

**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. _____

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. Bayless 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:

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,

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