

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

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

**CASE NO. 15, 946**

**APPLICANT'S PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Robert L. Bayless, Producer LLC ("Bayless")  
as required by 19.15.4.13.B NMAC.

**APPEARANCES**

**APPLICANT**

Robert L. Bayless, Producer LLC

**ATTORNEY**

Elizabeth A. Ryan  
Carson Ryan LLC  
P.O. Box 1612  
Roswell, NM 88202  
(575) 291-7606  
beth@carsonryan.com

**STATEMENT OF THE CASE**

Bayless seeks an order from the Division approving (1) its La Jara Mancos Unit; (2) approving utilizing existing pools for horizontal development within the unit area; and (3) allowing for 660 foot setbacks from the exterior of the proposed Unit with no internal setbacks for horizontal gas wells.

The proposed "Unit Area" for the La Jara Mancos Unit consists of 10,878.58 acres, more or less, of federal and fee lands situated in Rio Arriba County, New Mexico, specifically:

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

Section 1:	All
Section 2:	All
Section 11:	All
Section 12:	All
Section 13:	All
Section 14:	All
Section 20:	All
Section 21:	All
Section 22:	All
Section 23:	All
Section 24:	All
Section 25:	All
Section 26:	All
Section 27:	All
Section 28:	All
Section 29:	All
Section 32:	All

Once approved, Bayless will be 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"). 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) (the "Unitized Interval").

Upon instruction from the Division's Aztec District Office, rather than creation of a new pool, Applicant intends to use the existing Basin Mancos Pool (Code 97232) in conjunction and Campo Gallup Pool (Code 71599) with the statewide horizontal wells rules to set project areas

and request no offset requirements from project area's outer boundaries but rather only 660 foot setbacks from the unit boundary, with no internal setbacks.

#### **APPLICANT'S PROPOSED EVIDENCE**

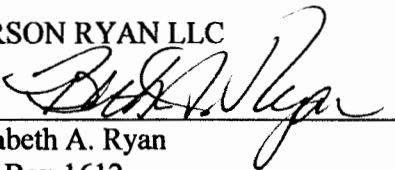
<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Cranford Newell, Land	Approximately 15 minutes	Approximately 7 Exhibits
John Thomas, Operations/Drilling	Approximately 15 minutes	Approximately 2 Exhibits
George Coryell, Geologist	Approximately 15 minutes	Approximately 11 Exhibits

#### **PROCEDURAL MATTERS**

After presenting evidence, Applicant will request this hearing be continued to the February 8, 2018 docket to account for a typographical error contained in the Division's notice of hearing which appeared online.

Respectfully submitted,

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*Attorneys for Robert L. Bayless, Producer LLC*