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

APPLICATION OF ROBERT L. BAYLESS, PRODUCER LLC TO REVOKE ORDER NO. R-14686 AND APPROVE THE LA JARA (MANCOS) UNIT AS AMENDED, RIO ARRIBA COUNTY, NEW MEXICO

CASE NO. 22918

EXHIBIT INDEX

Exhibit A	Self-Affirmed Statement of Cranford Newell
A-1	Application & Proposed Notice of Hearing
A-2	Unit Plat
A-3	Proposed Unit Agreement with Exhibits
A-4	Preliminary Approval of Unit from BLM
Exhibit B	Self-Affirmed Statement of George Coryell
B-1	Unit Type Well Log - San Juan 29-4 Unit #24
B-2	Regional Location Map
B-3	Industry Activity Map
B-4	Greenhorn Structure Map
B-5	Greenhorn Depth Map
B-6	Mancos Cross Section A
B-7	Mancos Cross Section B
B-8	Mancos Cross Section C
B-9	Total Gallup Net Pay Isopach

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AFFIDAVIT OF CRANFORD NEWELL

1. My name is Cranford Newell and I am employed by Robert L. Bayless, Producer LLC ("Bayless") as Land Manager. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.

2. I am familiar with the application filed by Bayless in this matter and the status of the lands in the subject area. A copy of Bayless's application and proposed hearing notice are attached as **Exhibit A-1**.

3. I do not expect any opposition to the application at the hearing.

4. Bayless seeks an order: (1) revoking Order No. R-14686 regarding the La Jara (Mancos) Unit ("Unit") to the extent the order remains in effect; and (2) approving amendments to the Unit Area.

5. On May 21, 2018, the Oil Conservation Division ("Division") issued Order No. R-14686 ("Order") in Case No. 15946. The Order approved the Unit, an exploratory unit comprised of approximately 10,878.58 acres consisting of the following federal and fee lands in Township 29 North, Range 4 West in Rio Arriba County: Sections 1 and 2, Sections 11-14, Sections 20-29, and Section 32. A plat of the unit as it was originally approved is attached as **Exhibit A-2**.

Exhibit A

6. The Order defined the Unitized Interval as the top of the Mancos Shale Formation at

a measured depth of 6,824 feet to the stratigraphic equivalent of the base of the Mancos Shale Formation at a measured depth of 8,586 feet.

7. Bayliss did not develop the Unit as it was initially approved and now intends to develop the Unit and amend the Unit Area.

8. The amended Unit Area consists of 4,160 acres, more or less, of federal lands situated in Rio Arriba County, New Mexico, specifically:

TOWNSHIP 29 NORTH, RANGE 4 WEST, N.M.P.M.

Section 22: All Section 23: All Section 24: All Section 25: All Section 26: All Section 27: All Section 28: E2

9. Bayless owns 100% of the working interests in the Unit Area and is the designated operator of the Unit under the proposed Unit Agreement.

10. The unitized interval includes all formations from the top of the Mancos Shale Formation down to the base of the Mancos Shale Formation, specifically described in the Unit Agreement as: all oil and gas in the Mancos Shale Formation, including genetically related rocks below the stratigraphic equivalent of the top of the Mancos Shale Formation, which is the base of the Point Lookout Sandstone of the Mesa Verde Group, at a measured depth of 6,824 feet down to the stratigraphic equivalent of the base of the Mancos Shale Formation, which is the top of the Dakota Sandstone, at a measured depth of 8,586 feet as encountered in the San Juan 29-4 Unit No. 24 Well in the NE/4 of Section 8, Township 29 North, Range 4 West, N.M.P.M. (API #30-039-22844).

11. A copy of the proposed Unit Agreement with Exhibits is attached as **Exhibit A-3**.

12. Exhibit A to the Unit Agreement outlines the boundary of the Unit Area and identifies all of the tracts of federal land committed to the Unit. There are 7 tracts in total.

13. Exhibit B to the Unit Agreement identifies the leases and demonstrates that Bayless owns 100% of the working interest in the Unit.

14. Bayless has received preliminary approval from the Bureau of Land Management regarding its proposed unit and Unit Agreement as shown in **Exhibit A-4**.

15. The initial obligation well will be the La Jara 26-3 1H, which will be located in Sections 26 and 27 of Township 29 North, Range 4 West.

16. The effective date of the Unit is to be determined.

17. Because Bayless is reducing the size of the Unit as it was originally approved and seeks to revoke Order No. R-14686, notice of this application and hearing was provided to all parties who received notice of the application and hearing in Case No. 15946.

18. The attached exhibits were prepared by me or compiled from company business records.

19. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

Cars. my

Cranford Newell

June 28, 2022 Date

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

APPLICATION OF ROBERT L. BAYLESS, PRODUCER LLC TO REVOKE ORDER NO. R-14686 AND APPROVE THE LA JARA (MANCOS) UNIT AS AMENDED, RIO ARRIBA COUNTY, NEW MEXICO

CASE NO. 22918

APPLICATION

Robert L. Bayless, Producer LLC ("Bayless") (OGRID 150182) applies for an order: (1) revoking Order No. R-14686 regarding the La Jara (Mancos) Unit ("Unit") to the extent the order remains in effect; and (2) approving the Unit as amended herein. In support of this application, Bayless states the following.

1. On May 21, 2018, the Oil Conservation Division ("Division") issued Order No. R-14686 ("Order") in Case No. 15946. The Order approved the La Jara (Mancos) Unit ("Unit"), an exploratory unit comprised of approximately 10,878.58 acres consisting of the following federal and fee lands in Township 29 North, Range 4 West in Rio Arriba County: Sections 1 and 2, Sections 11-14, Sections 20-29, and Section 32.

2. The Order defined the Unitized Interval as the top of the Mancos Shale Formation at a measured depth of 6,824 feet to the stratigraphic equivalent of the base of the Mancos Shale Formation at a measured depth of 8,586 feet.

3. Bayliss did not develop the Unit as it was initially approved and now intends to develop the Unit and amend the Unit Area.

4. The proposed Unit Area for the La Jara (Mancos) Unit now consists of 4,160 acres, more or less, of federal lands situated in Rio Arriba County, New Mexico, specifically:

Exhibit A-1

TOWNSHIP 29 NORTH, RANGE 4 WEST, N.M.P.M.

Section 22:	All
Section 23:	All
Section 24:	All
Section 25:	All
Section 26:	All
Section 27:	All
Section 28:	E2

5. Bayless owns 100% of the working interest in the Unit Area and is the designated operator under the proposed Unit Agreement for the Development and Operation of the La Jara (Mancos) Unit Area, Rio Arriba, County, New Mexico ("Unit Agreement").

6. The unitized interval includes all formations from the top of the Mancos Shale Formation down to the base of the Mancos Shale Formation, specifically described in the Unit Agreement as: all oil and gas in the Mancos Shale Formation, including genetically related rocks below the stratigraphic equivalent of the top of the Mancos Shale Formation, which is the base of the Point Lookout Sandstone of the Mesa Verde Group, at a measured depth of 6,824 feet down to the stratigraphic equivalent of the base of the Mancos Shale Formation, which is the top of the Dakota Sandstone, at a measured depth of 8,586 feet as encountered in the San Juan 29-4 Unit No. 24 Well in the NE/4 of Section 8, Township 29 North, Range 4 West, N.M.P.M. (API #30-039-22844) (the "Unitized Interval").

7. Bayless has requested preliminary approval of the Unit Agreement from the Bureau of Land Management and expects to receive preliminary approval prior to the date on which this matter is heard by the Division.

8. Bayless has obtained approval from a sufficient percentage of the interest owners to provide effective control of unit operations.

9. The Unit Area is currently subject to the Special Rules and Regulations for the Basin-Mancos Gas Pool (Pool Code 97232) adopted in 2008 under Division Order R-12984. 10. Rule C of the Special Rules for the Basin-Mancos Gas Pool require gas wells to be located no closer than 660 feet to the outer boundary of a spacing unit, or in this case, the outer boundary of the Unit Area.

11. In order to allow for the most efficient horizontal well development pattern for the production of gas and any associated hydrocarbons, and to effectively drain the reserves in the unitized formation underlying the Unit Area, Bayless requests that the Division allow development without internal setbacks except for setbacks from the Unit boundaries.

12. Notice of this Application has been provided to all affected parties.

13. Approval of this Application is in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Robert L. Bayless, Producer LLC requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on July 7, 2022 and that, after notice and hearing, the Division issue an order: (1) revoking Order No. R-14686 to the extent the Order remains in effect; and (2) approving the Unit as amended herein.

Respectfully submitted,

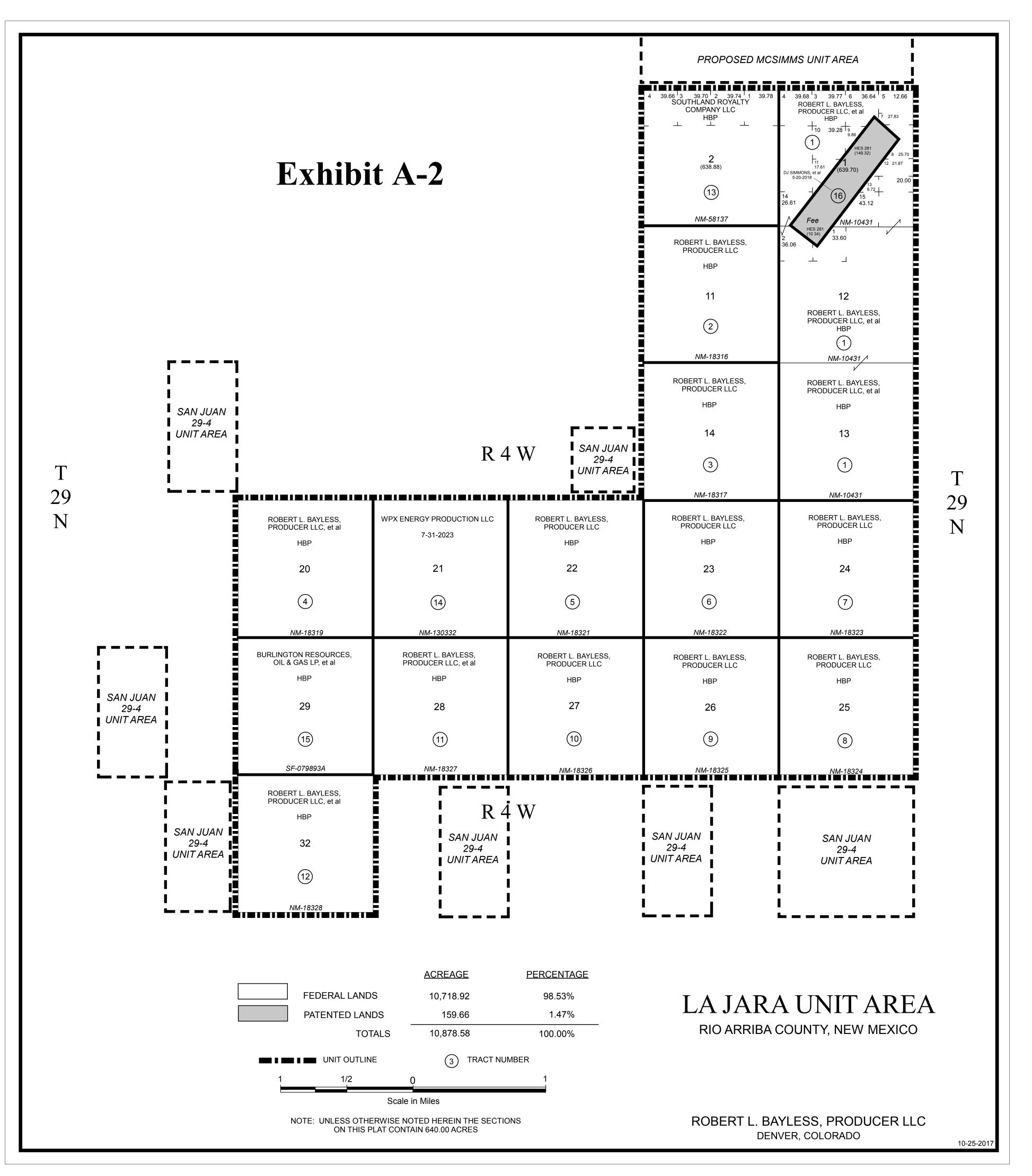
HINKLE SHANOR LLP

/s/ Dana S. Hardy Dana S. Hardy Jaclyn M. McLean Jeremy I. Martin P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com jmartin@hinklelawfirm.com Application of Robert L. Bayless, Producer LLC to Revoke Order No. R-14686 and Approve the La Jara (Mancos) Unit as Amended, Rio Arriba County, New Mexico. Robert L. Bayless, Producer LLC ("Bayless") applies for an order: (1) revoking Order No. R-14686 ("Order") regarding the La Jara (Mancos) Unit ("Unit") to the extent the Order remains in effect; and (2) approving the Unit as amended. The Order approved an exploratory unit comprised of approximately 10,878.58 acres consisting of the following federal and fee lands located in Township 29 North, Range 4 West in Rio Arriba County: Sections 1 and 2, Sections 11-14, Sections 20-29, and Section 32. The Order defined the Unitized Interval as the top of the Mancos Shale Formation at a measured depth of 8,586 feet. Bayliss did not develop the Unit as it was initially approved and now intends to develop the Unit and amend the Unit Area. The proposed Unit Area now consists of 4,160 acres, more or less, of the following federal lands situated in Rio Arriba County, New Mexico:

TOWNSHIP 29 NORTH, RANGE 4 WEST, N.M.P.M.

Section 22:	All
Section 23:	All
Section 24:	All
Section 25:	All
Section 26:	All
Section 27:	All
Section 28:	E2

The proposed unitized interval includes all formations from the top of the Mancos Shale Formation at a measured depth of approximately 6,824' to the stratigraphic equivalent of the base of the Mancos Shale Formation at a measured depth of approximately 8,586.' The Unit Area is located approximately 50 miles East of Farmington, New Mexico.





This is the Model Form for an onshore unit agreement as found in 43 CFR 3186, with modifications currently being used.

UNIT AGREEMENT FOR DEVELOPMENT AND OPERATION OF THE LA JARA (MANCOS) UNIT COUNTY OF RIO ARRIBA STATE OF NEW MEXICO NO. NMNM105770971

THIS AGREEMENT, entered into as of the _____ day of _____ 20___, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as the "parties hereto,"

WITNESSETH:

WHEREAS, the parties hereto are the owners of working, royalty or other oil and gas interests in the unit area subject to this agreement; and

WHEREAS, THE Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sec. 181 et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating under a unit plan of development or operation of any oil or gas pool, field, or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the parties hereto hold sufficient interests in the La Jara (Mancos) Unit covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions, and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the below-defined unit area, and agree severally among themselves as follows:

1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of February 25, 1920, as amended, supra, and all valid pertinent regulations including operating and unit plan regulations and State of New Mexico rules and regulations, heretofore issued thereunder or valid, pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms

of this agreement; the oil and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof are hereby accepted and made a part of this agreement.

2. UNIT AREA. The area specified on the map attached hereto marked Exhibit "A" is hereby designated and recognized as constituting the unit area, containing 4,160.00 acres, more or less.

Exhibit "A" shows, in addition to the boundary of the unit area, the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator, the acreage, percentage, and kind of ownership of oil and gas interests in all lands in the unit area. However, nothing herein or in Exhibits "A" or "B" shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in the Exhibits as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area or in the ownership interests in the individual tracts render such revision necessary, or when requested by the Authorized Officer, hereinafter referred to as "AO" and not less than four (4) copies of the revised Exhibits shall be filed with the proper Bureau of Land Management office, and one (1) copy with the New Mexico Oil Conservation Division of the Energy and Minerals Department, hereinafter referred to as "Division".

The above-described unit area shall, when practicable, be expanded to include therein any additional lands or shall be contracted to exclude lands whenever such expansion or contraction is deemed to be necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be affected in the following manner:

(a) Unit Operator, on its own motion (after preliminary concurrence by the AO), or on demand of the AO, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefore, any plans for additional drilling, and the proposed effective date of the expansion or contraction, preferably the first day of a month subsequent to the date of notice.

(b) Said notice shall be delivered to the proper BLM office and the Division, and copies thereof mailed to the last known address of each working interest owner, lessee and lessor whose interests are affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the AO and the Division, evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with the Unit Operator, together with an application in triplicate, for approval of such expansion or contraction and with appropriate joinders.

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the AO become effective as of the date prescribed in the notice thereof or such

other appropriate date.

(e) All legal subdivisions of lands (i.e., 40 acres by Government survey or its nearest lot or tract equivalent; in instances of irregular surveys, unusually large lots or tracts shall be considered in multiples of 40 acres or the nearest aliquot equivalent thereof), no parts of which are in or entitled to be in a participating area on or before the fifth anniversary of the effective date of the first initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, effective of said fifth anniversary, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless diligent drilling operations are in progress on unitized lands not entitled to participation on said fifth anniversary, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with not more than 90-days' time elapsing between the completion of one such well and the commencement of the next such well. All legal subdivisions of lands not entitled to be in a participating area within 10 years after the effective date of the first initial participating area approved under this agreement shall be automatically eliminated from this agreement as of said tenth anniversary. The Unit Operator shall, within 90 days after the effective date of any elimination hereunder, describe the area so eliminated to the satisfaction of the AO and promptly notify all parties in interest. All lands reasonably proved productive of unitized substances in paying quantities and developed to the satisfaction of the AO by diligent drilling operations under an approved plan of development after the aforesaid five-year period shall become participating in the same manner as during said first five-year period. However, when such diligent drilling operations cease, all nonparticipating lands not then entitled to be in a participating area shall be automatically eliminated effective as of the 91st day thereafter.

Any expansion of the unit area pursuant to this section which embraces lands theretofore eliminated pursuant to this subsection 2(e) shall not be considered automatic commitment or recommitment of such lands. If conditions warrant extension of the 10-year period specified in this subsection, a single extension of not to exceed two years may be accomplished by consent of the owners of 90 percent of the working interest in the current nonparticipating unitized lands and the owners of 60 percent of the basic royalty interests (exclusive of the basic royalty interests of the United States) in nonparticipating unitized lands with approval of the AO, provided such extension application is submitted not later than 60 days prior to the expiration of said 10-year period.

3. UNITIZED LAND AND UNITIZED SUBSTANCES. All land now or hereafter committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement." All oil and gas in the Mancos formation of the unitized lands, defined as the stratigraphic equivalent of the top of the of the Mancos formation (base of Point Lookout Sandstone of Mesa Verde Group) at a measured depth of 6,824 feet beneath the surface to the base of the Mancos formation (top of the Dakota Sandstone) at a measured depth of 8,586 feet beneath the surface as seen on the type log (Exhibit C) in the Sand Juan 29-4 Unit No. 4 (API: 30-039-22844), located in Section 8, Township 29 North, Range 4 West, Rio Arriba County, New Mexico, are unitized under the terms of this agreement and herein are called "unitized substances."; provided, however, that it is the specific intent of the parties hereto not to cause or effectuate any horizontal segregation of any Federal committed hereto as a consequence of the aforementioned

depth limitations of the unitized land.

4. UNIT OPERATOR. Robert L. Bayless, Producer LLC is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interest in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest only when such an interest is owned by it.

5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six months after notice of intention to resign has been served by Unit Operator on all working interest owners and the AO and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment, whichever is required by the AO as to Federal Lands and the Division, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

Unit Operator shall have the right to resign in like manner and subject to like limitations as above provided at any time after a participating area established hereunder is in existence, but in all instances of resignation or removal, until a successor Unit Operator is selected and approved as hereinafter provided, the working interest owners shall be jointly responsible for performance of the duties of unit Operator, and shall not later than 30 days before such resignation or removal becomes effective appoint a common agent to represent them in any action to be taken hereunder.

The resignation of Unit Operator shall not release the Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working interests as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the AO.

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title, or interest as the owner of working interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, materials, and appurtenances used in conducting the unit operations to the new duly qualified successor Unit Operator or to the common agent, if no such new Unit Operator is selected to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment, or appurtenances needed for the preservation of any wells.

6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by working interest owners, the owners of the working interests according to their respective acreage interests in all unitized land shall, pursuant to Approval of the Parties requirements of the unit operating agreement, select a successor Unit Operator. Such selection shall not become effective until:

(a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and

(b) the selection shall have been approved by the AO.

If no successor Unit Operator is selected and qualified as herein provided, the AO at their election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATION AGREEMENT. If the Unit Operator is not the sole owner of working interests, costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement." Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts, and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this agreement, and in case of any inconsistency or conflict between this agreement and the unit operating agreement, this agreement shall govern. Two (2) copies of the unit operating agreement, executed pursuant to this section, shall be filed in the proper BLM office prior to approval of this unit agreement.

8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with Unit Operator and, together with this agreement, shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within twelve months after the effective date hereof, the Unit Operator shall commence to drill an adequate test well at a location determined by the AO, unless on such effective date a well is being drilled in conformity with the terms hereof, and thereafter continue such drilling diligently until the Mancos formation has been tested with at least a 3,000-ft horizontal well which can be produced in paying quantities (to wit: quantities sufficient to repay the costs of drilling, completing, and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the AO that further drilling of said well would be unwarranted or impracticable, provided, however, that Unit Operator shall not in any event be required to drill said well to a horizontal length in excess of 3,000 feet. Until the discovery of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling one well at a time, allowing not more than twelve months between the completion of one well and the commencement of drilling operations for the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the AO or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5, hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section.

The AO may modify any of the drilling requirements of this section by granting reasonable extensions of time when, in his opinion, such action is warranted.

Until the establishment of a participating area, the failure to commence a well subsequent to the drilling of the initial obligation well, or in the case of multiple well requirements, if specified, subsequent to the drilling of those multiple wells, as provided for in this (these) section(s), within the time allowed including any extension of time granted by the AO, shall cause this agreement to terminate automatically. Upon failure to continue drilling diligently any well other than the obligation well(s) commenced hereunder, the AO may, after 15 days' notice to the Unit Operator, declare this unit agreement terminated. Failure to commence drilling the initial obligation well, or the first of multiple obligation wells, on time and to drill it diligently shall result in the unit agreement approval being declared invalid *ab initio* by the AO. In the case of multiple well requirements, failure to commence drilling the required multiple wells beyond the first well, and to drill them diligently, may result in the unit agreement approval being declared requirement approval being declared nultiple wells beyond the first well, and to drill them diligently, may result in the unit agreement approval being declared nultiple wells beyond the first well, and to drill them diligently.

9a. Multiple well requirements¹. Notwithstanding anything in this unit agreement to the contrary, except Section 25, UNAVOIDABLE DELAY, two (2) wells shall be drilled with not more than twelve-months' time elapsing between the completion of the first well and commencement of drilling operations for the second well, regardless of whether a discovery has been made in any well drilled under this provision. Both the initial well and the second well must be drilled in compliance with the above specified formation or depth requirements in order to meet the dictates of this section; and the second well must be drilled at a location approved by the AO.

¹ Provision to be included only when a multiple well obligation is required.

Nevertheless, in the event of the discovery of unitized substances in paying quantities by any well, this unit agreement shall not terminate for failure to complete the two-well program, but the unit area shall be contracted automatically, effective the first day of the month following the default, to eliminate by subdivisions (as defined in Section 2(e) hereof) all lands not then entitled to be in participating area.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. The Unit Operator is required to provide an initial Plan of Development. Within six months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the AO an updated plan of development and operation for the unitized land which, when approved by the AO, shall constitute the further drilling and development obligations of the Unit Operator under this agreement for a period specified therein as stated in Exhibit D. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the AO, a plan for an additional twelve (12) month period for the development and operation of the unitized land. Subsequent plans should normally be filed on a calendar-year basis not later than March 1 of each year. Any proposed modification or addition to the existing plan should be filed as a supplement to the plan.

Any plan submitted pursuant to this section shall provide for the timely exploration of the unitized area, and for the diligent drilling necessary for determination of the area or areas capable of producing unitized substances in paying quantities in each and every productive formation. This plan shall be as complete and adequate as the AO may determine to be necessary for timely development and proper conservation of the oil and gas resources in the unitized area and shall:

(a) Specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and

(b) Provide a summary of operations and production for the previous year.

Plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development and operation. The AO is authorized to grant a reasonable extension of the six-month period herein prescribed for submission of the initial plan of development and operation where such action is justified because of unusual conditions or circumstances. Upon failure by the operator to timely submit or adhere to an approved plan of development or operation without prior written authorization, the AO, at his discretion, shall after 15 days' notice to the Unit Operator, eliminate by subdivisions (as defined in Section 2(e) hereof) all lands not then entitled to be in a participating area. The effective date of elimination shall be the first of the month in which the knowledge or information is obtained on which such elimination is predicated.

After completion of a well capable of producing unitized substances in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement and such as may be specifically approved by the AO, shall be drilled except in accordance with an approved plan of development and operation.

11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities, or as soon thereafter as required by the AO, the Unit Operator shall submit for approval by the AO, a schedule, based on subdivision of the public land survey or aliquot parts thereof, of all land then regarded as reasonably proved to be productive of unitized substances in paying quantities. These lands shall constitute a participating area on approval of the AO, effective as of the date of completion of such well or the effective date of this unit agreement, whichever is later. The acreages of Federal lands shall be based upon appropriate computations from the courses and distances shown on the last approved public land survey as of the effective date of each initial participating area. The schedule shall also set forth the percentage of unitized substances to be allocated, as provided in Section 12, to each committed tract in the participating area so established and shall govern the allocation of production commencing with the effective date of the participating area. A different participating area shall be established for each separate pool or deposit of unitized substances or for any group thereof which is produced as a single pool or zone, and any two or more participating areas so established may be combined into one, on approval of the AO. When production from two or more participating areas is subsequently found to be from a common pool or deposit, the participating areas shall be combined into one, effective as of such appropriate date as may be approved or prescribed by the AO. The participating area or areas so established shall be revised from time to time, subject to the approval of the AO, to include additional lands then regarded as reasonably proved to be productive of unitized substances in paying quantities or which are necessary for unit operations, or to exclude lands then regarded as not reasonably proved to be productive of unitized substances in paying quantities, and the schedule of allocation percentages shall be revised accordingly. The effective date of any revision shall be the first of the month in which the knowledge or information is obtained on which such revision is predicated; provided however, that a more appropriate effective date may be used if justified by Unit Operator and approved by the AO. No land shall be excluded from a participating area on account of depletion of its unitized substances, except that any participating area established under the provisions of this unit agreement shall terminate automatically whenever all completions in the formation on which the participating area is based are abandoned.

It is the intent of this section that a participating area shall represent the area known or reasonably proved to be productive of unitized substances in paying quantities or which are necessary for unit operations; but, regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the AO as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established, the portion of all payments affected thereby shall, except royalty due the United States and the State of New Mexico, be impounded in a manner mutually acceptable to the owners of committed working interests. Royalties due the United States and the State of New Mexico shall be determined by the AO and State and the amount thereof shall be deposited, as directed by the AO and State, until a participating area is finally approved and then adjusted in accordance with a determination of the sum due as Federal or State royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the AO, that a well drilled under this agreement is not capable of production of unitized substances in paying quantities and inclusion in a participating area of the land on which it is situated is unwarranted, production from such well shall, for the purpose of settlement among all parties other than working interest owners, be allocated to the land on which the well is located, unless such land is already within the participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a nonpaying unit well shall be made as provided in the unit operating agreement.

12. ALLOCATION OF PRODUCTION. All unitized substances produced from a participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating and other production or development purposes, for repressuring or recycling in accordance with a plan of development and operations that has been approved by the AO, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land and unleased Federal or State land, if any, included in the participating area established for such production. Each such tract shall have allocated to it such percentage of said production as the number of acres of such tract included in said participating area bears to the total acres of unitized land and unleased Federal or State land, if any, included in said participating area. There shall be allocated to the working interest owner(s) of each tract of unitized land in said participating area, in addition, such percentage of the production attributable to the unleased Federal and State land within the participating area as the number of acres of such unitized tract included in said participating area bears to the total acres of unitized land in said participating area, for the payment of the compensatory royalty specified in Section 17 of this agreement. Allocation of production hereunder for purposes other than for settlement of the royalty, overriding royalty, or payment out of production obligations of the respective working interest owners, including compensatory royalty obligations under Section 17, shall be prescribed as set forth in the unit operating agreement or as otherwise mutually agreed by the affected parties. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular part or tract of the participating area. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, the first gas withdrawn from the latter participating area for sale during the life of this agreement, shall be considered to be the gas so transferred, until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as such area was defined at the time that such transferred gas was finally produced and sold.

13. DEVELOPMENT OR OPERATION OF NONPARTICIPATING LAND OR FORMATIONS. Any operator may with the approval of the AO, at such party's sole risk, costs, and expense, drill a well on the unitized land to test any formation provided the well is outside any participating area established for that formation, unless within 90 days of receipt of notice from said party of his intention to drill the well, the Unit Operator elects and commences to drill the well in a like manner as other wells are drilled by the Unit Operator under this agreement.

If any well drilled under this section by a non-unit operator results in production of unitized substances in paying quantities such that the land upon which it is situated may properly be included in a participating area, such participating area shall be established or enlarged as provided in this agreement and the well shall thereafter be operated by the Unit Operator in accordance with terms of this agreement and the unit operating agreement.

If any well drilled under this section by a non-unit operator that obtains production in quantities insufficient to justify the inclusion of the land upon which such well is situated in a participating area, such well may be operated and produced by the party drilling the same, subject to the conservation requirements of this agreement. The royalties in amount or value of production from any such well shall be paid as specified in the underlying lease and agreements affected.

14. ROYALTY SETTLEMENT. The United States and any State and any royalty owner, who is entitled to take in kind a share of the substances now unitized hereunder shall be hereafter be entitled to the right to take in kind its share of the unitized substances, and Unit Operator, or the non-unit operator in the case of the operation of a well by a non-unit operator as herein provided for in special cases, shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws, and regulations. Settlement for royalty interest not taken in kind shall be made by an operator responsible therefore under existing contracts, laws and regulations, or by the Unit Operator on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing in this section shall operate to relieve the responsible parties of any land from their respective lease obligations for the payment of any royalties due under their leases.

If gas obtained from lands not subject to this agreement is introduced into any participating area hereunder, for use in repressuring, stimulation of production, or increasing ultimate recovery, in conformity with a plan of development and operation approved by the AO, a like amount of gas, after settlement as herein provided for any gas transferred from any other participating area and with appropriate deduction for loss from any cause, may be withdrawn from the formation into which the gas is introduced, royalty free as to dry gas, but not as to any products which may be extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved plan of development and operation or as may otherwise be consented to by the AO as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

Royalty due the United States shall be computed as provided in 30 CFR Group 200 and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal land as provided in Section 12 at the rates specified in the respective Federal leases, or at such other rate or rates as may be authorized by law or regulation and approved by the AO; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

15. RENTAL SETTLEMENT. Rental or minimum royalties due on leases committed hereto shall be paid by the appropriate parties under existing contracts, laws, and regulations,

provided that nothing herein contained shall operate to relieve the responsible parties of the land from their respective obligations for the payment of any rental or minimum royalty due under their leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be paid at the rate specified in the respective leases from the United States unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative.

With respect to any lease on non-Federal land containing provisions which would terminate such lease unless drilling operations are commenced upon the land covered thereby within the time therein specified or rentals are paid for the privilege of deferring such drilling operations, the rentals required thereby shall, notwithstanding any other provision of this agreement, be deemed to accrue and become payable during the term thereof as extended by this agreement and until the required drilling operations are commenced upon the land covered thereby, or until some portion of such land is included within a participating area.

16. CONSERVATION. Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State or Federal law or regulation.

17. DRAINAGE.

(a) The Unit Operator shall take such measures as the AO deems appropriate and adequate to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement, which shall include the drilling of protective wells and which may include the payment of a fair and reasonable compensatory royalty, as determined by the AO.

(b) Whenever a participating area approved under Section 11 of this agreement contains unleased Federal lands, the value of 12-1/2 percent of the production that would be allocated to such Federal lands under Section 12 of this agreement, shall be payable as compensatory royalties to the Federal Government. Parties to this agreement holding working interests in committed leases within the applicable participating area shall be responsible for such compensatory royalty payment on the volume of production reallocated from the unleased Federal lands to their unitized tracts under Section 12. The value of such production subject to the payment of said royalties shall be determined pursuant to 30 CFR Part 206 and the terms of the State of New Mexico rules and regulations. Payment of compensatory royalties on the production reallocated from unleased Federal to the committed tracts within the participating area shall fulfill the Federal royalty obligation for such production and said production shall be subject to no further Federal royalty assessment under Section 14 of this agreement. Payment of compensatory royalties as provided herein shall accrue from the date the committed tracts in the participating area that includes unleased Federal lands receive a production allocation and shall be due and payable monthly by the last day of the calendar month next following the calendar month of actual production. If leased Federal lands receiving a production allocation from the participating area become unleased, compensatory royalties shall accrue from the date the Federal lands become unleased. Payment due under this provision shall end when the unleased Federal tract is leased or when production of unitized substances ceases within the participating area and the participating area is terminated, whichever occurs first.

18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development or operation for oil or gas on lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary shall and by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every separately owned tract subject to this agreement, regardless of whether there is any development of any particular tract of this unit area.

(b) Drilling and producing operations performed hereunder upon any tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the AO shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land. A suspension of drilling or producing operations limited to specified lands shall be applicable only to such lands. Suspension of drilling or producing operations on all of the Unit Area pursuant to direction or consent of the AO, or his duly authorized representative, or pursuant to state or Federal law or regulation, shall be deemed to constitute suspension pursuant to such direction or consent as to each and every tract and lease in the Unit Area. A suspension of drilling or producing operations limited to specified lands. Any such suspension shall act as a *force majeure* event under each lease or contract covered by this Agreement, and all obligations or conditions under each lease or contract shall be deemed satisfied during the pendency of such suspension.

(d) Each lease, sublease, or contract relating to the exploration, drilling, development, or operation for oil or gas of lands other than those of the United States committed to this agreement which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

(e) Any Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the land committed so long as such lease remains subject hereto, provided that production of unitized substances in paying quantities is established under this unit agreement prior to the expiration date of the term of such lease, or in the event actual drilling operations are commenced on unitized land, in accordance with provisions of this agreement, prior to the end of the primary term of such lease and are being diligently prosecuted at that time, such lease shall be extended for two years, and so long thereafter as oil or gas is produced in paying quantities in accordance with the provisions of the Mineral Leasing Act, as amended.

(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

(g) The segregation of any Federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17(m) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784) (30 U.S.C. 226(m)):

"Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided, however, that any such lease as to the non-unitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

If the public interest requirement is not satisfied, the segregation of a lease and/or extension of a lease pursuant to 43 CFR 3107.3-2 and 43 CFR 3107.4, respectively, shall not be effective.

19. COVENANTS RUN WITH THE LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No assignment or transfer of any working interest, royalty, or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

20. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the AO and shall automatically terminate five years from said effective date unless:

(a) Upon application by the Unit operator such date of expiration is extended by the AO,

or

(b) It is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities

in the formations tested hereunder, and after notice of intention to terminate this agreement on such ground is given by the Unit Operator to all parties in interest at their last known address, this agreement is terminated with approval of the AO, or

(c) A valuable discovery of unitized substances in paying quantities has been made or accepted on unitized land during said initial term or any extension thereof, in which event this agreement shall remain in effect for such term and so long thereafter as unitized substances can be produced in quantities sufficient to pay for the cost of producing same from wells on unitized land within any participating area established hereunder. Should production cease and diligent drilling or reworking operations to restore production or new production are not in progress within 60 days and production is not restored or should new production not be obtained in paying quantities on committed lands within this unit area, this agreement will automatically terminate effective the last day of the month in which the last unitized production occurred, or

(d) It is voluntarily terminated as provided in this agreement. Except as noted herein, this agreement may be terminated at any time prior to the discovery of unitized substances which can be produced in paying quantities by not less than 75 per centum, on an acreage basis, of the working interest owners' signatory hereto, with the approval of the AO. The Unit Operator shall give notice of any such approval to all parties hereto.

If the public interest requirement is not satisfied, the approval of this unit by the AO shall be invalid.

21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The AO is hereby vested with authority to alter or modify from time to time, in his discretion, the quantity and rate of production under this agreement when such quantity and rate are not fixed pursuant to Federal or State law, or do not conform to any Statewide voluntary conservation or allocation program which is established, recognized, and generally adhered to by the majority of operators in such State. The above authority is hereby limited to alteration or modifications which are in the public interest. The public interest to be served and the purpose thereof, must be stated in the order of alteration or modification. Without regard to the foregoing, the AO is also hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law.

Powers in this section vested in the AO shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than 15 days from notice.

22. APPEARANCES. The Unit Operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the Department of the Interior and to appeal from orders issued under the regulations of said Department or to apply for relief from any of said regulations, or in any proceedings relative to operations before the Department, or any other legally constituted authority; provided, however, that any other interested party shall also have the right at its own expense to be heard in any such proceeding. **23. NOTICES.** All notices, demands, or statements required hereunder to be given or rendered to the parties hereto shall be in writing and shall be personally delivered to the party or parties, or sent by postpaid registered or certified mail, to the last-known address of the party or parties.

24. NO WAIVER OF CERTAIN RIGHTS. Nothing contained in this agreement shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State where the unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

25. UNAVOIDABLE DELAY. All obligations under this agreement requiring the Unit Operator to commence or continue drilling, or to operate on, or produce unitized substances from any of the lands covered by this agreement, shall be suspended while the Unit Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State, or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials or equipment in the open market, or other matters beyond the reasonable control of the Unit Operator, whether similar to matters herein enumerated or not.

26. NONDISCRIMINATION. In connection with the performance of work under this agreement, the Unit Operator agrees to comply with all the provisions of section 202 (1) to (7) inclusive, of Executive Order 11246 (30 FR 12319), as amended, which are hereby incorporated by reference in this agreement.

27. LOSS OF TITLE. In the event title to any tract of unitized land shall fail and the true owner cannot be induced to join in this unit agreement, such tract shall be automatically regarded as not committed hereto and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title to any royalty, working interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to Federal lands or leases, no payments of funds due the United States shall be withheld, but such funds shall be deposited as directed by the AO, to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

28. NONJOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the owner of the working interest in that tract may withdraw the tract from this agreement by written notice delivered to the proper BLM office and the Unit Operator prior to the approval of this agreement by the AO. Any oil or gas interests in lands within the unit area not committed hereto prior to final approval may thereafter be committed hereto by the owner or owners thereof

subscribing or consenting to this agreement, and, if the interest is a working interest, by the owner of such interest also subscribing to the unit operating agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working interest owner is subject to such requirements or approval(s), if any, pertaining to such joinder, as may be provided for in the unit operating agreement. After final approval hereof, joinder by a nonworking interest owner must be consented to in writing by the working interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such nonworking interest. A nonworking interest may not be committed to this unit agreement unless the corresponding working interest is committed hereto. Joinder to the unit agreement by a working interest owner, at any time, must be accompanied by appropriate joinder to the unit operating agreement, in order for the interest to be regarded as committed to this agreement. Except as may otherwise herein be provided, subsequent joinders to this agreement shall be effective as of the date of the filing with the AO of duly executed counterparts of all or any papers necessary to establish effective commitment of any interest and/or tract to this agreement.

29. COUNTERPARTS. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument in writing specifically referring hereto and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above-described unit area.

30. SURRENDER. Nothing in this agreement shall prohibit the exercise by any working interest owner of the right to surrender vested in such party by any lease, sublease, or operating agreement as to all or any part of the lands covered thereby, provided that each party who will or might acquire such working interest by such surrender or by forfeiture as hereafter set forth, is bound by the terms of this agreement.

If as a result of any such surrender, the working interest rights as to such lands become vested in any party other than the fee owner of the unitized substances, said party may forfeit such rights and further benefits from operations hereunder as to said land to the party next in the chain of title who shall be and become the owner of such working interest.

If as the result of any such surrender or forfeiture working interest rights become vested in the fee owner of the unitized substances, such owner may:

(a) Accept those working interest rights subject to this agreement and the unit operating agreement; or

(b) Lease the portion of such land as is included in a participating area established hereunder subject to this agreement and the unit operating agreement; or

(c) Provide for the independent operation of any part of such land that is not then included within a participating area established hereunder.

If the fee owner of the unitized substances does not accept the working interest rights subject to this agreement and the unit operating agreement or lease such lands as above provided within six months after the surrendered or forfeited, working interest rights become vested in the fee owner; the benefits and obligations of operations accruing to such lands under this agreement and the unit operating agreement shall be shared by the remaining owners of the unitized working interests in accordance with their respective working interest ownerships, and such owners of working interests shall compensate the fee owner of unitized substances in such lands by paying sums equal to the rentals, minimum royalties, and royalties applicable to such lands under the lease in effect when the lands were unitized.

An appropriate accounting and settlement shall be made for all benefits accruing to or payments and expenditures made or incurred on behalf of such surrendered or forfeited working interests subsequent to the date of surrender or forfeiture, and payment of any moneys found to be owing by such an accounting shall be made as between the parties within 30 days.

The exercise of any right vested in a working interest owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this section in regard to the exercise of a right to surrender.

31. TAXES. The working interest owners shall render and pay for their account and the account of the royalty owners all valid taxes on or measured by the unitized substances in and under or that may be produced, gathered and sold from the land covered by this agreement after its effective date, or upon the proceeds derived therefrom. The working interest owners on each tract shall and may charge the proper proportion of said taxes to royalty owners having interests in said-tract and may currently retain and deduct a sufficient amount of the unitized substances or derivative products, or net proceeds thereof, from the allocated share of each royalty owner to secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or to the State of New Mexico or to any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

32. NO PARTNERSHIP. It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing contained in this agreement, expressed or implied, nor any operations conducted hereunder, shall create or be deemed to have created a partnership association between the parties hereto or any of them.

33. SURFACE AND ENVIRONMENTAL PROTECTION STIPULATIONS. Nothing in this agreement shall modify or change either the special Federal lease stipulations relating to surface management or such special Federal lease stipulations relating to surface and environmental protection, attached to and made a part of, Oil and Gas Leases covering lands within the Unit Area.

34. FOREST LAND STIPULATION. Notwithstanding any other terms and conditions contained in the agreement, all of the stipulations and conditions of the individual leases between the United States and its lessees or their successors or assigns embracing lands within the unit area

included for the protection of lands or functions under the jurisdiction of the Secretary of Agriculture shall remain in full force and effect the same as though this agreement had not been entered into, and no modification thereof is authorized except with the prior consent in writing of the Forest Supervisor or AO of the Carson National Forest, Jicarilla Ranger District, 1110 Rio Vista Lane, Unit #2, Bloomfield, NM 87413.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and have set opposite their respective names the date of execution.

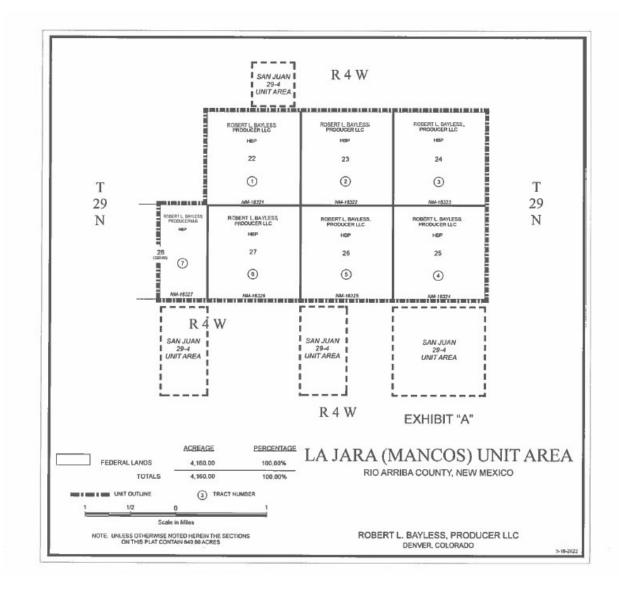
Unit Operator

Working Interest Owners

Other Interest Owners

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EXHIBIT A



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EXHIBIT B

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EXHIBIT "B" SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS LA JARA (MANCOS) UNIT AREA. RIO ARRIBA COUNTY. NEW MEXICO

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Ownership reflected herein covers those formations lying below the stratigraphic equivalent of the top of the Mancos Shale Formation, which is the base of the Point Lookout Sandstone of the Mesaverde Group, at a measured depth of 6,824 feet down to the stratigraphic equivalent of the base of the Mancos Shale Formation, which is the top of the Dakota Sandstone, at a measured depth of 8,586 feet as encountered in the San Juan 29-4 Unit No. 24 well in the NE/4 of Section 8, Township 29 North, Range 4 West, N.M.P.M. API #30-039-22844

TRACT NO.	T DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECO AND PERCENTAGE	X	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTER AND PERCENTAGE	
	FEDERAL LANDS:								
1	<u>T29N-R4W, NMPM</u> Sec. 22: All	640.00	NM-018321 Effective 5-1-1973 HBP	U.S.A All (12.5% royalty)	Robert L. Bayless, Producer LLC	100.0000%	None	Robert L. Bayless, Producer LLC	100.00009
2.	<u>T29N-R4W, NMPM</u> Sec. 23: All	640.00	NM-018322 Effective 6-1-1973 HBP	U.S.A All (12.5% royalty)	Robert L. Bayless, Producer LLC	100.0000%	None	Robert L. Bayless, Producer LLC	100.00009
3.	<u>I29N-R4W. NMPM.</u> Sec. 24: All	640.00	NM-018323 Effective 5-1-1973	U.S.A All (12.5% royalty)	NueVida Resources, LLC	100.0000%	None	Robert L. Bayless, Producer LLC	100.0000
			HBP						
4.	T29N-R4W, NMPM Sec. 25: All	640.00	NM-018324 Effective 5-1-1973	U.S.A All (12.5% royalty)	SFT LLC	100.0000%	None	Robert L. Bayless, Producer LLC	100.00001
			HBP						
	LA JARA (MANCOS) UNIT AREA				1			5/2	4/2022

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LESSEE OF RECORD AND PERCENTAGE

TRACT DESCRIPTION NO. OF LAND		NUMBER SERIAL NU OF & EXPIRA ACRES DATE OF L		BASIC ROYALTY AND PERCENTAGE	AND	LESSEE OF RECORD AND PERCENTAGE		WORKING INTEREST AND PERCENTAGE	
5.	<u>T29N-R4W, NMPM</u> Sec. 26: All	640.00	NM-018325 Effective 5-1-1973 HBP	U.S.A All (12.5% royalty)	SFTLLC	100.0000%	None	Robert L. Bayless, Producer LLC	100.0000%
6.	<u>T29N-R4W, NMPM</u> Sec. 27: All	640.00	NM-018326 Effective 5-1-1973 HBP	U.S.A All (12.5% royalty)	Robert L. Bayless, Produce LLC	er 100.0000%	None	Robert L. Bayless, Producer LLC	100.0000%
7.	<u>T29N-R4W, NMPM</u> Sec. 28: E/2	320.00	NM-018327 Effective 5-1-1973 HBP	U.S.A All (12.5% royalty)	NueVida Resources, LLC	100.0000%	None	Robert L. Bayless, Producer LLC	100.0000%
7	FEDERAL TRACTS	TOTALING	4,160.00	ACRES OR 1	00.00% OF UNIT AREA	Ø			
7	TRACTS	TOTALING	4,160.00	IN UNIT AREA					

LA JARA (MANCOS) UNIT AREA

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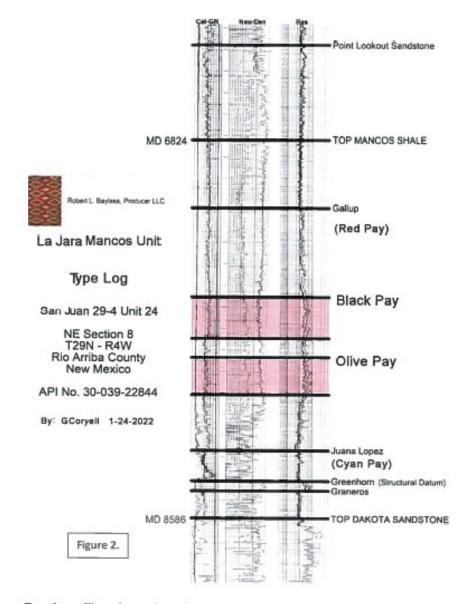
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EXHIBIT C

TYPE CURVE



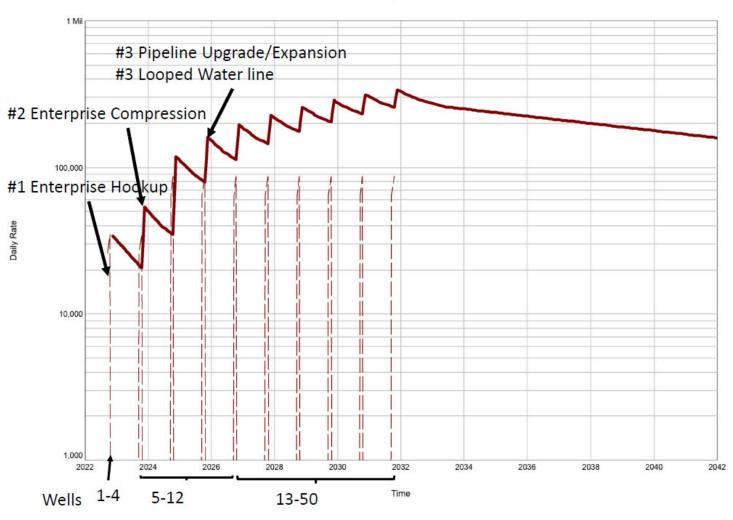
<u>Type Log:</u> The unit type log (Figure 2) is from the San Juan 29-4 Unit #24, which is located about two miles northwest of the proposed unit (Figure 3). This well was chosen because it is the closest well to the unit with a quality modern log suite. The type-log well is generally on structural and stratigraphic strike with the unit. The log shows the stratigraphic interval to be unitized, which is the entirety of the Mancos Shale Formation.

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EXHIBIT D

UNIT PLAN OF DEVELOPMENT AND OPERATION

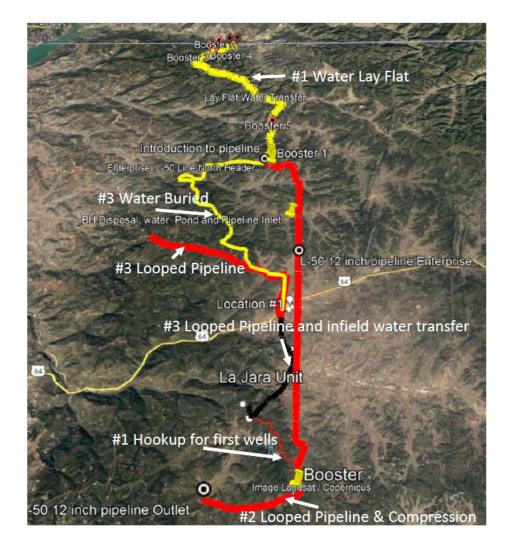
- 1. The Unit Operator shall be required to drill two (2) Obligation Wells. The initial Obligation Well (#1) shall be drilled in 2022. The initial Obligation Well (or both Obligation Wells) shall be used to validate the Unit acreage as "HBP", and in order to do so, the well must be drilled and on production in order to meet the public interest requirement of this agreement, subject to extension as a result of force majeure or as otherwise agreed to by the AO. Permissible extensions will be given for scheduling difficulties with third parties due to current economic climate. However, to qualify for an extension, the operator must show that, taken as a whole, they have exercised reasonable diligence to getting the well/wells on production.
- 2. The Unit Operator agrees to drill the remaining one (1) or more Obligation Well(s) in the calendar year 2023, thus a total of two (2) Obligation Wells will be producing (connected to a pipeline) on or before December 31, 2023, subject to force majeure.
- 3. The Unit Operator will have the option to revise the Plan of Development (POD) as necessary due to substantial change in economic conditions, force majeure, or Unavoidable Delays relating to the Unit Operator's the-existing plan. This will be required to be approved by the AO.
- 4. Unit Operator shall provide to the AO the following information upon request:
 - Geological structure maps of the proposed target formation
 - Any cross section of wells in the area
 - A geological write-up
 - A Reservoir Engineering review with estimated reserves and economics
 - Map of the area showing the proposed surface locations and Federal leases
 - Timeline when work is expected to get started, APDs, drilling, pipeline infrastructure, etc.
 - The surface location should include if the surface is Fee, Federal, or Forest Service
 - Summary of operations and detailed well status list
 - Additional information as deemed necessary by the AO



Full Development 29-4 Unit

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT New Mexico State Office 301 Dinosaur Trail Santa Fe, New Mexico 87508 https://www.blm.gov/new-mexico



In Reply Refer To: NMNM105770971 3105.2 (NM9250)

Reference: Application and Request for Designation La Jara (Mancos) Unit NMNM105770971

Robert L. Bayless, Producer LLC Attn: Cranford Newell, Jr. 621 17th Street Suite 2300 Denver, CO 80293

Gentlemen:

Your application of May 24, 2022, filed with the Bureau of Land Management (BLM) Reservoir Management Group Santa Fe Office, requests the designation of the La Jara (Mancos) Unit, embracing 4,160.00 acres, more or less, in Rio Arriba County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to public interest requirements and unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked Exhibit "A" and Exhibit "B", the La Jara (Mancos) Unit, Rio Arriba County, New Mexico, is hereby designated as a logical unit area and has been assigned a pending agreement number NMNM105770971. This designation is for all oil and gas in the Mancos Formation, as defined in Section 3 of the Unit Agreement, and is valid for a period of one year from the date of this letter.

The unit agreement submitted for the area designated will provide for the drilling of two (2) obligation wells to test the Mancos Formation with at least a 3,000-foot horizontal well in the following location.

Name: (unknown at this time) Surface Location: SWNWNE of Section 26, T. 29 N., R. 4 W., Rio Arriba County, New Mexico Formation and Depth: Mancos Formation

All Unit wells will be required to have the Unit name, such as "La Jara Unit No. 1H" with consecutive well numbers. All unit wells shall be operated by the Unit Operator.

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INTERIOR REGION 6 · ARKANSAS-RIO GRANDE-TEXAS GULF Oklahoma, Texas As stated in paragraph 3 in the of your proposed unit agreement, unitized substances are as follows:

"All oil and gas in the Mancos formation of the unitized lands, defined as the stratigraphic equivalent of the top of the of the Mancos formation (base of Point Lookout Sandstone of Mesa Verde Group) at a measured depth of 6,824 feet beneath the surface to the base of the Mancos formation (top of the Dakota Sandstone) at a measured depth of 8,586 feet beneath the surface as seen on the type log (Exhibit C) in the Sand Juan 29-4 Unit No. 4 (API: 30-039-22844), located in Section 8, Township 29 North, Range 4 West, Rio Arriba County, New Mexico, are unitized under the terms of this agreement and herein are called "unitized substances" (see type log attached as Exhibit "C")".

The use of the model form for a Bureau of Land Management (BLM) New Mexico State Office (NMSO) Federal Exploratory Unit, modified as shown in your application, will be accepted with BLM NMSO revisions. If conditions arise such that further modifications of said standard form are proposed, two (2) copies of the proposed modifications with appropriate justification must be re-submitted to this office for preliminary approval.

In the event where a suspension or extension is needed, the unit operator must submit the application for a suspension or extension, prior to the expiration date, with thorough and detailed documentation of reasons for requesting a suspension or extension. A detailed Plan of Development may be submitted as well as supporting documentation. Once the unit tracts are unitized, Suspensions of Federal oil and gas leases are outlined in 43 CFR 3103.4-4 and 43 CFR 3165.1. Federal oil and gas lease extensions are outlined in 43 CFR 3105.5-4 and 43 CFR 3107.

Any producible wells producing from the unitized interval that exist in the unit area prior to unitization will not be considered for recognition as unit wells until after establishment of an initial participating area based on the aforementioned obligation well. If a well is commenced and penetrated the geologic formation specified in Section 9 of the unit agreement prior to final unit approval, it cannot be considered as a unit obligation well. In such event, the unit obligation well still must be drilled.

In the absence of any type of land requiring special provisions or of any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted that, in our opinion, does not serve the public interest or does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

Please include the latest status of all acreage along with a separate recapitulation table of the latest commitment status of the interests in each tract when the executed agreement is submitted for final approval.

In preparing Exhibits "A" and "B", the format of the included sample exhibits of the model form shall be followed. A minimum of three (3) copies of the executed agreement shall be submitted with your request for final approval.

Upon receiving an application by the unit operator with sufficient economic and technical justification and subsequent approval of the Authorized Officer (AO), an initial participating area shall be established for the Mancos formation encompassing all the unitized lands.

Participating areas within the unit shall encompass only those lands that lie within the productive drainage areas of individual unit wells as determined by reasonable and established geologic and reservoir engineering analysis methods. This is commonly known as a "divided" unit. Such wells must be capable of production of unitized substances in paying quantities.

As provided in 43 CFR 3165.3(b), you may request an administrative review of this decision before the State Director. Per 43 CFR 3165.4, you may appeal any instructions, orders, or decisions issued by the BLM New Mexico State Office directly to the Interior Board of Land Appeals pursuant to the regulations found at 43 CFR 4. A copy of Form 1842-1, *Information on Taking Appeals to the Interior Board of Land Appeals*, is enclosed.

Please contact Stacey Leichliter, Geologist, at sleichliter@blm.gov if you have any questions.

Sincerely,

KYLE PARADIS Digitally signed by KYLE PARADIS Date: 2022.06.27 13:27:33 -06'00'

Kyle Paradis Branch Chief of Reservoir Management Division of Minerals

Enclosure Operator's proposed Unit Agreement w/ Exhibits Form 1842-1

cc: w/ all attachments NM92500, Jordan FFO - David Mankiewicz USFS - Carson National Forest Released to Imaging: 7/5/2022 10:45:05 AM

APPLICATION OF ROBERT L. BAYLESS, PRODUCER LLC TO REVOKE ORDER NO. R-14686 AND APPROVE THE LA JARA (MANCOS) UNIT AS AMENDED, RIO ARRIBA COUNTY, NEW MEXICO

CASE NO. 22918

AFFIDAVIT OF GEORGE CORYELL

1. My name is George Coryell and I am employed by Robert L. Bayless, Producer LLC ("Bayless") as a Geologist. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geologic matters and my credentials have been accepted by the Division and made a matter of record.

2. I am the familiar with the application filed by Bayless in this matter and have conducted a geologic analysis of the proposed unit area.

3. The unitized interval is the top of the Mancos Shale Formation at a measured depth of 6,824 feet to the stratigraphic equivalent of the base of the Mancos Shale Formation at a measured depth of 8,586 feet as encountered in the type well. The unitized interval includes all formations from the top of the Mancos Shale Formation down to the base of the Mancos Shale Formation, specifically described in the Unit Agreement as: all oil and gas in the Mancos Shale Formation, including genetically related rocks below the stratigraphic equivalent of the top of the Mancos Shale Formation, which is the base of the Point Lookout Sandstone of the Mesaverde Group, at a measured depth of 6,824 feet down to the stratigraphic equivalent of the base of the Mancos Shale Formation, which is the top of the Dakota Sandstone, at a measured depth of 8,586 feet as encountered in the San Juan 29-4 Unit No. 24 Well in the NE/4 of Section 8, Township 29 North, Range 4 West, N.M.P.M. (API #30-039-22844).

Exhibit B

4. **Exhibit B-1** is the Unit type log. The log is from the San Juan 29-4 Unit #24, which is located about two miles northwest of the proposed unit. This well was chosen because it is the closest well to the unit with a quality modern log suite. The log shows the top of the Greenhorn Limestone Member of the Mancos Shale, because this is the datum I use for my structure and depth maps. The log also shows the "Gallup" top. When I refer to the Gallup as a whole I will mean the interval from this top to the top of the Juana Lopez Member. Internally within the Gallup are two intervals colored in red, the "Black Pay" and the "Olive Pay". These two intervals will be the initial horizontal targets for the Unit since they are: a) the most consistent regionally correlative zones in terms of pay characteristics; and b) the zones currently being explored and developed by the industry. Two other prospective horizontal targets have been identified and are (1) the "Red Pay" zone in the upper Gallup, and (2) the "Cyan Pay" zone in the Juana Lopez, which offer future opportunities for continued development of the Mancos in this part of the San Juan Basin.

5. **Exhibit B-2** is a Regional Location Map, which shows the location of the mapped area in the following exhibits. It also illustrates how nearly the entire area is within the Mancos gas maturity window.

6. **Exhibit B-3** is an Industry Activity Map, which shows the success of the three primary operators that initially explored the Mancos horizontal dry gas play relative to the La Jara Unit. Those companies were BP in the northwestern part of the map, WPX in the north-central part, and Black Hills in the northeastern part. Also shown are the locations of stratigraphic crosssections A, B, and C.

7. **Exhibit B-4** is a Greenhorn Structure Map. This map shows the La Jara Unit located just to the east of the NNW-plunging basin axis. The BP and WPX wells are about 250 feet low to the Unit. The Black Hills well is only slightly high structurally to the Unit.

8. **Exhibit B-5** is a Greenhorn Depth Map. This map shows that the drilling depth in the Unit area is about 500 feet deeper than in the BP and WPX areas. The Black Hills area and the Unit area have similar depths. Exhibits B-4 and B-5 together indicate that the source-rock maturity and the amount and type of gas generation in the existing well areas and the Unit area will be similar.

9. **Exhibits B-6, B-7, and B-8** are Mancos Cross Sections A, B, and C, respectively. These cross sections show that the unitized interval is contiguous across the mapped area, including the La Jara Unit. Cross Section A shows the Mancos zones that were initially drilled by the original three operators in the mapped area. Cross Section B shows the first vertical Mancos well drilled in the Unit area. This well was drilled in 1973 and kicked 9.9-pound mud and flowed gas as it penetrated the Black Pay. Also note that the type log is on this cross section. Cross Section C correlates the unitized interval in the Unit to the northeast (C' intersects A') near the Black Hills well.

10. **Exhibit B-9** is a Total Gallup Net Pay Isopach. This map shows that the horizontal gas-production potential within the La Jara Unit is at least equal to, and probably greater than, the established production in the three areas initially explored by BP, WPX, and Black Hills. Gallup net pay is defined by a resistivity cut-off of 20 ohm-m. This is a good metric of resource potential. Net pay increases to the south. To date, the industry has been drilling in 200 to 300 feet of net pay. The map shows that the La Jara Unit has 380 to 430 feet of net pay. Therefore, it is reasonable to expect that Gallup productivity in the Unit will meet or more probably exceed the Gallup productivity achieved in other drilled areas of the play.

11. Bayless expects that the wells within the Unit will be gas wells.

12. In order to allow for the most efficient horizontal well development pattern for the production of gas and any associated hydrocarbons, and to effectively drain the reserves in the unitized formation underlying the unit, production wells must be developed without requirements for internal setbacks, except for standard setbacks from the unit boundaries.

13. Based on my geologic study, the proposed unitized area is prospective for the recovery of gas from the unitized interval and suitable for development under a unit plan.

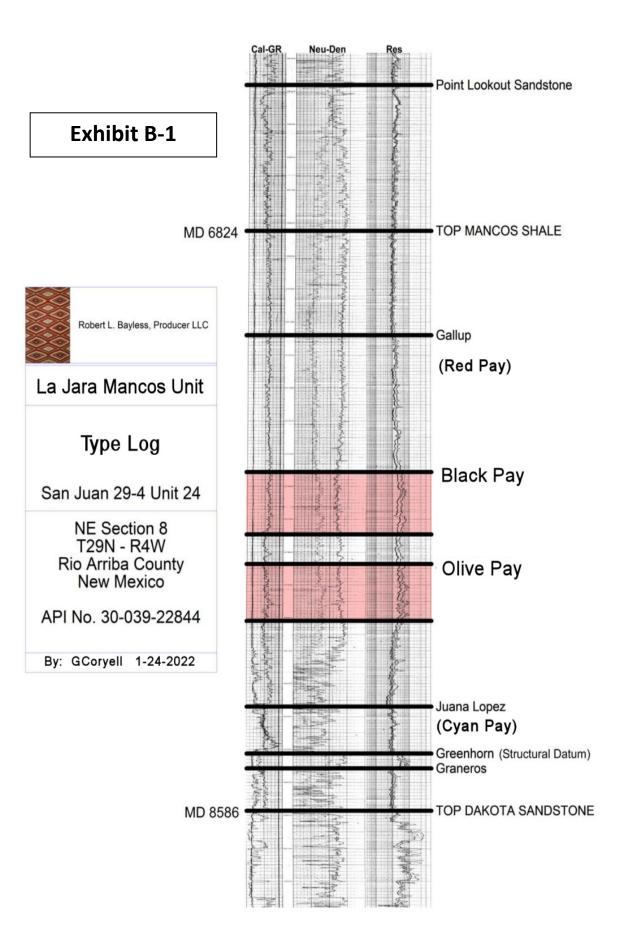
14. In my opinion, the approval of this unit is in the best interests of conservation, prevention of waste, and the protection of correlative rights.

15. The attached exhibits were prepared by me or under my direction and supervision.

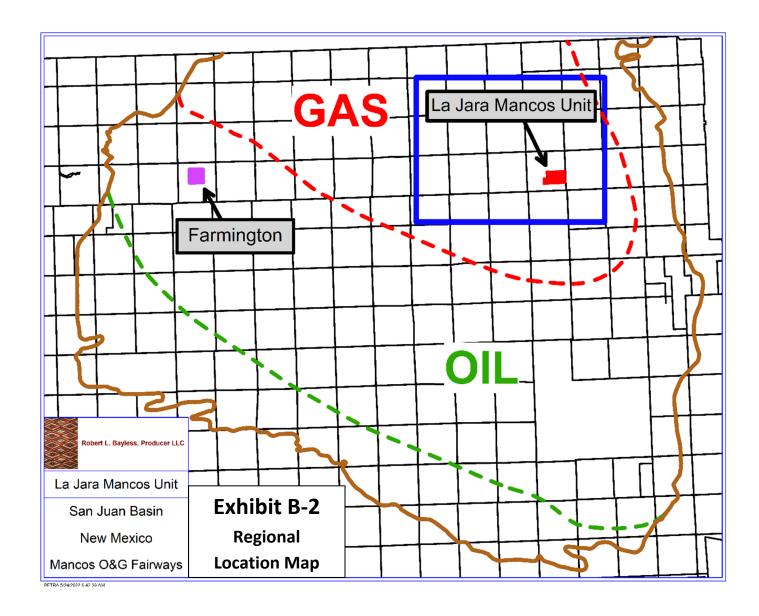
16. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

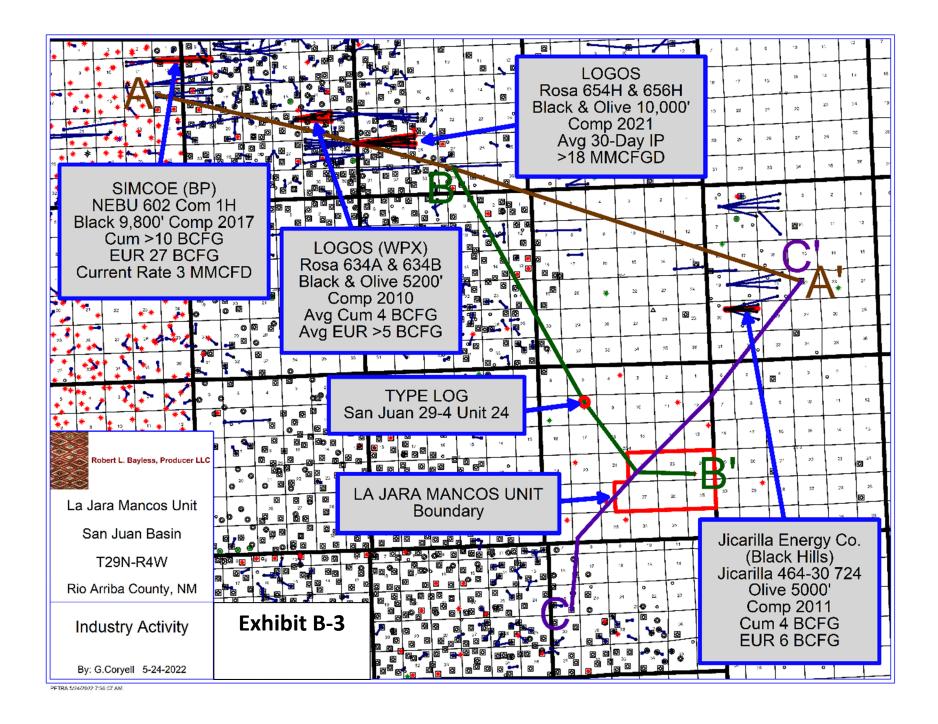
George F. Coryell George Coryell

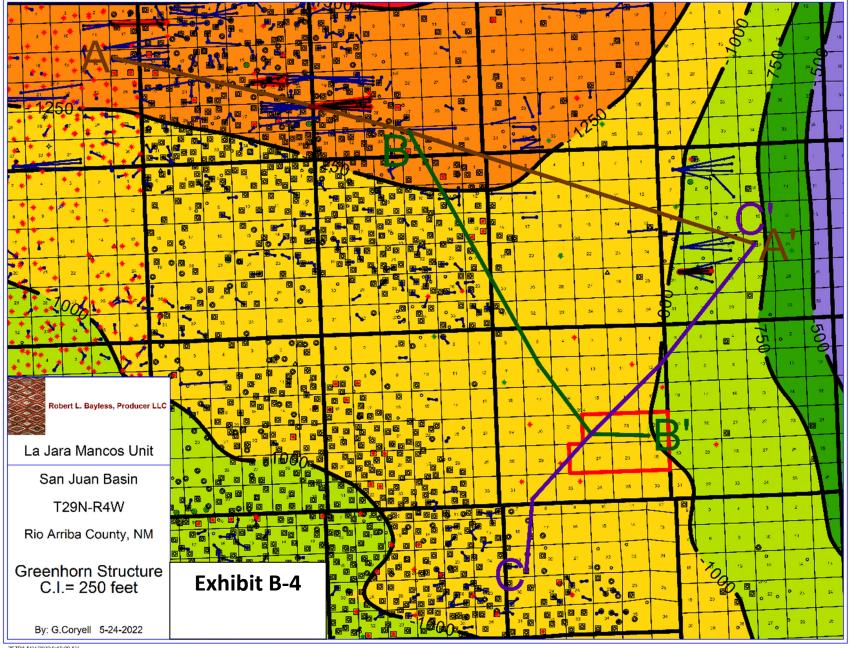
June 30, 2022 Date



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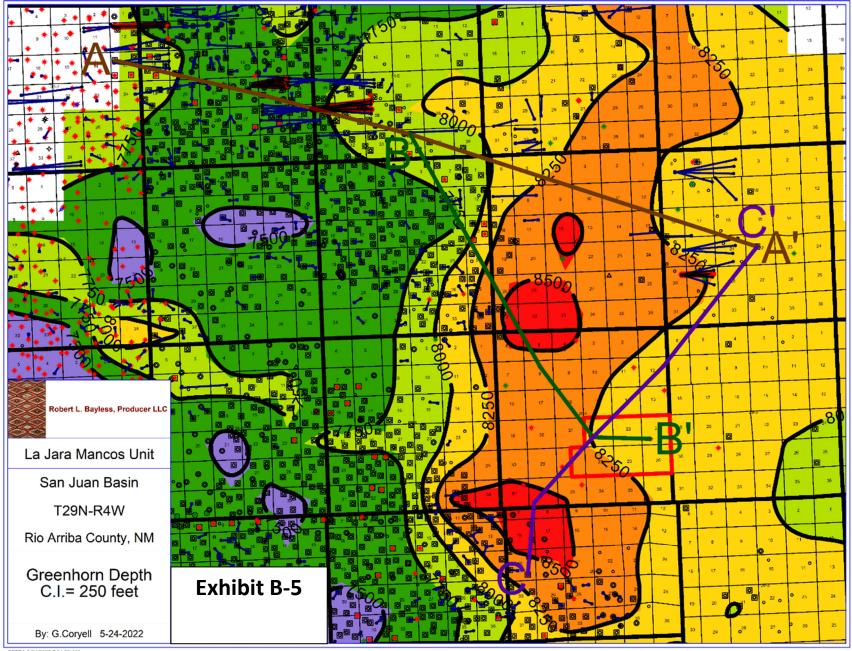




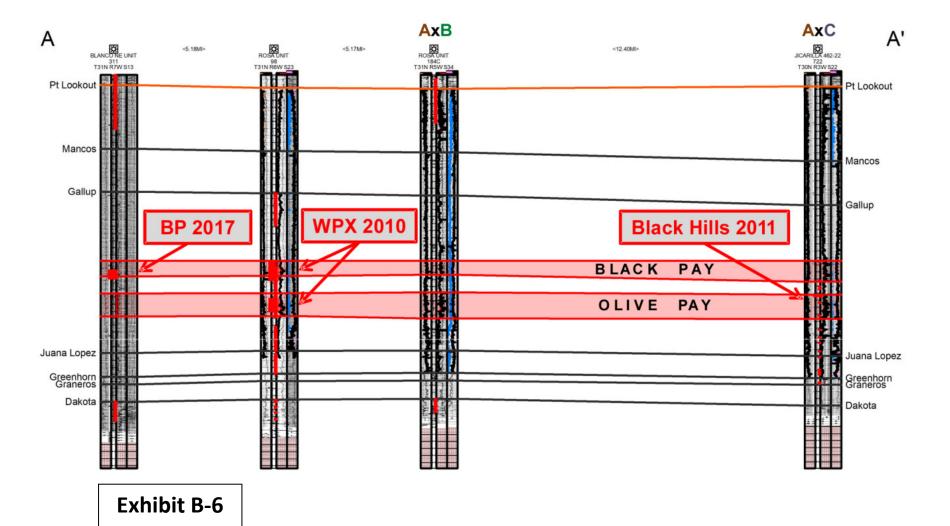


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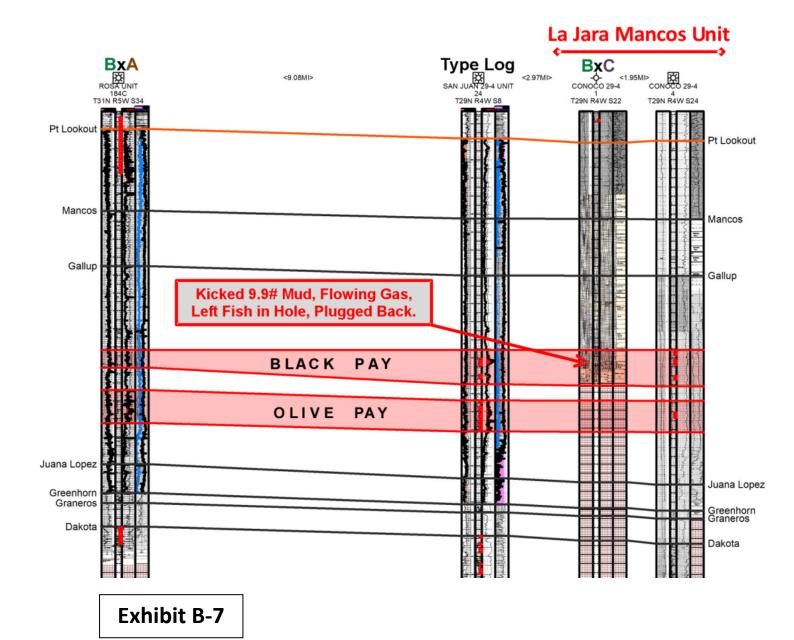








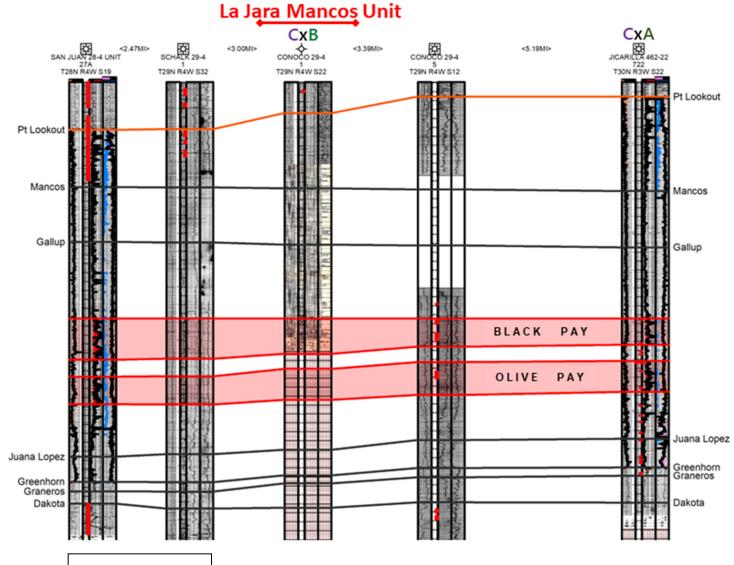
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B'

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C'

Exhibit B-8

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APPLICATION OF ROBERT L. BAYLESS, PRODUCER LLC TO REVOKE ORDER NO. R-14686 AND APPROVE THE LA JARA (MANCOS) UNIT AS AMENDED, RIO ARRIBA COUNTY, NEW MEXICO

CASE NO. 22918

AFFIDAVIT OF JOHN THOMAS

1. My name is John Thomas and I am employed by Robert L. Bayless, Producer LLC ("Bayless") as Production and Asset Manager. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum engineering and my credentials have been accepted by the Division and made a matter of record.

2. I am familiar with the application filed by Bayless in this matter and with the engineering matters that pertain to the application.

3. The Unit Area is currently subject to the Special Rules and Regulations for the Basin-Mancos Gas Pool (Pool Code 97232) adopted in 2008 under Division Order R-12984.

4. Rule C of the Special Rules for the Basin-Mancos Gas Pool require gas wells to be located no closer than 660 feet to the outer boundary of a spacing unit, or in this case, the outer boundary of the Unit Area.

5. In order to allow for the most efficient horizontal well development pattern for the production of gas and any associated hydrocarbons, and to effectively drain the reserves in the unitized formation underlying the Unit Area, Bayless requests that the Division allow development without internal setbacks except for setbacks from the Unit boundaries.

6. In my opinion, the approval of this unit is in the best interests of conservation, prevention of waste, and the protection of correlative rights.

Exhibit C

7. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

John Thomas

6/30/2022 Date

APPLICATION OF ROBERT L. BAYLESS, PRODUCER LLC TO REVOKE ORDER NO. R-14686 AND APPROVE THE LA JARA (MANCOS) UNIT AS AMENDED, RIO ARRIBA COUNTY, NEW MEXICO

CASE NO. 22918

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

1. I am attorney in fact and authorized representative of Robert L. Bayless, Producer

LLC, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit D-1**.

3. The above-referenced Application was provided, along with the Notice Letter, to

the recipients listed in **Exhibit D-2**. Exhibit D-2 also provides the date each Notice Letter was sent and the date each return was received and includes copies of the certified mail green cards and white slips.

4. On June 16, 2022, I caused a notice to be published to all interested parties in the Rio Grande SUN. An Affidavit of Publication from the Legal Clerk of the Rio Grande SUN, along with a copy of the notice publication, is attached as **Exhibit D-3**.

<u>/s/ Dana S. Hardy</u> Dana S. Hardy <u>July 1, 2022</u> Date



HINKLE SHANOR LLP

ATTORNEYS AT LAW PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

hinklelawfirm.com

June 13, 2022

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 22918 – Application of Robert L. Bayless, Producer LLC to Revoke Order No. R-14686 and Approve the La Jara (Mancos) Unit as Amended, Rio Arriba, County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **July 7**, **2022** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<u>https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/</u>) or via e-mail to <u>ocd.hearings@state.nm.us</u> and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please do not hesitate to contact me if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardv

Dana S. Hardy



Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 575-622-6510 (FAX) 575-623-9332 Released to Imaging: 7/5/2022 10:45:05 AM PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623 7601 JEFFERSON ST NE + SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321

APPLICATION OF ROBERT L. BAYLESS, PRODUCER LLC TO REVOKE ORDER NO. R-14686 AND APPROVE THE LA JARA (MANCOS) UNIT AS AMENDED, RIO ARRIBA COUNTY, NEW MEXICO

Case No. 22918

NOTICE LETTER LIST

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Celene Barela	06/10/22	06/23/22
1504 Presto Way NW		
Albuquerque, NM 87104		
(Interest derived from Manuel		
Ferran)		
Roy G. Barton, Jr., Trustee of the	06/10/22	06/15/22
Roy G. Barton, Sr. and Opal Barton		
Revocable Trust		
1919 North Turner		
Hobbs, NM 88240		
Bayless Grandchildren LLC	06/10/22	06/21/22
4104 Old Mission Road		Return to sender.
Farmington, NM 87401		
Bayless Grandchildren's Trust	06/10/22	06/21/22
P.O. Box 129		Return to sender.
Farmington, NM 87499		
Bureau of Land Management	06/13/22	06/17/22
Farmington Field Office		
6251 College Blvd, Suite A		
Farmington, NM 87402		
Guy R. Campbell and Mary D.	06/13/22	06/21/22
Campbell		
Guy R. Campbell, Jr. Company		
c/o Guy R. Campbell Jr.		
7 Arthur Drive		
Fort Worth, TX 76134-2542		
Carlos Lucero Jr & Andrea T Lucero	06/10/22	06/21/22
Revocable Living Trust dtd		
8/25/1998		
1705 Conestoga Dr SE		
Albuquerque, NM 87123		
Classical Gas & Oil, LLC	06/10/22	06/21/22
1499 Blake St., Suite 10C		
Denver, CO 80202		

Exhibit D-2

APPLICATION OF ROBERT L. BAYLESS, PRODUCER LLC TO REVOKE ORDER NO. R-14686 AND APPROVE THE LA JARA (MANCOS) UNIT AS AMENDED, RIO ARRIBA COUNTY, NEW MEXICO

Case No. 22918

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Dugan Production Corporation	06/10/22	06/21/22
P.O. Box 420		
Farmington, NM 87499-0420		
Bradford Ferran	06/10/22	06/17/22
1043 Calle Fuerte NE		
Albuquerque, NM 87113		
(Interest derived from Manuel		
Ferran)	0.6/1.0/22	0.7/01/22
Manuel Ferran	06/10/22	07/01/22
435 Amherst NE		Return to Sender.
Albuquerque, NM 87106		Unclaimed
Christine Fietek	06/10/22	06/15/22
2928 Cuervo Drive NE		
Albuquerque, NM 87110		
(Interest derived from Manuel		
Ferran)		
Geo-Exploration, Inc.	06/10/22	06/17/22
ATTN: Land Department	00/10/22	00/1//22
1427 Cedar Glen Drive		
Apopke, FL 32712		
Gene Grubitz III Trust	06/10/22	06/17/22
P.O. Box 1245		
Salem, VA 24153-1245		
Gypsum Springs LLC	06/10/22	06/17/22
ATTN: Land Department		
1251 South Elizabeth Street		No signature.
Denver, CO 80210		
Jacqueline M. Harrison, Trustee of	06/10/22	06/15/22
Langdon D. Harrison Rev. Trust		
c/o Mike Eskew, CPA		
Squire & Woodard, PC		
2730 San Pedro Drive NE, Suite D		
Albuquerque, NM 87110		

APPLICATION OF ROBERT L. BAYLESS, PRODUCER LLC TO REVOKE ORDER NO. R-14686 AND APPROVE THE LA JARA (MANCOS) UNIT AS AMENDED, RIO ARRIBA COUNTY, NEW MEXICO

Case No. 22918

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Heirs of M. A. Romero	06/10/22	06/24/22
PO Box 5155		
Santa Fe, NM 87502		
Hilcorp Energy Company,	06/13/22	06/28/22
9A Road 5793		Return to Sender. Not
Farmington, NM 87401-9036		deliverable as addressed.
Hilcorp Rio Arriba L.P.	06/10/22	06/21/22
ATTN: Land Department		
111 Travis St.		
Houston, TX 77002		
Joan E. Hird	06/10/22	Per USPS Tracking:
315 Eldridge Lane		
Lawrence, KS 66049		06/14/22 Picked up by
		individual from post
		office.
JABCO, LLP	06/13/22	Per USPS Tracking:
Bank of America, NA, Agent		
PO Box 2546		06/20/22 In transit to
Fort Worth TX, 76113-2546		next facility.
JABCO, LLP	06/10/22	06/23/22
P.O. Box 840738		
Dallas, TX 75284		
Kerr-Mcgee Oil & Gas Onshore LP	06/10/22	06/24/22
ATTN: Land Department		
P.O. Box 1330		
Houston, TX 77251-1330		
Rodney Kiel, et ux, Gayla	06/10/22	06/21/22
2709 Loch Haven		
Plano, TX 75023		
Logos Resources II, LLC	06/10/22	06/15/22
ATTN: Christopher J. Jeffus		
2010 Afton Place		
Farmington, NM 87401		

APPLICATION OF ROBERT L. BAYLESS, PRODUCER LLC TO REVOKE ORDER NO. R-14686 AND APPROVE THE LA JARA (MANCOS) UNIT AS AMENDED, RIO ARRIBA COUNTY, NEW MEXICO

Case No. 22918

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Andrea Lucero	06/10/22	06/23/22
1539 Wagon Train SE		Return to Sender. Not
Albuquerque, NM 87123		deliverable as addressed.
Melinda Archuleta Moon, Trustee of	06/10/22	Per USPS Tracking:
the Rose Archuleta-Trujillo Living		
Trust		06/21/22 Notice left. No
6635 Club Villa RD.		authorized recipient
Parker, CO 80134-3269		available.
Carroll D. Myer II (Devere C. Myer)	06/10/22	06/21/22
485 Florida Rd		Return to sender.
Durango, CO 81301		Insufficient address.
Devere Carroll Myer, Trustee	06/10/22	06/21/22
485 Florida Rd		Return to sender.
Durango, CO 81301		Insufficient address.
Gregory F. Myer	06/10/22	06/21/22
PO Box 522		
Baldwin City, KS 66006		
Nathan D. Myer	06/10/22	06/16/22
10807 Gable Dr		
Dallas, TX 75229		
Nuevida Resources, LLC	06/10/22	06/21/22
ATTN: Land Department		
5950 Cedar Springs RD, STE 100		
Dallas, TX 75235		
NueVida Resources, LLC	06/13/22	Per USPS Tracking:
Mr. Jim Bob Byrd, VP		_
575 Union BLVD, Suite 208		06/16/22 Notice left. No
Lakewood, CO 80228-1242		authorized recipient
		available.
Petroleum Resource Management	06/10/22	06/21/22
Corp.		
ATTN: Land Department		
1580 Lincoln Street, Suite 635		
Denver, CO 80203		

APPLICATION OF ROBERT L. BAYLESS, PRODUCER LLC TO REVOKE ORDER NO. R-14686 AND APPROVE THE LA JARA (MANCOS) UNIT AS AMENDED, RIO ARRIBA COUNTY, NEW MEXICO

Case No. 22918

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Harold Pool	06/10/22	07/01/22
5 Camino Marquitos		Return to Sender.
Santa Fe, NM 87501		Insufficient address.
R F Partners	06/10/22	06/28/22
P. O. Box 243		Return to sender.
Wheatridge, CO 80034-0243		
Genevieve Rinerson	06/10/22	06/16/22
5400 Angel Place		
Farmington, NM 87401		
Rio Arriba Holdings LLC	06/10/22	06/21/22
1499 Blake Street, Suite 10C		
Denver, CO 80202		
Rio Arriba Limited Partnership	06/10/22	06/28/22
3270 North Colorado Street,		Return to sender.
Suite 101		
Chandler, AZ 85225-1165		
SFT, LLC	06/10/22	Per USPS Tracking:
3232 Candelaria NE		
Albuquerque, NM 87107		07/01/22 Departed USPS
		facility in Albuquerque,
		NM. In transit to
		destination.
SFT, LLC	06/10/22	06/27/22
ATTN: Land Department		
P.O. Box 25865		
Albuquerque, NM 87125		
San Juan Basin Properties LLC	06/10/22	06/21/22
1499 Blake Street, Suite 10C		
Denver, CO 80202		
John T. Schalk, Trustee of the John	06/10/22	06/27/22
Trust		
c/o Schalk Oil Company Inc.		
4245 Kemp Blvd, Suite 412		
Wichita Falls, TX 76301		

APPLICATION OF ROBERT L. BAYLESS, PRODUCER LLC TO REVOKE ORDER NO. R-14686 AND APPROVE THE LA JARA (MANCOS) UNIT AS AMENDED, RIO ARRIBA COUNTY, NEW MEXICO

Case No. 22918

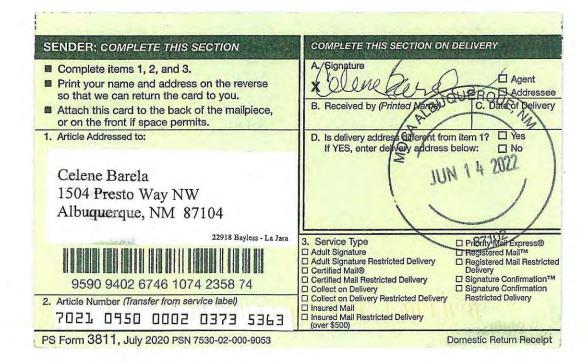
PARTY	NOTICE LETTER SENT	RETURN RECEIVED
John T. Schalk, Trustee of the	06/10/22	06/27/22
Schalk Family Legacy Trust		
c/o Schalk Oil Company Inc.		
4245 Kemp Blvd, Suite 412		
Wichita Falls, TX 76301		
John T. Schalk, Trustee of the Susan	06/10/22	06/27/22
Trust		
C/O Schalk Oil Company INC.		
4245 Kemp BLVD., Suite 412		
Wichita Falls, TX 76301		
Craig H. Slvetz, et ux, Shirley T.	06/10/22	06/21/22
4029 Tumbril Lane		
Plano, TX 75023		Note on return:
		Shirley is deceased
Southland Royalty Co. LLC	06/10/22	06/21/22
400 West 7th Street		
Fort Worth, TX 76102-4701		
David R. Suter, et ux, Mary Ann	06/10/22	06/21/22
1068 V2 2710		
Mabank, TX 75147		
Tommy L. Sprinkle, et ux, Sharon C.	06/10/22	Per USPS Tracking:
5711 Preston Oaks Rd., #1342		
Dallas, TX 75254		07/01/22 Being returned
		to sender.
The Tinmil LLC	06/10/22	06/15/22
2303 Candelaria Road NW		
Albuquerque, NM 87107		
Tinnin Family Properties X, LLC	06/10/22	06/21/22
2303 Candelaria Road NW		
Albuquerque, NM 87107		No signature.
Eleanor Gladiola Trujillo	06/10/22	06/21/22
2114 E. Mt. Daniels Drive		
Ellensberg, WA 98926		

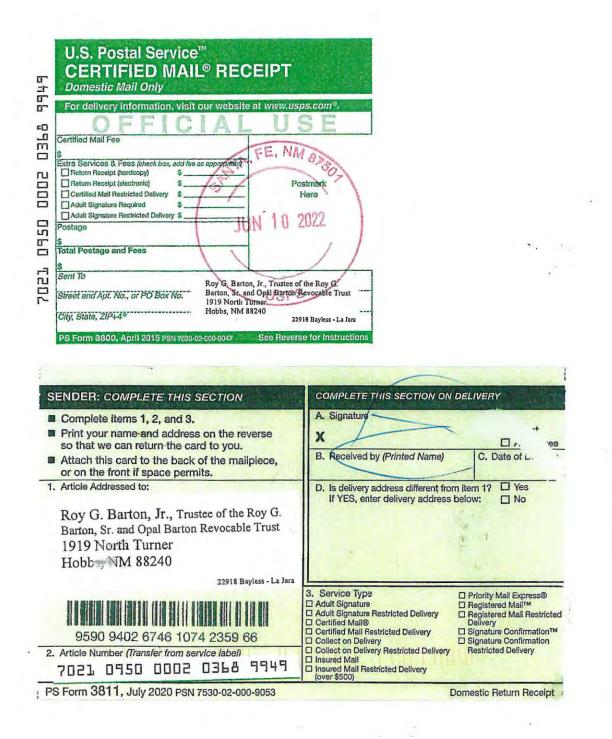
APPLICATION OF ROBERT L. BAYLESS, PRODUCER LLC TO REVOKE ORDER NO. R-14686 AND APPROVE THE LA JARA (MANCOS) UNIT AS AMENDED, RIO ARRIBA COUNTY, NEW MEXICO

Case No. 22918

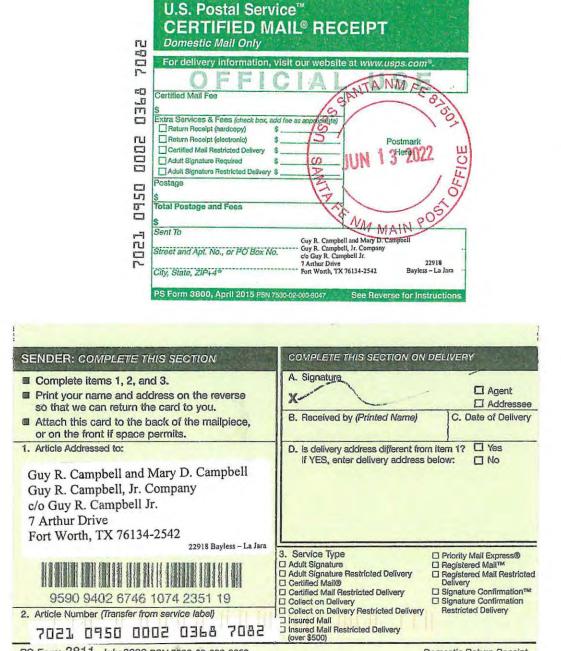
PARTY	NOTICE LETTER SENT	RETURN RECEIVED
WPX Energy Production LLC	06/10/22	Per USPS Tracking:
ATTN: Land Department		
P. O. Box 3102		06/21/22 Picked up by
Tulsa, OK 74101-3102		individual from post
		office in Oklahoma City,
		OK.
Arlie F. Walker	06/10/22	06/21/22
23390 Champion Drive		
Glendale, TX 75771		
Karen F. Walker	06/10/22	Per USPS Tracking:
2223 Cranes Landing Dr		
Greenbank, WA 98253		06/13/22 Being held at
		post office in Greenbank,
		WA at request of the
		customer.
Rachel A. Walker	06/10/22	06/27/22
1036 Vesuvio		
New Braunfels, TX 78132		
David Williams, et ux, Marcia	06/10/22	Per USPS Tracking:
Holley		
5422 Palace Drive		06/22/22 Being returned
Richardson, TX 75082		to sender.
Xan Williams, Trustee of the	06/10/22	06/17/22
Ruth Zimmerman Trust		
1513 Heritage Place		
McPherson, KS 67460		



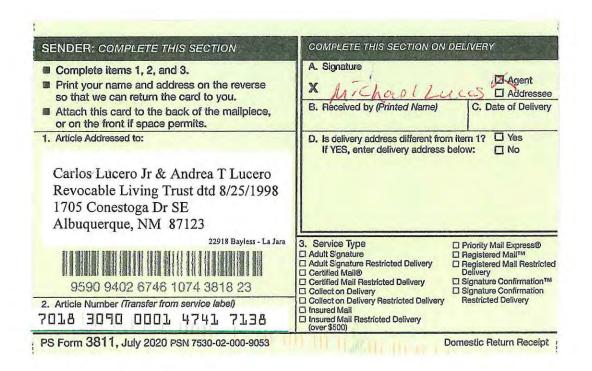




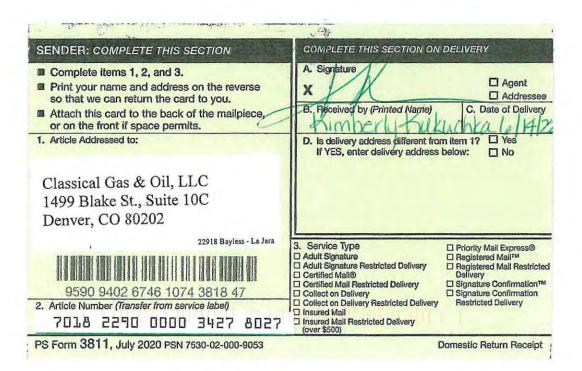


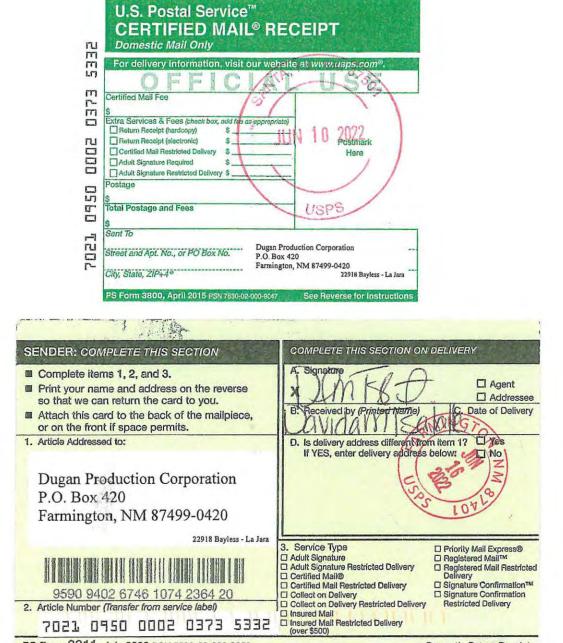


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Extra Services & Fees (check box, add fee as appropriate)	
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P S	Return Receipt (hardcopy) \$











□ Insured Mail □ Insured Mail Restricted Delivery (over \$500)

Bradford Ferran 1043 Calle Fuerte NE Albuquerque, NM 87113

 22918 Bayless - La Jara

 3. Service Type

 Adult Signature

 Adult Signature

 Adult Signature

 Adult Signature

 Certified Mail@

 Certified Mail@

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 Collect on Delivery

 Collect on Delivery

 Collect on Delivery

2. Article Number (Transfer from service label) 7021 0950 0002 0373 5370

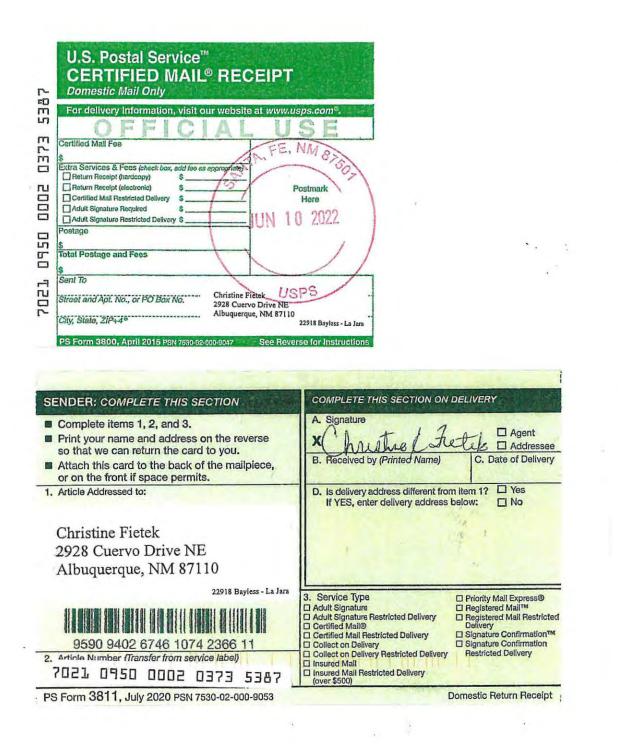
PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

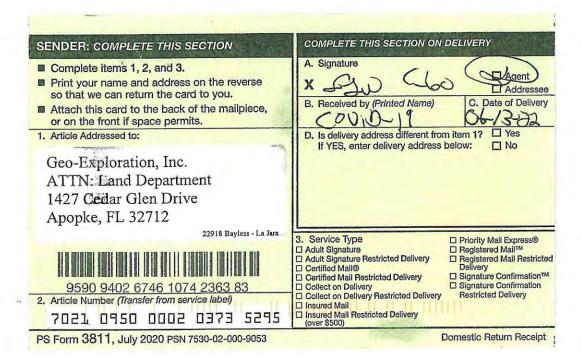
Restricted Delivery

Priority Mail Express®

Priority Mail Expressed
 Registered Mail™
 Registered Mail Restricted
 Delivery
 Signature Confirmation
 Signature Confirmation



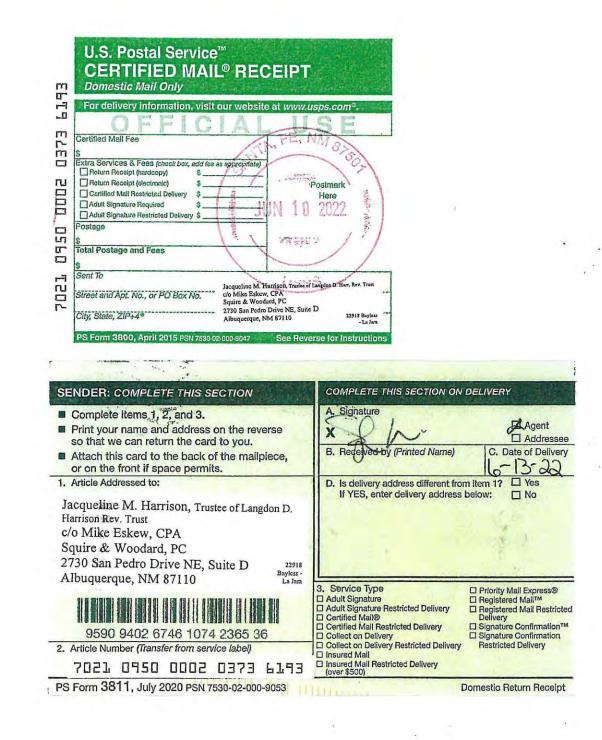






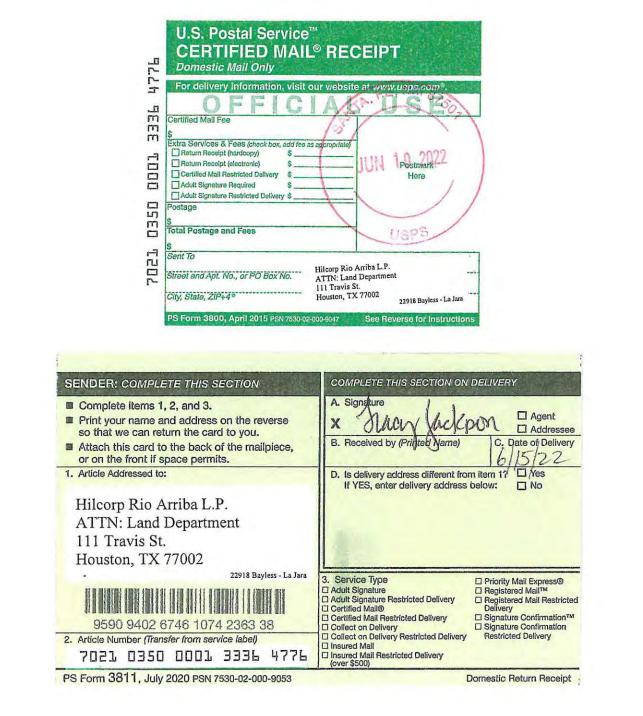


- million -		
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X B. Received by (Printed Name)	Agent Addressed C. Date of Delivery
1. Article Addressed to: Gypsum Springs LLC ATTN: Land Department 1251 South Elizabeth Street Denver, CO 80210	D. Is delivery address different from If YES, enter delivery address I	
22918 Bayless - La Jara		

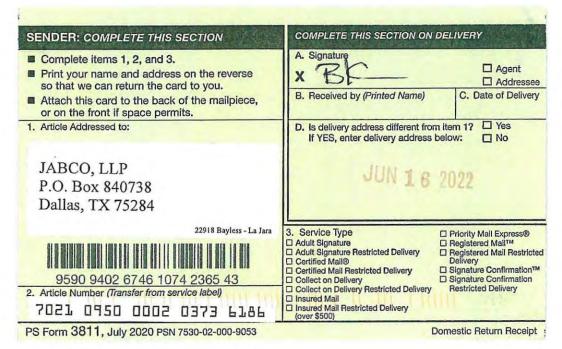










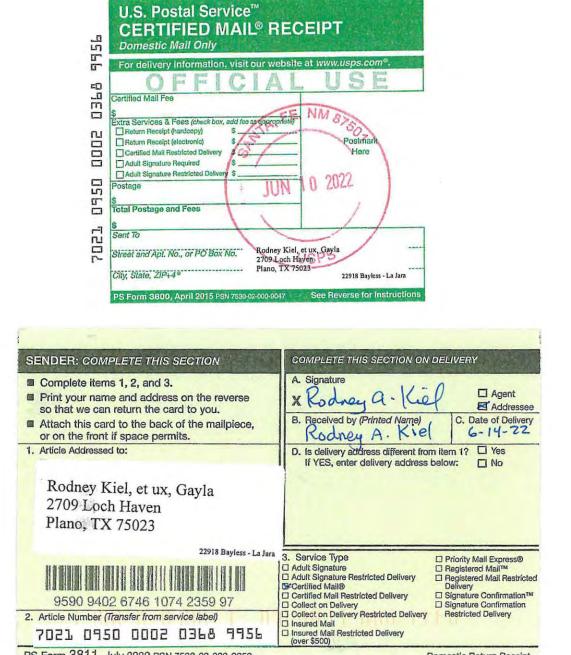


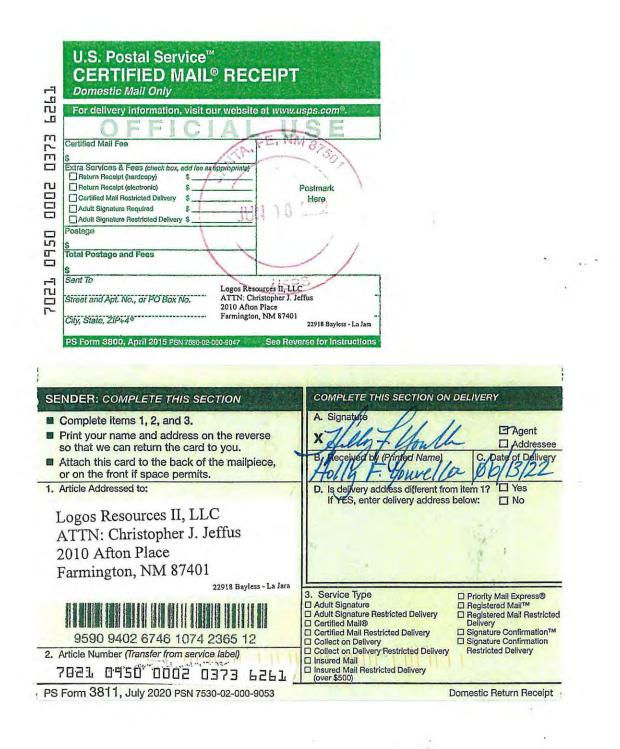
Received by OCD: 7/5/2022 10:42:42 AM

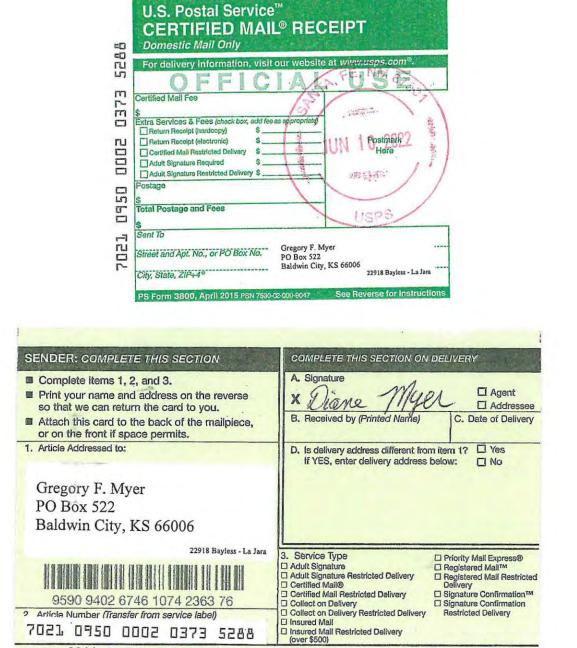




PS Form 3811, July 2020 PSN 7530-02-000-9053







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Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees
\$ Sent To Street and Apt. No., or PO Box No. City, State, ZIP+4* City, State, ZIP+4* Cit



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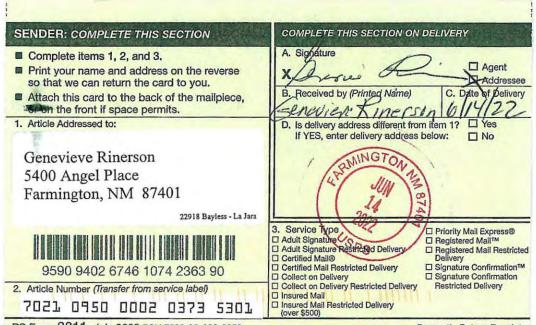


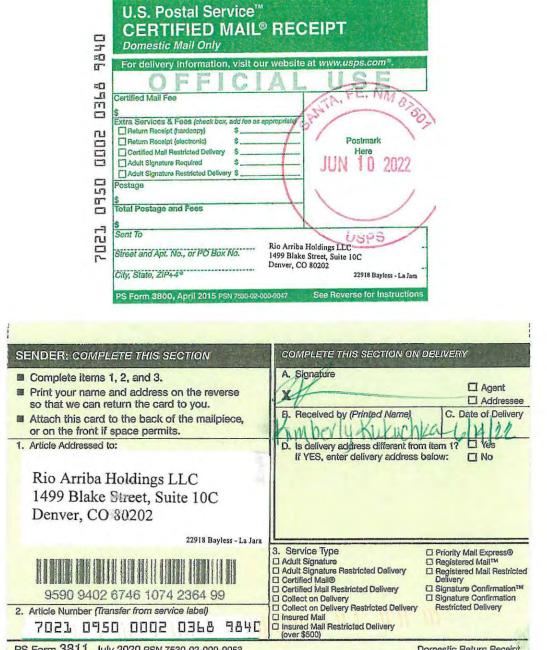
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: Nuevida Resources, LLC ATTN: Land Department 5950 Cedar Springs RD, STE 100 	A. Signature X. CG B. Received by (Printed Name) 2013 G D. Is delivery address different from If YES, enter delivery address f	C. Date of Delivery
Dallas, TX 75235		

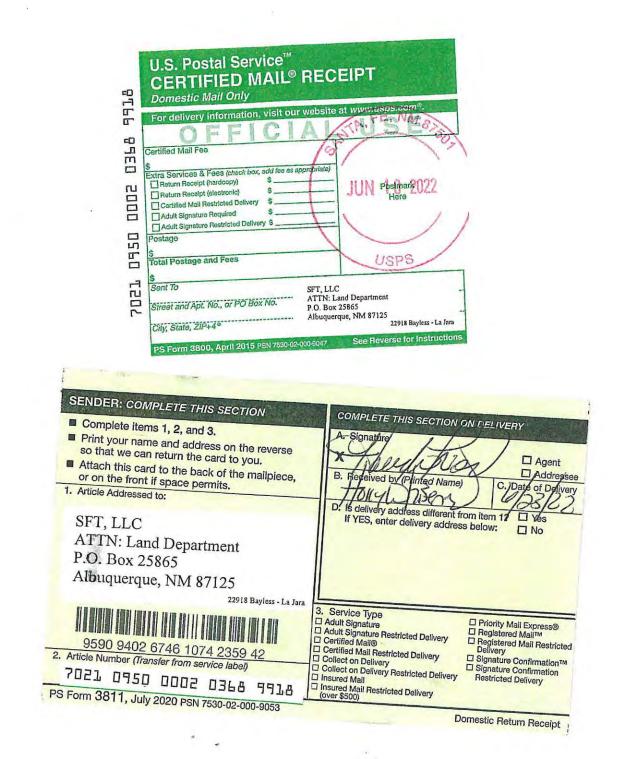




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Return Receipt (hardcopy)	\$
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Certified Mail Restricted Delivery	s N I U Alaté .
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Sent To	
Street and Apt. No., or PO Box No	Genevieve Rinerson
Street and Apt. No., of PO Box No	5400 Angel Place
City, State, ZIP+4*	Farmington, NM 87401 22918 Bayless - La

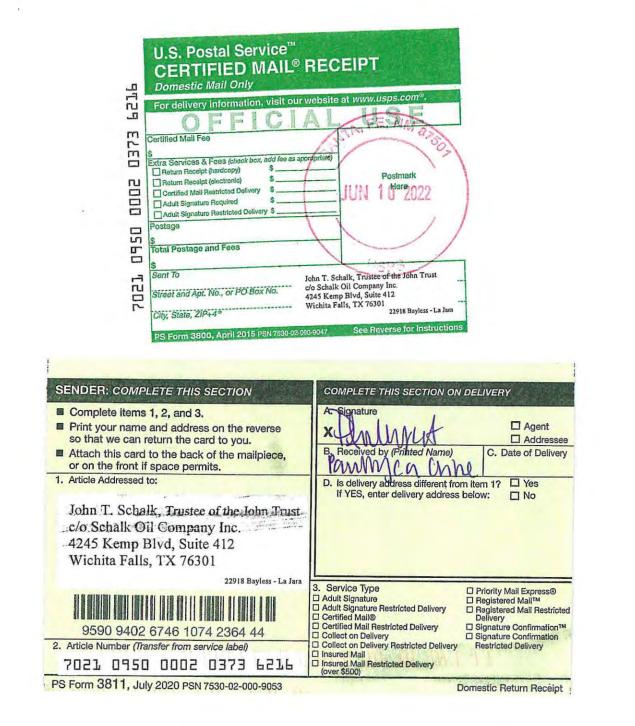


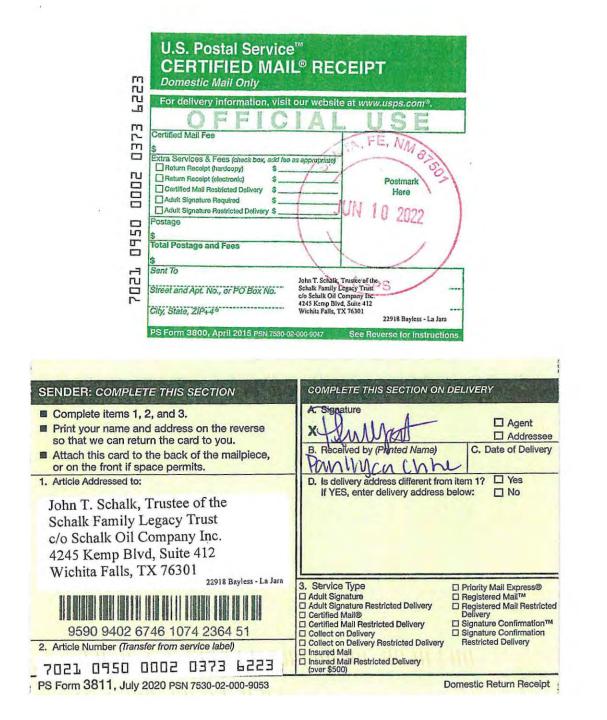


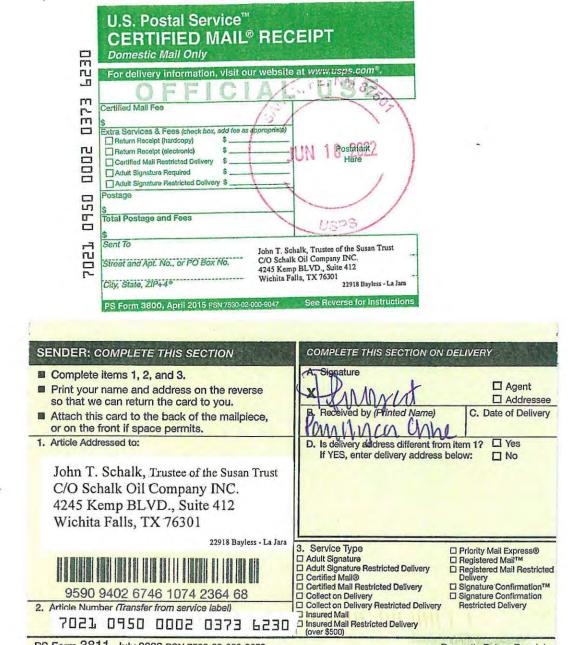




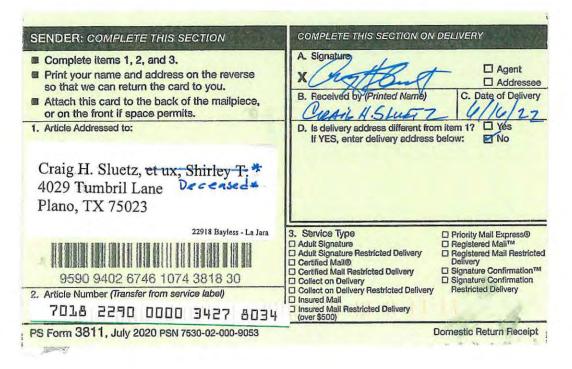








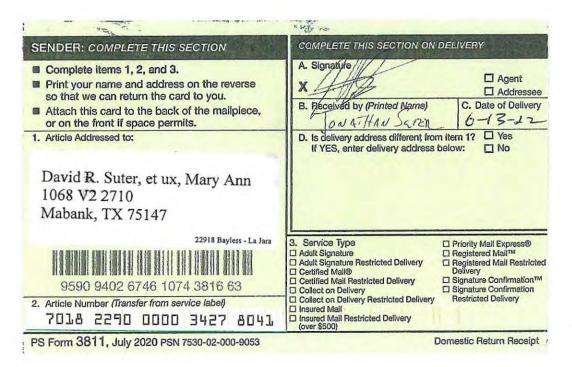


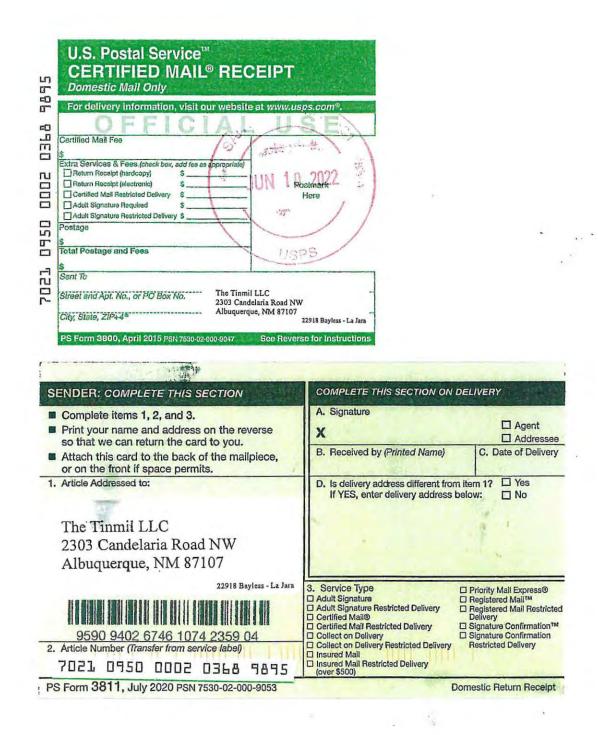




SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: Southland Royalty Co. LLC 400 West 7th Street Fort Worth, TX 76102-4701 	A. Signature X Agent B. Received by (Printed Name) C. Date of Deliver Address C. Date of Deliver Address Addres Address Address Addres Addres Address Address Ad
22918 Bayless - La Jara 9590 9402 6746 1074 2359 59 2. Article Number (Transfer from service label) 7021 0950 0002 0368 9901	Service Type Adult Signature Adult Signature estricted Delivery Certified Mail® Collect on Delivery Collect on Delivery Insured Mail Restricted Delivery Registered Mail Signature Confirmation Collect on Delivery Insured Mail

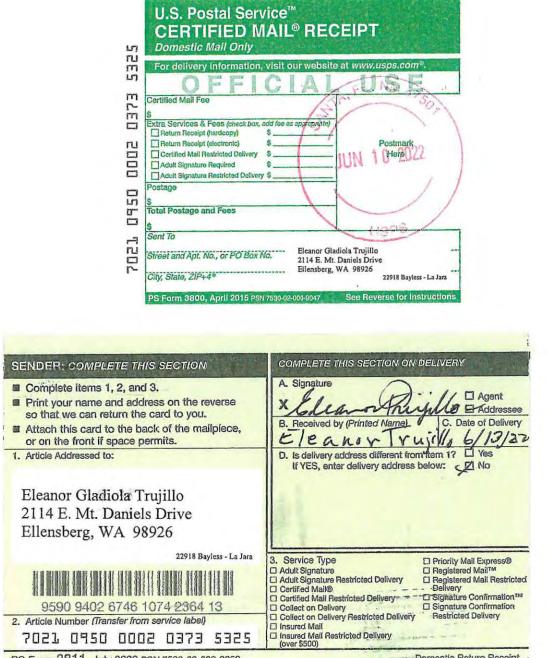


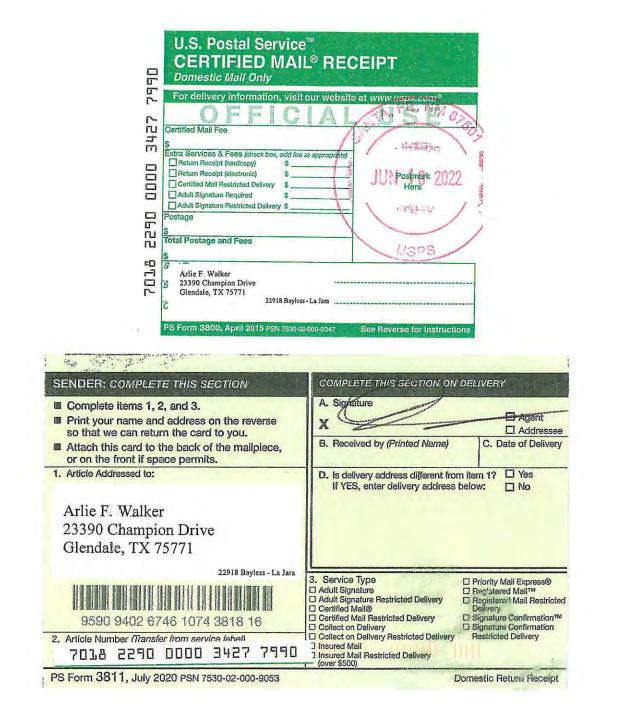


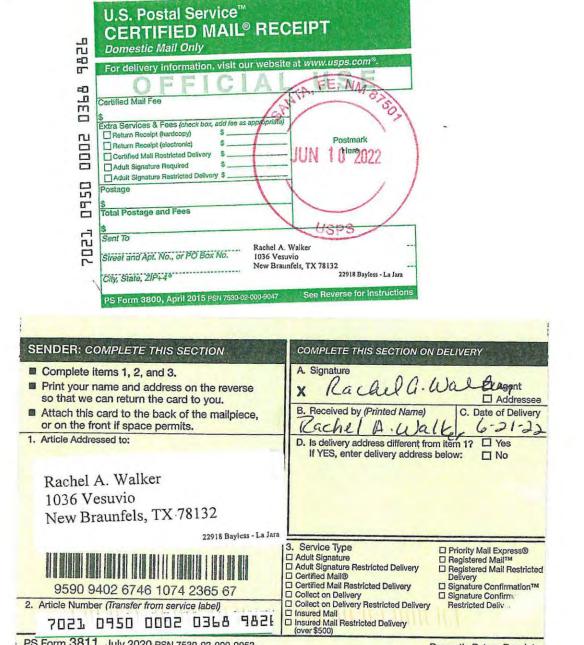




SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. 	A. Signature X B. Roteived by (Printed Name)	C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from If YES, enter delivery address	
Tinnin Family Properties X, LLC 2303 Candelaria Road NW Albuquerque, NM 87107		







PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt











HINKLE SHANOR LLP ATTORNEYS AT LAW POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504

.UL 01 2022

Hinkle Shanor LLP Janta Fe NM 87504 Received by OCD: 7/5/2022 10:42:42 AM



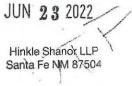


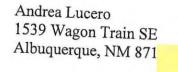
HINKLE SHANOR LLP ATTORNEYS AT LAW POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504











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NIXIE 871 RE 1 0006/22/22 RETURN TO SENDER ELIVERABLE AS ADDR UNABLE TO FORWARD NOT DE ADDRESSED

8C: 87504206868 *1755-08059-22-04

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Affidavit of Publication

State of New Mexico County of Rio Arriba

I, Richard L. Connor, being first duly sworn, declare and say I

am the Publisher of the *Rio Grande SUN*, a weekly newspaper published in the English language and having a general circulation in the County of Rio Arriba, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937. The publication, a copy of which is hereto attached, was published in said paper once each week for

_____consecutive weeks and on the same day of each week in the regular issue of the paper during the time of publication and the notice was published in the newspaper proper, and not in any supplement. The first publication being on the

day of

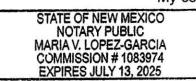
and the last publication on the _____ day of

<u>DUMC</u> <u>ZUZ</u>. Payment for said advertisement has been duly made, or assessed as court costs. The undersigned has personal knowledge of the matters and things set forth in this affidavit.

Publisher

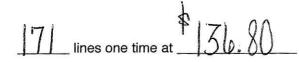
Subscribed and sworn to before me this day of n

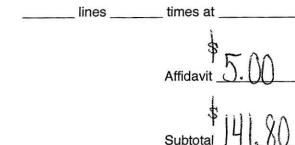
Maria V. Lopez Garcia /Notary Public My commission expires 13 July 2025

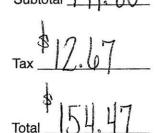


Publisher's Bill

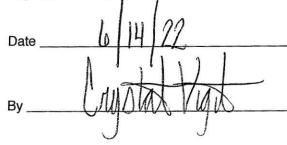
Exhibit D-3







Payment received at Rio Grande SUN



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PUBLIC NOTICE

This is to notify all inter-

ested parties, including;

Celene Barela; Manuel

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Received by OCD: 7/5/2022 10:42:42 AM cessors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Robert L. Bayless, Producer LLC (Case No. 22918). During the COV-ID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on July 7, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: http://www.emnrd.state.n m.us /OCD/hearings.html. 4 Applicant applies for an , order (1) revoking Order No. R-14686 ("Order") re- 7. garding the La Jara (Man-] cos) Unit ("Unit") to the extent the Order remains " in effect; and (2) approv- 1 ing the Unit as amended. The Order approved an) exploratory unit comprised of approximately 10,878.58 acres consisting of the following feder- I: al and fee lands located in . Township 29 North, Range 4 West in Rio Ar- 13 riba County: Sections 1 and 2, Sections 11-14, Sections 20-29, and Section 32. The Order defined the Unitized Interval as the top of the Mancos Shale Formation at a 1 measured depth of 6,824 feet to the stratigraphic equivalent of the base of the Mancos Shale Formation at a measured depth of 8,586 feet. Bayless did not develop the Unit as it was initially approved and now intends to develop the Unit and amend the Unit Area. The proposed Unit Area now consists of 4,160 acres, more or less, of the following federal lands situated in Rio Arriba County, New Mexico: TOWNSHIP 29 NORTH, RANGE 4 WEST, N.M.P.M. Section 22: All Section 23: All Section 24: All Section 25: All Section 26: All Section 27: All Section 28: E2 The proposed unitized interval includes all formations from the top of the Mancos Shale Formation at a measured depth of approximately 6,824' to the stratigraphic equival- o ent of the base of the Mancos Shale Formation at a measured depth of approximately 8,586.' The Unit Area is located approximately 50 miles East

Ferran; Roy G. Barton, Jr., Trustee of the Roy G. Barton, Sr. and Opai Barton Revocable Trust; Bayless Grandchildren LLC: **Bayless Grandchildren's** Trust; Carlos Lucero Jr & Andrea T Lucero Revocable Living Trust dtd 8/25/1998; Classical Gas & Oil, LLC; Dugan Production Corporation: Bradford Ferran; Christine Fletek; Geo-Exploration, Inc.; Gene Grubitz III Trust; Gypsum Springs LLC; Jacqueline M. Harrison, Trustee of Langdon D. Harrison Rev. Trust c/o Mike Eskew, CPA Squire & Woodward, PC; Heirs of M.A. Romero; Hilcorp Rio Ar-riba L.P.; Hilcorp Energy Company, Farmington, NM; Hilcorp Energy Com-pany, Houston, TX; Joan E. Hird; JABCO, LLP; Kerr-Mcgee Oil & Gas Onshore LP; Rodney Kiel, et ux, Gayla; Logos Resources II, LLC attn: Christopher J. Jeffus; Andrea Lucero; Melinda Archuleta Moon, Trustee of the Rose Archuleta-Trujillo Living Trust; Carroll D. Myer II; Devere C. Myer, Trustee; Gregory F. Myer; Nathan D. Myer; Nuevida Resources, LLC; Petroleum Resource Management Corp; Har-old Pool; R F Partners; Genevieve Rinerson; Rio Arriba Holdings LLC; Rio Arriba Limited Partnership; SFT, LLC; SFT, LLC; San Juan Basin Properties LLC; John T. Schalk, Trustee of the John Trust c/o Schalk Oil Company Inc.; John T. Schalk, Trustee of the Schalk Family Legacy Trust c/o Schalk Oil Company Inc.; John T. Schalk, Trustee of the Susan Trust c/o Schalk Oil Company Inc.; Craig H. Slvetz, et ux, Shirly T.; Southland Royalty Co. LLC; David R. Suter, et ux, Mary Ann; Tommy L. Sprinkle, et ux, Sharon C.; The Tinmil LLC; Tinnin Family Properties X, LLC; Eleanor Gladiola Trujillo; WPX Energy Production LLC; Arlie F. Walker; Karen F. Walker; Rachel A. Walker; David Williams, et ux, Marcia - Holley; Xan Williams,