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

APPLICATION OF SAN JUAN RESOURCES, INC. FOR APPROVAL OF THE MCSIMMS UNIT AND FOR ALLOWANCE OF 330 FOOT SETBACKS FROM THE BOUNDARY OF THE UNIT, RIO ARRIBA COUNTY, NEW MEXICO.

CASE NO. 16,035

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

INTERESTED PARTY

ATTORNEY

Robert L. Bayless, Producer LLC

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

Bayless' La Jara Unit borders the boundary of Applicant's proposed unit. Bayless protests Applicant's request for 330-foot setbacks from the outer boundary of the proposed unit and protests its request for exception to the Special Rules for the Basin Mancos Gas Pool (97232) adopted under Order R-12984 which instead sets 660-foot setbacks.

BAYLESS' PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
John Thomas, Production & Assets Manager	Approximately 20 minutes	Approximately 2 Exhibits
Cranford Newell, Land Manager	Approximately 10 minutes	Approximately 1 Exhibit

PROCEDURAL MATTERS

Not at this time.

Respectfully submitted,

CARSON RYAN LLC

Elizabeth A. Ryan

P.O. Box 1612 Roswell, NM 88202

575-291-7606

beth@carsonryan.com

Attorneys for Robert L. Bayless, Producer LLC