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

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

APPLICATION OF ROBERT L. BAYLESS, CASE NO. 15946 PRODUCER LLC FOR APPROVAL OF THE LA JARA MANCOS UNIT, CREATION OF A NEW POOL FOR HORIZONTAL DEVELOPMENT WITHIN THE UNIT AREA, AND FOR ALLOWANCE OF 660-FOOT SETBACKS FROM THE EXTERIOR OF THE PROPOSED UNIT, RIO ARRIBA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

February 8, 2018

Santa Fe, New Mexico

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

This matter came on for hearing before the New Mexico Oil Conservation Division, Phillip Goetze, Chief Examiner, and David K. Brooks, Legal Examiner, on Thursday, February 8, 2018, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

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

Page 2 1 APPEARANCES 2 FOR APPLICANT ROBERT L. BAYLESS, PRODUCER LLC: 3 ELIZABETH "BETH" A. RYAN, ESQ. CARSON RYAN, LLC 4 400 East College Boulevard, Suite C Roswell, New Mexico 88201 5 (575) 291-7606 beth@carsonryan.com б 7 8 INDEX 9 PAGE Case Number 15946 Called 3 10 11 The Applicant Requests This Case Be Taken Under Advisement 3 12 13 Proceedings Conclude 5 14 Certificate of Court Reporter б 15 16 EXHIBITS OFFERED AND ADMITTED 17 (No exhibits offered.) 18 19 20 21 22 23 24 25

Page 3 (8:31 a.m.) 1 2 EXAMINER GOETZE: Last item with regard to heard cases is Case Number 15946, application of Robert 3 L. Bayless, Producer LLC for approval of the La Jara 4 Mancos Unit, creation of a new pool for horizontal 5 б development within the unit area, and for allowance of 7 660-foot setbacks from the exterior of the proposed 8 unit, Rio Arriba County, New Mexico. 9 Call for appearances. 10 MS. RYAN: Yes. Elizabeth Ryan, with the 11 Carson Ryan Law Firm in Roswell, on behalf of the 12 Applicant, Robert L. Bayless, Producer. I don't believe there is anyone else here. 13 EXAMINER GOETZE: There was. The Jicarilla 14 were here. The Nation did present -- were present. 15 And 16 I believe in communication from Examiner Jones, he said at this time they did not provide any additional 17 submittal. 18 19 MS. RYAN: That's correct. They did not 20 provide a pre-hearing statement, and at this time, we'd ask this case be taken under advisement. 21 EXAMINER GOETZE: Do we have any notice 22 issue with this? 23 24 MS. RYAN: There was a typo in the 25 advisement on the OCD Web site. That was one of the

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Page 4 additional reasons it was continued until today. 1 The 2 legal description was not advertised correctly, and that was done. 3 4 EXAMINER GOETZE: Do we have a copy, or do 5 we have to look it up on our own? EXAMINER BROOKS: We don't have a copy 6 7 unless you've provided it. 8 MS. RYAN: In the previous exhibits at the 9 prior hearing, the advertisements were all in there and all sent. 10 11 EXAMINER BROOKS: So you've already 12 given -- you had already posted it. 13 MS. RYAN: The new advertisement happened prior to the last hearing. It's just the ten-day 14 window. It was like eight days, so --15 16 EXAMINER BROOKS: Okay. 17 MS. RYAN: Yeah. 18 EXAMINER BROOKS: I guess we can live with 19 that ten-day window. 20 EXAMINER GOETZE: It's our Web site. Okay. Very good. Then we'll go ahead and 21 take this case under advisement. 22 23 MS. RYAN: Thank you. 24 EXAMINER GOETZE: Case Number 15946 is 25 taken under advisement.

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1	With that cleared up, we will return to the
2	regular chronology in the docket.
3	(Case Number 15946 concludes, 8:33 a.m.)
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Page 6 1 STATE OF NEW MEXICO 2 COUNTY OF BERNALILLO 3 CERTIFICATE OF COURT REPORTER 4 5 I, MARY C. HANKINS, Certified Court Reporter, New Mexico Certified Court Reporter No. 20, 6 7 and Registered Professional Reporter, do hereby certify 8 that I reported the foregoing proceedings in 9 stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings that 10 were reduced to printed form by me to the best of my 11 12 ability. 13 I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects 14 the exhibits, if any, offered by the respective parties. 15 16 I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or 17 18 attorneys in this case and that I have no interest in 19 the final disposition of this case. 20 DATED THIS 1st day of March 2018. 21 22 MARY C. HANKINS, CCR, RPR 23 Certified Court Reporter New Mexico CCR No. 20 Date of CCR Expiration: 12/31/2018 24 Paul Baca Professional Court Reporters 25