STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: ___X___ Secondary Recovery _____ Pressure Maintenance _____ Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes ___X___ No

II. OPERATOR: Sundown Energy, LP (OGRID-232611)

ADDRESS: 13455 Noel Road, Suite 2000 Dallas, Texas 75240

CONTACT PARTY: Ross Pearson PHONE: (214) 368-6100

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes ___X___ No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Ross Pearson TITLE: Area Production Manager

SIGNATURE: Ross Pearson DATE: 2/16/13

E-MAIL ADDRESS: rpearson@sundownenergy.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

C-108 Application
Sundown Energy, LP

Arco 28 State Well No. 1
API No. 30-025-29340
660' FNL & 660' FEL (Unit A)

Arco 28 State No. 2
API No. 30-025-29526
330' FNL & 1650' FEL (Unit B)

Both in Section 28, T-18S, R-35E, NMPM
Lea County, New Mexico

I. The purpose of the application is to request approval to re-enter the plugged and abandoned Arco 28 State Wells No. 1 & 2 and convert these wells to Queen water injection wells within the proposed Reeves Queen Unit Waterflood Project which will initially comprise the SE/4 SE/4 of Section 21, SW/4 of Section 22, NW/4 of Section 27 and the NE/4 of Section 28, all in Township 18 South, Range 35 East, NMPM, Lea County, New Mexico.

II. Sundown Energy, LP ("Sundown")
13455 Noel Road
Suite 2000
Dallas, Texas 75240
Contact Party: Ross Pearson (214) 368-6100

III. Injection well data sheets and wellbore schematic diagrams showing the current and proposed wellbore configurations are attached.

IV. This is not an expansion of an existing project.

V. Attached is a map that identifies all wells/leases within a 2-mile radius of the proposed injection wells and a map that identifies the ½ mile "Area of Review" ("AOR") for both injection wells.

VI. AOR well data is attached. Well construction data is included for all existing wells within the AOR. Also included are wellbore diagrams for each PA'd well within the AOR. An examination of the well completion and plugging data indicates that all AOR wells are adequately cased, cemented and/or plugged and abandoned in order to preclude the movement of fluid from the injection zone into any fresh water aquifers.

VII. 1. The average injection rate is anticipated to be approximately 500 BWPD. The maximum rate will be approximately 1,000 BWPD. If the average or maximum rates increase in the future, the Division will be notified.

2. This will be a closed system.

3. Sundown will initially inject water into the subject wells at a surface pressure that is in compliance with the Division's limit of 0.2 psi/ft., or approximately 894 psi. The maximum surface injection pressure is anticipated to be approximately 2,200 psi. If a surface injection pressure above 894 psi is necessary, Sundown will conduct step rate injection tests to determine the fracture pressure of the Queen formation in this area.

4. Produced water from the Devonian and Queen formations will be injected into the subject wells. Attached is a Devonian produced water analysis from Paladin Energy Corporation's South Vacuum Well No. 5 and a Queen produced water analysis from Sundown's Lea 403 State Well No. 2. Also attached is a compatibility test indicating that slight scaling may result from combining Devonian and Queen produced water.

5. Injection is to occur into a formation that is oil productive.

VIII.

Geologic Series:	Guadalupian
Geologic Formation:	Queen
Thickness:	16 Feet
Lithology:	Sandstone
USDW's:	Ogallala is present at a maximum depth of approximately 156 feet according to attached data obtained from the New Mexico State Engineer's Office. The average depth to water in this area is approximately 73-76 feet.

IX. No stimulation of the wells is planned

X. Logs were filed at the time of drilling.

XI. Attached is a fresh water analysis obtained from a fresh water well located within one-mile of the proposed injection wells.

XII. Affirmative statement is enclosed.

XIII. Proof of Notice is enclosed.

INJECTION WELL DATA SHEET

OPERATOR: Sundown Energy, LP

WELL NAME & NUMBER: Arco 28 State No. 1 **(API No. 30-025-29340)**

WELL LOCATION:	660' FNL & 660' FEL	A	28	18 South	35 East
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 ½" Casing Size: 13 3/8" @ 490'

Cemented with: 475 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 11" Casing Size: 8 5/8" @ 3,910'

Cemented with: 1700 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: 7 7/8" Casing Size: 4 ½" @ 4,652'

Cement with: 480 Sx. or _____ ft^3

Top of Cement: 1,750' Method Determined: T.S.

Total Depth: 10,300' PBTD: 4,652'

Injection Interval

Perforated Interval –4,472'-4,488'

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" 4.7# J-55 Lining Material: Internally Plastic Coated

Type of Packer: Baker AD-1 Injection Packer

Packer Setting Depth: 4,422' or within 100' of the uppermost injection perforations

Other Type of Tubing/Casing Seal (if applicable): None

Additional Data

1. Is this a new well drilled for injection: ____Yes ____X____No

   If no, for what purpose was the well originally drilled: Well was drilled in 1985 to test deep formations, and was subsequently completed as a producing well in the Queen interval.

2. Name of the Injection Formation: Queen

3. Name of Field or Pool (if applicable): Reeves-Queen Pool (Oil-52070)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

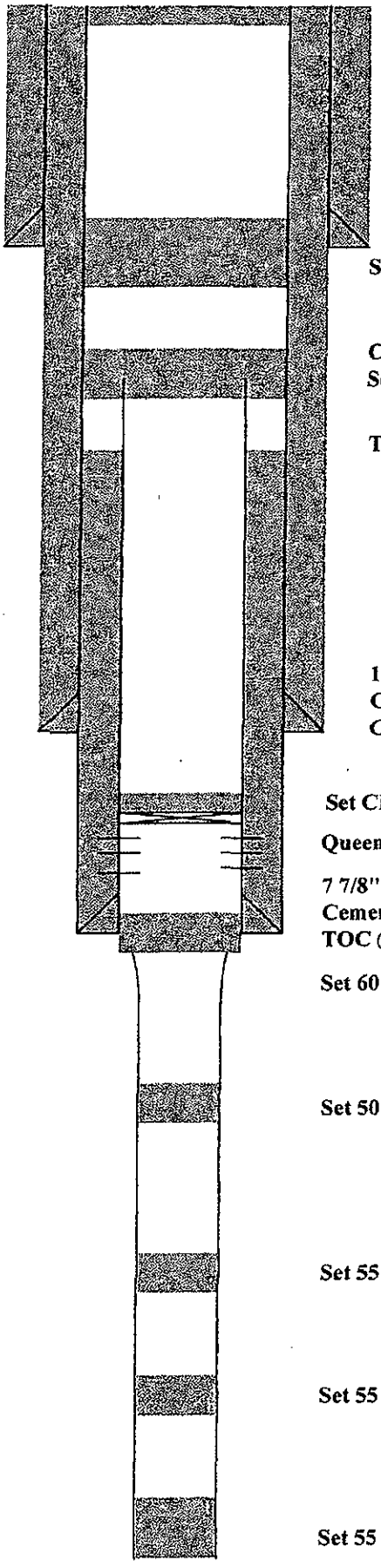
   None

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

   Within the proposed waterflood project area in Sections 22 & 27, T-18S, R-35E: South Vacuum-Bone Spring Pool (8,000'-9,000'); South Vacuum-Devonian (11,000'-12,000'); South Vacuum-McKee (Gas) Pool (13,000'-14,000')

Current Wellbore Configuration

Sundown Energy, LP
Arco 28 State No. 1
API No. 30-025-29340
660' FNL & 660' FEL (Unit A)
Section 28, T-18 South, R-35 East, NMPM



10 Sx. surface

17 ½" Hole; Set 13 3/8" J-55 Csg @ 490'
Cemented w/475 Sx.
Cement circulated to surface

Set 40 sx. cement plug 341'-525'

Drilled: 7/1985
Plugged: 5/1997

Cut & pulled 4 ½" casing @ 1,375'
Set 25 sx. cement stub plug 1,290'-1,425'

TOC @ 1,750' by T.S.

11" Hole; Set 8 5/8" K-55 csg @ 3,910'
Cemented w/1700 sx.
Cement circulated to surface

Set CIBP @ 4,400' w/25 sx. cement on top

Queen Perforations: 4,472'-4,488'

7 7/8" Hole; Set 4 ½" K-55 csg @ 4,652'
Cemented w/480 sx.
TOC @ 1,750 by T.S.

Set 60 Sx. cement plug @ 4,652'-4,743'

Set 50 Sx. cement plug @ 5,542'

Set 55 Sx. cement plug @ 7,114'

Set 55 Sx. cement plug @ 8,784'

Set 55 Sx. cement plug @ 9,865'

T.D. 10,300'

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U.S.G.S.		
LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease: State [X] Fee [ ]

5. State Oil & Gas Lease No.

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.)

1. OIL WELL [X] GAS WELL [ ] OTHER-

7. Unit Agreement Name

2. Name of Operator: Tamarack Petroleum Company, Inc.

8. Farm or Lease Name: Arco "28" State

3. Address of Operator: P. O. Box 2046, Midland, TX 79702

9. Well No.: #1

4. Location of Well: UNIT LETTER A, 660 FEET FROM THE North LINE AND 660 FEET FROM THE East LINE, SECTION 28, TOWNSHIP 18S, RANGE 38E, NMPM.

10. Field and Pool, or Wildcat: South Vacuum

15. Elevation (Show whether DF, RT, GR, etc.): 3910.7 GR

12. County: Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]		COMMENCE DRILLING OPNS. [X]	PLUG AND ABANDONMENT [ ]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [X]	
OTHER [ ]		OTHER [ ]	

17. 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.

1. Spud 7-23-85. Drilled 17 1/2" hole to 490'.
2. Ran 12 jts 13 3/8" 54.50# J-55 casing. Set at 490' on 7-24-85.
3. Cemented to surface with 475 sks Class C 2% $CaCl_2$ circulated 60 sks to surface.
4. Nippled up Shaffer Series 900 Type E BOPE and tested tc 2000#.
5. Drill 11" hole from 490 to 3910.
6. Ran 93 jts. 8 5/8" 24 & 32# K-55 casing to 3910' on 7-28-85.
7. Cement w/1500 sks Halliburton Lite 1/4# Flocele 15# salt & 200 sks Class C 2% $CaCl_2$. Circulated 125 sacks.
8. Nipple up Shaffer Series 900 Type E BOPE and tested to 2500#.
9. Drill 7 7/8" hole from 3910' to 10,300'. Ran open hole logs 8-23-85.
10. Pump 55 sks Class H Neat at 9865'. Pump 55 sks Class H Neat at 8784'. Pump 55 sacks Class H Neat at 7114'. Pump 50 sks Class C Neat at 5542'. Pump 60 sks Class C Neat at 4743'. Tag top of plug at 4602'. Dress off with 7 7/8" bit to 4652.
11. Ran 124 jts 4 1/2 10.50# K-55 casing to 4652' on 8-25-85.
12. Cemented w/480 sks Class C 1/4# Flocele, 5# salt, .3% Halad 9. Top of cement 1750 by temp.
13. Tested casing to 2500#, Released rig 8-26-85.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED [signature] TITLE Engineering Manager DATE 9-11-85

ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies to Appropriate District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-103
Revised 1-1-89

WELL API NO. 30-025-29340

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. 01-A-28-18S-35E

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.)

7. Lease Name or Unit Agreement Name: ARCO "28" State

1. Type of Well: OIL WELL [X] GAS WELL [ ] OTHER

2. Name of Operator: Tamarack Petroleum Co., Inc.

8. Well No. 1

3. Address of Operator: 500 W. Texas, Suite 1485 - Midland, TX 79701

9. Pool name or Wildcat: Reeves (Queen)

4. Well Location
Unit Letter A : 660 Feet From The North Line and 660 Feet From The East Line
Section 28 Township 18S Range 35E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[XX]
PULL OR ALTER CASING	[ ]			CASING TEST AND CEMENT JOB	[ ]		
OTHER:	[ ]			OTHER:	[ ]		

12. 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.

5/7/97 Set 4½" CIBP @ 4400'.
5/7/97 Cap CIBP w.25 sks cement.
5/8/97 Cut 4-1/2" casing @ 1375'.
5/9/97 Spot 25 sks cement @ 1425'. Tag @ 1290'.
5/9/97 Spot 40 sks cement @ 525'. Tag @ 341'.
5/10/97 Spot 10 sks cement from 30' to surface.
5/12/97 Set dry hole marker Per BDC

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Charles O. Gregg TITLE President DATE 5/13/97

TYPE OR PRINT NAME Charley Gregg - SNG Well P&A Services, LLC TELEPHONE NO.

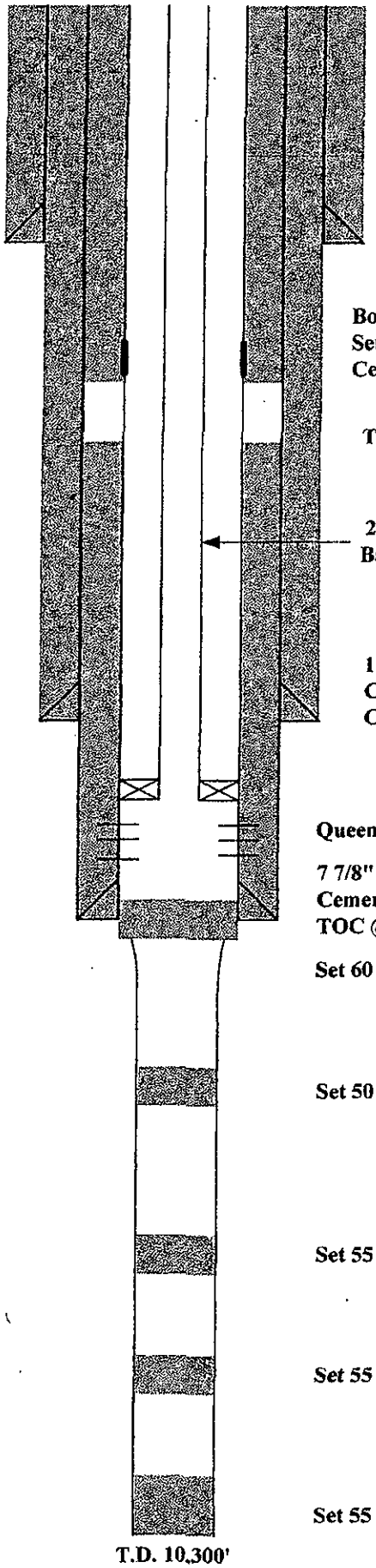
(THIS SPACE FOR STATE USE)

APPROVED BY Gary Wink TITLE OIL & GAS INSPECTOR DATE 5-19-97

CONDITIONS OF APPROVAL, IF ANY:

Proposed Wellbore Configuration

Sundown Energy, LP
Arco 28 State No. 1
API No. 30-025-29340
660' FNL & 660' FEL (Unit A)
Section 28, T-18 South, R-35 East, NMPM



17 ½" Hole; Set 13 3/8" J-55 Csg @ 490'
Cemented w/475 Sx.
Cement circulated to surface

Drilled: 7/1985

Bowen casing bowl/patch w/cementing ports
Set 4 ½" 10.5# J-55 tieback casing @ 1,375'.
Cement with sufficient cement to circulate to surface.

TOC @ 1,750' by T.S.

2 3/8" 4.7 # J-55 IPC tubing set in a
Baker AD-1 Packer @ 4,422'

11" Hole; Set 8 5/8" K-55 csg @ 3,910'
Cemented w/1700 sx.
Cement circulated to surface

Queen Perforations: 4,472'-4,488'

7 7/8" Hole; Set 4 ½" K-55 csg @ 4,652'
Cemented w/480 sx.
TOC @ 1,750 by T.S.

Set 60 Sx. cement plug @ 4,652'-4,743'

Set 50 Sx. cement plug @ 5,542'

Set 55 Sx. cement plug @ 7,114'

Set 55 Sx. cement plug @ 8,784'

Set 55 Sx. cement plug @ 9,865'

T.D. 10,300'

INJECTION WELL DATA SHEET

OPERATOR: Sundown Energy, LP

WELL NAME & NUMBER: Arco 28 State No. 2 **(API No. 30-025-29526)**

WELL LOCATION:	330' FNL & 1650' FEL	B	28	18 South	35 East
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 11" Casing Size: 8 5/8" @ 475'

Cemented with: 300 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ or _____ ft^3

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" Casing Size: 4 ½" @ 4,559'

Cement with: 1250 Sx. or _____ ft^3

Top of Cement: Surface Method Determined: Circulated

Total Depth: 4,560'

Injection Interval

Perforated Interval –4,480'-4,483'

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" 4.7# J-55 Lining Material: Internally Plastic Coated

Type of Packer: Baker AD-1 injection packer

Packer Setting Depth: 4,430' or within 100' of the uppermost injection perforations

Other Type of Tubing/Casing Seal (if applicable): None

Additional Data

1. Is this a new well drilled for injection: ____Yes __X__ No

   If no, for what purpose was the well originally drilled: Well was drilled in 1985 as a producing well in the Queen interval.

2. Name of the Injection Formation: Queen

3. Name of Field or Pool (if applicable): Reeves-Queen Pool (Oil-52070)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

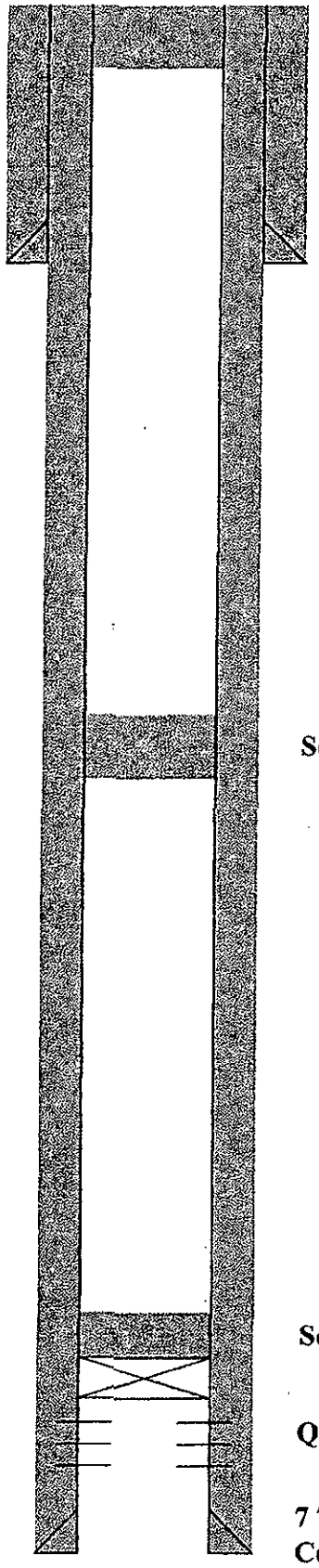
   None

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

   Within the proposed waterflood project area in Sections 22 & 27, T-18S, R-35E: South Vacuum-Bone Spring Pool (8,000'-9,000'); South Vacuum-Devonian (11,000'-12,000'); South Vacuum-McKee (Gas) Pool (13,000'-14,000')

Current Wellbore Configuration

Sundown Energy, LP
Arco 28 State No. 2
API No. 30-025-29526
330' FNL & 1650' FEL, Unit B
Section 28, T-18S, R-35E



Set 25 sx. cement plug 147'-Surface

11" Hole; Set 8 5/8". K-55 csg. @ 475'
Cemented w/300 sx.
Cement circulated to surface

Drilled: 12/1985
Plugged: 5/1997

Set 25 sx. cement plug 1,620'-1,760'

Set CIBP @ 4,400' w/25 sx. cement on top

Queen Perforations: 4,480'-4,483'

7 7/8" Hole; Set 4 ½" K-55 csg. @ 4,559'
Cemented w/1250 Sx.
Cement circulated to surface.

T.D. 4,560'

Submit 3 Copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.
30-025-29526

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.
02-B-28-18S-35E

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.)

7. Lease Name or Unit Agreement Name
ARCO "28" State

1. Type of Well: OIL WELL [X] GAS WELL [ ] OTHER

2. Name of Operator
Tamarack Petroleum Co., Inc.

8. Well No.
2

3. Address of Operator
500 W. Texas, Suite 1485 Midland, TX 79701

9. Pool name or Wildcat
Reeves (Queen)

4. Well Location
Unit Letter B : 1650 Feet From The East Line and 330 Feet From The North Line

Section 28 Township 18S Range 35 E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [XX]
PULL OR ALTER CASING [ ]		CASING TEST AND CEMENT JOB [ ]	
OTHER: [ ]		OTHER: [ ]	

12. 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.

5/6/97 Set 4½" CIBP @ 4400'. Cap w/25 sks cement.
5/6/97 Spot 25 sks cement @ 1760' to 1620'.
5/6/97 Spot 25 sks cement from 147' to surface.
5/12/97 set Dry Hole marke per GDC

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Charley Gregg TITLE President DATE 5/13/97

TYPE OR PRINT NAME Charley Gregg - SNG Well P&A Services, LLC TELEPHONE NO.

(THIS SPACE FOR STATE USE)

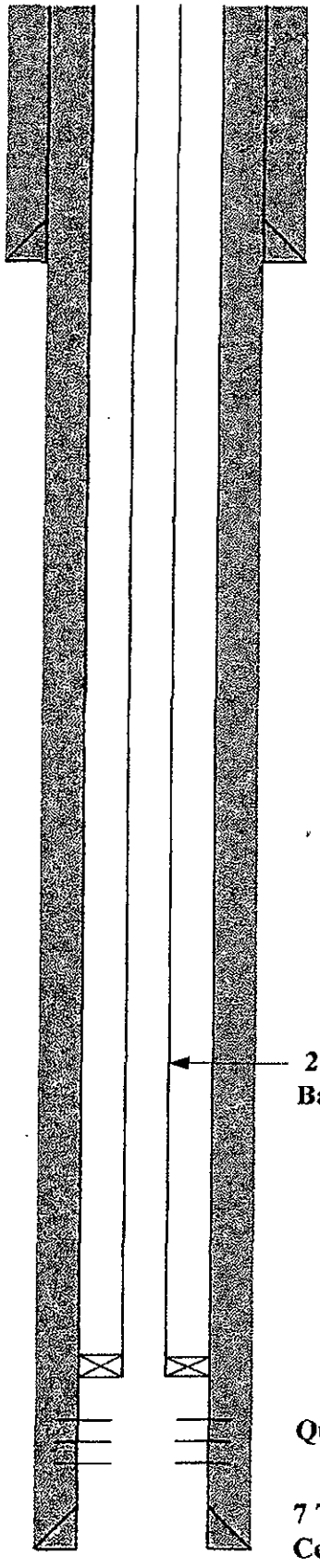
APPROVED BY Tony W. Gilbert TITLE OIL & GAS INSPECTOR DATE OCT 17 '97

CONDITIONS OF APPROVAL, IF ANY:

JC

Proposed Wellbore Configuration

Sundown Energy, LP
Arco 28 State No. 2
API No. 30-025-29526
330' FNL & 1650' FEL, Unit B
Section 28, T-18S, R-35E



11" Hole; Set 8 5/8" K-55 csg. @ 475'
Cemented w/300 sx.
Cement circulated to surface

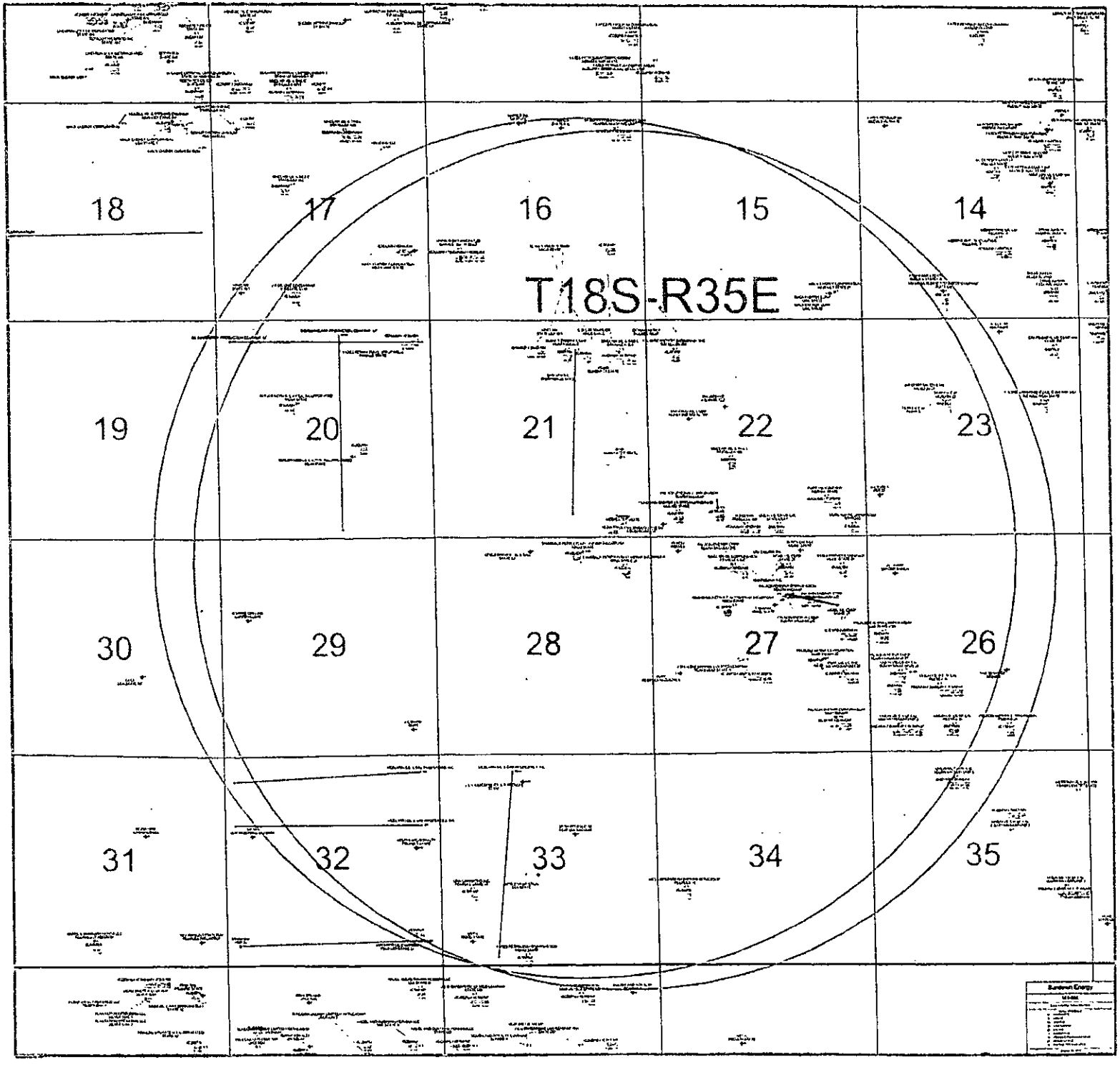
Drilled: 12/1985

2 3/8" 4.7# J-55 IPC tubing set in a Baker AD-1 packer @ 4,430'

Queen Perforations: 4,480'-4,483'

7 7/8" Hole; Set 4 ½" K-55 csg. @ 4,559'
Cemented w/1250 Sx.
Cement circulated to surface.

T.D. 4,560'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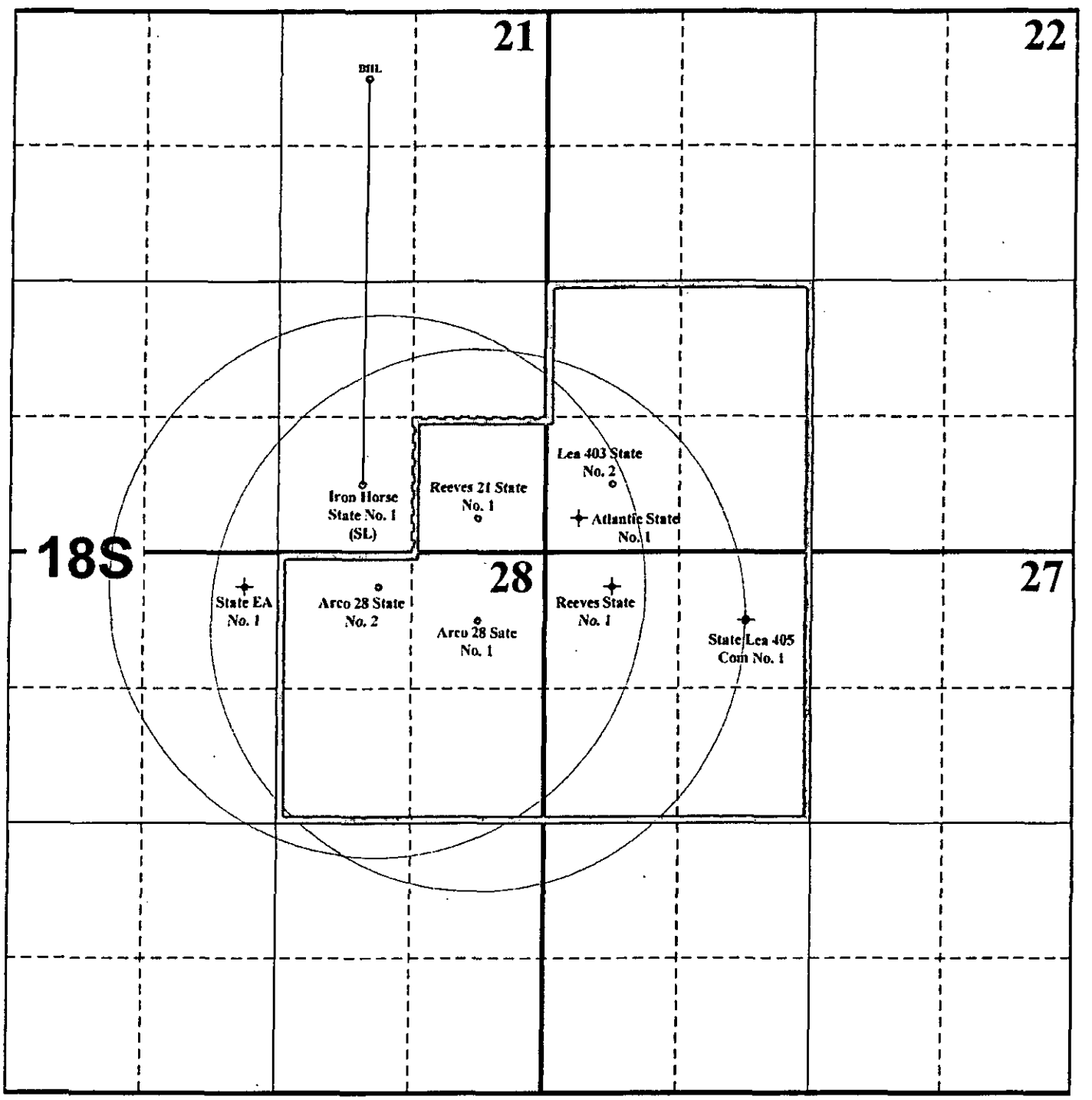
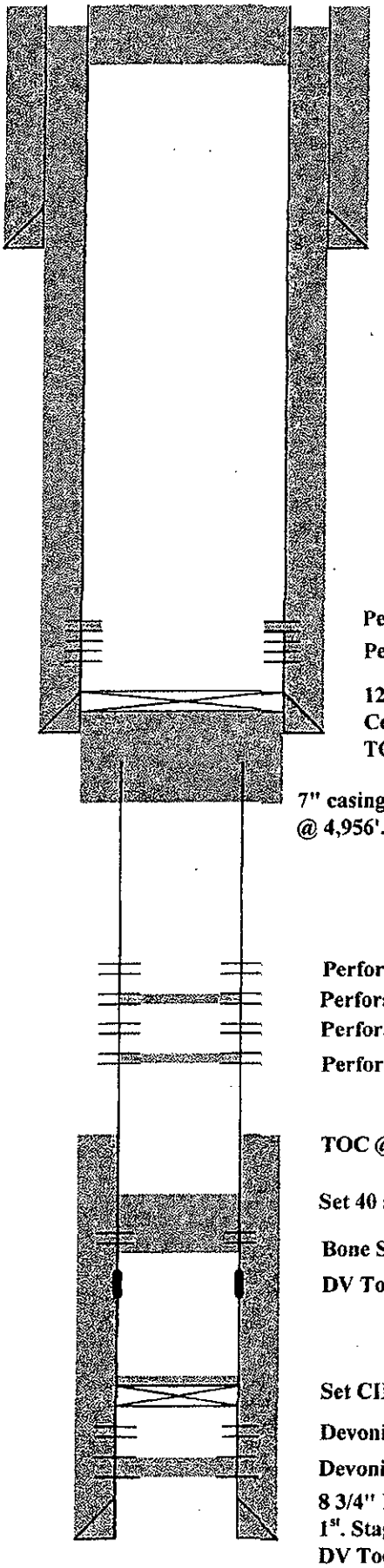


Sundown Energy, LP
Reeves Queen Unit Waterflood
½ Mile AOR Map

SUNDOWN ENERGY, LP
FORM C-108: AREA OF REVIEW WELL DATA
REEVES QUEEN UNIT WATERFLOOD PROJECT

API NUMBER	OPERATOR	LEASE NAME	WELL NO.	WELL TYPE	STATUS	FTG. N/S	N/S	FTG. E/W	E/W	UNIT	SEC.	TSHP	RNGE	DATE DRILLED	TOTAL DEPTH	HOLE SIZE	CSG. SIZE	SET AT	SX. CMT.	CMT. TOP	MTD.	HOLE SIZE	CSG. SIZE	SET AT	SX. CMT.	CMT. TOP	MTD.	COMPLETION	REMARKS
30-025-30514	Sundown Energy, LP	Reeves 21 State	1	P	Active	330'	S	660'	E	P	21	18S	35E	May-89	4,585'	14 3/4"	11 3/4"	1,761'	950	Surface	Circ.	11"	8 5/8"	3,052'	600	Surface	Circ.	4,460'-4,475' Perf.	1 1/2" csg. stage cemented. 1st-550 sx.
																						7 7/8"	5 1/2"	4,585'	1010	1,417'	Calc.	Queen	2nd-460 sx. DV Tool @ 3,118'
30-025-37442	Pogo Producing Co. LLC	Eureka 21 State	2	P	ND	1980'	S	660'	E	I	21	18S	35E	APD Expired 1/11/08. Well Never Drilled															
30-025-38193	Oxy USA, Inc.	Iron Horse State	1	P	Active	660'	S	1830'	E	O	21	18S	35E	Dec-06	8,220'	17 1/2"	13 3/8"	528'	450	Surface	Circ.	12 1/4"	9 5/8"	3,150'	1,100	Surface	Circ.	4,777'-8,077'	Total Depth: 8,220' MD. 4,462' TVD.
					BHL	4811'	S	1777'	E	B	21	18S	35E		MD.							7 7/8"	5 1/2"	8,200'	1050	3,520'	CBL	Queen	
30-025-03127	Sundown Energy, LP	Lea 403 State	2	P	Active	660'	S	660'	W	M	22	18S	35E	May-58	11,978'	17 1/4"	13 3/8"	332'	400	Surface	Circ.	12 1/4"	9 5/8"	4,000'	1,850	460'	Well File	4,432'-4,450' Perf.	Well Drilled to 11,978' in 1958 & PA'd
																						8 3/4"	4 1/2"	4,567'	1,280	Surface	Circ.		Well Re-entered in January, 1990.
1958-Well plugged: 25 Sx.-11,913-11,978' 30 Sx.-8,321'-8,400' 100 Sx.-7,100'-7,275' 25 Sx. 7,066'-7,134' 25 Sx.-3,934'-4,000' Cut & Pulled 9 5/8" @ 440' 25 Sx.-445'-475' 25 Sx.-270'-332'. Well Re-entered in 1990 & drilled to 4,600'. Set 4 1/2" casing @ 4,567' & cemented w/1280 sx. Queen Completion																													
30-025-23480	Leatherwood Drilling Co.	Atlantic State	1	Dry	PA	330'	S	330'	W	M	22	18S	35E	Apr-70	4,975'	12"	8 5/8"	378'	275	Surface	Circ.								Dry Hole. PA Schematic Attached.
30-025-03145	Pride Energy Company	State Lea 405 Com	1	P	PA	660'	N	1980'	W	C	27	18S	35E	Dec-57	11,783'	15 1/2"	13 3/8"	325'	400	Surface	Circ.	12 1/4"	9 5/8"	4990'	1900	30'	Well File		PA Schematic Attached.
																						8 3/4"	7"	11,783'	300	8,090'	Well File		
30-025-30550	Hondo Oil & Gas Co.	Reeves State	1	Dry	PA	330'	N	660'	W	D	27	18S	35E	Mar-89	5,590'	12 1/4"	8 5/8"	458'	300	Surface	Circ.	7 7/8"	5 1/2"	1,885'	450	595'	Well File		Dry Hole. PA Schematic Attached.
30-025-30315	Oxy USA, Inc.	State "EA"	1	Dry	PA	330'	N	2310'	W	C	28	18S	35E	Mar-89	4,780'	12 1/4"	8 5/8"	378'	275	Surface	Circ.								Dry Hole. PA Schematic Attached

Pride Energy Company
State Lea 405 Com No. 1
API No. 30-025-03145
660' FNL & 1980' FWL (Unit C)
Section 27, T-18 South, R-35 East, NMPM



25 Sx. surface

15 ½" Hole; Set 13 3/8" Csg @ 325'
Cemented w/400 Sx.
Cement circulated to Surface

Drilled: 12/1957
Plugged: 1/1971

Perforations 4,652'-4,777' Squeezed w/200 sx.
Perforations 4,753'-4,843'

12 ¼" Hole; Set 9 5/8" Csg @ 4,990'
Cemented w/1900 sx.
TOC @ 31' by Well File

7" casing cut & pulled @ 5,100'. Cement retainer @ 4,956'. Set 25 Sx. cement plug 4,990'-5,100'

Perforations 6,134'-6,151'
Perforations 6,334'-6,340' squeezed w/75 sx.
Perforations 6,368'-6,374'
Perforations @ 6,494 squeezed w/75 sx.

TOC @ 8,090' (Well File)

Set 40 sx. cement plug 8,450'-8,681'

Bone Spring Perforations: 8,649'-8,681'

DV Tool @ 8,812'

Set CIBP @ 11,602 w/6' cement on top

Devonian Perforations: 11,686'-11,722'

Devonian Perforations: 11,769'-11,774'. Squeezed w/ 125 Sx.

8 3/4" Hole; Set 7" Csg. @ 11,783'
1st. Stage-150 Sx. 2nd Stage-150 Sx.
DV Tool @ 8,812' TOC @ 8,090' by Well File

T.D. 11,783"

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease: State [XX] Fee [ ]

5. State Oil & Gas Lease No.: E-1635

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.)

1. OIL WELL [X] GAS WELL [ ] OTHER-

7. Unit Agreement Name:

2. Name of Operator: WILLIAM G. McCOY

8. Farm or Lease Name: State "405"

3. Address of Operator: P.O. Box 1352, Roswell, New Mexico 88201

9. Well No.: 1

4. Location of Well: UNIT LETTER C, 660 FEET FROM THE North LINE AND 1980 FEET FROM THE West LINE, SECTION 27 TOWNSHIP 18-S RANGE 35-E NMPM.

10. Field and Pool, or Wildcat: Field Wildcat

15. Elevation (*Show whether DF, RT, GR, etc.*): 3893' GL

12. County: Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [X]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER [ ]	

17. 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.

Well plugged and abandoned on verbal permission from Mr. Joe Ramey on January 16, 1971. 25 sx plug from 5100' to 4990'. Retainer at 4956'. 25 sx plug at surface. Erected dry hole marker. Cleaned location. Well ready for inspection.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED W. G. McCoy TITLE Operator DATE 2/11/71

APPROVED BY John W. Runyan TITLE Geologist DATE MAY 6 1971

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Form C-103
Supersedes Old C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease State [XX] Fee. [ ]

5. State Oil & Gas Lease No. E-1635

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.)

1. OIL WELL [X] GAS WELL [ ] OTHER-

7. Unit Agreement Name

2. Name of Operator: WILLIAM G. McCOY

8. Farm or Lease Name: State "405"

3. Address of Operator: P. O. BOX 1352, ROSWELL, NEW MEXICO 88201

9. Well No.: 1

4. Location of Well: UNIT LETTER C, 660 FEET FROM THE North LINE AND 1980 FEET FROM THE West LINE, SECTION 27, TOWNSHIP 18-S, RANGE 35-E, NMPM.

10. Field and Pool, or Wildcat: Field Wildcat

15. Elevation *(Show whether DF, RT, GR, etc.)*: 3893' GL

12. County: Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [X]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [ ]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER [ ]	

17. 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.

Operations to re-work commenced with verbal approval from Mr. Runyan on December 7, 1970. 7" casing run and set on old casing at 5100'. Perforated 6494'. Squeezed 75 sx cement. Perforated 6334-40', 6368-74'. Acidized with 2500 gals. Swabbed slight show gas and drilling mud. Squeezed 75 sx at 6334-40. Perforated 6134-40', 6145-51'. Attempted to acidize. Well communicated. Pulled 7" casing. Set 25 sx plug at 5100' and 4990'. Set retainer at 4956'. Perforated 4662-54', 4670-72', 4753-55', 4775-77'. Attempted to acidize. Perforations communicated. Squeezed with 50 sx. Tested perforations. Still communication. Squeezed 150 sx. Drilled out. Perforated 4753-55, 4775-77. Attempted to acidize perforations. Perforations communicated. Perforated 4834-36, 4841-43'. Attempted to acidize. Perforations communicated. Prep. to P&A.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED W. G. McCoy TITLE Operator DATE 2/11/71

APPROVED BY [illegible] TITLE [illegible] DATE FEB 15 19[illegible]

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NEW MEXICO OIL CONSERVATION COMMISSION

SEP 9 11 25 AM '65

Form C-103
Supersedes Old C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease State [X] Fee [ ]

5. State Oil & Gas Lease No. **E-1435**

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.)

1. OIL WELL [X] GAS WELL [ ] OTHER- **Plug and Abandon**

7. Unit Agreement Name

2. Name of Operator: **Sinclair Oil & Gas Company**

8. Farm or Lease Name: **State Lea 405**

3. Address of Operator: **P. O. Box 1920, Hobbs, New Mexico**

9. Well No. **1**

4. Location of Well: UNIT LETTER **C** **660** FEET FROM THE **North** LINE AND **1980** FEET FROM THE **West** LINE, SECTION **27** TOWNSHIP **18S** RANGE **35E** NMPM.

10. Field and Pool, or Wildcat **South Vacuum Bone Springs**

15. Elevation (*Show whether DF, RT, GR, etc.*) **3893' GR**

12. County **Lea**

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [X]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER [ ]	

17. 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.

TD 11,783', PBTD 8716'.

8-20-65 to 8-24-65. Spot 40 sacks cement 8450-8685' over Bone Springs Perfs. 8649-8661' and fill hole w/mud.

8-25-65 to 8-31-65. Shoot and pull 5100' of 7"OD casing.

9-1-65 to 9-3-65. Spot 60 sacks cement 4970-5120' over bottom of 9-5/8"OD csg @ 4990' and over top of 7"OD casing @ 5100'. Spot 10 sacks cement in cellar. Install regulation marker, clean and level location. Completed plugged and Abandoned 9-3-65.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED [signature] TITLE **Superintendent** DATE **9-8-65**

APPROVED BY [signature] TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Orig&2cc: OCC, Hobbs/ cc: Mr. R.E.C. cc: State Land Office, cc: file

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	GAS	
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NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company	Address
Sinclair Oil & Gas Company	520 E Broadway, Hobbs, New Mexico

Lease	Well No.	Unit Letter	Section	Township	Range
State Lea 405	1	C	27	18S	35E

Date Work Performed	Pool	County
see below	South Vacuum Devonian	Lea

THIS IS A REPORT OF: *(Check appropriate block)*

☐ Beginning Drilling Operations ☐ Casing Test and Cement Job ☐ Other *(Explain)*:

☐ Plugging ☒ Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

5-2-62 11738PB - moved in DDU (Southwestern Well Servicing-contractor). Pulled tubing.

5-3-62 11596PB - Set cast iron bridge plug at 11602 w/6' cement on top and 7" casing below bridge plug filled w/heavy mud. Jet Perforated Bone Springs Zone 8649-64 & 8668-81 w/52 1/2" holes. Ran K 2-3/8" tbg & packer to 8630.

5-4-62 Acidized perfs 8649-81 w/3000 gals acid. Max Press 4600, Min Press 2600, inj rate 3.6 BPM, 10 min SIP 3000. Pulled Tbg & Packer. Reran 2-3/8" tbg & packer to 8605 and placed well on pump.

5-18-62 11596PB -Bone Springs Zone produced 92 bbls new 37.3 gravity oil and 44 bbls formation water in 24 hrs on potential test ending 6:00 AM 5-18-62. GOR 909 to 1. Recompleted in the Bone Springs Zone after plugging back from the Devonian Zone.

Witnessed by	Position	Company
V.R. BLACK	FOREMAN	SINCLAIR OIL & GAS COMPANY

FILL IN BELOW FOR REMEDIAL WORK REPORTS *ONLY*

ORIGINAL WELL DATA

D F Elev.	T D	PBTD	Producing Interval	Completion Date
3893	11783	11738PB	11686-11722	

Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth
2-3/8	11257	7"	11783

Perforated Interval(s): 11686-11722

Open Hole Interval	Producing Formation(s)
-	Devonian

RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover	Devonian Zone 4/28/62	0	0	1200	0	
After Workover	Bone Spring Zone 5/18/62	92	84	44	909	

OIL CONSERVATION COMMISSION	I hereby certify that the information given above is true and complete to the best of my knowledge.
Approved by	Name
Title	Position: Dist. Supt.
Date	Company: Sinclair Oil & Gas Company

Orig&2cc: OCC; cc:HFD,JM,File

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NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

HOBBS OFFICE OCC
1962 MAY 2 AM 10 22

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company	Address
Sinclair Oil & Gas Company	520 East Broadway, Hobbs, New Mexico

Lease	Well No.	Unit Letter	Section	Township	Range
State Lea 405	1	C	27	18S	35E

Date Work Performed	Pool	County
see below	South Vacuum Devonian	Lea

THIS IS A REPORT OF: *(Check appropriate block)*

☐ Beginning Drilling Operations ☐ Casing Test and Cement Job ☐ Other *(Explain)*:

☐ Plugging ☒ Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

4-10-62 11783 PBTD-Devonian - moved in DDU, D.A. & S, contractor. Pulled [illegible] tubing. Squeezed Devonian perfs 11769-11774 w/125 sks cement. Max. Press 6000#, reversed out 20 sks.
4-11-62 Jet perforated Devonian Zone 11686-11694, 11700-11708 & 11716-11722 w/2 holes per foot.
4-12-62 Ran 2" tbg & and packer to 11470. Acidized perfs 11686-11722 w/6000 gals acid using 40 ball sealers. Max Press 5900#, Min Press 4000#, inj rate 2.3 BPM, 10" SIP 3800 #.
4-13-62 Swabbed and tested 198 bbls formation water and no oil in 10 hrs.
4-15-62 Pulled tbg, ran tbg and packer with casing pump to 5000'.
4-17-62 Pumped 600 bbls formation water and no oil.
4-23-62 Pumped 1200 bbls formation water and no oil.
4-28-62 On 24 hr potential test ending 6:00 AM 4-28-62, pumped 1200 bbls formation water and no oil, no show gas. Final Report. Well shut in preparing to plug [illegible] back to Bone Springs Zone.

Witnessed by	Position	Company
V.R. Black	Foreman	Sinclair Oil & Gas Co.

FILL IN BELOW FOR REMEDIAL WORK REPORTS *ONLY*

ORIGINAL WELL DATA

D F Elev.	TD	PBTD	Producing Interval	Completion Date
3893	11783	11781PB	11697-11781	6/5/58

Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth
2-3/8	11257	7"	11783

Perforated Interval(s): 11769-11774

Open Hole Interval	Producing Formation(s)
none	Devonian

RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover	4-1-62	5	TSTM	225	TSTM	
After Workover	4/28/62	0	0	1200	0	

OIL CONSERVATION COMMISSION

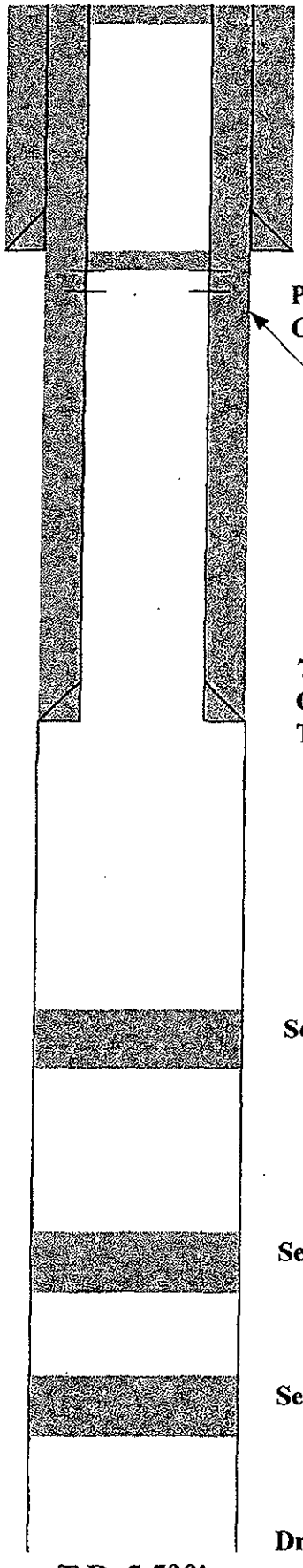
I hereby certify that the information given above is true and complete to the best of my knowledge.

Approved by	Name
Title	Position: ASST DIST SUPT
Date	Company: Sinclair Oil & Gas Company

Orig&2cc: OCC; cc:HFD,JM,File

Hondo Oil & Gas Co.
Reeves State No. 1
API No. 30-025-30550
330' FNL & 660' FWL, Unit D
Section 27, T-18S, R-35E
Type Well: Dry Hole

Drilled: 3/89
Plugged: 4/89



10 Sx. surface plug

12 1/4" Hole; 8 5/8" csg. set @ 458'
Cemented w/300 sx.
Cement circulated to surface

Perforated @ 592' & squeezed w/250 sx.
Cement circulated to surface.

TOC @ 595' by T.S.

7 7/8" Hole. Set 5 ½" Csg. @ 1,885'
Cemented w/450 Sx.
TOC @ 595' by T.S.

Set 60 Sx. cement plug 3,024'-3,124'

Set 50 Sx. cement plug 4,370'-4,470'

Set 40 Sx. cement plug 4,950'-5,050'

Drilled 7 7/8" Hole to T.D. @ 5,590'

T.D. 5,590'

Submit 3 Copies to Appropriate District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, ..inerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-103
Revised 1-1-89

WELL API NO. 30-025-30530

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. E-1635

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.)

7. Lease Name or Unit Agreement Name: Reeves State

1. Type of Well: OIL WELL [X] GAS WELL [ ] OTHER

2. Name of Operator: Hondo Oil & Gas Company

8. Well No. 1

3. Address of Operator: P. O. Box 2208, Roswell, NM 88202

9. Pool name or Wildcat: Reeves Queen

4. Well Location
Unit Letter D : 330 Feet From The North Line and 660 Feet From The West Line

Section 27 Township 18S Range 35E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3904' GR

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[ ]
PULL OR ALTER CASING	[ ]			CASING TEST AND CEMENT JOB	[ ]		
OTHER:	[ ]			OTHER: Plugged back & ran casing	[X]		

12. 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.

Drilled 7 7/8" hole to 5590' (TD). Reached TD 4/4/89. Spotted 40 sx. Class "C" plug from 5050-4950'. Spotted 50 sx. Class "C" plug from 4470-4370'. Spotted 60 sx. cement plug from 3124-3024'. Ran 43 jts. 5 1/2" 17# Lt&C J-55 casing. Float shoe @ 1885'. Set ECP @ 1837'. Set ECP @ 1786'. DV tool @ 1778' (PBTD). Ran 15 centralizers, every other joint. Cement with 350 sx. Class "C" w/2% CC + 100 sx. Thixset. Plug down @ 12:30 p.m. 4/5/89. Cement bridged and didn't circulate. Ran temperature survey. TOC @ 595'.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE E. L. Barbour Jr. TITLE Petroleum Engineer DATE 4/13/89

TYPE OR PRINT NAME TELEPHONE NO.

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY JERRY SEXTON DISTRICT I SUPERVISOR TITLE DATE APR 18 1989

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-30532

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. E-1635

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.)

7. Lease Name or Unit Agreement Name: Reeves State

1. Type of Well: OIL WELL [X] GAS WELL [ ] OTHER

2. Name of Operator: Hondo Oil & Gas Company

8. Well No. 1

3. Address of Operator: P. O. Box 2208, Roswell, NM 88202

9. Pool name or Wildcat: Reeves Queen

4. Well Location
Unit Letter D : 330 Feet From The North Line and 660 Feet From The West Line

Section 27 Township 18S Range 35E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3904' GR

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[X]
PULL OR ALTER CASING	[ ]			CASING TEST AND CEMENT JOB	[ ]		
OTHER:	[ ]			OTHER:	[ ]		

12. 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.

4/11/89 Perforated 4 holes @ 592'. Squeezed with 250 sx. Class "C" neat. Circulated 10 sx. to surface. Installed dry hole marker.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE E. L. Barnes Jr. TITLE Petroleum Engineer DATE 4/21/89

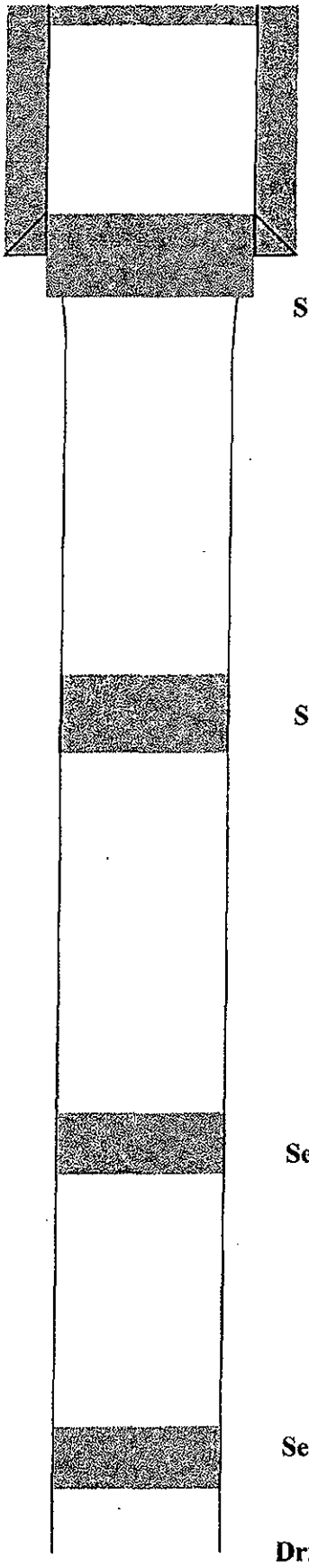
TYPE OR PRINT NAME TELEPHONE NO.

(This space for State Use)

APPROVED BY [signature] TITLE OIL & GAS INSPECTOR DATE JUL 21 1989

CONDITIONS OF APPROVAL, IF ANY:

Oxy USA, Inc.
State EA No. 1
API No. 30-025-30315
330' FNL & 2310' FWL, Unit C
Section 28, T-18S, R-35E
Type Well: Dry Hole



10 Sx. surface plug

12 1/4" Hole; 8 5/8" csg. set @ 378'
Cemented w/275 sx.
Cement circulated to surface

Drilled: 4/88
Plugged: 4/88

Set 27 Sx. cement plug 328'-428'

Set 26 Sx. cement plug 1,800'-1,900' (Top of Salt)

Set 26 Sx. cement plug 3,100'-3,200' (Base of Salt)

Set 26 Sx. cement plug 4,416'-4,516'

Drilled 7 7/8" Hole to T.D. @ 4,780'

T.D. 4,780'

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FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease: State [X] Fee [ ]

5. State Oil & Gas Lease No.: A 4096

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.)

1. OIL WELL [X] GAS WELL [ ] OTHER-

7. Unit Agreement Name:

2. Name of Operator: OXY USA Inc.

8. Farm or Lease Name: State EA

3. Address of Operator: P. O. Box 50250, Midland, TX 79710

9. Well No.: 1

4. Location of Well: UNIT LETTER C, 330 FEET FROM THE North LINE AND 2310 FEET FROM THE West LINE, SECTION 28 TOWNSHIP 18S RANGE 35E NMPM.

10. Field and Pool, or Wildcat: Reeves (Queen)

15. Elevation (Show whether DF, RT, GR, etc.): 3915.6 GR

12. County: Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [X]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER [ ]	

17. 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.

T.D. of 4780' Lime & Dolomite. Plugged and abandoned. Drilled a 7 7/8" hole from 378' to T.D. of 4780' in Lime & Dolomite and after receiving verbal approval from Jerry Sexton w/NMCD in Hobbs, NM, this well was P & A'd in the following manner:

1. Set 26 sx. CL. C cement plug @ 4516'-4416' across Queen
2. Set 26 sx. CL. C cement plug @ 3200'-3100' across base of salt
3. Set 26 sx. CL. C cement plug @ 1900'-1800' across top of salt
4. Set 27 sx. CL. C cement plug @ 428'- 328' 1/2 in & 1/2 out of 8 5/8" csg. shoe
5. Set 10 sx. CL. C cement plug @ 30' to surface.

Set a 4" Dry Hole Marker 4' above ground to designate P & A location

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

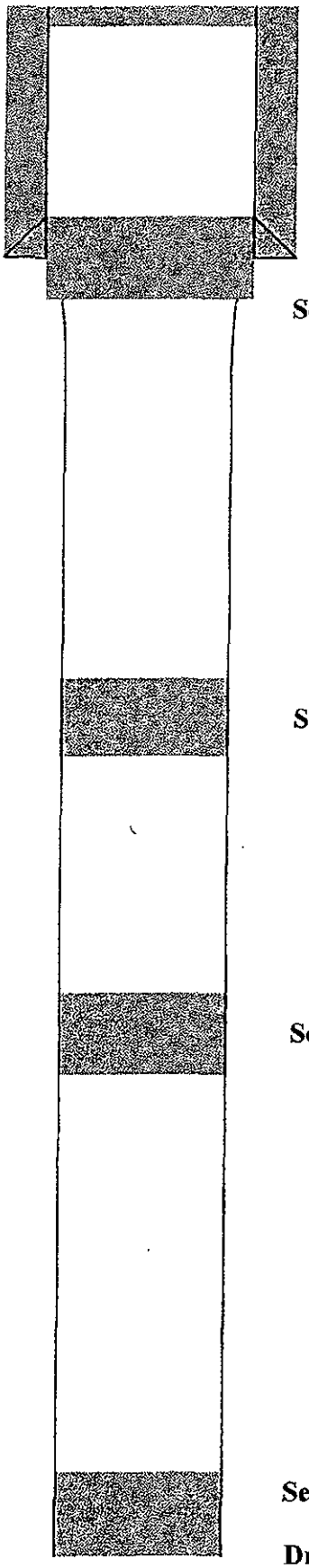
SIGNED J. A. Votaw TITLE Dist. Oper. Mgr. - Prod. DATE 4-13-88

APPROVED BY [signature] TITLE OIL & GAS INSPECTOR DATE AUG 29 '88

CONDITIONS OF APPROVAL, IF ANY:

E

Leatherwood Drilling Co.
Atlantic State No. 1
API No. 30-025-23480
330' FSL & 330' FWL, Unit M
Section 22, T-18S, R-35E
Type Well: Dry Hole



10 Sx. surface plug

12" Hole; 8 5/8" csg. set @ 378'
Cemented w/275 sx.
Cement circulated to surface

Drilled: 4/70
Plugged: 4/70

Set 25 Sx. cement plug 350'-475'

Set 25 Sx. cement plug 1,800'-1,925' (Top of Salt)

Set 25 Sx. cement plug 2,850'-2,975' (Base of Salt)

Set 25 Sx. cement plug 4,850'-4,975'

Drilled 6 ¾" Hole to T.D. @ 4,975'

T.D. 4,975'

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FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease State [X] Fee [ ]

5. State Oil & Gas Lease No. E-1582

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.)

1. OIL WELL [X] GAS WELL [ ] OTHER-

7. Unit Agreement Name

2. Name of Operator: LEATHERWOOD DRILLING CO.

8. Farm or Lease Name: Atlantic-State

3. Address of Operator: P.O. BOX 1352 ROSWELL,NEW MEXICO

9. Well No.: 1

4. Location of Well: UNIT LETTER M, 330 FEET FROM THE West LINE AND 330 FEET FROM THE South LINE, SECTION 22 TOWNSHIP 18 S RANGE 35 E NMPM.

10. Field and Pool, or Wildcat: Field Wildcat

15. Elevation *(Show whether DF, RT, GR, etc.)*: 3901.9 G.L.

12. County: Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [X]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER [ ]	

17. 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.

4-17-70 T.D. 4975 Dolomite. Well plugged and abandoned on verbal permission Mr.Joe Ramey as follows:

25 sx. plug 4975 - 4850
25 sx. plug 2850 - 2975 Base of Salt
25 sx. plug 1800 - 1925 Top of Salt
25 sx. plug 350 - 475 8-5/8" Surface casing
10 sx. plug at surface

Drilling mud spotted between plugs.Dry Hole marker erected.Waiting on pits to dry before leveling and cleaning location.Will advise when location is ready for inspection.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED W. B. McCoy TITLE Agent DATE 4-27-70

APPROVED BY John W. Runyan TITLE Geologist DATE MAY 15 1970

CONDITIONS OF APPROVAL, IF ANY:

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Subbasin	County	Q 64	Q 16	Q 4	Sec	Twp	Rng	X	Y	Depth Well	Depth Water	Water Column
L 03772	L		LE	2	2	21	18S	35E	644659	3623361*		130	60	70
L 03866	L		LE	3	3	22	18S	35E	645082	3622155*		127	65	62
L 04399	L		LE	3	3	22	18S	35E	645082	3622155*		90	75	15
L 05810	L		LE	2	3	22	18S	35E	645479	3622564*		145	95	50

Average Depth to Water: **73 feet**

Minimum Depth: **60 feet**

Maximum Depth: **95 feet**

Record Count: 4

PLSS Search:

Section(s): 20-22 **Township:** 18S **Range:** 35E

***UTM location was derived from PLSS - see Help**

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(A CLW###### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	POD Code	Subbasin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
L 03783		L	LE				27	18S	35E	645710	3621138*	115	65	50
L 03963		L	LE	1	2		27	18S	35E	645896	3621762*	127	70	57
L 04562		L	LE	3	1		29	18S	35E	641874	3621315*	156	95	61

Average Depth to Water: **76 feet**

Minimum Depth: **65 feet**

Maximum Depth: **95 feet**

Record Count: 3

PLSS Search:

Section(s): 27-29 ***Township:*** 18S ***Range:*** 35E

***UTM location was derived from PLSS - see Help**

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the *POD has been replaced* & no longer serves a water right file.)

(*R=POD has* been replaced, *O=orphaned,* C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	POD Code	Subbasin	County	Q 64	Q 16	Q 4	Sec	Twn	Rng	X	Y	Depth Well	Depth Water	Water Column
L 07129		L	LE	4	3	3	34	18S	35E	645237	3618830*	60	40	20

Average Depth to Water: **40 feet**

Minimum Depth: **40 feet**

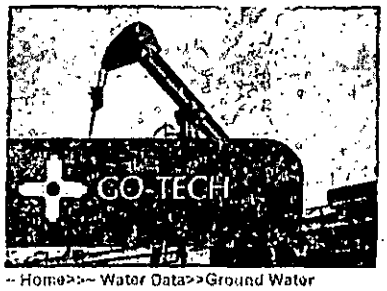
Maximum Depth: **40 feet**

Record Count: 1

PLSS Search:

Section(s): 33-34 **Township:** 18S **Range:** 35E

***UTM location was derived from PLSS - see Help**



North American Oil and Gas News

Subridge selected to provide pipeline for deepwater Gulf of Mexico development

Magnolia commence drilling of two Stated operated wells

Crucial Energy Responds to Media Reports of Potential Transaction

Cazo update on Cazo Pablo Bone Spring well

Source: Oil Voice

NYMEX LS Crude	88.33
Navajo WTXI	0
Henry Hub	3.811
[illegible]	11/6/2012

State Land Office Data Access

OCD Hobbs image files

PRRC NM-TECH NM-BGMR

Ground Water Samples Query

Water Sample Search

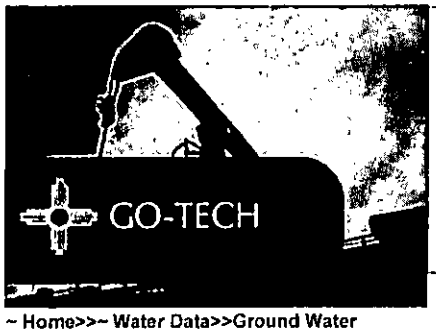
SECTION 34
Township 18S
Range 35E
Formation
DATE
CHLORIDE (mg/L)
Find | Export Data

Water Samples for TOWNSHIP 18S RANGE 35E SECTION 34

Operation	# of samples	S	T	R	Location (qtr/qtr)
select	4	34	18S	35E	18S.35E.34.43143

Water Samples for Township 18SRANGE 35E Section 34 Location

Operation	SampleID	Township	Range	Section	Formation	Location	Date	Chlorides
select	5940	18S	35E	34	OGALLALA	18S.35E.34.43143	12/5/1979	16
select	5331	18S	35E	34	OGALLALA	18S.35E.34.43143	11/9/1984	27
select	5174	18S	35E	34	OGALLALA	18S.35E.34.43143	6/7/1990	60
select	3939	18S	35E	34	OGALLALA	18S.35E.34.43143	9/7/1995	31



North American Oil and Gas News

Bonterra Energy and Spartan Oil complete business combination

JKX Oil & Gas announces offering of convertible bonds

The independent members of the SandRidge Energy Board of Directors respond to related party allegations

Halliburton announces fourth quarter income from continuing operations of $0.63 per diluted share

Source: Oil Voice

NYMEX LS Crude	96.24
Navajo WTXI	0
Henry Hub	3.418
Updated:	1/24/2013

State Land Office Data Access

OCD well/log image files

PRRC NM-TECH NM-BGMR

Ground Water Samples Query

Water Sample Search

SECTION
Township 18S
Range 35E
Formation
DATE
CHLORIDE (mg/L)

Find | Export Data

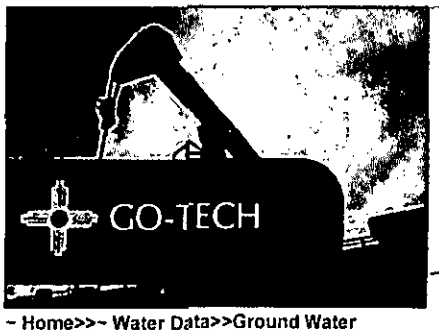
Water Samples for

Operation	# of samples	S	T	R	Location (qtr/qtr)
select	1	11	18S	35E	18S.35E.11.33322
select	1	11	18S	35E	18S.35E.11.34444
select	4	16	18S	35E	18S.35E.16.12223
select	1	18	18S	35E	18S.35E.18.11113
select	3	21	18S	35E	18S.35E.21.21000

1 2 3 4

Water Samples for Township 18SRANGE 35E Section 16 Location 18S.35E.16.12223

Operation	SampleID	Township	Range	Section	Formation	Location	Date	Chlorides
select	6383	18S	35E	16	OGALLALA	18S.35E.16.12223	12/6/1979	18
select	5788	18S	35E	16	OGALLALA	18S.35E.16.12223	11/9/1984	28
select	4903	18S	35E	16	OGALLALA	18S.35E.16.12223	6/7/1990	54
select	4246	18S	35E	16	OGALLALA	18S.35E.16.12223	9/18/1995	31



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Source: Oil Voice

NYMEX LS Crude	96.24
Navajo WTXI	0
Henry Hub	3.418
Updated :	1/24/2013

State Land Office Data Access

OCD well/log image files

PRRC NM-TECH NM-BGMR

Ground Water Samples Query

Water Sample Search

SECTION
Township 18S
Range 35E
Formation
DATE
CHLORIDE (mg/L)

Find | Export Data

Water Samples for

Operation	# of samples	S	T	R	Location (qtr/qtr)
select	1	26	18S	35E	18S.35E.26.11330
select	5	28	18S	35E	18S.35E.28.32210
select	4	31	18S	35E	18S.35E.31.142113A
select	1	33	18S	35E	18S.35E.33.21444
select	4	34	18S	35E	18S.35E.34.43143

1 2 3 4

Water Samples for Township 18SRANGE 35E Section 28 Location 18S.35E.28.32210

Operation	SampleID	Township	Range	Section	Formation	Location	Date	Chlorides
select	6629	18S	35E	28	OGALLALA	18S.35E.28.32210	10/25/1979	14
select	6222	18S	35E	28	OGALLALA	18S.35E.28.32210	12/6/1979	18
select	5530	18S	35E	28	OGALLALA	18S.35E.28.32210	11/9/1984	24
select	4734	18S	35E	28	OGALLALA	18S.35E.28.32210	6/7/1990	52
select	3665	18S	35E	28	OGALLALA	18S.35E.28.32210	9/29/1995	24

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

December 19, 2012

KYLE PAXTON

SUNDOWN ENERGY

P. O. BOX 277

WICKETT, TX 79788

RE: REEVES QUEEN WATERFLOOD UNIT

Enclosed are the results of analyses for samples received by the laboratory on 11/20/12 11:10.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list on accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accreditated through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Celey D. Keene

Lab Director/Quality Manager

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

SUNDOWN ENERGY P. O. BOX 277 WICKETT TX, 79788	Project: REEVES QUEEN WATERFLOOD UNI Project Number: NOT GIVEN Project Manager: KYLE PAXTON Fax To: NOT GIVEN	Reported: 19-Dec-12 15:56

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
SOUTH VACUUM #5	H202825-01	Water	16-Nov-12 00:00	20-Nov-12 11:10
LEA 403 STATE #2	H202825-02	Water	20-Nov-12 00:00	20-Nov-12 11:10
COMP OF S VACUUM & LEA	H202825-03	Water	20-Nov-12 00:00	20-Nov-12 11:10

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

PHONE (575) 393-2326 * 101 E. MARLAND * HOBBS, NM 88240

Analytical Results For:

SUNDOWN ENERGY P. O. BOX 277 WICKETT TX, 79788	Project: REEVES QUEEN WATERFLOOD UNI Project Number: NOT GIVEN Project Manager: KYLE PAXTON Fax To: NOT GIVEN	Reported: 19-Dec-12 15:56

SOUTH VACUUM #5

H202825-01 (Water)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
Cardinal Laboratories									
Inorganic Compounds									
Alkalinity, Bicarbonate	**34.2**	5.00	mg/L	1	2110104	HM	26-Nov-12	310.1	
Calcium	**3090**	1.60	mg/L	1	2101718	HM	30-Nov-12	SM3500Ca-D	
Alkalinity, Carbonate	ND	0.00	mg/L	1	2110104	HM	26-Nov-12	310.1	
Chloride*	***13800***	4.00	mg/L	1	2112104	HM	26-Nov-12	4500-Cl-B	
Conductivity*	**40300**	1.00	uS/cm	1	2112607	HM	26-Nov-12	120.1	
Magnesium	**899**	1.00	mg/L	1	2101718	HM	30-Nov-12	SM3500Mg-E	
pH*	**6.11**	0.100	pH Units	1	2112607	HM	26-Nov-12	150.1	
Potassium	**185**	1.00	mg/L	1	2101718	HM	30-Nov-12	HACH 8049	
Sodium	**3730**	1.00	mg/L	1	2101718	HM	30-Nov-12	Calculation	
Sulfate*	**293**	10.0	mg/L	1	2112703	AP	27-Nov-12	375.4	
TDS*	**23300**	5.00	mg/L	1	2112602	HM	21-Nov-12	160.1	
Alkalinity, Total*	**28.0**	4.00	mg/L	1	2110104	HM	26-Nov-12	310.1	

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

SUNDOWN ENERGY P. O. BOX 277 WICKETT TX, 79788	Project: REEVES QUEEN WATERFLOOD UN Project Number: NOT GIVEN Project Manager: KYLE PAXTON Fax To: NOT GIVEN	Reported: 19-Dec-12 15:56

LEA 403 STATE #2

H202825-02 (Water)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
Cardinal Laboratories									
Inorganic Compounds									
Alkalinity, Bicarbonate	503	5.00	mg/L	1	2110104	HM	26-Nov-12	310.1	
Calcium	2480	1.60	mg/L	1	2101718	HM	30-Nov-12	SM3500Ca-D	
Alkalinity, Carbonate	*ND*	0.00	mg/L	1	2110104	HM	26-Nov-12	310.1	
Chloride*	19400	4.00	mg/L	1	2112104	HM	26-Nov-12	4500-Cl-B	
Conductivity*	58700	1.00	uS/cm	1	2112607	HM	26-Nov-12	120.1	
Magnesium	267	1.00	mg/L	1	2101718	HM	30-Nov-12	SM3500Mg-E	
pH*	7.56	0.100	pH Units	1	2112607	HM	26-Nov-12	150.1	
Potassium	575	1.00	mg/L	1	2101718	HM	30-Nov-12	HACH 8049	
Sodium	9190	1.00	mg/L	1	2101718	HM	30-Nov-12	Calculation	
Sulfate*	261	10.0	mg/L	1	2112703	AP	27-Nov-12	375.4	
TDS*	32300	5.00	mg/L	1	2112602	HM	21-Nov-12	160.1	
Alkalinity, Total*	412	4.00	mg/L	1	2110104	HM	26-Nov-12	310.1	

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

SUNDOWN ENERGY P. O. BOX 277 WICKETT TX, 79788	Project: REEVES QUEEN WATERFLOOD UNI Project Number: NOT GIVEN Project Manager: KYLE PAXTON Fax To: NOT GIVEN	Reported: 19-Dec-12 15:56

COMP OF S VACUUM & LEA 403

H202825-03 (Water)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
Cardinal Laboratories									
Inorganic Compounds									
Alkalinity, Bicarbonate	**317**	5.00	mg/L	1	2110104	HM	13-Dec-12	310.1	
Alkalinity, Carbonate	ND	0.00	mg/L	1	2110104	HM	13-Dec-12	310.1	
Chloride*	**16700**	4.00	mg/L	1	2121905	HM	19-Dec-12	4500-Cl-B	
Conductivity*	**50900**	1.00	uS/cm	1	2121806	AP	18-Dec-12	120.1	
pH*	**7.57**	0.100	pH Units	1	2121910	HM	11-Dec-12	150.1	
Resistivity	**0.196**		Ohms/m	1	2121908	HM	18-Dec-12	120.1	
Specific Gravity @ 60° F	**1.016**	0.000	[blank]	4	2121909	HM	19-Dec-12	SM 2710F	
Sulfate*	**296**	10.0	mg/L	1	2120501	AP	10-Dec-12	375.4	
TDS*	**33300**	5.00	mg/L	1	2120605	AP	13-Dec-12	160.1	
Alkalinity, Total*	**260**	4.00	mg/L	1	2110104	HM	13-Dec-12	310.1	
Dissolved Metals									
Barium	ND	1.00	mg/L	100	2121907	CK	13-Dec-12	200.7	GAL
Calcium	**2200**	100	mg/L	100	2121907	CK	13-Dec-12	200.7	GAL
Iron	ND	5.00	mg/L	100	2121907	CK	13-Dec-12	200.7	GAL
Magnesium	**619**	100	mg/L	100	2121907	CK	13-Dec-12	200.7	GAL
Potassium	**326**	100	mg/L	100	2121907	CK	13-Dec-12	200.7	GAL
Sodium	**7650**	100	mg/L	100	2121907	CK	13-Dec-12	200.7	GAL

Cardinal Laboratories *=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

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Analytical Results For:

SUNDOWN ENERGY P. O. BOX 277 WICKETT TX, 79788	Project: REEVES QUEEN WATERFLOOD UNI Project Number: NOT GIVEN Project Manager: KYLE PAXTON Fax To: NOT GIVEN	Reported: 19-Dec-12 15:56

Inorganic Compounds - Quality Control

Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 2101718 - * DEFAULT PREP *** **										
Blank (2101718-BLK1)				Prepared: 17-Oct-12 Analyzed: 09-Nov-12						
Magnesium	ND	1.00	mg/L							
Potassium	ND	1.00	mg/L							
Calcium	ND	1.60	mg/L							
LCS (2101718-BS1)				Prepared & Analyzed: 17-Oct-12						
Potassium	3.00		mg/L	3.00		100	80-120			
Magnesium	54.4		mg/L	50.0		109	80-120			
Calcium	20.8		mg/L	20.0		104	80-120			
Duplicate (2101718-DUP1)	Source: H202593-01			Prepared: 17-Oct-12 Analyzed: 09-Nov-12						
Magnesium	1820	1.00	mg/L		1880			3.24	20	
Calcium	6710	1.60	mg/L		6410			4.57	20	
Potassium	540	1.00	mg/L		540			0.00	20	
Batch 2110104 - General Prep - Wet Chem										
Blank (2110104-BLK1)				Prepared & Analyzed: 31-Oct-12						
Alkalinity, Carbonate	ND	0.00	mg/L							
Alkalinity, Bicarbonate	ND	5.00	mg/L							
Alkalinity, Total	ND	4.00	mg/L							
LCS (2110104-BS1)				Prepared & Analyzed: 31-Oct-12						
Alkalinity, Carbonate	ND	0.00	mg/L				80-120			
Alkalinity, Bicarbonate	137	5.00	mg/L				80-120			
Alkalinity, Total	112	4.00	mg/L	100		112	80-120			
LCS Dup (2110104-BSD1)				Prepared & Analyzed: 31-Oct-12						
Alkalinity, Carbonate	ND	0.00	mg/L				80-120		20	
Alkalinity, Bicarbonate	137	5.00	mg/L				80-120	0.00	20	
Alkalinity, Total	112	4.00	mg/L	100		112	80-120	0.00	20	

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CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

SUNDOWN ENERGY	Project: REEVES QUEEN WATERFLOOD UNI	Reported:
P. O. BOX 277	Project Number: NOT GIVEN	19-Dec-12 15:56
WICKETT TX, 79788	Project Manager: KYLE PAXTON	
	Fax To: NOT GIVEN	

Inorganic Compounds - Quality Control

Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 2112104 - General Prep - Wet Chem										
Blank (2112104-BLK1)				Prepared & Analyzed: 26-Nov-12						
Chloride	ND	4.00	mg/L							
LCS (2112104-BS1)				Prepared & Analyzed: 26-Nov-12						
Chloride	104	4.00	mg/L	100		104	80-120			
LCS Dup (2112104-BSD1)				Prepared & Analyzed: 26-Nov-12						
Chloride	104	4.00	mg/L	100		104	80-120	0.00	20	
Batch 2112602 - Filtration										
Blank (2112602-BLK1)				Prepared: 21-Nov-12 Analyzed: 29-Nov-12						
TDS	ND	5.00	mg/L							
LCS (2112602-BS1)				Prepared: 21-Nov-12 Analyzed: 29-Nov-12						
TDS	239		mg/L	240		99.6	80-120			
Duplicate (2112602-DUP1)		Source: H202812-03		Prepared: 21-Nov-12 Analyzed: 29-Nov-12						
TDS	1560	5.00	mg/L		1660			6.21	20	
Batch 2112607 - General Prep - Wet Chem										
LCS (2112607-BS1)				Prepared & Analyzed: 26-Nov-12						
pH	7.05		pH Units	7.00		101	90-110			
Conductivity	1410		uS/cm	1410		100	80-120			
Duplicate (2112607-DUP1)		***Source: H202825-01***		*Prepared & Analyzed: 26-Nov-12*						
Conductivity	40300	1.00	uS/cm		40300			0.00	20	
pH	6.14	0.100	pH Units		6.11			0.490	20	

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Analytical Results For:

SUNDOWN ENERGY P. O. BOX 277 WICKETT TX, 79788	Project: REEVES QUEEN WATERFLOOD UNI Project Number: NOT GIVEN Project Manager: KYLE PAXTON Fax To: NOT GIVEN	Reported: 19-Dec-12 15:56

Inorganic Compounds - Quality Control

Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 2112703 - General Prep - Wet Chem										
Blank (2112703-BLK1)				Prepared & Analyzed: 27-Nov-12						
Sulfate	ND	10.0	mg/L							
LCS (2112703-BS1)				Prepared & Analyzed: 27-Nov-12						
Sulfate	16.9	10.0	mg/L	20.0		84.6	80-120			
LCS Dup (2112703-BSD1)				Prepared & Analyzed: 27-Nov-12						
Sulfate	19.4	10.0	mg/L	20.0		97.2	80-120	13.8	20	
Batch 2120501 - General Prep - Wet Chem										
Blank (2120501-BLK1)				Prepared & Analyzed: 10-Dec-12						
Sulfate	ND	10.0	mg/L							
LCS (2120501-BS1)				Prepared & Analyzed: 10-Dec-12						
Sulfate	16.7	10.0	mg/L	20.0		83.7	80-120			
LCS Dup (2120501-BSD1)				Prepared & Analyzed: 10-Dec-12						
Sulfate	18.1	10.0	mg/L	20.0		90.4	80-120	7.64	20	
Batch 2120605 - Filtration										
Blank (2120605-BLK1)				Prepared & Analyzed: 06-Dec-12						
TDS	ND	5.00	mg/L							
LCS (2120605-BS1)				Prepared & Analyzed: 06-Dec-12						
TDS	223		mg/L	240		92.9	80-120			

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CARDINAL Laboratories

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Analytical Results For:

SUNDOWN ENERGY P. O. BOX 277 WICKETT TX, 79788	Project: REEVES QUEEN WATERFLOOD UNI Project Number: NOT GIVEN Project Manager: KYLE PAXTON Fax To: NOT GIVEN	Reported: 19-Dec-12 15:56

Inorganic Compounds - Quality Control

Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 2120605 - Filtration										
Duplicate (2120605-DUP1)		Source: H202905-01		Prepared & Analyzed: 06-Dec-12						
TDS	1200	5.00	mg/L		1140			5.13	20	
Batch 2121806 - General Prep - Wet Chem										
LCS (2121806-BS1)				Prepared & Analyzed: 18-Dec-12						
Conductivity	478		uS/cm	500		95.6	80-120			
Duplicate (2121806-DUP1)		Source: H203018-01		Prepared & Analyzed: 18-Dec-12						
Conductivity	1530	1.00	uS/cm		1530			0.00	20	
Batch 2121905 - General Prep - Wet Chem										
Blank (2121905-BLK1)				Prepared & Analyzed: 19-Dec-12						
Chloride	ND	4.00	mg/L							
LCS (2121905-BS1)				Prepared & Analyzed: 19-Dec-12						
Chloride	100	4.00	mg/L	100		100	80-120			
LCS Dup (2121905-BSD1)				Prepared & Analyzed: 19-Dec-12						
Chloride	108	4.00	mg/L	100		108	80-120	7.69	20	
Batch 2121909 - General Prep - Wet Chem										
Duplicate (2121909-DUP1)		Source: H202825-03		Prepared & Analyzed: 19-Dec-12						
Specific Gravity @ 60° F	1.014	0.000	[blank]		1.016			0.216	200	

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Analytical Results For:

SUNDOWN ENERGY P. O. BOX 277 WICKETT TX, 79788	Project: REEVES QUEEN WATERFLOOD UN: Project Number: NOT GIVEN Project Manager: KYLE PAXTON Fax To: NOT GIVEN	Reported: 19-Dec-12 15:56

Inorganic Compounds - Quality Control

Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 2121910 - General Prep - Wet Chem										
LCS (2121910-BS1)				Prepared & Analyzed: 11-Dec-12						
pH	7.00		pH Units	7.00		100	90-110			
Duplicate (2121910-DUP1)		Source: H202825-03		Prepared & Analyzed: 11-Dec-12						
pH	7.61	0.100	pH Units		7.57			0.527	20	

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Analytical Results For:

SUNDOWN ENERGY P. O. BOX 277 WICKETT TX, 79788	Project: REEVES QUEEN WATERFLOOD UNI' Project Number: NOT GIVEN Project Manager: KYLE PAXTON Fax To: NOT GIVEN	Reported: 19-Dec-12 15:56

Dissolved Metals - Quality Control

Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 2121907 - Dissolved/Potentially Dissolved Metals										
Blank (2121907-BLK1)				Prepared: 12-Dec-12 Analyzed: 13-Dec-12						
Calcium	*ND*	*1.00*	*mg/L*							
Sodium	ND	1.00	mg/L							
Magnesium	ND	1.00	mg/L							
Potassium	ND	1.00	mg/L							
Iron	ND	0.050	mg/L							
Barium	ND	0.010	mg/L							
LCS (2121907-BS1)				Prepared: 12-Dec-12 Analyzed: 13-Dec-12						
Sodium	7.88		mg/L	8.10		97.3	85-115			
Magnesium	26.3		mg/L	25.0		105	85-115			
Calcium	4.68		mg/L	5.00		93.6	85-115			
Barium	2.36		mg/L	2.50		94.4	85-115			
Potassium	9.85		mg/L	10.0		98.5	85-115			
Iron	4.87		mg/L	5.00		97.4	85-115			
LCS Dup (2121907-BSD1)				Prepared: 12-Dec-12 Analyzed: 13-Dec-12						
Calcium	4.71		mg/L	5.00		94.2	85-115	0.639	20	
Magnesium	26.3		mg/L	25.0		105	85-115	0.00	20	
Sodium	7.87		mg/L	8.10		97.2	85-115	0.127	20	
Potassium	9.69		mg/L	10.0		96.9	85-115	1.64	20	
Iron	4.91		mg/L	5.00		98.2	85-115	0.818	20	
Barium	2.36		mg/L	2.50		94.4	85-115	0.00	20	

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Notes and Definitions

GAL	Analysis subcontracted to Green Analytical Laboratories, a subsidiary of Cardinal Laboratories.
ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C
	Samples reported on an as received basis (wet) unless otherwise noted on report

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

Company Name: Sundown Energy
Project Manager: Kyle Paxton
Address:
City: Dallas State: TX Zip:
Phone #: 214-368-6100 Fax #: x2165
Project #: Project Owner:
Project Name: Water Samples
Project Location:
Sampler Name: Jason Able

BILL TO
P.O. #:
Company:
Attn:
Address:
City:
State: Zip:
Phone #:
Fax #:

ANALYSIS REQUEST
Scale Analysis Company

FOR LAB USE ONLY Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP	# CONTAINERS	MATRIX: GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	PRESERV: ACID/BASE	ICE / COOL	OTHER	SAMPLING DATE	TIME
H207829														
1	South Vacuum #5	G	1										11/19/12	
2	Lea 403 State #2	G	1										11/20/12	
3	Composite of South Vacuum #5 & Lea 403 State #2		1										11/20/12	

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

Relinquished By: Date: 11/20/12 Received By:
Time: 11:10
Relinquished By: Date: Received By: Jodi Henson
Time:

Delivered By: (Circle One)
Sampler - UPS - Bus - Other: 21°C

Sample Condition: Cool: Yes / No; Intact: Yes / No
CHECKED BY: (Initials)

Phone Result: ☐ Yes ☐ No Add'l Phone #:
Fax Result: ☐ Yes ☐ No Add'l Fax #:
REMARKS:
575-706-3289
Kpaxton@sundownenergy.com

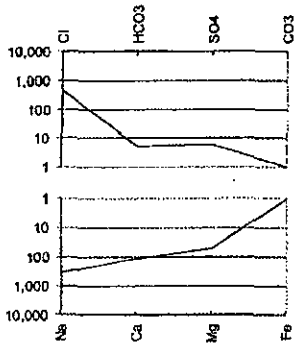
† Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-2326

CARDINAL LABORATORIES
SCALE INDEX WATER ANALYSIS REPORT

Company	: SUNDOWN ENERGY	Date Sampled	: 11/20/12
Lease Name	: REEVES QUEEN WATERFLOOD UNIT	Company Rep.	: KYLE PAXTON
Well Number	: COMPOSITE OF S VACUUM & LEA 403		
Location	: NOT GIVEN		

ANALYSIS					
1. pH	7.57				
2. Specific Gravity @ 60/60 F.	1.0160				
3. CaCO3 Saturation Index @ 80 F.	+0.546	'Calcium Carbonate Scale Possible'			
@ 140 F.	+1.476	'Calcium Carbonate Scale Possible'			
Dissolved Gasses					
4. Hydrogen Sulfide	ND	PPM			
5. Carbon Dioxide	ND	PPM			
6. *Dissolved Oxygen*	*Not Determined*				
Cations	mg/L	/	Eq. Wt.	=	MEQ/L
7. Calcium (Ca++)	2,200.00	/	20.1	=	109.45
8. Magnesium (Mg++)	619.00	/	12.2	=	50.74
9. Sodium (Na+)	7,650	/	23.0	=	321.49
10. Barium (Ba++)	0.000	/	68.7	=	0.00
Anions					
11. Hydroxyl (OH-)	0	/	17.0	=	0.00
12. Carbonate (CO3=)	0	/	30.0	=	0.00
13. Bicarbonate (HCO3-)	317	/	61.1	=	5.19
14. Sulfate (SO4=)	296	/	48.8	=	6.07
15. Chloride (Cl-)	16,700	/	35.5	=	470.42
Other					
16. Soluble Iron (Fe)	0.000	/	18.2	=	0.00
17. Total Dissolved Solids	33,300				
18. Total Hardness As CaCO3	8,042.0				
19. Calcium Sulfate Solubility @ 90 F.	2,270				
20. Resistivity (Measured)	0.196	Ohm/Meters	@ 77	Degrees (F)	

Logarithmic Water Pattern



PROBABLE MINERAL COMPOSITION

COMPOUND	Eq. Wt.	X	MEQ/L	=	mg/L
Ca(HCO3)2	81.04	X	5.19	=	420
CaSO4	68.07	X	6.07	=	413
CaCl2	55.50	X	98.20	=	5,450
Mg(HCO3)2	73.17	X	0.00	=	0
MgSO4	60.19	X	0.00	=	0
MgCl2	47.62	X	50.74	=	2,416
NaHCO3	84.00	X	0.00	=	0
NaSO4	71.03	X	0.00	=	0
NaCl	58.46	X	321.49	=	18,794

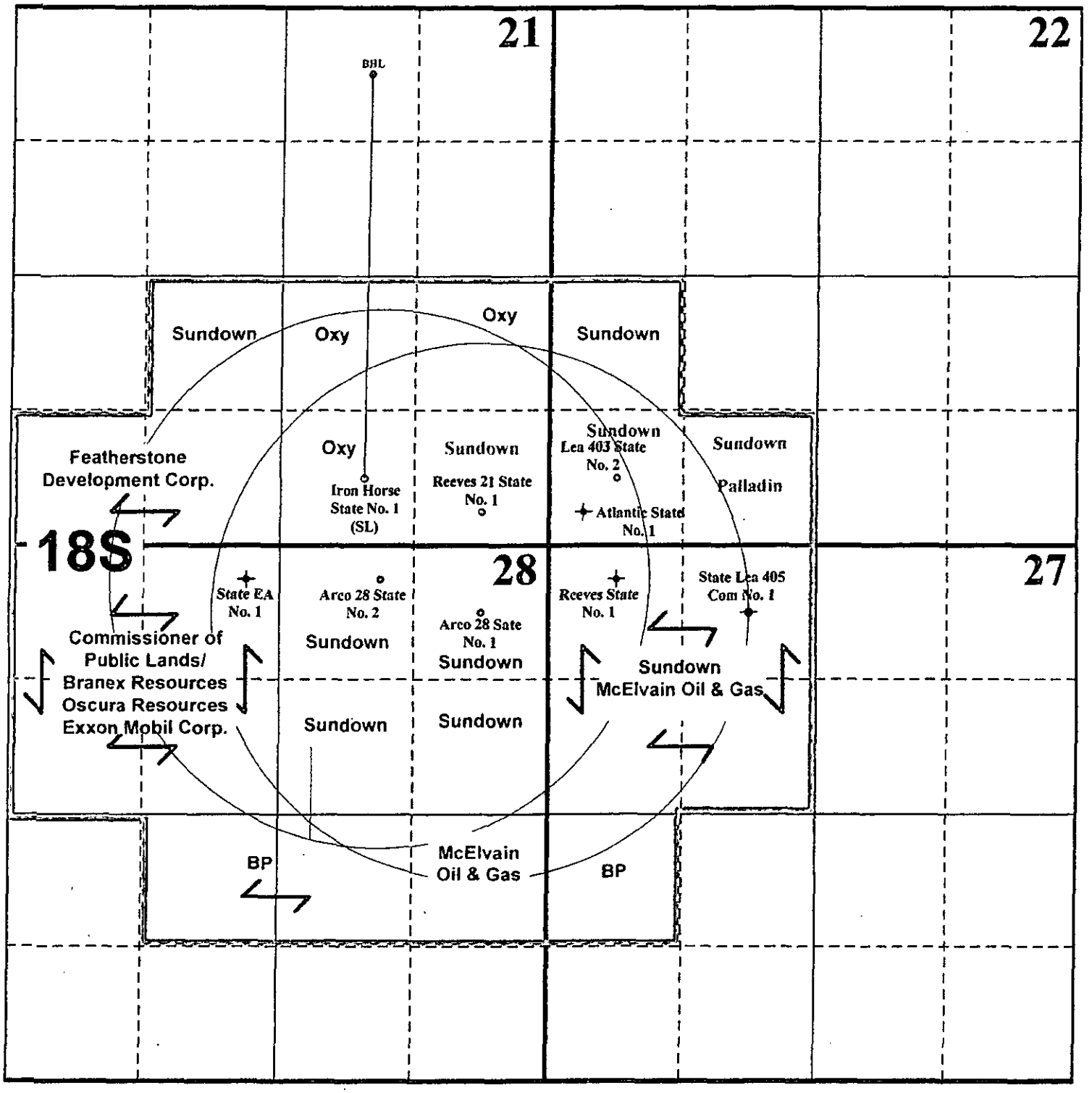
Form C-108
Affirmative Statement
Sundown Energy, LP
Arco 28 State Wells No. 1 & 2
Section 28, T-18 South, R-35 East, NMPM,
Lea County, New Mexico

Available geologic and engineering data has been examined and no evidence of open faults or hydrological connection between the injection zone and any underground sources of drinking water has been found.

Ross Pearson
Area Production Manager
Sundown Energy, LP

7/16/13
Date

35E



○ **Proposed Injection Well**

○ **Producing Well**

✦ **PA'd Well**

C-108 Notice Area

Text **Leasehold or Mineral Interest Owner**

Text **Operator**

Sundown Energy, LP
Reeves Queen Unit Waterflood
Offset Operator/Leashold Owner
Identification

Sundown Energy, LP
Form C-108: Arco 28 State Wells No. 1 & 2
Section 28, T-18 South, R-35 East, NMPM
Lea County, New Mexico

Offset Operator/Leasehold Owner Notification List (See Attached Map)

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

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

Paladin Energy Corporation
10290 Monroe Drive, Suite 301
Dallas, Texas 75229

Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504

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

Branex Resources/Oscura Resources
629 Sudderth Drive,
Ruidoso, New Mexico 88345

BP
740 Rosebud Rd.
Nara Vista, New Mexico 88430

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

Surface Owner (Arco 28 State Wells No. 1 & 2)

Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504

Additional Notice

Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240