

Submit One Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
March 18, 2009

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-37552																
1. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other P&A		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>																
2. Name of Operator SUNDOWN ENERGY LP		6. State Oil & Gas Lease No. 301207																
3. Address of Operator 13455 NOEL RD., STE 2000 DALLAS, TX 75240		7. Lease Name or Unit Agreement Name FOSTER																
4. Well Location Unit Letter <u>B</u> : <u>910</u> feet from the <u>NORTH</u> line and <u>1650</u> feet from the <u>EAST</u> line Section <u>6</u> Township <u>19S</u> Range <u>39E</u> NMPM <u> </u> County <u>LEA</u> ✓		8. Well Number 2																
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 232611																
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data																		
<table border="0"><tr><td>PERFORM E-PERMITTING</td><td>P&A NR <u>PK</u></td><td>REMEDIAL WORK <input type="checkbox"/></td><td>ALTERING CASING <input type="checkbox"/></td></tr><tr><td>TEMPORAR P&A NR</td><td>INT to P&A <input type="checkbox"/></td><td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td><td>P AND A <input type="checkbox"/></td></tr><tr><td>PULL OR AL CSNG</td><td>CHG Loc <input type="checkbox"/></td><td>CASING/CEMENT JOB <input type="checkbox"/></td><td></td></tr><tr><td>OTHER: TA <input type="checkbox"/></td><td></td><td colspan="2"><input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A</td></tr></table>			PERFORM E-PERMITTING	P&A NR <u>PK</u>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>	TEMPORAR P&A NR	INT to P&A <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>	PULL OR AL CSNG	CHG Loc <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>		OTHER: TA <input type="checkbox"/>		<input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A	
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OTHER: TA <input type="checkbox"/>		<input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A																
<input checked="" type="checkbox"/> All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.																		
<input checked="" type="checkbox"/> Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.																		
<input checked="" type="checkbox"/> A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the																		

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- ☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- ☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- ☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- ☒ All other environmental concerns have been addressed as per OCD rules.
- ☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Belinda Bradley TITLE Admin. Asst. DATE 6/25/2014

TYPE OR PRINT NAME BELINDA BRADLEY E-MAIL: bbradley@sundownenergy.com PHONE: 432-943-8770
For State Use Only

APPROVED BY: Mahli Wintan TITLE Compliance Officer DATE 07/01/2014
Conditions of Approval (if any):

JUL 02 2014



HOBBS OCD

JUN 30 2014

RECEIVED

6/25/2014

State of New Mexico
Oil Conservation District
1625 N. French Drive
Hobbs, NM 88240

RE: Inspection Violation
Inspection No. iSAD1416335326
B-6-19S-39E
API # 30-025--37552

Attn: Sylvia Dickey

Dear Ms. Dickey,

This letter is in response to the violation of equipment left on a plugged well location. Sundown Energy purchased the land on December 23, 2005 from the land owners. As the current land owner, we are in agreement with the land being used as storage facility and the equipment being left on location. Also, the power pole needs to remain because we may have future need for the power. The equipment currently stored on the location came from other facilities, not the Foster #2. Items on location are listed below.

2 - 500 bbl tanks
1 - 4' X 20' heater treater
1- 320 pumping unit with gas engine
Misc. scrap metal
Power supply pole

I'm attaching a copy of the warranty deed for the land and a C-103 stating we have cut off the dry hole marker on location to the specs required by the state. That work was done June 18, 2014.

Sincerely,

A handwritten signature in black ink that reads "Jimmy Lewis". The signature is stylized with a large, flowing "J" and "L".

Jimmy Lewis
Production Superintendent
Sundown Energy LP
432-943-8770

Attachments
JL/bb

16339

HOBBS OCD
JUN 30 2014

WARRANTY DEED

RECEIVED

STATE OF NEW MEXICO

§

KNOW ALL MEN BY THESE PRESENTS:

§

COUNTY OF LEA

§

That, **J. V. Selman and Burline A. Selman, Trustees of the Selman Family Trust u/a dated January 23, 1990**, whose address is 2406 Hawthorne, Amarillo, Texas 79109 ("Grantor") for and in consideration of the the sum of Ten Dollars (\$10.00) to us in hand paid by **Sundown Energy, LP**, whose address is 13455 Noel Rd., Suite 2000, Dallas, Texas 75240 ("Grantee"), the receipt and sufficiency of which is hereby acknowledged, have Granted, Sold and Conveyed, and by these presents do Grant, Convey and Assign unto Sundown Energy, LP, whose address is 13455 Noel Rd., Suite 2000, Dallas, Texas 75240, the following described real estate in Lea County, New Mexico:

A tract of land out of the Northeast quarter (NE/4) of Section 6, Township 19 South, Range 39 East, Lea County, New Mexico;

BEGINNING at a point in the West boundary line of the Northeast quarter (NE/4) of Section 6, 680 feet South of the Northwest corner of the Northeast quarter

THENCE: S 89° 48' E, 1320.93 feet;

THENCE: S 00° 22' 54" W, 642.98 feet.

THENCE: N 89° 50' 58" W, 1320.80 feet;

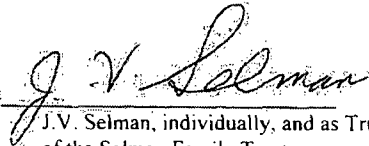
THENCE: N 00° 22' 10" E, 644.12 feet, to place of Beginning,
Containing 19.52 acres, more or less.

TO HAVE AND TO HOLD the above described premises, Grantor does hereby WARRANT AND FOREVER DEFEND the premises unto Grantee its heirs and assigns against every person whomsoever lawfully claiming the same.

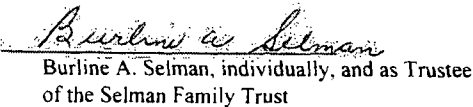
WITNESS my hand on this the 30 day of December, 2005.

Grantor:

By:


J.V. Selman, individually, and as Trustee
of the Selman Family Trust

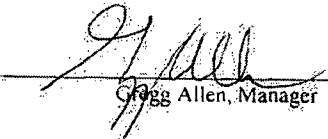
By:


Burline A. Selman, individually, and as Trustee
of the Selman Family Trust

Grantee:

Sundown Energy, LP, through its
General Partner, Sundown General, LLC:

By:


Gregg Allen, Manager

STATE OF TEXAS

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COUNTY OF POTTER

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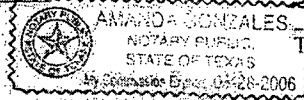
This instrument was acknowledged before me on this 23rd day of December, 2005,
by J.V. Selman, individually, and as Trustee for the Selman Family Trust.

My Commission expires:

5/28/2006

Amanda Gonzales
Notary Public, in and for the
State of Texas

Amanda Gonzales
Typed or printed name of notary



STATE OF TEXAS

§

COUNTY OF POTTER

§
§

This instrument was acknowledged before me on this 23rd day of December, 2005,
by Burline A. Selman, individually, and as Trustee for the Selman Family Trust.

My Commission expires:

5/28/2006

Amanda Gonzales
Notary Public, in and for the
State of Texas

Amanda Gonzales
Typed or printed name of notary



STATE OF TEXAS

§

COUNTY OF DALLAS

§
§

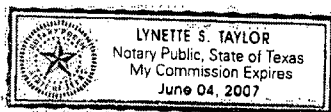
This instrument was acknowledged before me on this 29th day of December, 2005,
by Gregg Allen, Manager of Sundown General, LLC, the General Partner for Sundown Energy, LP,
a Texas limited partnership.

My Commission expires:

June 4, 2007

Lynette S. Taylor
Notary Public, in and for the
State of Texas

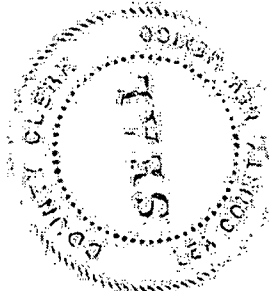
Lynette S. Taylor
Typed or printed name of notary



STATE OF NEW MEXICO
COUNTY OF LEA
FILED

JAN 9 2006

at 11:35 o'clock
and recorded in Book 1419 M
Page 454
Melinda Hughes, Lea County Clerk
By Keith Manna Deputy



16339