



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

January 7, 2008

Robert L. Bayless, Producer LLC
Attn: Mr. Habib Guerrero
P.O. Box 168
Farmington, NM 87499

Administrative Order NSL-5750

**Re: Superior Mesa Well No. 1
Unit P, Section 24-26N-7W
Rio Arriba County**

Dear Mr. Guerrero:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR07-32055018**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on November 16, 2007, and

(b) the Division's records pertinent to this request.

Robert L. Bayless, Producer LLC (Bayless) has requested to drill the above-referenced well at an unorthodox Otero-Chacra gas well location, 480 feet from the South line and 710 feet from the East line (Unit P) of Section 24, Township 26 North, Range 7 West, N.M.P.M., in Rio Arriba County, New Mexico. The SE/4 of Section 24 will be dedicated to this well in order to form a standard 160-acre spacing unit in the undesignated Otero-Chacra Gas Pool (82329). This pool is governed by statewide Rule 104.C(3), which provides for 160-acres units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the southern unit boundary.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location for topographic reasons and to comply with United States Bureau of Land Management siting requirements.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



MEF Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management - Farmington