

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF ROBERT L. BAYLESS, PRODUCER LLC
FOR APPROVAL OF THE LA JARA MANCOS UNIT,
CREATION OF A NEW POOL FOR HORIZONTAL
DEVELOPMENT WITHIN THE UNIT AREA,
AND FOR ALLOWANCE OF 660 FOOT SETBACKS FROM
THE EXTERIOR OF THE PROPOSED UNIT
RIO ARriba COUNTY, NEW MEXICO.**

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CASE NO. 15946

PRE-HEARING STATEMENT

Southland Royalty Company ("Southland"), provisionally provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

SOUTHLAND ROYALTY COMPANY

**SOUTHLAND ROYALTY COMPANY'S
ATTORNEY**

J. Scott Hall, Esq.
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APPLICANT

**ROBERT L. BAYLESS, PRODUCER
LLC**

APPLICANT'S ATTORNEY

Elizabeth A. Ryan
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STATEMENT OF THE CASE

Applicant Robert L. Bayless, Producer LLC seeks an order (1) approving its La Jara Mancos Unit; (2) creating a new pool for horizontal wells within that unit area; and (3) allowing for 660 foot setbacks from the exterior of the proposed Unit with no internal setback for horizontal gas wells.

Southland Royalty Company is an interest owner in the proposed unit.

PROPOSED EVIDENCE

OTJER PARTY: SOUTHLAND ROYALTY COMPANY EST. TIME EXHIBITS

WITNESSES:

Southland Royalty Company does not plan on presenting witness testimony but reserves the right to do so.

APPLICANT: ROBERT L. BAYLESS, PRODUCER LLC EST. TIME EXHIBITS

WITNESSES:

PROCEDURAL MATTERS

None.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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Attorneys for Southland Royalty Company

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on January 12, 2018:

Elizabeth A. Ryan
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*Attorneys for Robert L. Bayless,
Producer LLC*

A handwritten signature in black ink, appearing to read "J. Scott Hall", written over a horizontal line.

J. Scott Hall