

**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

PRE-HEARING STATEMENT

Robert L. Bayless, Producer LLC (“Bayless” or “Applicant”) (OGRID No. 150182) submits this pre-hearing statement in accordance with the rules of the Oil Conservation Division.

APPLICANT

Robert L. Bayless, Producer LLC

ATTORNEYS

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INTERESTED PARTIES

None.

ATTORNEYS

STATEMENT OF THE CASE

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

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

The unitized interval includes all formations from the top of the Mancos Shale Formation 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).

Bayless has met with the Bureau of Land Management and received preliminary approval of the Unit Agreement. Bayless owns 100% of the working interest in the Unit Area and is the

designated operator of the Unit under the proposed Unit Agreement. Approval of the Unit as amended is in the best interest of protecting correlative rights and preventing waste.

PROPOSED EVIDENCE

<u>Witness</u>	<u>Occupation</u>	<u>Estimated Time</u>	<u>Exhibits</u>
Cranford Newell	Landman	Affidavit	Approx. 4
George Coryell	Geologist	Affidavit	Approx. 10
John Thomas	Engineer	Affidavit	Approx. 2

PROCEDURAL MATTERS

Applicant will present its case by affidavit if there is no opposition to its application. However, Applicant’s witnesses will be available for questions.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 122045

QUESTIONS

Operator: ROBERT L BAYLESS PRODUCER LLC 621 17th Street, Suite 2300 Denver, CO 80293	OGRID: 150182
	Action Number: 122045
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>