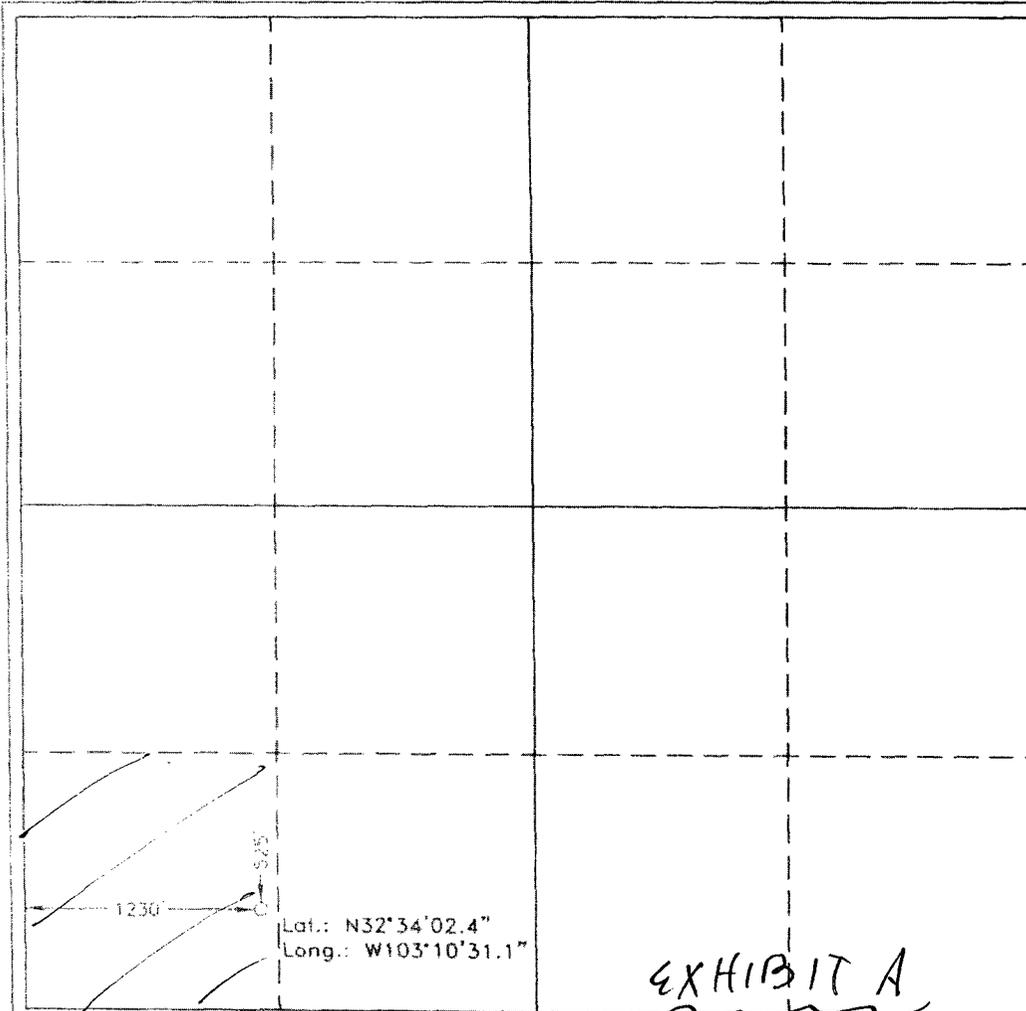
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	20 S	38 E		525	SOUTH	1230	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Carol J. Moore
Signature

Carol J. Moore
Printed Name

Senior Advisor/Regulatory
Title

7/29/2004
Date

SURVEYOR CERTIFICATION

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.

JULY 7, 2004
Date Surveyed

Signature & Seal of Professional Surveyor

[Signature]

W.O. No. 4439

Certificate No. Gary L. Jones 7977

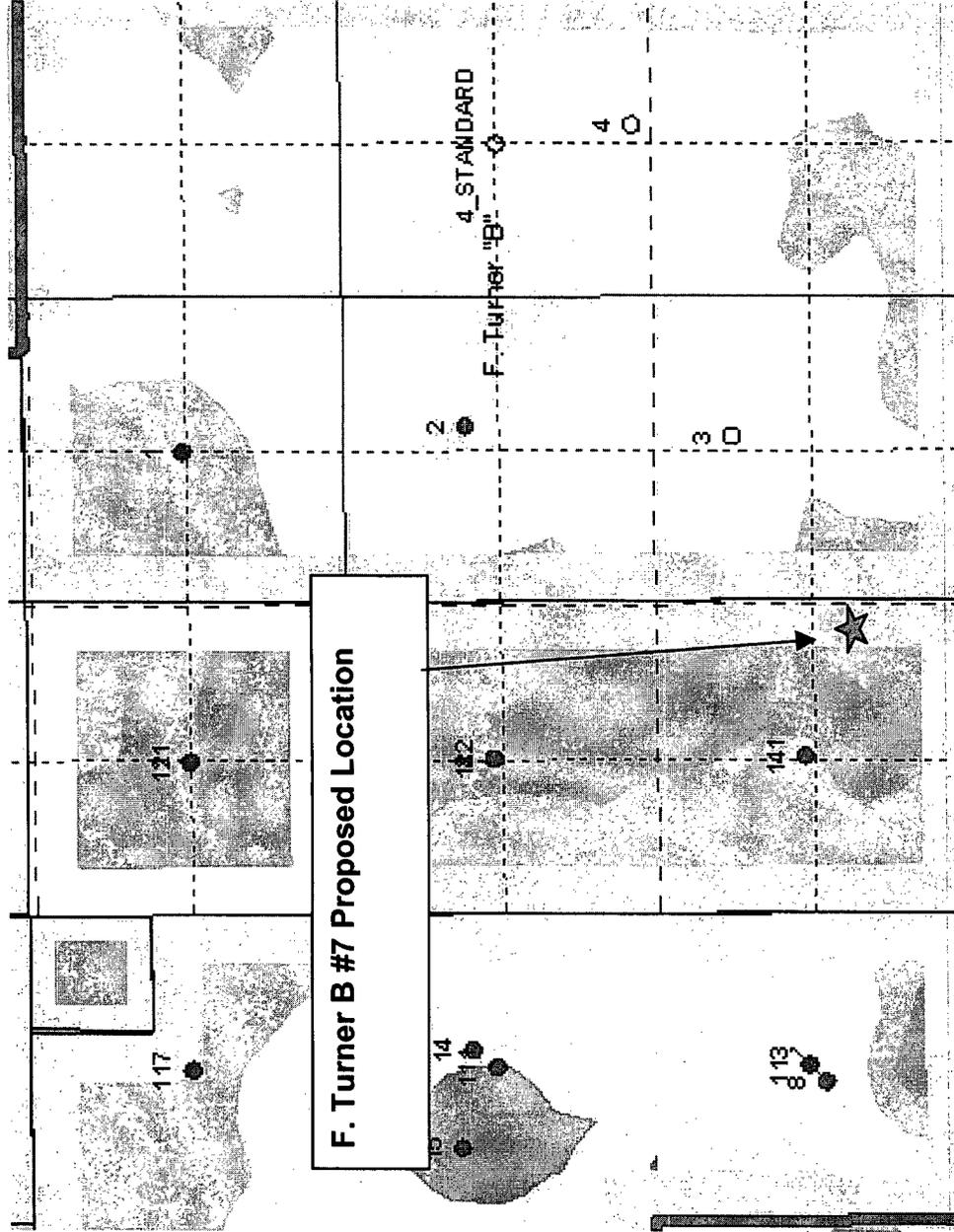
BASIN SURVEYS

Exhibit B – Turner B #7 Upper Blinebry Seismic Review

Recent reservoir development in the Skaggs area, for Blinebry formation targets, has depended in large part on estimation of porosity within the formation from 3D seismic data. The method uses seismic attributes, calibrated to existing offset wells, to predict lateral trends in formation porosity. The attached map showing seismic-estimated porosity in the Upper Blinebry is submitted in support of our request for non-standard location.

The main objective for the proposed F. Turner, Jr. B #7 well is the upper Blinebry formation. The attached map shows the variation in seismic-estimated porosity within the Upper Blinebry in the subject lease. The standard 40-acre center location would be located at the same spot occupied by the WMU #141 on the map. As is evident, the standard location would be placing the wellbore outside of the best predicted porosity in the Blinebry interval.

Exhibit B – Turner B #7 Upper Blinebry Seismic Review



F. Turner B #7 Proposed Location

Seismic-estimated average porosity in Upper Blinebry, Fred Turner, Jr. "B" lease

Exhibit C – Southwest to Northeast Cross-section

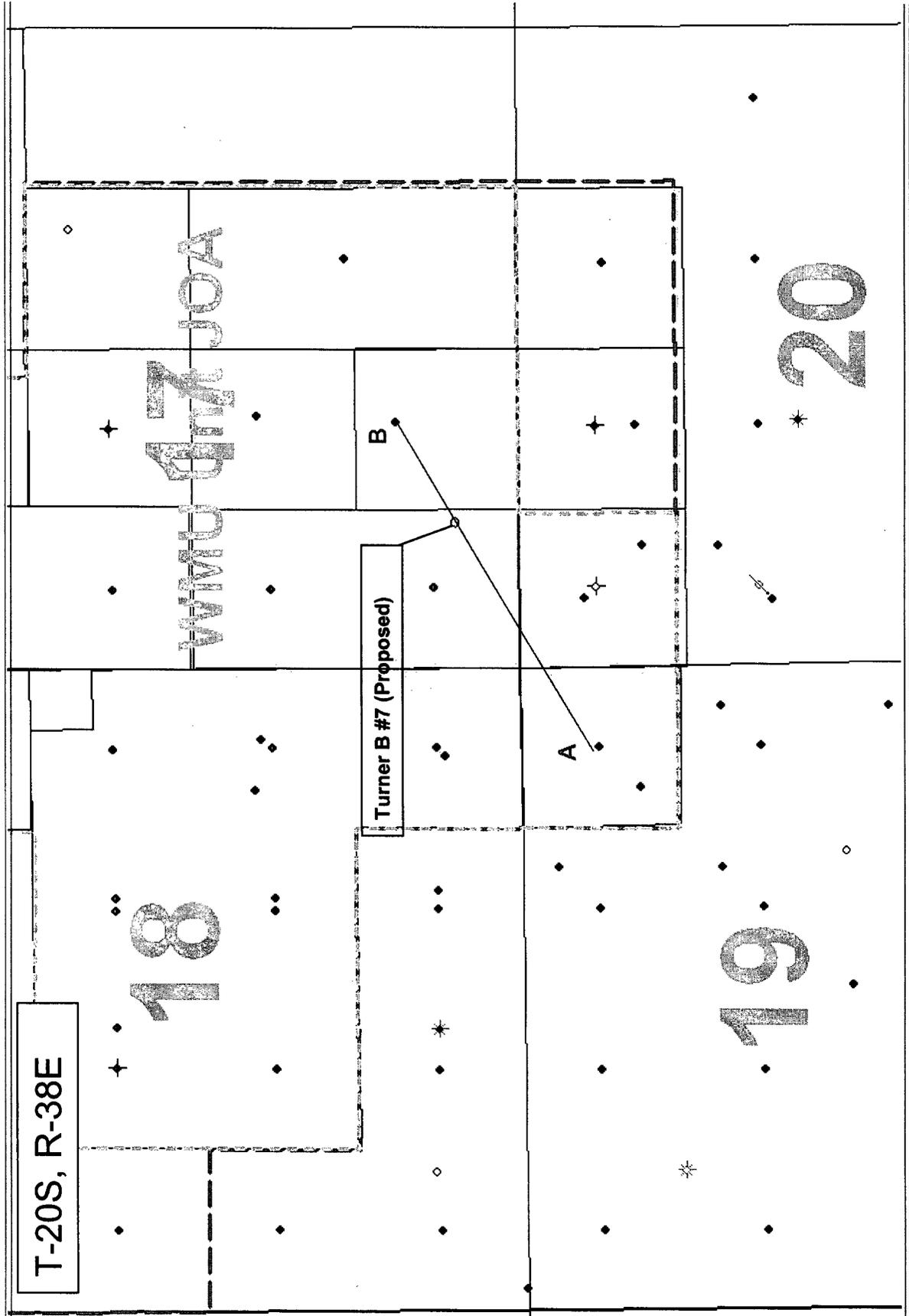


Exhibit C – Southwest to Northeast Cross-section

A – Turner A #13

B – Turner B #3

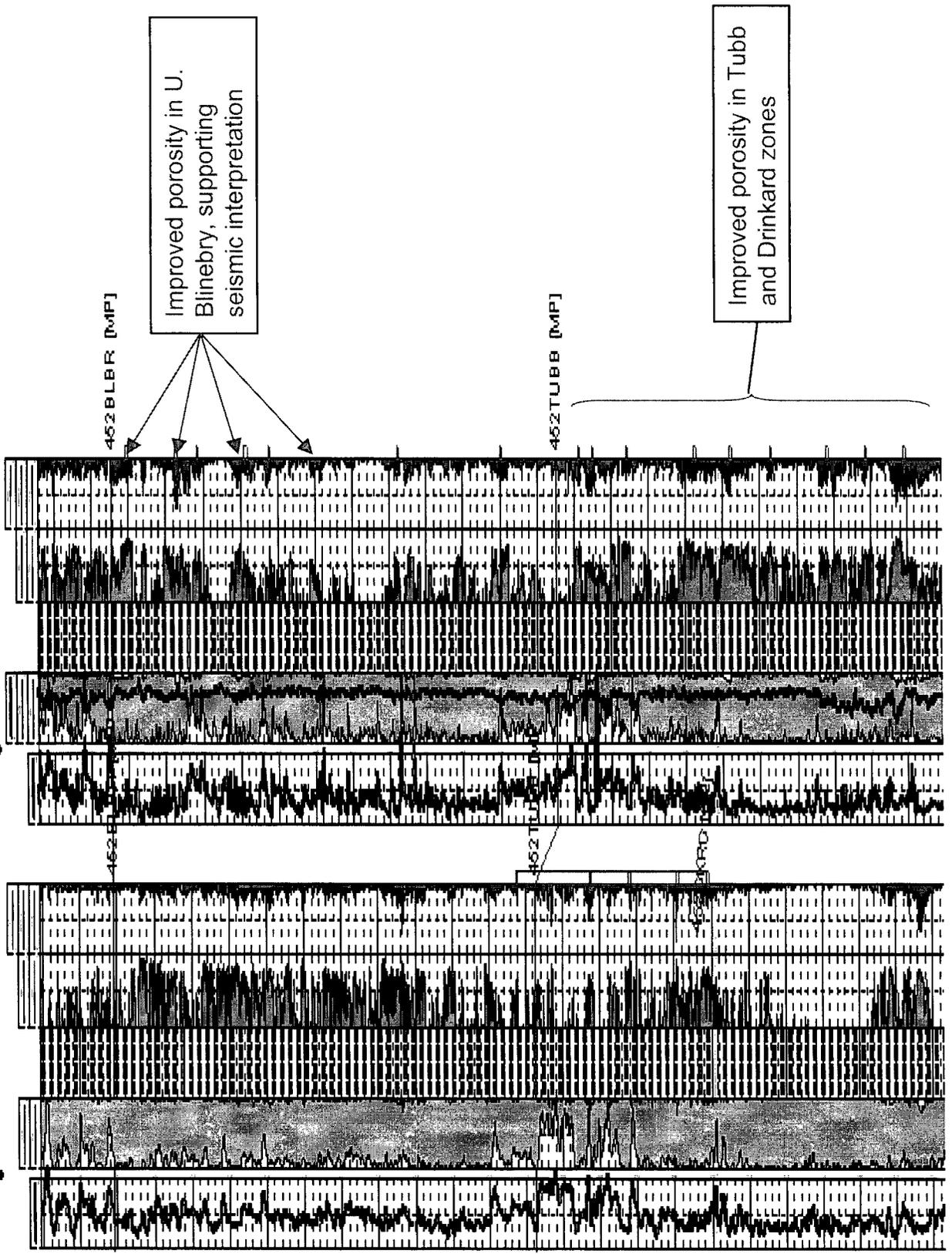


Exhibit D – Land Plat of Fred Turner Jr. “B” Lease

