

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

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

Case No. 15048

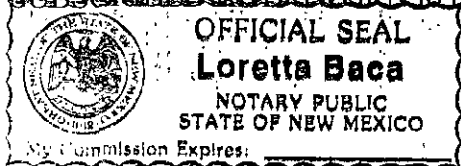
AFFIDAVIT

STATE OF NEW MEXICO    )  
  ) ss.  
COUNTY OF SANTA FE    )

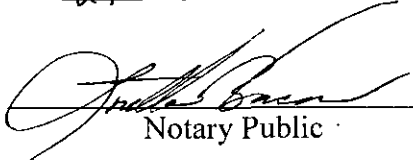
J. SCOTT HALL, attorney and authorized representative of Sundown Energy LP, the Applicant in NMOCD Case No. 15048, being first duly sworn, upon oath states that he sent copies of this Application to the parties as specified on the attached Exhibit A.

  
\_\_\_\_\_  
J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 27 day of September, 2013.



My Commission Expires: 1-11-13

  
\_\_\_\_\_  
Notary Public

468935

NMOCD CASE NO. 15048  
October 3, 2013  
Exhibit No. 5

## EXHIBIT A

BP  
1515 Aldine Meadows Rd.  
Houston, TX 77032

Branex Resources/Oscura Resources  
629 Sudderth Drive  
Ruidoso, NM 88345

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

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

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

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

BP  
501 Westlake Park Blvd.  
Houston, TX 77079

BP America Production Co.  
600 N. Marienfeld St.  
Midland, TX 79701

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

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

T.H. McElvain Oil & Gas LLP  
1050 17<sup>th</sup> Street, Suite 2500  
Denver, CO 80265

Paladin Energy Corporation  
10290 Monroe Drive, suite 301  
Dallas, TX 75229



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

**J. SCOTT HALL**

Office: (505) 986-2646

Email: shall@montand.com

Reply To: Santa Fe Office

www.montand.com

September 9, 2013

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

**Via Certified Mail  
Return Receipt Requested**

**Re: NMOCD Case No. 15048: Application of Sundown Energy LP for Authorization to Inject for Waterflood Project Operations, Lea County, New Mexico**

Dear Sir or Madam:

This is to advise that Sundown Energy LP has filed an application with the New Mexico Oil Conservation Division for approval to conduct waterflood operations to support production from its Reeves Queen Unit Waterflood Project by converting the following wells to injection:

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  
Lea County, New Mexico

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  
Lea County, New Mexico

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

---

**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

---

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

Exxon Mobil Corporation  
September 9, 2013  
Page 2

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.

Copies of the Application for hearing and the form C-108 submitted to the Division are enclosed.

This Application will be set for hearing before a Division Examiner on October 3, 2013, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

MONTGOMERY & ANDREWS, P.A.

A handwritten signature in black ink, appearing to read "J. Scott Hall", written in a cursive style.

J. Scott Hall

Attorneys for Sundown Energy LP

Enclosures

cc: w/o Kyle Paxton, Sundown Energy LP

499282

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P.O. Box 4358  
Houston, TX 77210-4358

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Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *James Felder* ☐ Agent ☒ Addressee

B. Received by (Printed Name)

C. Date of Delivery

JAMES FELDER 3 2013

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

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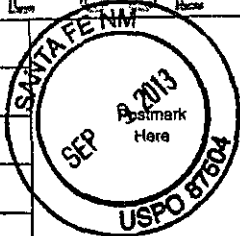
Postage \$

Certified Fee

Return Receipt Fee  
(Endorsement Required)Restricted Delivery Fee  
(Endorsement Required)

Total Postage &amp; Fees

8.77



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Street, Apt. No.  
 or PO Box No.  
 City, State, Zi

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

PS Form 380

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent ☒ Addressee  
☐ Date of Delivery

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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

2. Article Number  
(Transfer from service label)

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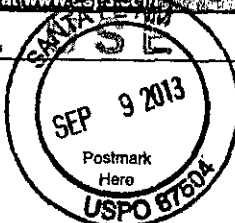
Postage \$

Certified Fee

Return Receipt Fee  
(Endorsement Required)Restricted Delivery Fee  
(Endorsement Required)

Total Postage &amp; Fees

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Sent To


Street,  
 or PO  
 City, S

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

PS Form

Instructions

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature  ☐ Agent  
☒ Addressee  
 B. Received by (Printed Name) C. Date of Delivery 9/11/13  
 D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

T.H. McElvain Oil & Gas LLP  
1050 17<sup>th</sup> Street, Suite 2500  
Denver, CO 80265

3. Service Type

|  |   |
|--|---|
| <input checked="" type="checkbox"/> Certified Mail | <input type="checkbox"/> Express Mail                   |
| <input type="checkbox"/> Registered                | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Insured Mail              | <input type="checkbox"/> C.O.D.                         |

4. Restricted Delivery? (Extra Fee) ☐ Yes

PS Form 3811, February 2004

### Domestic Return Receipt

102595-02-M-1540

|  |         |
|--|---------|
| <b>U.S. Postal Service</b><br><b>CERTIFIED MAIL RECEIPT</b><br><i>(Domestic Mail Only; No Insurance Coverage Provided)</i> |         |
| For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>                              |         |
| <b>OFFICIAL USE</b>  |         |
| Postage  | \$      |
| Certified Fee  |         |
| Return Receipt Fee<br>(Endorsement Required)   |         |
| Restricted Delivery Fee<br>(Endorsement Required)  |         |
| Total Postage & Fees   | \$ 8.77 |

SANTA FE NM  
 SEP 9 2013  
 Postmark Here  
 USPO 87504

|  |   |
|--|---|
| Sent To<br><br>Street, A/<br>or PO Bc<br><br>City, State | T.H. McElvain Oil & Gas LLP<br>1050 17 <sup>th</sup> Street, Suite 2500<br>Denver, CO 80265 |
|--|---|

PS Form

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|  |         |
|--|---------|
| <b>U.S. Postal Service</b><br><b>CERTIFIED MAIL™ RECEIPT</b><br>(Domestic Mail Only; No Insurance Coverage Provided) |         |
| For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>                         |         |
| <b>OFFICIAL USE</b>  |         |
| Postage  | \$      |
| Certified Fee  |         |
| Return Receipt Fee<br>(Endorsement Required)   |         |
| Restricted Delivery Fee<br>(Endorsement Required)  |         |
| Total Postage & Fees   | \$ 8.77 |

SEP 9 2013  
 Postmark  
 Here  
 USPO 87604

Sent To \_\_\_\_\_  
 Street, Ap. \_\_\_\_\_  
 or PO Box \_\_\_\_\_  
 City, State \_\_\_\_\_

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

7012 0470 0000 2697 2939

2012 0470 0000 2697 2915

PS Form 3811, February 2004

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102595-02-M-1540

|  |                            |
|--|----------------------------|
| 2. Article Number<br>(Transfer from service label) | 7012 0470 0000 12697 29155 |
|--|----------------------------|

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

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- Attach this card to the back of the mailpiece or on the front if space permits.

**SENDER: COMPLETE THIS SECTION**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature *[Signature]*  
 B. Received by / Printed Name *[Signature]*  
 C. Date *[Signature]*  
 D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below *[Signature]* ☐ No

3. Service Type  
☒ Certified Mail  
☐ Registered  
☐ Insured Mail  
☐ Express Mail  
☐ Return Receipt for Merchandise  
☐ C.O.D.

4. Restricted Delivery? *[Signature]* ☐ Extra Fee ☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:

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

2. Article Number

(Transfer from service label) 7012 0470 0000 2697 2922...

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102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X M. Scott

☒ Agent☐ Addressee

B. Received by (Printed Name)

M. Scott

C. Date of Delivery

9-11-13

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ YesU.S. Postal Service  
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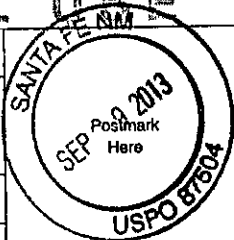
Postage \$

Certified Fee

Return Receipt Fee  
(Endorsement Required)Restricted Delivery Fee  
(Endorsement Required)

Total Postage &amp; Fees \$

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Sent To

Street, A.  
or PO Box  
City, State

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

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## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Ruidoso

Received by (Printed Name)

Ruidoso

Date of Delivery

9-11-13

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Branex Resources/Oscuro  
Resources  
629 Sudderth Drive  
Ruidoso NM 88345

2. Article Number

(Transfer from service label)

7012 0470 0000 2697 2885

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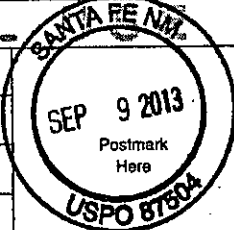
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Certified Fee

Return Receipt Fee  
(Endorsement Required)Restricted Delivery Fee  
(Endorsement Required)

Total Postage &amp; Fees \$

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Street  
or PO Box  
City, State

Branex Resources/Oscuro  
Resources  
629 Sudderth Drive  
Ruidoso, NM 88345

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7012 0470 0000 2697 2922

7012 0470 0000 2697 2885

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1. Article Addressed to:

Paladin Energy Corporation  
10290 Monroe Drive, suite 301  
Dallas, TX 75229

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent  
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number || ||

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Return Receipt Fee  
(Endorsement Required)Restricted Delivery Fee  
(Endorsement Required)

Total Postage &amp; Fees

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Sent To

Street, Apt.  
or PO Box  
City, State

Paladin Energy Corporation  
10290 Monroe Drive, suite 301  
Dallas, TX 75229

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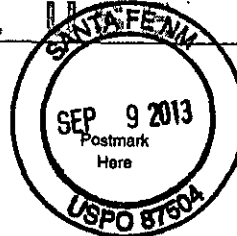
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Certified Fee

Return Receipt Fee  
(Endorsement Required)Restricted Delivery Fee  
(Endorsement Required)

Total Postage &amp; Fees

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Street, Apt.  
or PO Box  
City, State

BP  
1515 Aldine Meadows Rd.  
Houston, TX 77032

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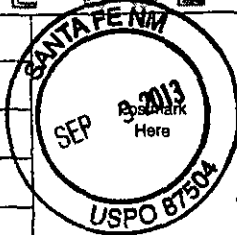
Postage \$

Certified Fee

Return Receipt Fee  
(Endorsement Required)Restricted Delivery Fee  
(Endorsement Required)

Total Postage &amp; Fees

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Street, Apt.  
or PO Box  
City, State

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

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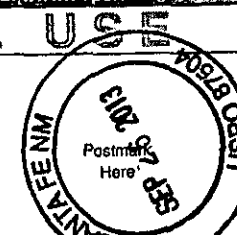
Postage \$

Certified Fee

Return Receipt Fee  
(Endorsement Required)Restricted Delivery Fee  
(Endorsement Required)

Total Postage &amp; Fees

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Street, Apt. No.,  
or PO Box No.  
City, State, ZIP+4

BP America Production Co.  
600 N. Marienfeld St.  
Midland, TX 79701

PS Form 3800, August 2006

(See Reverse for Instructions)



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PUBLIC LANDS

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Certified Mail™

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| DATE & TIME                     | STATUS OF ITEM                          | LOCATION              |
|---------------------------------|---|-----------------------|
| September 11, 2013 ,<br>7:42 am | Delivered                               | SANTA FE, NM 87504    |
| September 11, 2013 , 7:19<br>am | Arrival at Unit                         | SANTA FE, NM 87501    |
| September 9, 2013 , 11:27<br>pm | Processed through<br>USPS Sort Facility | ALBUQUERQUE, NM 87101 |
| September 9, 2013               | Depart USPS Sort<br>Facility            | ALBUQUERQUE, NM 87101 |

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## J. Scott Hall

---

**From:** Rolla Hinkle III <rhinkle@dfn.com>  
**Sent:** Wednesday, September 18, 2013 5:25 PM  
**To:** J. Scott Hall  
**Subject:** Re: NMOCD notice, CASE no 15048

**Hi Scott: Rolla and Matt (Oscura Resources, Inc.) are Ok with it also.**

**From:** J. Scott Hall  
**Sent:** Wednesday, September 18, 2013 4:47 PM  
**To:** 'Andrew Grooms'  
**Cc:** Rolla Hinkle III  
**Subject:** RE: NMOCD notice, CASE no 15048

Thanks, Andy.  
Are you speaking for Rolla, as well?

J. Scott Hall  
Montgomery & Andrews, P.A.  
P. O. Box 2307  
Santa Fe, NM 87504-2307  
[shall@montand.com](mailto:shall@montand.com)  
(505) 986-2646

THIS MESSAGE CONTAINS INFORMATION WHICH MAY BE CONFIDENTIAL AND PRIVILEGED. UNLESS YOU ARE THE ADDRESSEE (OR AUTHORIZED TO RECEIVE FOR THE ADDRESSEE), YOU MAY NOT USE, COPY OR DISCLOSE TO ANYONE THE MESSAGE OR ANY INFORMATION CONTAINED IN THE MESSAGE. IF YOU HAVE RECEIVED THIS MESSAGE IN ERROR, PLEASE ADVISE THE SENDER BY REPLY E-MAIL TO [shall@montand.com](mailto:shall@montand.com) AND DELETE THE MESSAGE. THANK YOU.

**From:** Andrew Grooms [<mailto:branex54@gmail.com>]  
**Sent:** Wednesday, September 18, 2013 4:39 PM  
**To:** J. Scott Hall  
**Cc:** Rolla Hinkle III  
**Subject:** NMOCD notice, CASE no 15048

To: Scott Hall

Montgomery & Andrews Law Firm

Scott

Just received the above at my physical address which is 629A Sudderth, Ruidoso, NM 88345.

The letter was address to "Branex Resources/Oscura Resources"....please be advised that these are separate companies. Oscura Resources correct address is PO Box 2292, Roswell, NM 88202-2292.

Correct mailing address for Branex Resources, Inc. is PO Box 2990, Ruidoso, NM 88355-2990.

We have no objection to what your client wants to do.....

Hope all is well with you Scott....

Sincerely,

Andy Grooms

cc. Rolla Hinkle III, Oscura Resources.....Roswell, NM

--

F. Andrew Grooms/President/Landman

Branex Resources, Inc.

L E Minerals, Ltd.

Compound Properties, LLC

P.O. Box 2990

Ruidoso, New Mexico 88355-2990

575-630-0152 Office

575-336-2451 Home

575-937-6904 Cell