

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

PMESO - 320655627

RECEIVED

Robert L. Bayless, Producer LLC  
Oil & Gas Producer

P. O. Box 168  
Farmington, New Mexico 87499

JUL 24 2003

OIL CONSERVATION  
DIVISION

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.

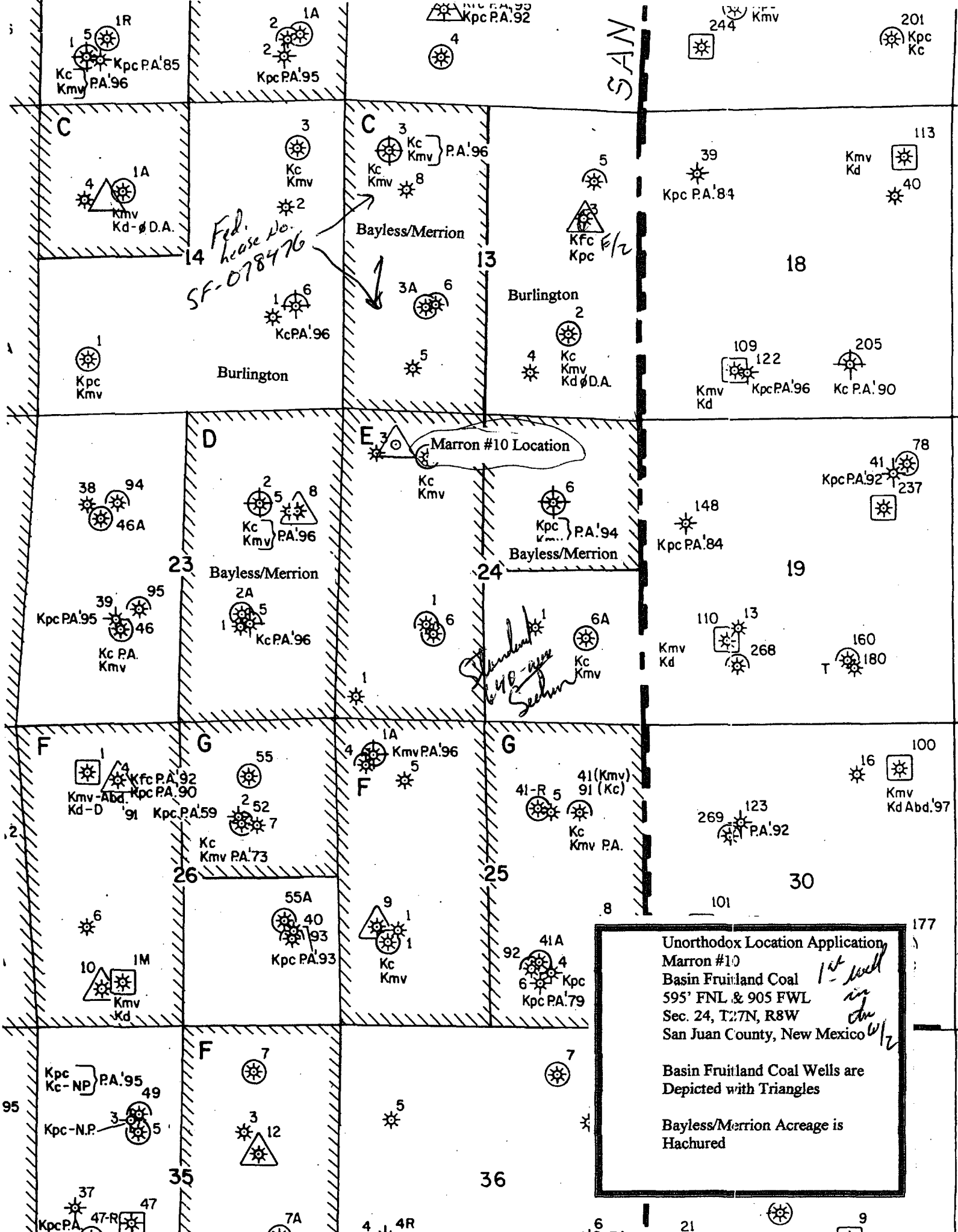
Sincerely,

Tom McCarthy  
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.*

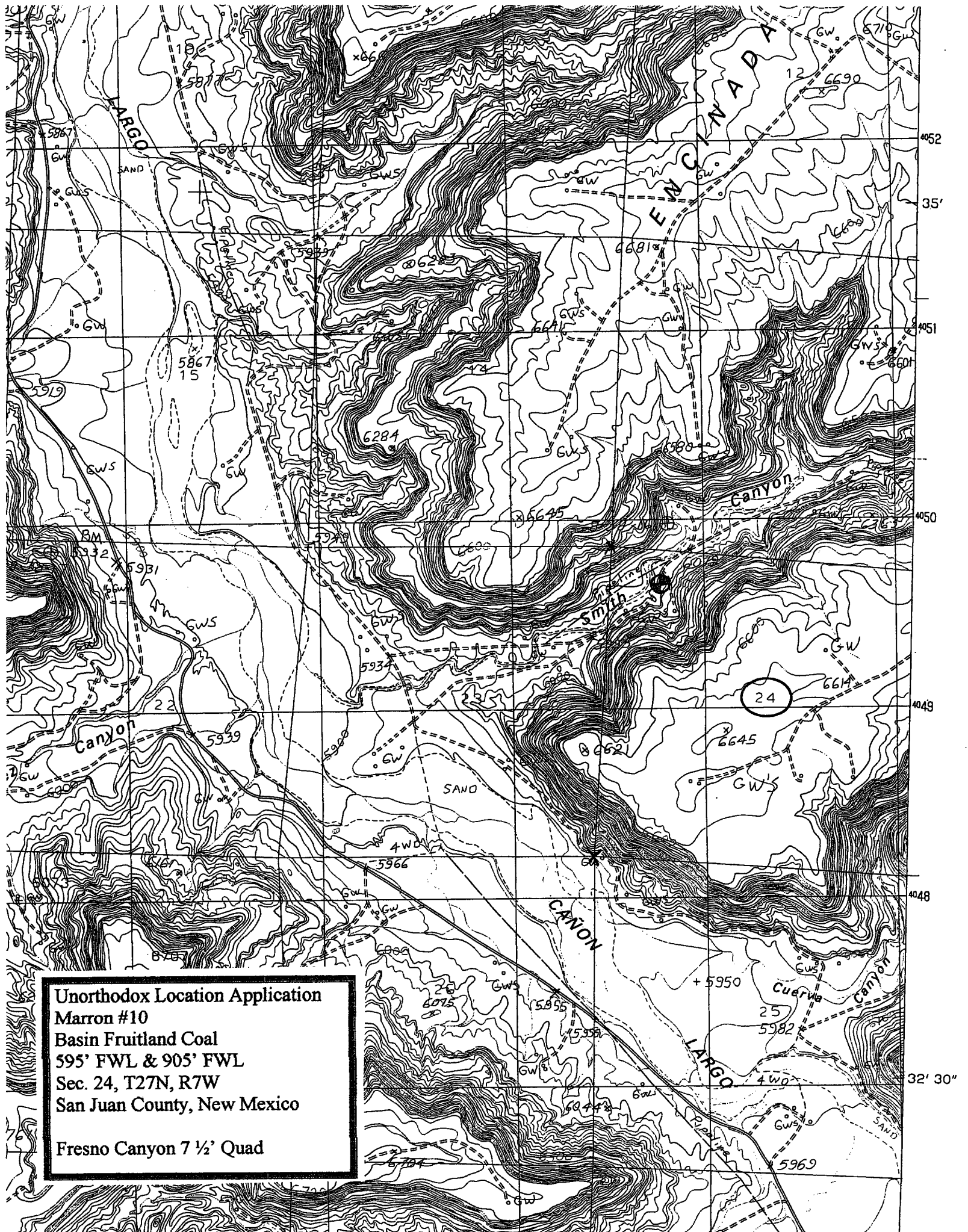
8/14



Unorthodox Location Application  
Marron #10  
Basin Fruitland Coal  
595' FNL & 905 FWL  
Sec. 24, T27N, R8W  
San Juan County, New Mexico

Basin Fruitland Coal Wells are  
Depicted with Triangles

Bayless/Merrion Acreage is  
Hachured



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		N 86° 43' W		78.66 ch.	
595'		Lat. 36° 33' 53" N			
905'		Long. 107° 38' 22" W			
81.34 ch.		Sec.			
N 21° 19' E		24			
		Standard 640-acre Section			
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					
Engineering Manager					
Title					
1-28-02					
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.					
16 DEC 2002					
Date of Survey					
Signature and Seal of Professional Surveyor					
WILLIAM E. MAHNE II					
#8466					
Certificate Number					

**Robert L. Bayless, Producer LLC**  
**Oil & Gas Producer**

P. O. Box 168  
Farmington, New Mexico 87499

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July 16, 2003

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

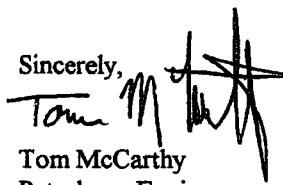
Merrion Oil & Gas Corporation  
610 Reilly Avenue  
Farmington, NM 87401

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,

A handwritten signature in black ink, appearing to read "Tom McCarthy", with a large, stylized flourish extending from the end of the signature.

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

2 7001 0320 0002 6707 2498

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

**COMPLETE THIS SECTION ON DELIVERY**

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

C. Signature

X

☐ 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

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.  
**CERTIFIED MAIL**

7001 0320 0002 6707 2498  
7001 0320 0002 6707 2498

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

Postage \$		7/11/03  Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees \$		

Sent To Merrion Oil & Gas Corp.  
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