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October 4, 2016

VIA HAND DELIVERY

Florene Davidson
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Rockcliff Operating New Mexico LLC Application

Dear Florene:

Enclosed please find: (i) for filing, the original and one (1) copy of an application by Rockcliff Operating New Mexico LLC ("Rockcliff") for approval of its Button Mesa San Andres State Exploratory Unit; and (ii) a proposed hearing notice. I will email the proposed hearing notice to you in Word format.

As stated in the application, Rockcliff requests that the application be placed on the Division's November 17, 2016 hearing docket.

Thank you for your assistance.

Very truly yours,

Gary W. Larson

GWL:rc
Enclosures

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

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**APPLICATION OF ROCKCLIFF OPERATING
NEW MEXICO LLC FOR APPROVAL OF THE
BUTTON MESA SAN ANDRES STATE
EXPLORATORY UNIT, CHAVES AND LEA
COUNTIES, NEW MEXICO.**

Case No. 15587

APPLICATION

Pursuant to 19.15.20.14 NMAC, Rockcliff Operating New Mexico LLC ("Rockcliff") applies for an order approving its Button Mesa San Andres State Exploratory Unit ("the Unit"). In support of its application, Rockcliff states:

1. The proposed Unit Area for the Unit consists of approximately 9,602.72 acres, more or less, of State of New Mexico lands situated in Chaves and Lea Counties, described as follows:

Township 8 South, Range 32 East, N.M.P.M., Chaves County

Section 14: ALL
Section 15: ALL
Section 21: E½
Section 22: ALL
Section 23: ALL
Section 26: ALL
Section 27: ALL
Section 28: ALL
Section 29: E½
Section 32: ALL
Section 33: ALL
Section 34: ALL
Section 35: ALL

Township 9 South, Range 32 East, N.M.P.M., Lea County

Section 3: ALL

Section 4: ALL

Section 9: N½

Section 10: N½

2. Rockcliff (OGRID No. 371115) is the designated operator under the Unit Agreement.

3. The unitized interval is the San Andres formation, defined as the stratigraphic equivalent of the interval between 3,397 feet to 4,807 feet, as depicted on the Spectral Density-Dual Spaced Neutron log dated June 3, 1995, for the Apache Corp. State 28-1 well (API No. 30-005-21136) located in Section 28, Township 8 South, Range 32 East, N.M.P.M., Chaves County.

4. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

5. Rockcliff is designated as the Unit Operator in the Unit Agreement. All oil and gas in the San Andres formation are unitized.

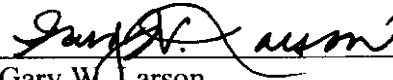
6. The entire Unit Area will be developed and operated as a single participating area. Rockcliff has received preliminary approval of the Unit Agreement from the Commissioner of Public Lands.

7. Approval of this application will serve the interests of conservation, prevention of waste and protection of correlative rights.

WHEREFORE, Rockcliff requests that (i) this application be set for hearing on November 17, 2016 and (ii) after notice and hearing, the Division enter an order granting this application.

Respectfully submitted,

HINKLE SHANOR LLP

A handwritten signature in black ink, appearing to read "Gary W. Larson", is written over a horizontal line.

Gary W. Larson

Jared A. Hembree

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Attorneys for Rockcliff Operating New Mexico LLC

Case No. 15587: Application of Rockcliff Operating New Mexico LLC for Approval of the Button Mesa San Andres State Exploratory Unit, Chaves and Lea Counties, New Mexico. Applicant seeks approval of its Button Mesa San Andres State Exploratory Unit, which consists of approximately 9,602.72 acres, more or less, of State of New Mexico lands situated in all or parts of Sections 14, 15, 21, 22, 23, 26, 27, 28, 29, 32, 33, 34, and 35 of Township 8 South, Range 32 East, N.M.P.M., in Chaves County and Sections 3, 4, 9, and 10 of Township 9 South, Range 32 East, N.M.P.M. in Lea County. The unitized interval is the San Andres formation, defined as the stratigraphic equivalent of the interval between 3,397 feet to 4,807 feet as depicted on the Spectral Density-Dual Spaced Neutron log dated June 3, 1995, for the Apache Corp. State 28-1 well (API No. 30-005-21136) located in Section 28, Township 8 South, Range 32 East, N.M.P.M., Chaves County. The unit acreage is located approximately 12 miles north-northeast of Caprock, New Mexico.

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NEW MEXICO
DEPARTMENT OF
NATURAL RESOURCES