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

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

Case No. 15055

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STATE OF NEW MEXICO	(-
COUNTY OF SANTA FE	/	SS

J. SCOTT HALL, attorney and authorized representative of Sundown Energy LP, the Applicant in NMOCD Case No. 15055, being first duly sworn, upon oath states that he sent copies of this Application to the parties as specified on the attached Exhibit A.

J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 24th day of October, 2013.

Loretta Baca
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires:

Notary Public

My Commission Expires:

510609

graph distribution

EXHIBIT A

ZPZ Delaware I, LLC c/o Apache Coroporation 303 Veterans Airpark Ln., Ste 3000 Midland, TX 79705 Bopco, LP 201 Main Street, Ste 2700 Fort Worth, TX 76102

Oscura Resources P.O. Box 2292 Roswell, NM 88202-2292 PGP Holdings 1, LLC Attn: A.J. Ferraro 104 Town Park Dr. Kennesaw, GA 30144

Commissioner of Public Lands P.O. Box 1148 Santa Fe, NM 87504 Crown Partners IV, LP c/o B.C. Operating P.O. Box 50820 Midland, TX 79710

Exxon Mobil Corporation P.O. Box 4358 Houston, TX 77210-4358

Branex Resources, Inc. P.O. Box 2990 Ruidoso, NM 88355-2990

Featherstone Development Corp. P.O. Box 429
Roswell, New Mexico 88202

T.H. McElvain Oil & Gas LLP 1050 17th Street, Suite 2500 Denver, CO 80265

Paladin Energy Corporation 10290 Monroe Drive, suite 301 Dallas, TX 75229

Oxy USA, Inc. P.O. Box 4294 Houston, TX 77210



J. SCOTT HALL

Office: (505) 986-2646
Email: shall@montand.com
Reply To: Santa Fe Office

www.montand.com

October 10, 2013

Exxon Mobil Corporation P.O. Box 4358 Houston, TX 77210-4358

Via Certified Mail Return Receipt Requested

Re: NMOCD Case No. 15055: Application of Sundown Energy LP for Unit Approval,

Lea County, New Mexico

Dear Sir or Madam:

This is to advise that Sundown Energy LP has filed an application with the New Mexico Oil Conservation Division for approval of its Reeves-Queen Waterflood Unit, the Unit Area of which is comprised of 520 acres ± of State of New Mexico lands located in Lea County, New Mexico 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

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.

This Application will be set for hearing before a Division Examiner on October 31, 2013, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

REPLY TO:

325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE, Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210 Albuquerque, New Mexico 87176-6210 Exxon Mobil Corporation October 10, 2013 Page 2

Very truly yours,

MONTGOMERY & ANDREWS, P.A.

7. I won dall

J. Scott Hall

Attorneys for Sundown Energy LP

Enclosures

cc: w/o Kyle Paxton, Sundown Energy LP

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