

Submit 3 Copies 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

Form C-103
May 27, 2004

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

WELL API NO. 30-025-29526
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-1582
7. Lease Name or Unit Agreement Name ARCO 28 STATE Reeves Queen Unit
8. Well Number 2
9. OGRID Number 232611
10. Pool name or Wildcat REEVES (QUEEN)

SUNDY 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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other Inj ☐

HOBBS OCD

2. Name of Operator
SUNDOWN ENERGY LP

MAY 28 2015

3. Address of Operator
13455 NOEL RD, STE. 2000, DALLAS, TX 75240

4. Well Location

Unit Letter B : 330 feet from the NORTH line and 1650 feet from the EAST line

Section 28 Township 18S Range 35E NMPM County LEA

RECEIVED

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3913.8' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice. Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

R
C
C
O

PROVIDE S.R.T. RESULTS
TO SANTA FE OCD FOR
APPROVAL

OTHER ☒ Step Rate Test

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Shut in injection well for at least 48 hrs prior to conducting Step Rate test to properly measure the formation parting pressure in the zone of interest. Following 48 hrs of shut in time run the down hole pressure gauge to digitally record bottom hole pressures during the Step Rate test. Once the bottom hole pressure gauge has been properly run begin injecting down the tubing at 5% of the proposed maximum daily injection rate and hold for 30 minutes and allow pressure to stabilize. After 30 minutes increase injection rate to 10% of the maximum daily injection rate and hold for another 30 minutes and then repeat this process for the following injection rates, 20%, 40%, 60%, 80% and 100% of the maximum daily injection rate. Following the completion of the 7 Step Rate test shut in the line valve, note the ISIP and allow pressure to bleed-off into the zone of interest. Then plot the injection rate vs the injection pressure to determine the formation parting pressure for the zone of interest. This parting pressure should serve as the maximum injection pressure for the well that will avoid fracturing the zone of interest.

Note: This well will be known as the Reeves-Queen Waterflood Unit #2 (Order # R-13785, Case # 15048)

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Belinda Bradley TITLE ADMIN. ASST. DATE 5/22/2015

Type or print name BELINDA BRADLEY E-mail address: bbradley@sundownenergy.com Telephone No. 432-943-8770

For State Use Only

APPROVED BY: _____

Accepted for Record Only

DATE 5/28/2015

Conditions of Approval (if any): _____

Mary Brown

MAY 28 2015

m