



United States Department of the Interior
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT
Gulf of Mexico OCS Region
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

In Reply Refer To: GE 973E

November 25, 2020

Mr. Timothy M. Cordingley
Hess Corporation
1501 McKinney Street
Houston, Texas 77010

Dear Mr. Cordingley:

By letter dated June 9, 2020, Hess Corporation (Hess) requests a Suspension of Operations (SOO) for Lease OCS-G 35857 (the Lease), Green Canyon Block 70. Supplemental technical data was received by mail on July 2, 2020, and by multiple submittals dated July 14 through September 18, 2020. The lease is held in its primary term through July 31, 2021.

The Lease was issued with an effective date of August 1, 2016, with a five-year primary term and a lease addendum describing that the lessee would earn an additional three years, resulting in an eight-year extended initial period, if the lessee spudded a well within the first five years.

The Bureau of Safety and Environmental Enforcement (BSEE) confirmed that Hess acquired and interpreted 3-D depth-migrated data over the entire lease area, before the end of the third year of the primary lease term, that indicated the existence of a salt sheet, that all or portion of a potential hydrocarbon-bearing formation may lie beneath or adjacent to the salt sheet, and that the salt sheet interferes with the identification of the potential hydrocarbon-bearing formation. Hess states that it will complete interpretation of new geophysical data, make a definitive decision as to whether it will drill a well on the Lease, finalize any such well location, submit an Exploration Plan (EP), submit an Application for Permit to Drill (APD), and procure a drilling rig, all by July 2021.

Although the Lease is not set to expire until July 31, 2021, Hess requests early approval of an SOO under Executive Order 13924, which was issued on May 19, 2020. An SOO for Lease OCS-G 35857 is hereby approved, pursuant to 30 CFR 250.175(b) from August 1, 2021, through February 28, 2022, provided that the following conditions are all met before July 31, 2021:

- Hess must complete interpretation of the subject seismic data;
- Hess must make a firm decision to drill a well on the Lease (or on an approved federal unit that includes the Lease);
- Hess must finalize the well location;
- Hess must submit an EP to the Bureau of Ocean Energy Management;
- Hess must submit an APD to BSEE; and
- Hess must execute a contract for a rig to drill the well, and the scheduled spud date shall be as soon as practical.

If these conditions of approval are not all met before July 31, 2021, the SOO ceases to be effective on August 1, 2021.

Hess, or any subsequent operator, is expected to notify this office in writing (progress report) by the end of each month that a deadline is scheduled. If you have any questions regarding this matter, contact Mr. Patrick Roberts at (504) 736-2476 or patrick.roberts@bsee.gov.

Sincerely,

RICHIE Digitally signed
by RICHIE BAUD
BAUD Date: 2020.11.25
12:52:17 -06'00'

Richie D. Baud
Regional Supervisor
Office of Production and Development

Enclosure

bc: [REDACTED]

Lease OCS-G35857 – Public, (GE 555A)

[REDACTED]