



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

October 1, 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 35646 (the Lease), Garden Banks Block 171. Supplemental technical data was received by mail on July 2, 2020, and by multiple submittals dated June 15 through September 18, 2020. The lease was held in its primary term through June 30, 2020.

The Lease was issued with an effective date of July 1, 2015, 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 acquisition, processing, and interpretation of new geophysical data, make a definitive decision as to whether it will drill a well on the Lease, and finalize any such well location, all by May 2022.

An SOO for Lease OCS-G 35646 is hereby approved, pursuant to 30 CFR 250.175(b) from July 1, 2020, through May 31, 2022. Hess, or any subsequent operator, must notify this office in writing when the new geophysical data acquisition is complete, when it receives the final processed seismic data, and when seismic interpretation is complete. At the end of the suspension period, BSEE expects Hess to have timely completed each of these steps, made a firm commitment to drill a well on the Lease, and finalized a well location. If those milestones have been timely completed, Hess may request an additional SOO under 30 CFR 250.175(b) near the end of the suspension period and before May 31, 2022. If the milestones are not timely

completed, however, BSEE expects Hess to allow the Lease to terminate. If you have any questions regarding this matter, contact Mr. Patrick Roberts at (504) 736-2476 or patrick.roberts@bsee.gov.

Sincerely,

RICHIE
BAUD

Digitally signed
by RICHIE BAUD
Date: 2020.10.01
12:25:08 -05'00'

Richie D. Baud
Regional Supervisor
Office of Production and Development

Enclosure

bc: [REDACTED]
[REDACTED]

Lease OCS-G35646 – Public, (GE 555A)

[REDACTED]
[REDACTED]