



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 10, 1998

Robert L. Bayless, Producer L.L.C.
P. O. Box 168
Farmington, New Mexico 87499
Attention: Price M. Bayless

Administrative Order NSL-4053

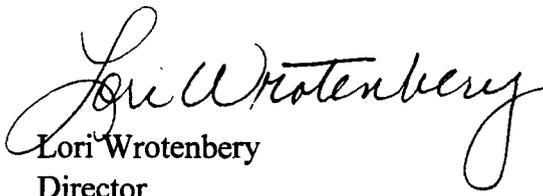
Dear Mr. Bayless:

Reference is made to your application dated May 15, 1998 for a non-standard gas well location for the proposed A. B. Geren Well No. 7 (API No. 30-045-29590) to be drilled 590 feet from the South line and 1750 feet from the East line (Lot 15/Unit O) of Section 26, Township 29 North, Range 9 West, NMPM, to test the Chacra formation, San Juan County, New Mexico. Lots 9, 10, 15, and 16 (SE/4 equivalent) of Section 26 shall be dedicated to the well in order to form a standard 151.18-acre gas spacing and proration unit for the Undesignated Otero-Chacra Pool.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington