DOCKET: EXAMINER HEARING - THURSDAY - MAY 16, 2013

8:15 A.M. - 1220 South St. Francis Santa Fe, New Mexico

Docket Nos. 17-13 and 18-13 are tentatively set for May 30, 2013 and June 13, 2013. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 19.15.4.13.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued. A party who plans on using projection equipment at a hearing must contact Florene Davidson seven (7) business days prior to the hearing requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. The following cases will be heard by an Examiner.

Locator Key for Cases
Case 14953 – No. 4
Case 14954 – No. 5
Case 14962 – No. 11
Case 14967 – No. 7
Case 14970 – No. 3
Case 14982 – No. 1
Case 14983 – No. 2
Case 14984 – No. 6
Case 14985 – No. 8
Case 14986 – No. 9
Case 14987 – No. 10

1. <u>CASE 14982</u>: Application of Sundown Energy LP for Statutory Unitization, Lea County, New Mexico. 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. The unit area is located approximately two miles northwest of Arkansas Junction, New Mexico.

2. <u>CASE 14983</u>: Application of Sundown Energy LP for Authorization to Inject for Waterflood Project Operations, Lea County, New Mexico. Applicant seeks an order authorizing the injection of salt water into the San Andres formation, West Arkansas Junction San Andres Pool (2503) through the following wells:

State of New Mexico W No. 2

API No. 30-025-26605 660' FNL and 660' FWL (Unit D) Section 28 T-18-S, R-36-E, NMPM