

Rec: 7/24/03
Sup Date: 8/13/03

PMESO - 320655627

RECEIVED

Robert L. Bayless, Producer LLC
Oil & Gas Producer

JUL 24 2003

OIL CONSERVATION
DIVISION

P. O. Box 168
Farmington, New Mexico 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

July 16, 2003

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

RE: Application of Robert L. Bayless, Producer LLC for an Unorthodox Fruitland Coal Well Location
Marron No. 10
595' FNL & 905 FWL
NW/4, Sec. 24, T27N, R8W, San Juan County, New Mexico

Dear Ms. Wrotenbery,

Robert L. Bayless, Producer LLC (Bayless) requests administrative approval of an Unorthodox Basin Fruitland Coal well location for its proposed Marron No. 10. The reason for the request is topography.

A map showing the Marron No. 10 location and pertinent offset well information is attached. The well is to be drilled on a west-half, stand-up 320 acre spacing unit. Merrion and Bayless are equal partners the subject well. Likewise Merrion and Bayless are equal partners in the lease covering the Fruitland Coal in the SW/4 Section 13, T27N, R8W. This quarter section is the only acreage encroached on by the proposed unorthodox Marron No. 10. A copy of this application is being sent by certified mail to Merrion Oil and Gas, and Bayless hereby requests that they waive opposition to this application.

A second map showing topography is attached. Rough terrain is the cause of this application. The well is now staked in the only suitable location in Smith Canyon. Smith Canyon is a side canyon of Canyon Largo. The proposed location is the closest spot available to an orthodox location in the canyon. A location could be placed on the canyon rim to the south above Smith Canyon, but it would result in an expensive and unsightly pipeline right-of-way and road.

Bayless requests that you seriously consider this request for administrative approval of an unorthodox Fruitland Coal location for the Marron No. 10. Please call me if you wish to discuss this matter.

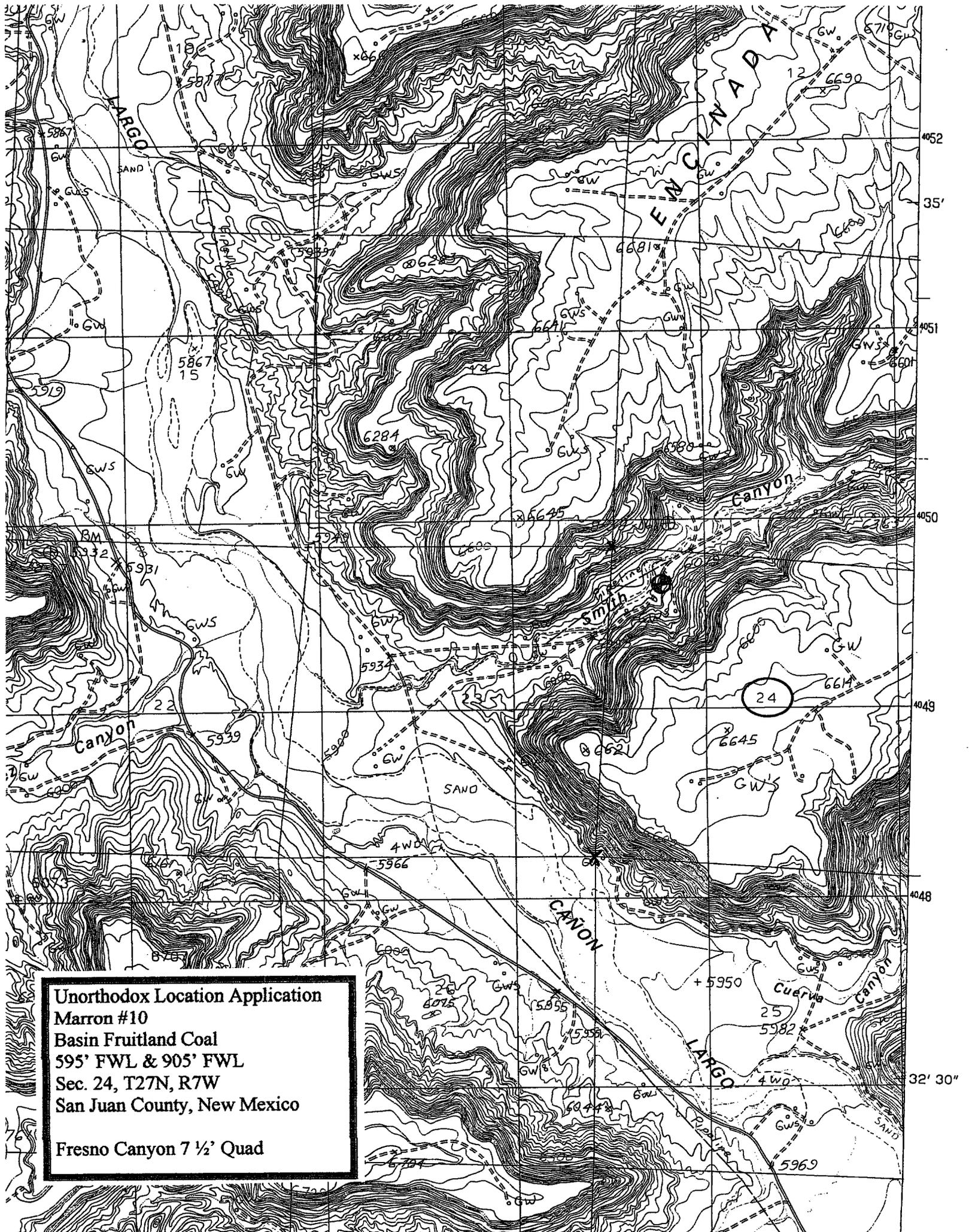
Sincerely,

Tom McCarthy
Tom McCarthy
Petroleum Engineer

Attachments

The SW/4 and NW/4 of Sec 24 have the same Federal lease No. SF-078476. It is assumed both quarter sections have the same common ownership.

8/14



Unorthodox Location Application
Marron #10
Basin Fruitland Coal
595' FWL & 905' FWL
Sec. 24, T27N, R7W
San Juan County, New Mexico
Fresno Canyon 7 1/2' Quad

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

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		3 Pool Name	
				Basin Fruitland Coal	
4 Property Code		5 Property Name			6 Well Number
		MARRON			10
7 OGRID No.		8 Operator Name			9 Elevation
		ROBERT L. BAYLESS, PRODUCER LLC			6018

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
D	24	27 N	8 W		595	North	905	West	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 	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
	Signature: <u>Price M. Bayless</u> Printed Name: <u>Price M. Bayless</u> Title: <u>Engineering Manager</u> Date: <u>1-28-03</u>	
	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: <u>16 Dec 2002</u> Signature and Seal of Professional Surveyor: <u>William E. Mahoney II</u> 		Certificate Number: <u>8466</u>

Standard 640-acre Section

Robert L. Bayless, Producer LLC
Oil & Gas Producer

P. O. Box 168
Farmington, New Mexico 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

July 16, 2003

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

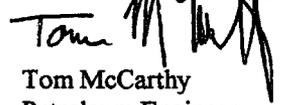
Merrion Oil & Gas Corporation
610 Reilly Avenue
Farmington, NM 87401

RE: Application of Robert L. Bayless, Producer LLC for an Unorthodox Fruitland Coal Well Location
Marron No. 10
595' FNL & 905 FWL
NW/4, Sec. 24, T27N, R8W, San Juan County, New Mexico

Robert L. Bayless, Producer LLC requests that you waive objection to its application for administrative approval of the above-referenced unorthodox Basin Fruitland Coal well location. A copy of the application is enclosed.

If you have an objection to this application, you must notify the New Mexico Oil Conservation Commission at 2040 South Pacheco Street, Santa Fe, NM 87505 within 20 days of receiving this notice.

Sincerely,



Tom McCarthy
Petroleum Engineer

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MERRION OIL & GAS CORP.
610 REILLY AVENUE
FARMINGTON, NM 87401-2634

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) _____ B. Date of Delivery _____

C. Signature _____ Agent
 Addressee

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2 7001 0320 0002 6707 2498

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952



7001 0320 0002 6707 2498
7001 0320 0002 6707 2498

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Sent To: Merrion No. 10

Postage	\$	711603 Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Street, Apt. No., or PO Box No. 610 Reilly Ave.
City, State, ZIP+4 Farmington, nm 87401

PS Form 3800, January 2001 See Reverse for Instructions