

12-27-2004 DATE IN	SUSPENSE	ME3 ENGINEER	12-27-04 LOGGED IN MS.	TYPE NSC	PMESD APP NO. 436240444
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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.

JAMES BRUCE
 PO BOX 1056
 SANTA FE NM 87504
 Print or Type Name

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Signature

Title

Date

e-mail Address

2004 DEC 27 AM 8 25

Amerada Hess Corporation



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

December 23, 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. 9
Location:	1600' FSL & 1310' FWL
Well Unit:	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

This well will be drilled to test the Blinebry formation (West Nadine Paddock-Blinebry Pool), Tubb formation (West Nadine-Tubb Pool), Drinkard formation (Skaggs-Drinkard Pool), and Abo formation (West Warren-Abo Pool), and applicant requests approval for all four zones. The pools are spaced on statewide rules, with 40 acre well units, and wells 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 Paddock-Blinebry zone has a limiting GOR of 4000:1, and the Drinkard zone has a limiting GOR of 10,000:1.)

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 #15 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. Cum production from the Turner B #3 is 75 MBO and 224 MMCF versus cum production of 2 MBO and 6 MMCF from the Turner A #15 (currently TA'd).

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 cursive script that reads "Chad McGehee".

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

cc: James Bruce

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
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 9
OGRID No.	Operator Name AMERADA HESS CORPORATION	Elevation 3563'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	17	20 S	38 E		1600	SOUTH	1310	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

<div style="text-align: center;"><h1>Exhibit A</h1></div>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>NOVEMBER 29, 2004</p> <p>Date Surveyed _____</p> <p>Signature _____</p> <p>Professional Surveyor</p>
	<p>W. No. 4854</p>
	<p>Certified No. Gary L. Jones 7977</p>

Exhibit B – Turner B #9 Upper Blinebry Seismic Review

Recent success in finding 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 #9 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 #142 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 #9 Upper Blinebry Seismic Review

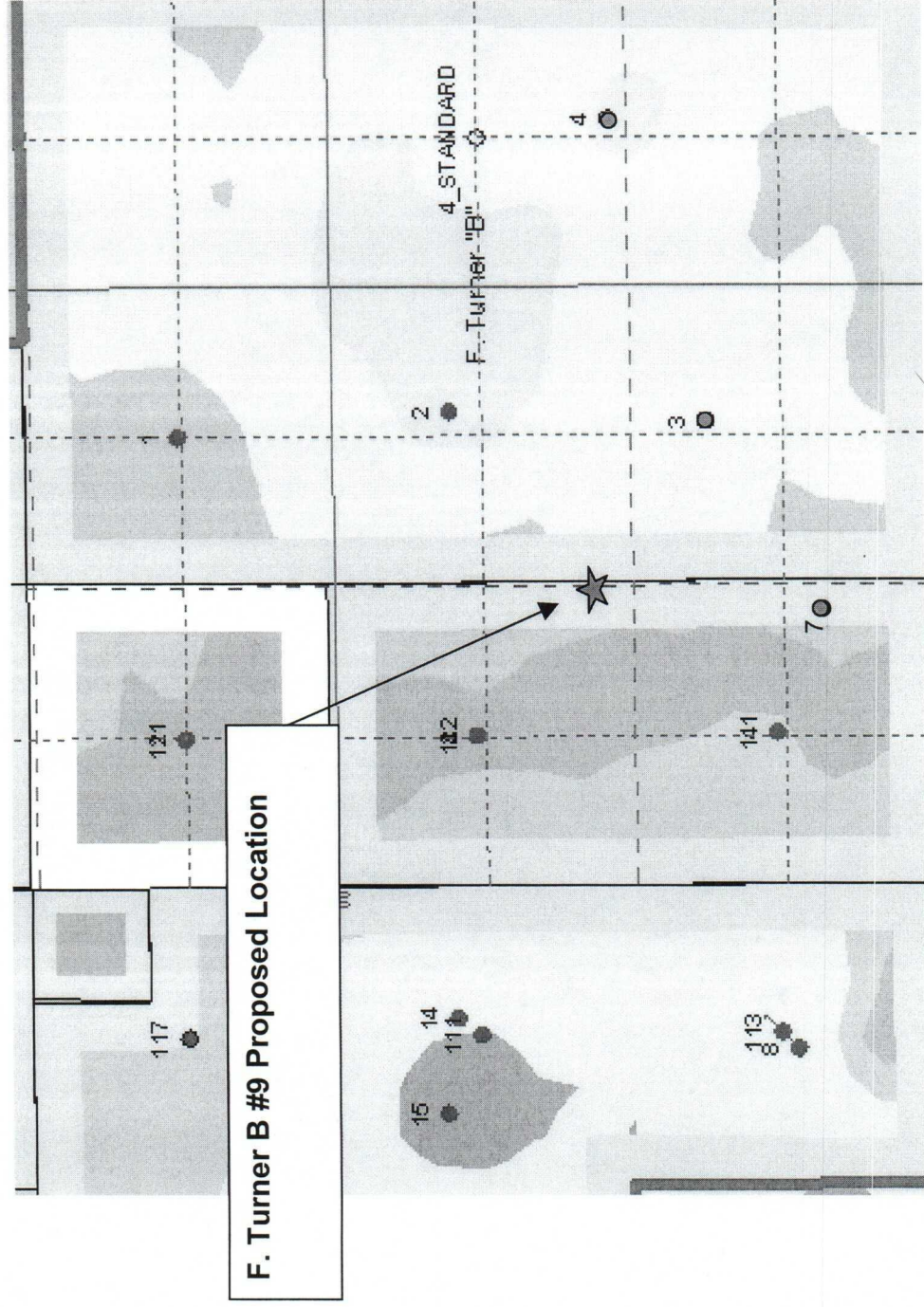


Exhibit C – Northwest to Southeast Cross-section

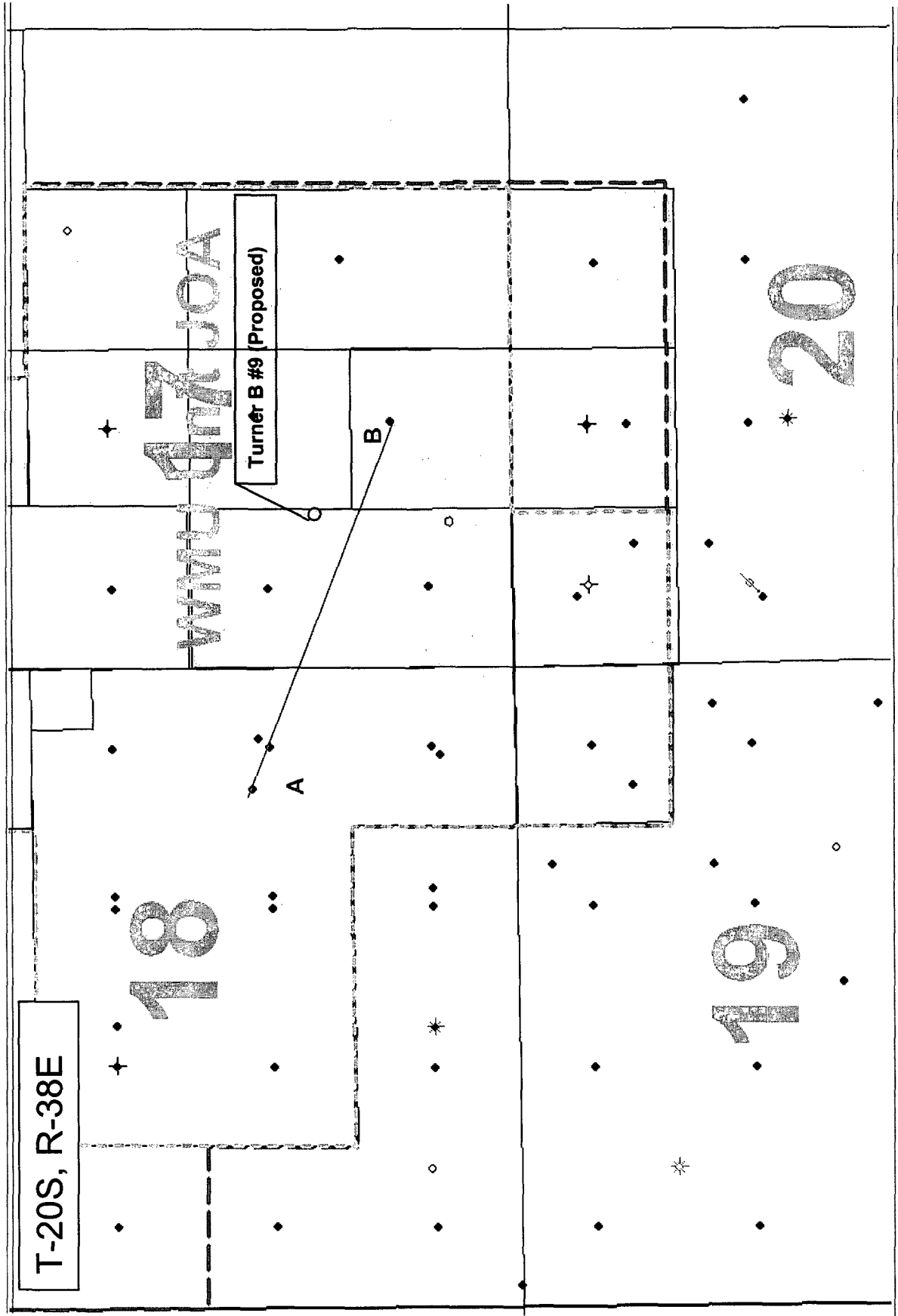
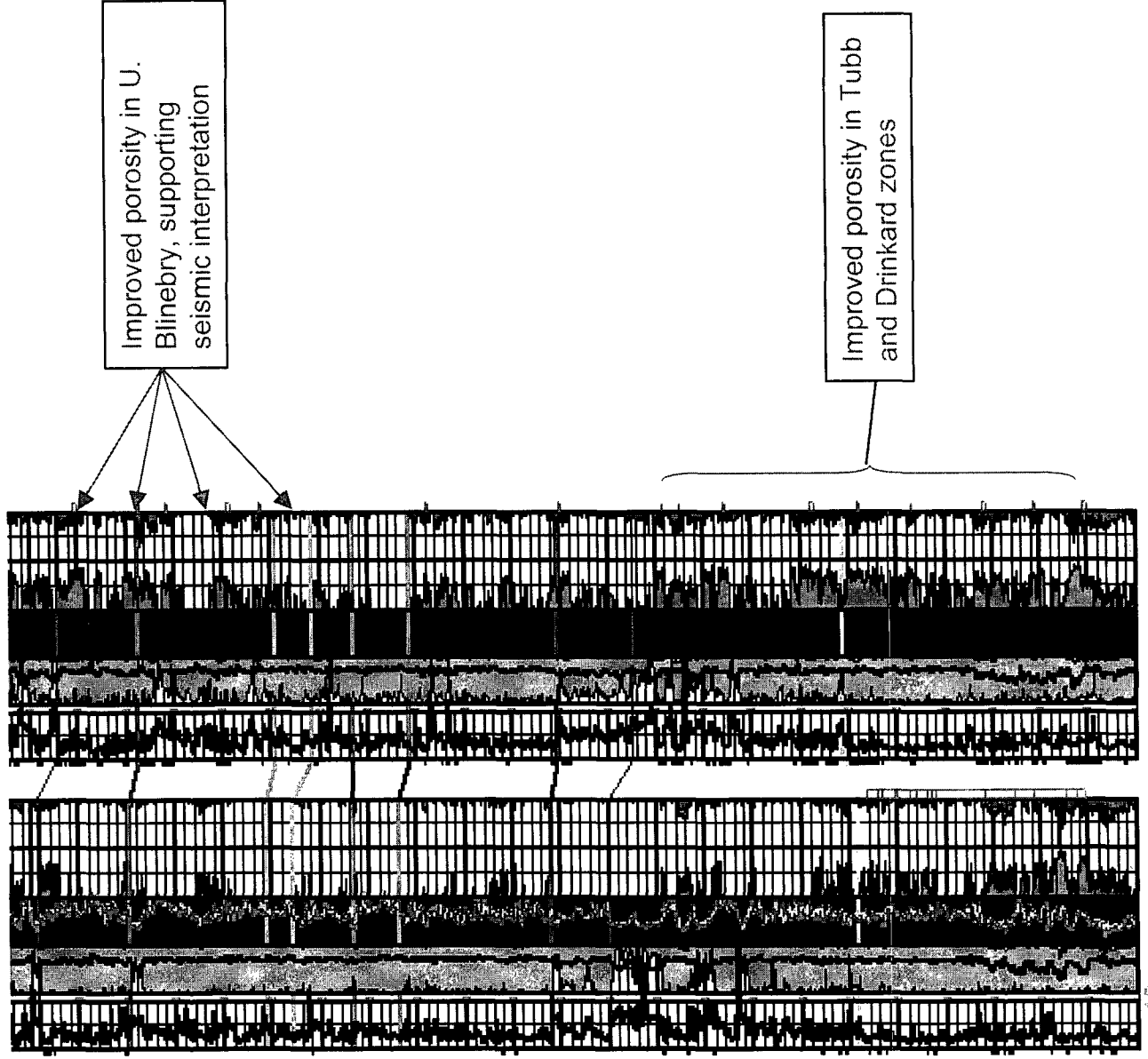


Exhibit C – Northwest to Southeast Cross-section

A – Turner A #15 B – Turner B #3



[illegible]

Stogner, Michael

From: JamesBruc@aol.com
Sent: Monday, December 27, 2004 9:47 AM
To: mstogner@state.nm.us
Subject: Amerada hess NSL application

Mike: One of the exhibits attached to the application was in color, but my printer doesn't "do" color. Attached is the exhibit, so you can see it "in living color."

Jim Bruce

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

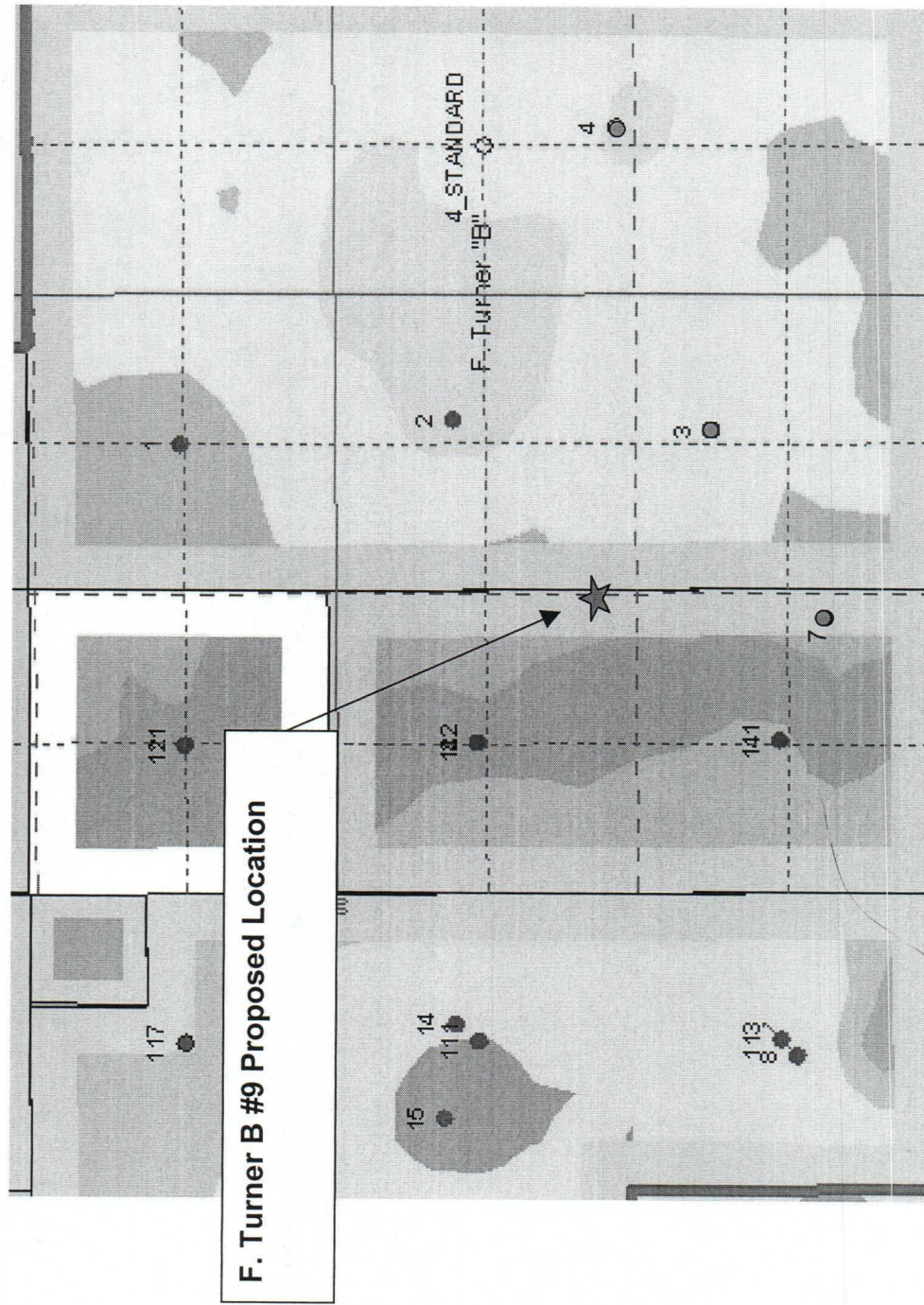
12/27/2004

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