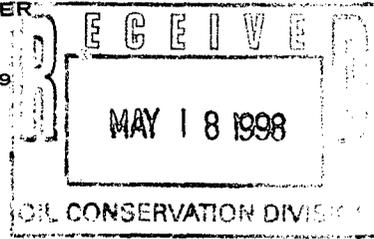


NSL 6/8/98

ROBERT L. BAYLESS, PRODUCER LLC

OIL & GAS PRODUCER

P. O. BOX 168
FARMINGTON, NM 87499



OFFICE NO.
(505) 326-2659

FAX NO.
(505) 326-6911

May 15, 1998

Certified Mail - Return Receipt Requested

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

Amoco Production Company #Z 382113884
Burlington Resources #Z 382113885
D.J. Simmons Co. #Z 382113886

RE: Request for Administrative Approval of
an Unorthodox Chacra Location
Robert L. Bayless
A.B. Geren #7
590 FSL & 1750 FEL
Section 26, T29N R9W
San Juan County, New Mexico

Chacra #7

Gentlemen:

Robert L. Bayless requests administrative approval of an unorthodox Chacra formation gas well. We plan to drill the A.B. Geren #7 in the Otero Chacra Pool at 590 FSL and 1750 FEL in Section 26 of T29N-R9W. This staked location makes the well 200 feet too close to the south section line. This well is located in Largo Canyon, an area with significant oil and gas development. In staking this well, Bayless was attempting to stay away from existing older wellbores and also avoid the extreme topography of the canyon walls.

Enclosed with this request you will find a map showing the existing offsetting Chacra wells to our proposed well as well as ownership of the Chacra 160 acre proration units around it. Also enclosed you will find an acreage dedication plat for the A.B. Geren #7 and copies of this letter which were sent to offset leaseholders. As per NMOCD regulations, by copy of this letter to offset leaseholders, Robert L. Bayless is asking offset leaseholders that they waive any objection to this Chacra unorthodox location.

I believe this request provides all the information required by NMOCD regulations for an unorthodox location. If any other information is needed, please call. 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 one for your files.

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 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

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

RECEIVED
 BLM
 MAR 26 PM 12:36
 070 FARMINGTON, NM

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 82329		³ Pool Name OTERO CHACRA	
⁴ Property Code		⁵ Property Name A. B. GEREN		⁶ Well Number 7	
⁷ OGRID No. 150182		⁸ Operator Name ROBERT L. BAYLESS		⁹ Elevation 5634	

¹⁰ Surface Location

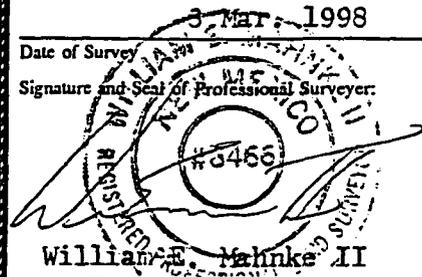
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
15	26	29 N	9 W		590	South	1750	East	San Juan

¹¹ 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

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

¹⁶ FJBC Lot No. (TYP.) 4 37.44 38.06 75.50 37.54 FJBC 113.04 38.14 151.18 12	3 6 SEC. 11 30-045 29590	FJBC 2 7 10 37.44 15 38.06 590'	1 8 9 37.54 16 38.14 1750' 78.97cm. FJBC	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature PRICE M. BAYLESS Printed Name ENGINEER Title 3/24/98 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. Date of Survey 3 Mar. 1998 Signature and Seal of Professional Surveyer:  William E. Mahnke II Certificate Number 8466
				79.08cm. 116° 57'

REQUEST FOR APPROVAL OF UNORTHODOX LOCATION
 OTERO CHACRA
 ROBERT L. BAYLESS
 A.B. GEREN NO. 7
 590 FSL & 1750 FEL
 SECTION 26, T29N, R9W
 SAN JUAN COUNTY, N.M.

NW/4 26 AMOCO	NE/4 26 SIMMONS	NW/4 25 AMOCO
SW/4 26 AMOCO  126 FLORANCE CHACRA WELL	SE/4 26 BAYLESS  PROPOSED LOCATION	SW/4 25 AMOCO
NW/4 35 BURLINGTON RESOURCES	NE/4 35 AMOCO  FLORANCE 117 E CHACRA WELL	NW/4 36 BURLINGTON RESOURCES

ROBERT L. BAYLESS, PRODUCER LLC

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Engineer

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Unorthodox Location request.

D.J. Simmons Co.

By: _____

Title: _____

Date: _____

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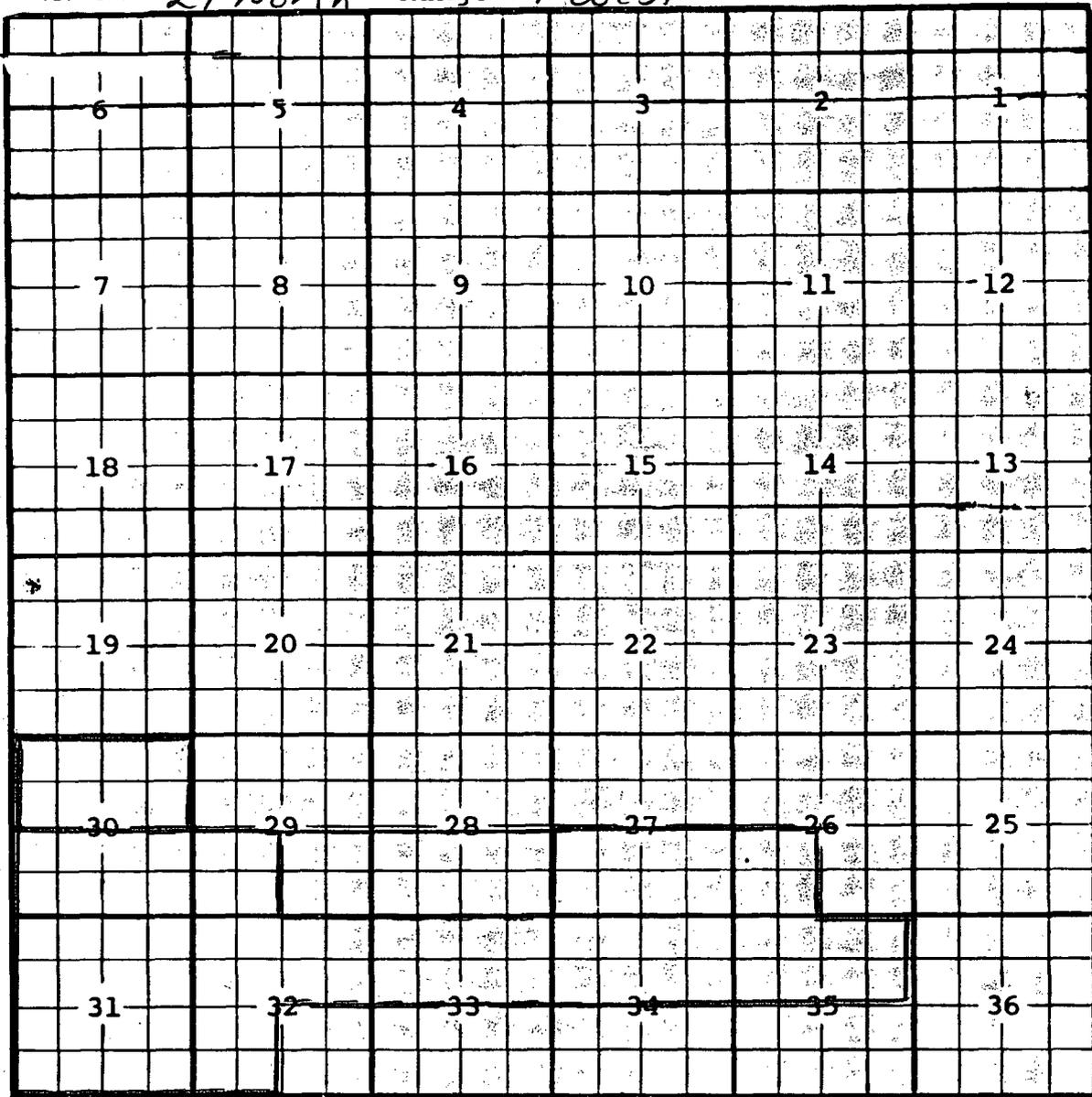
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County San Juan Pool Otero-Chacra

TOWNSHIP 29 North Range 9 West NMPM



Ext: $\frac{SW}{4}$ Sec. 26, $\frac{S}{2}$ Sec. 27, $\frac{SW}{4}$ Sec. 29, $\frac{S}{2}$ Sec. 30, All Sec. 31, $\frac{N}{2}$ and $\frac{SW}{4}$ Sec. 32, $\frac{N}{2}$ Sec. 33, $\frac{N}{2}$ Sec. 34, $\frac{N}{2}$ Sec. 35 (R-8022, 8-22-85)

Ext: $\frac{S}{2}$ Sec. 28, $\frac{SE}{4}$ Sec. 29 (R-9982, 10-1-93)

Ext: $\frac{N}{2}$ Sec. 30 (R-10761, 2-10-97)