

ORIGINAL

3 IN THE MATTER OF THE HEARING CALLED  
4 BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

5 APPLICATION OF ROBERT L. BAYLESS,  
6 PRODUCER LLC FOR APPROVAL OF THE  
7 EAST HORSESHOE GALLUP UNIT, CREATION  
8 OF A NEW POOL FOR HORIZONTAL  
9 DEVELOPMENT WITHIN THE UNIT AREA  
10 WITH NO ALLOWABLES, AND FOR  
11 ALLOWANCE OF 330-FOOT SETBACKS FROM  
12 THE EXTERIOR OF THE PROPOSED UNIT,  
13 SAN JUAN COUNTY, NEW MEXICO AND  
14 APPLICATION FOR AUTHORIZATION TO  
15 INJECT.

CASE NO. 15622

11 REPORTER'S TRANSCRIPT OF PROCEEDINGS

12 EXAMINER HEARING

13 February 2, 2017

14 Santa Fe, New Mexico

16 BEFORE: PHILLIP GOETZE, CHIEF EXAMINER  
17 DAVID K. BROOKS, LEGAL EXAMINER

18 This matter came on for hearing before the  
19 New Mexico Oil Conservation Division, Phillip Goetze,  
20 Chief Examiner, and David K. Brooks, Legal Examiner, on  
21 Thursday, February 2, 2017, at the New Mexico Energy,  
Minerals and Natural Resources Department, Wendell Chino  
Building, 1220 South St. Francis Drive, Porter Hall,  
Room 102, Santa Fe, New Mexico.

22 REPORTED BY: Mary C. Hankins, CCR, RPR  
23 New Mexico CCR #20  
24 Paul Baca Professional Court Reporters  
25 500 4th Street, Northwest, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

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# APPEARANCES

FOR APPLICANT ROBERT L. BAYLESS, PRODUCER LLC:

JOEL M. CARSON III, ESQ.  
CARSON RYAN, LLC  
400 East College Boulevard, Suite C  
Roswell, New Mexico 88201  
(575) 291-7606

# INDEX

## PAGE

Case Number 15622 Called	3
Request for Case to be Taken Under Advisement	3
Proceedings Conclude	4
Certificate of Court Reporter	5

# EXHIBITS OFFERED AND ADMITTED

(No exhibits offered.)

1 (8:25 a.m.)

2 EXAMINER GOETZE: With that, we will go to  
3 Case Number 15622, application of Robert L. Bayless,  
4 Producer LLC for approval of the East Horseshoe Gallup  
5 Unit, creation of a new pool for horizontal development  
6 within the unit area with no allowables, and for  
7 allowance of 330-foot setbacks from the exterior of the  
8 proposed unit, San Juan County, New Mexico, and  
9 application for authorization to inject.

10 Call for appearances.

11 MR. CARSON: Mr. Examiner, Joel Carson,  
12 from Roswell, for Robert L. Bayless, Producer.

13 EXAMINER GOETZE: Very good.

14 Any other appearances?

15 Continue, sir.

16 MR. CARSON: I think we have essentially  
17 the same procedure as the last case, and that is our  
18 publication notice needed one day to run prior to  
19 last -- the last hearing, and that has now passed. And  
20 so we wanted the hearing continued to see if anyone  
21 showed up today.

22 In addition, we have already submitted to  
23 the Division our supplemental Exhibit 4A, and we'd ask  
24 that you take the case under advisement.

25 EXAMINER BROOKS: I would assume no one is

1 here to oppose this unit?

2 Okay. Go ahead.

3 EXAMINER GOETZE: Thank you, Mr. Brooks.

4 And with that, notice will be -- well,  
5 continuation of the one already provided, and you have  
6 submitted an additional exhibit.

7 We assume there was no challenge to this  
8 case or no opposition?

9 MR. CARSON: There was some public comment  
10 to the case, but no one showed up in opposition.

11 EXAMINER GOETZE: Entered an appearance?

12 MR. CARSON: Right, entered an appearance.

13 EXAMINER GOETZE: All right. In that case,  
14 we will -- Case Number 15622 is taken under advisement.

15 Thank you very much.

16 MR. CARSON: Thank you.

17 (Case Number 15622 concludes, 8:27 a.m.)

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I hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 15622  
heard by me on Feb. 2 2017.  
Phillip D. Goetze, Examiner  
Oil Conservation Division

1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO  
3

4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court  
6 Reporter, New Mexico Certified Court Reporter No. 20,  
7 and Registered Professional Reporter, do hereby certify  
8 that I reported the foregoing proceedings in  
9 stenographic shorthand and that the foregoing pages are  
10 a true and correct transcript of those proceedings that  
11 were reduced to printed form by me to the best of my  
12 ability.

13 I FURTHER CERTIFY that the Reporter's  
14 Record of the proceedings truly and accurately reflects  
15 the exhibits, if any, offered by the respective parties.

16 I FURTHER CERTIFY that I am neither  
17 employed by nor related to any of the parties or  
18 attorneys in this case and that I have no interest in  
19 the final disposition of this case.

20   
21

22 MARY C. HANKINS, CCR  
23 Certified Court Reporter  
24 New Mexico CCR No. 20  
25 Date of CCR Expiration: 12/31/2017  
Paul Baca Professional Court Reporters