



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

**J. SCOTT HALL**  
Office: (505) 986-2646  
Email: shall@montand.com  
Reply To: Santa Fe Office  
www.montand.com

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2013 SEP 26 P 2: 55

September 26, 2013

Ms. Jami Bailey, Director  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87504

**HAND DELIVERED**

**Re: NMOCD Case No. 15048: 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 Sundown's Pre-Hearing Statement in the above-captioned case.

Thank you.

Very truly yours,

Loretta Baca  
Assistant to J. Scott Hall

Enclosures

504860

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**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

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6301 Indian School Road NE, Suite 400  
Albuquerque, New Mexico 87110  
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210  
Albuquerque, New Mexico 87176-6210

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

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2013 SEP 26 P 2: 55

APPLICATION OF SUNDOWN ENERGY LP  
FOR AUTHORIZATION TO INJECT FOR  
WATERFLOOD PROJECT OPERATIONS,  
LEA COUNTY, NEW MEXICO

Case No. 15048

PRE-HEARING STATEMENT

Sundown Energy, LP ("Sundown") 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

OTHER PARTY'S ATTORNEY

**STATEMENT OF THE CASE**

OTHER PARTY

Applicant seeks an order authorizing the injection of water in the Queen formation, Reeves-Queen Oil Pool (52070) through the following wells:

Arco 28 State Well No. 1

API No. 30-025-29340  
660' FNL and 660' FEL (Unit A)  
Section 28  
T-18-S, R-35-E, NMPM

Arco State Well No. 2  
API No. 30-025-29526  
330' FNL and 1650' FEL (Unit B)  
Section 28  
T-18-S, R-35-E, NMPM

Applicant proposes to conduct waterflood operations to support production from its Reeves Queen Unit Waterflood Project Area by converting the two wells and utilizing them for injection of water through a closed system into the Queen formation through perforations in each of the wells at depths of 4,472' – 4,488' and 4,480' – 4,483', respectively. Injection operations through the wells will be conducted at an anticipated average daily injection pressure of 894 psi with a maximum surface injection pressure of 2,200 psi or as permitted by the Division. Applicant proposes injection of water at average daily rates of approximately 500 bbls and at maximum daily rates of approximately 1,000 bbls. The lands and wells are located approximately ten miles west of Hobbs, New Mexico.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

Ross Pearson, Petroleum Engineer

EST. TIME

30 min.

EXHIBITS

6

OPPONENT

WITNESSES

NA

EST. TIME

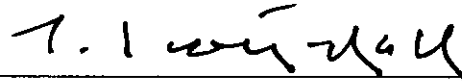
EXHIBITS

**PROCEDURAL MATTERS**

None

Montgomery and Andrews, P. A.

By:



J. Scott Hall  
Post Office Box 2307  
Santa Fe, New Mexico 87504-2307  
(505) 982-3873  
(505) 982-4289 fax  
shall@montand.com  
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 \_\_\_ of September, 2013.

N.A.

\_\_\_\_\_  
J. Scott Hall

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