



**MONTGOMERY
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2013 MAY -3 P 3: 06

May 3, 2013

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

Hand-Delivered

Re: NMOCD Case No. 14982: Application of Sundown Energy LP for Statutory Unitization, Lea County, New Mexico

Re: NMOCD Case No. 14983: Application of Sundown Energy LP for Authorization to Inject for Waterflood Project Operations, Lea County, New Mexico

Dear Ms. Bailey:

On behalf of Sundown Energy LP, enclosed for filing is an original and one copy of a Pre-Hearing Statement for each of the cases noted above.

Thank you.

Very truly yours,

Karen Williams
Assistant to J. Scott Hall

:kw
Enclosures
466163

REPLY TO:

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

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2013 MAY -3 P 3: 06

IN THE MATTER OF THE APPLICATION OF SUNDOWN ENERGY LP FOR STATUTORY UNITIZATION, LEA COUNTY, NEW MEXICO.

CASE NO. 14982

PRE-HEARING STATEMENT

Sundown Energy LP provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

Sundown Energy LP

APPLICANT'S ATTORNEY

J. Scott Hall
Montgomery & Andrews
P.O. Box 2307
Santa Fe, NM 87504-2307
(505) 982-3873

OTHER PARTY

None

OTHER PARTY'S ATTORNEY

STATEMENT OF THE CASE

Applicant seeks an order for the consolidation by statutory unitization of all mineral interests in the San Andres formation, West Arkansas Junction San Andres Pool (2503) for the Bobbi State Waterflood Unit. The Unit Area of the Bobbi State Waterflood Unit is comprised of approximately 1,120 acres of state land in Lea County, described as follows:

Township 18 South, Range 36 East, NMPM

Section 20: All
Section 29: N/2
Section 28: NW/4

Among the matters to be considered at the hearing will be the necessity of unit operations; designation of the unit operator; designation of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area, the determination of credits and charges to be made among the working interest owners in the unit area for their investment in wells and equipment; a non-consent penalty for risk to be charged against carried working interests in the unit; and such other matters as may be appropriate.

PROPOSED EVIDENCE

SUNDOWN ENERGY

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Kyle Paxton, Landman	30 minutes	6
Ross Pearson, Petroleum Engineer	30 minutes	8

OTHER

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

Applicant requests that Case No. 14983 be consolidated with Case No. 14982 for the conduct of a single hearing.

Montgomery and Andrews, P.A.

By: J. Scott Hall

J. Scott Hall, Esq.

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Attorneys for Sundown Energy LP

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served to counsel of record by electronic mail this _____ day of April, 2013.

N/A

J. Scott Hall