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SEP 25 P 2:06

September 25, 2013

Ms. Jami Bailey, Director  
NM Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87501

**Hand-Delivered**

**Re: NMOCD Case No. 15055 : Application of Sundown Energy LP for  
Unit Approval, Lea County, New Mexico**

Dear Ms. Bailey:

On behalf of Sundown Energy LP, enclosed is an original and one copy of an Application in the above-referenced case. Please set this matter for hearing on the October 31, 2013 examiner docket. Also enclosed is a proposed advertisement for the case.

Very truly yours,

J. Scott Hall

JSH:lb  
Enclosures

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**REPLY TO:**

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Case 15055 : *Application of Sundown Energy LP for Unit Approval, Lea County, New Mexico.* Applicant seeks an order pursuant to 19.15.20.14 NMAC approving its Reeves-Queen Waterflood Unit, the Unit Area of which is comprised of 520 acres  $\pm$  of State of New Mexico lands located in Lea County, New Mexico described as follows:

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Township 18 South, Range 35 East, NMPM

- Section 21: SE/4 SE/4
- Section 22: SW/4
- Section 27: NW/4
- Section 28: NE/4

The Unitized Formation for the Reeves-Queen Waterflood Unit is the Queen formation 100' above and 100' below the correlative interval as found in the Reeves State 21 (API #30-025-30514) Compensated Neutron-Litho Density Log from 4,430' – 4,490'. The Unit and lands are located approximately ten miles west of Hobbs, New Mexico.

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

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IN THE MATTER OF THE APPLICATION OF  
SUNDOWN ENERGY LP FOR UNIT  
APPROVAL, LEA COUNTY, NEW MEXICO.

CASE NO. 15055

**APPLICATION**

Sundown Energy LP, ("Sundown" or "Applicant"), through its undersigned counsel, Montgomery and Andrews, P.A. (J. Scott Hall, Esq.), applies pursuant to 19.15.20.14 NMAC for an order approving its Reeves-Queen Waterflood Unit. In support of its Application, Sundown states:

1. The Unit Area of the Reeves-Queen Waterflood Unit is comprised of 520 acres  $\pm$  of State of New Mexico lands located in Lea County, New Mexico and described as follows:

Township 18 South, Range 35 East, NMPM

Section 21: SE/4 SE/4  
Section 22: SW/4  
Section 27: NW/4  
Section 28: NE/4

2. Under the Unit Agreement, the Unitized Formation is described as the Queen formation 100' above and 100' below the correlative interval as found in the Reeves State 21 (API #30-025-30514) Compensated Neutron-Litho Density Log from 4,430' – 4,490'.

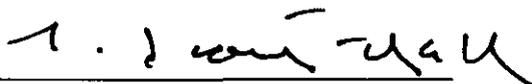
3. Applicant is the designated operator under the Unit Agreement. The Unit Agreement has been approved by a sufficient percentage of the interest owners within

the proposed Unit Area to provide effective control of unit operations. The Commissioner of Public Lands has issued preliminary approval of the Unit Agreement.

4. Unitized operations of the Unit Area are in the interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on October 31, 2013 and that after notice and hearing as required by law, the Division enter its Order approving the Reeves-Queen Waterflood Unit.

Montgomery and Andrews, P.A.

By:   
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Attorneys for Sundown Energy LP

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