



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 29, 1999

12218

Robert L. Bayless, Producer L.L.C.
P. O. Box 168
Farmington, New Mexico 87499

Attention: Price M. Bayless

Re: *Administrative application dated June 3, 1999 for an unorthodox off-pattern Basin-Fruitland Coal gas well location for the proposed Oxnard "WN" Federal Well No. 13 (API No. 30-045-29914) to be drilled 1640 feet from the North line and 1160 feet from the West line (Unit E) of Section 14, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.*

Dear Mr. Bayless:

The subject application failed to prove that this unorthodox gas well location is necessary. In order to provide Robert L. Bayless, Producer L.L.C. the opportunity to protect the W/2 of Section 14 from offset drainage and to assure the prevention of waste in the Basin-Fruitland Coal (Gas) Pool this application will be docketed for hearing before a Division Hearing Examiner. At that time detailed geological and reservoir engineering data can be presented in a sufficient manner to adequately support your application.

This matter will appear on the next available docket scheduled for July 22, 1999. Please provide adequate notice pursuant to Rule 1207.A(5) of the Division's Rules and Regulations.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington
Ms. Lori Wrotenbery, Director – OCD, Santa Fe
Kathy Valdes - OCD, Santa Fe

NSL 6/29/99

ROBERT L. BAYLESS, PRODUCER LLC

P. O. BOX 168
FARMINGTON, NM 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

June 3, 1999

Ms. Lori Wrotenbery
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Certified Mail – Return Receipt Requested
Burlington Resources Receipt #Z409704433
M & G Drilling Corp. Receipt #Z409704434

Re: Request for Administrative Approval of
An Unorthodox Basin Fruitland Coal Location
Robert L. Bayless, Producer LLC
Oxnard WN Federal #13
1640 FNL & 1160 FWL
Section 14, T27N, R8W
San Juan County, New Mexico

JUN - 9 1999
Case 12218

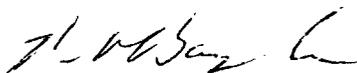
Gentlemen:

Robert L. Bayless, Producer LLC requests administrative approval of an unorthodox Basin Fruitland Coal gas well. We plan to drill the Oxnard WN Federal #13 at 1640 FNL & 1160 FWL in Section 14, T27N, R8W. The acreage dedicated to this well is the 320 acres in the west half of Section 14. This location is non-standard since a west half well should be located in the southwest quarter. As you can see on the attached map, the offset wells have been drilled on irregular spacing and the well will attain better drainage if located in the northwest quarter.

Enclosed with this request you will find a map showing the existing offsetting wells to our proposed well, along with the Fruitland Coal rights around it. Also enclosed is an acreage dedication plat for the Oxnard WN Federal #13 and copies of the letters which were sent to the offset leaseholders. As per NMOCD regulations, by copy of this letter to offset leaseholders, Robert L. Bayless, Producer LLC is asking offset leaseholders to waive any objection to this Basin Fruitland Coal unorthodox location.

I believe this request provides all the information required by NMOCD regulations for administrative approval of an unorthodox location. If any further information is needed, please contact me. Your prompt response to this request is appreciated.

Sincerely,



Price M. Bayless
Engineer

Enc.

The undersigned has no objection to the Unorthodox Location request.

By: _____

Title: _____

Date: _____

If you concur and have no objection, please sign and return one copy of this letter to the NMOCD in Santa Fe, one copy to our office, and retain the third copy for your files.

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-9719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

RECEIVED
 BLM
 APR 26 PM 3:05
 070 FARMINGTON, NM

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
		71629		BASIN FRUITALND COAL	
4 Property Code		5 Property Name			6 Well Number
		OXNARD WN FEDERAL			13
7 OGRID No.		8 Operator Name			9 Elevation
150182		ROBERT L. BAYLESS, PRODUCER LLC			5986

10 Surface Location

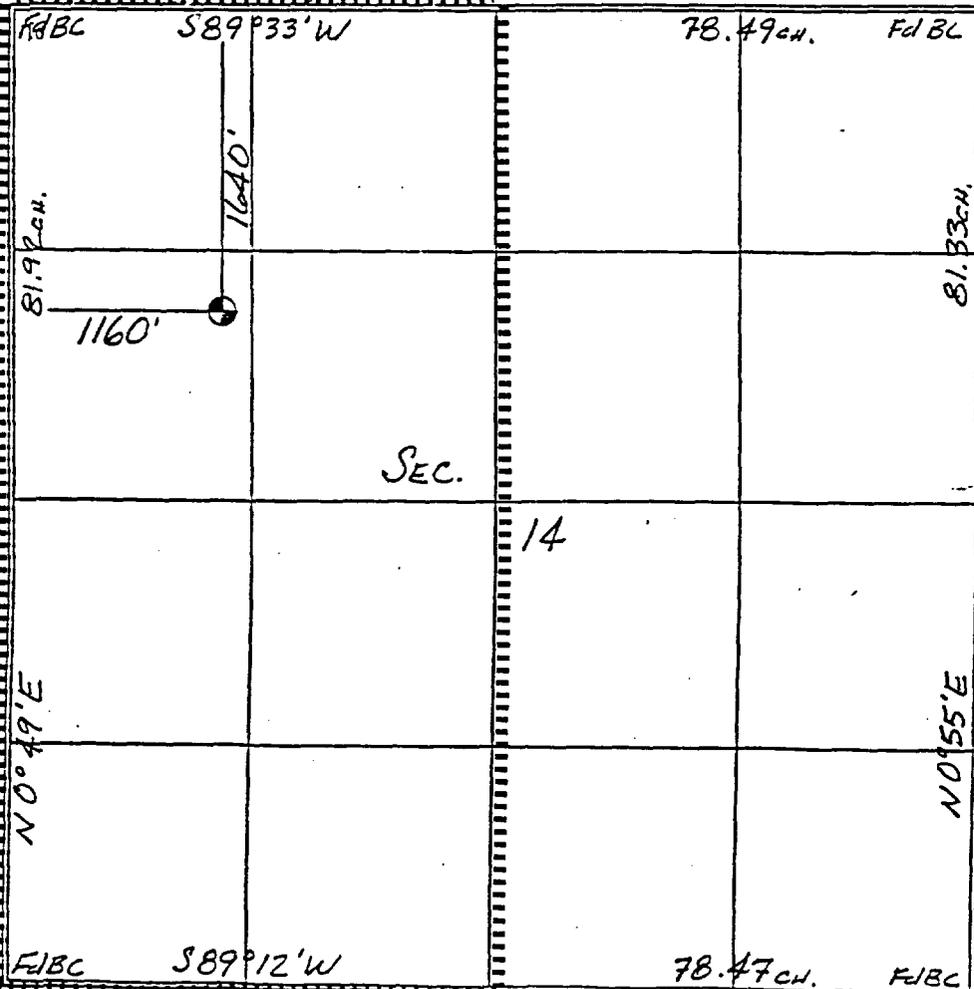
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
E	14	27 N	8 W		1640	North	1160	West	San Juan

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 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



17 OPERATOR CERTIFICATION

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

Price M. Bayless
 Signature
 Price M. Bayless
 Printed Name
 Engineer
 Title
 4/21/99
 Date

18 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.

8 Apr. 1999
 Date of Survey
William M. Hinkle II
 Signature and Seal of Professional Surveyor
 #8466
 William M. Hinkle II
 Certificate Number 8466

Z 409 704 433

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Burlington Resources
Street & Number	PO BOX 4289
Post Office, State, & ZIP Code	Farmington, NM 87499
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

Fold at line over top of envelope to the right of the return address

CERTIFIED

Z 409 704 433

MAIL

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Burlington Resources
 P.O. Box 4289
 Farmington, NM 87499

4a. Article Number
 Z 409 704 433

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X

Thank you for using Return Receipt Service.

Z 409 704 434

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Send to M&G Drilling Co.	
Street & Number C/O KM Production Company	
Post Office, State, & ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

Fold at line over top of envelope to the right of the return address

CERTIFIED

Z 409 704 434

MAIL

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

M&G Drilling
C/O KM Production Company
PO Box 2406
Farmington, NM 87499-2406

4a. Article Number

Z 409 704 434

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X

Thank you for using Return Receipt Service.