

|                 |                 |             |           |          |                             |
|-----------------|-----------------|-------------|-----------|----------|-----------------------------|
| DATE IN 5/13/03 | SUSPENSE 6/2/03 | ENGINEER MS | LOGGED IN | TYPE NSL | PKR VO-313628147<br>APP NO. |
|-----------------|-----------------|-------------|-----------|----------|-----------------------------|

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]

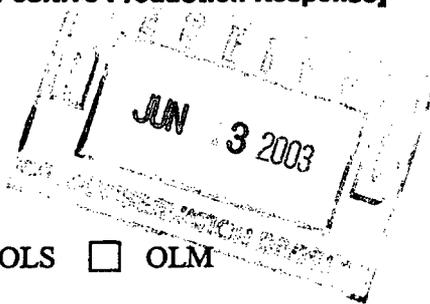
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

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  
 jamesbruc@aol.com  
 e-mail Address

6/3/03  
 Date

**JAMES BRUCE**  
ATTORNEY AT LAW

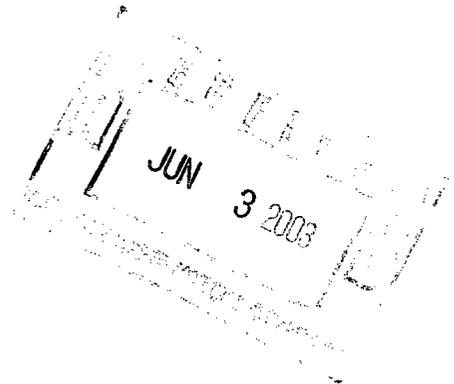
POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)  
(505) 982-2151 (FAX)

jamesbruc@aol.com

June 3, 2003



Hand Delivered

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

Re: Revised application  
**Administrative application reference no. pKRV0-313628147**

Dear Mr. Stogner:

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

|                   |   |
|-------------------|---|
| <u>Well:</u>      | Turner B Well No. 4   |
| <u>Location:</u>  | 1400 feet FSL & 1900 feet FEL   |
| <u>Well Unit:</u> | NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 17, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico |

The well will be drilled to test the Blinebry formation (West Nadine Paddock-Blinebry Pool), Tubb formation (West Nadine-Tubb Pool), and Drinkard formation (Skaggs-Drinkard Pool), and applicant requests approval for all three zones. **The Blinebry formation is the primary target.** The pools are spaced on statewide rules, with 40 acre well units and wells to be located no closer than 330 feet to a quarter-quarter section line. (The West Nadine Paddock-Blinebry Pool and Skaggs-Drinkard Pool do have special gas:oil ratio rules.) A Form C-102 for the well is attached as Exhibit A.

The application is based on geophysical and engineering reasons. A geophysical discussion, with appropriate maps, is attached as Exhibit B. Basically, the proposed location will allow applicant to encounter a high-porosity anomaly, which is very limited in extent. Although there are other high porosity areas at standard locations in the northwest part of the well unit, those areas have suffered pressure depletion from offsetting Blinebry wells. Thus,

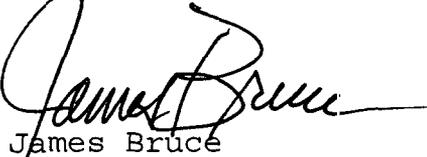
the well needs to be located in the southern part of the well unit.

Attached as Exhibit C 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.

As we discussed, this well is the second well in a two well package, which need to be drilled together to reduce costs. Thus, your attention to this matter is appreciated.

Please call me if you need any further information on this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Amerada Hess Corporation

DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Arden, 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<br><b>TURNER B</b>                 | Well Number<br><b>4</b>   |
| OCHID No.<br><b>000495</b> | Operator Name<br><b>AMERADA HESS CORPORATION</b> | Elevation<br><b>3558'</b> |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| J             | 17      | 20 S     | 38 E  |         | 1400          | SOUTH            | 1900          | EAST           | 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. |
|-----------------|-----------------|--------------------|-----------|
| 40              |                 |                    |           |

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

|  |  |
|--|--|
|  | <p><b>OPERATOR CERTIFICATION</b></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><br/>Signature</p> <p><b>Chad McGehee</b><br/>Printed Name</p> <p><b>Sr. Petroleum Engineer</b><br/>Title</p> <p><b>May 7, 2003</b><br/>Date</p>   |
|  | <p><b>SURVEYOR CERTIFICATION</b></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 style="text-align: center;"><b>April 28, 2003</b></p> <p>Date Surveyed</p> <p><u>L. JOHNS</u><br/>Signature &amp; Seal of<br/>Professional Surveyor</p> <p style="text-align: center;"><b>NEW MEXICO</b></p> <p style="text-align: center;">7977</p> <p style="text-align: center;">W.O. No. 7977</p> <p style="text-align: center;">Certificate No. 00742 Jones 7977</p> <p style="text-align: center;">PROFESSIONAL LAND SURVEYOR</p> |

Blumberg No. 5208  
**EXHIBIT**  
**A**

## Fred Turner, Jr. "B" #4 Proposed Well

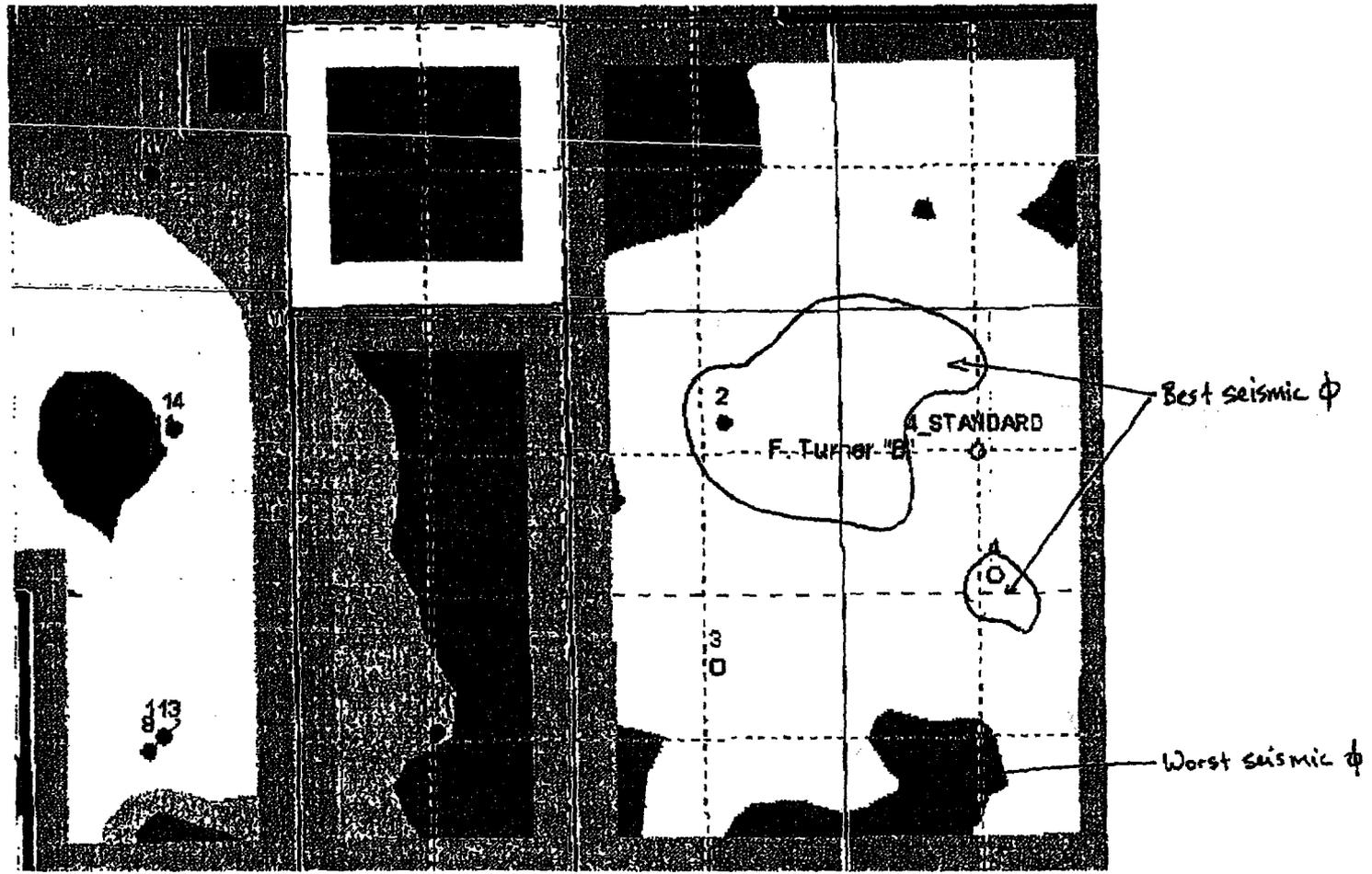


Recent reservoir development in the Skaggs area, for Blinebry formation targets, has depended in large part on estimation of porosity within the formation from 3D seismic data. The method uses seismic attributes, calibrated to existing offset wells, to predict lateral trends in formation porosity. The 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 #4 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 proposed well targets a high-porosity anomaly which is limited in extent. The standard 40-acre center location is also plotted on the map. This location clearly misses the optimum porosity development in the formation. Also, the proposed location is considered to be undrained in the Upper Blinebry, as opposed to possible locations in the Northwest of the 40-acre tract.





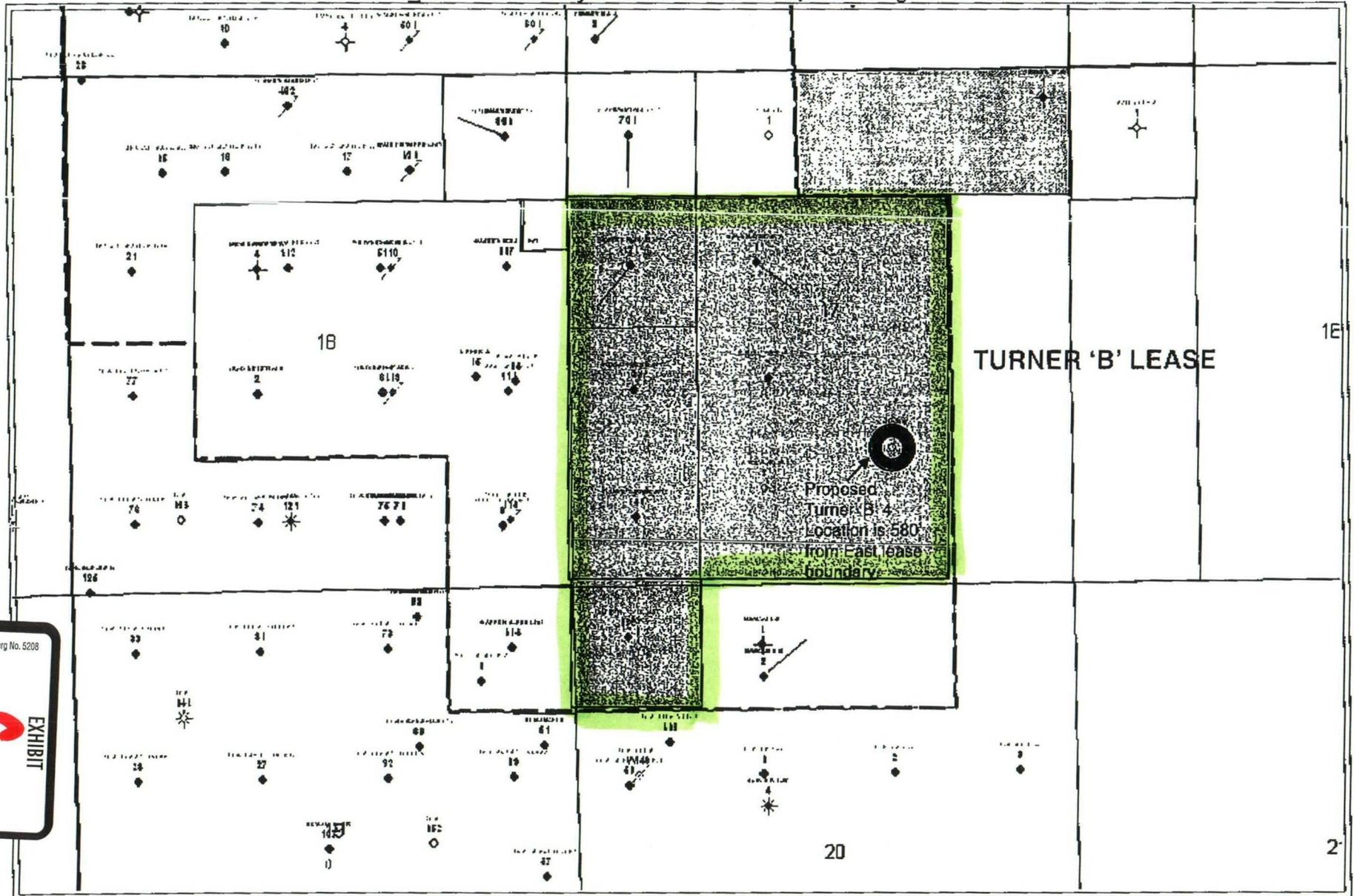


Seismic-estimated average porosity in Upper Blinebry, Fred Turner, Jr. "B" lease



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

SKAGGS-MONUMENT\_GHL - Shared Project for Monument Team, covers larger area around Monument



T-468 P.004/019 F-585

432-758-6768

From-Seminole Engineering

Jun-09-03 12:55pm

