



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

August 18, 2003

Lori Wrotenbery
Director
Oil Conservation Division

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

Telefax No. (505) 326-6911

Attention: **Tom McCarthy**
Petroleum Engineer

Administrative Order NSL-4935

Dear Mr. McCarthy:

Reference is made to the following: (i) your application dated July 16, 2003 (*administrative application reference No. pMES0-320655627*) that was submitted to the New Mexico Oil Conservation Division's ("Division") on July 24, 2003; and (ii) the Division's records in Santa Fe and Aztec: all concerning Robert L. Bayless, Producer LLC's ("Bayless") request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool,*" as promulgated by Division Order No. R-8768, as amended, for Bayless's proposed Marroa Well No. 10 to be drilled 595 feet from the North line and 905 feet from the West line (Unit D) of Section 24, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

The W/2 of Section 24 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629).

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*"; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/mes

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