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February 28, 2017

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Rockcliff Operating New Mexico LLC, is an application for special pool rules, *etc.*, together with a proposed advertisement. Please set the application for the March 30, 2017 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Rockcliff Operating New Mexico LLC

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Case 15657

Parties Being Notified

-No persons are being notified-

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ROCKCLIFF OPERATING
NEW MEXICO LLC FOR POOL EXPANSION
AND SPECIAL RULES AND REGULATIONS
FOR THE WEST MILNESAND-SAN ANDRES
POOL, ROOSEVELT COUNTY, NEW MEXICO.

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Case No. 15657

APPLICATION

Rockcliff Operating New Mexico LLC applies for an order instituting special rules and regulations for the West Milnesand-San Andres Pool (the "Pool"), and expanding the horizontal extent of the Pool, and in support thereof, states:

1. Applicant is an operator in the Pool.
2. The Pool was created by Division Order No. R-2507, and currently includes the

following acreage in Roosevelt County, New Mexico:

Township 8 South, Range 34 East, N.M.P.M.

Section 17: SE/4

Section 20: NE/4

Section 21: W/2

The Pool is governed by the Division's statewide rules for oil pools, with 40 acre well units and wells to be located no closer than 330 feet to a quarter-quarter section line.

3. The initial well completed in the Pool had a top perforation of 4554 feet subsurface. Therefore, the Pool has a depth bracket allowable of 80 barrels of oil per day for a standard 40 acre oil spacing and proration unit. **NMAC 19.15.20.12.**

4. Applicant is the operator of the Annapurna 20 Well No. 1H (API No. 30-041-20969), a horizontal well with a well unit comprised of the E/2E/2 of Section 20, Township 8 South, Range 34 East, N.M.P.M. (the "Well"). The Well has been placed in the Pool by the Division.

5. The Well has been drilled and completed, and is currently producing. Based on the producing characteristics of wells completed in the San Andres formation, applicant expects the Well will soon be capable of producing above the Pool's oil allowable.

6. Applicant intends to drill and complete additional horizontal wells in the Pool, or within one mile thereof. Applicant expects that such wells will also produce in excess of the current allowable.

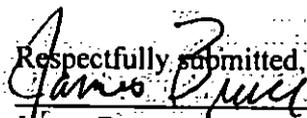
7. Applicant requests that special rules and regulations for the Pool be established for the Pool, providing for:

- (a) a special depth bracket allowable of 160 barrels of oil per day for a standard 40 acre oil well unit;
- (b) all other rules to be in conformance with statewide rules; and
- (c) the special rules and regulations for the Pool be made effective retroactive to the date of first production from the Well.

8. Applicant further requests that the Pool be expanded to include the SE/4 of Section 20.

9. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division grant the relief requested above.

Respectfully submitted,

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Rockcliff Operating New Mexico LLC

PROPOSED ADVERTISEMENT

Case No. 15657:

Application of Rockcliff Operating New Mexico LLC for pool expansion and special rules and regulations for the West Milnesand-San Andres Pool, Roosevelt County, New Mexico. Applicant seeks an order instituting special rules and regulations for the West Milnesand-San Andres Pool, including a special depth bracket allowable of 160 barrels of oil per day for a standard 40 acre oil spacing and proration unit. The West Milnesand-San Andres Pool currently includes the SE/4 of Section 17, the NE/4 of Section 20, and the W/2 of Section 21, Township 8 South, Range 34 East, NMPM. Applicant requests that the special rules and regulations be made effective retroactive to the date of first production from the Annapurna 20 Well No. 1H (API No. 30-041-20969), a horizontal well with a well unit comprised of the E/2E/2 of Section 20, Township 8 South, Range 34 East, NMPM. Applicant further requests that the horizontal limits of the pool be expanded to include the SE/4 of Section 20. The West Milnesand-San Andres Pool is centered approximately 3 miles southwest of Milnesand, New Mexico.

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