

District I  
1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88201

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101

June 16, 2001

FEB 09 2011

HOBBSUCD

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN,  
PLUGBACK, OR ADD A ZONE**

|  |  |   |
|--|--|---|
| <sup>1</sup> Operator Name and Address<br>Sundown Energy, LP<br>13455 Noel Road, Suite 2000<br>Dallas, Texas 75240 |  | <sup>2</sup> OGRID Number<br>232611     |
| <sup>3</sup> Property Code<br>306892   | <sup>5</sup> Property Name<br>Kochia AAM State | <sup>4</sup> API Number<br>30-025-28905 |
| <sup>9</sup> Proposed Pool 1<br>SWD Devonian (Pool Code 96101)   |  | <sup>10</sup> Proposed Pool 2           |
| <sup>7</sup> Surface Location  |  |   |
| UL or lot no.<br>O   | Section<br>35                                  | Township<br>15S                         |
| Range<br>36E   | Lot Idn<br>O                                   | Feet from the<br>990'                   |
| North/South line<br>S  | Feet from the<br>2310                          | East/West line<br>E                     |
| County<br>Lea  |  |   |
| <sup>8</sup> Proposed Bottom Hole Location If Different From Surface   |  |   |
| UL or lot no.  | Section  | Township                                |
| Range  | Lot Idn  | Feet from the                           |
| North/South line   | Feet from the                                  | East/West line                          |
| County   |  |   |
| Additional Well Information  |  |   |
| <sup>11</sup> Work Type Code<br>D  | <sup>12</sup> Well Type Code<br>S              | <sup>13</sup> Cable/Rotary<br>Rotary    |
| <sup>14</sup> Lease Type Code<br>S   | <sup>15</sup> Ground Level Elevation<br>3855'  |   |
| <sup>16</sup> Multiple<br>N  | <sup>17</sup> Proposed Depth<br>14,500'        | <sup>18</sup> Formation<br>Devonian     |
| <sup>19</sup> Contractor   | <sup>20</sup> Spud Date                        |   |

**<sup>21</sup> Proposed Casing and Cement Program**

| Hole Size | Casing Size | Casing weight/foot | Setting Depth   | Sacks of Cement                             | Estimated TOC |
|-----------|-------------|--------------------|-----------------|---|---------------|
| 17 1/2"   | 13 3/8"     | 54.5               | 404'            | 435   | Surface       |
| 11"       | 8 5/8"      | 32                 | 4,922'          | 2350  | Surface       |
| 7 7/8"    | 5 1/2"      | 17                 | 13,800'         | 1 <sup>st</sup> -250; 2 <sup>nd</sup> -1350 | 8,950' (CBL)  |
|           |             |                    |                 | DV Tool @ 12,802'                           |               |
| 4 3/4"    | 4"          | 9.5# Slimhole      | 11,300'-14,500' | 75  | Top of Liner  |

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

The Kochia AAM State Well No. 1 was drilled in 1984 as a Penn/Devonian test. The well last produced in 2007-08 from Pennsylvanian perforations (12,234'-12,573') and from Devonian perforations (13,594'-13,598'). Strawn perforations from 11,499'-11,686' were squeezed with 150 sx. of cement and Devonian perforations from 13,672'-13,676' are isolated below a CIBP @ 13,654'. PBTD of the well is currently 12,435'. Due to junk in the hole (Estimated top of fish-13,520') it is proposed to drill out CIBP's at 12,435' & 13,315', set whipstock and plug assembly at approximately 13,300', mill a window in the casing, sidetrack and deepen the well to a total depth of approximately 14,500' at the top of the Sylvan Shale. Run 4" liner from 11,300' to total depth and cement with sufficient cement to circulate to top of liner. The well will then be completed as a disposal well in the lower Devonian interval through perforations at approximately 13,800'-14,500'. 2 7/8" and 2 3/8" IPC tubing will be run and set in a Arrow Set 1X packer at 13,750' (See Attached procedure & wellbore schematic). Form C-108 is being filed with the OCD and injection into the Devonian formation will not occur until OCD issues a produced water disposal permit for this well.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

David Catanach

Printed name:  
David Catanach

Title:  
Agent for Sundown Energy, LP

E-mail Address:  
drcatanach@netscape.com

Date:  
2/9/2011

Phone:  
(505) 690-9453

OIL CONSERVATION DIVISION

Approved by:

PETROLEUM ENGINEER

Title:

Approval Date:  
FEB 11 2011

Expiration Date:

**"CONDITION FOR APPROVAL"** Approval for Drilling only. CANNOT Dispose into the wellbore without a Disposal order approved by the Santa Fe OCD Office.

**Condition of Approval:** Notify OCD Hobbs office 24 hours prior to running MIT Test & Chart.

Permit Expires 1 Year From Approval  
Date Underway  
Deepen

**Kochia AAM State #1  
990' FSL and 2310' FEL  
Section 35 T-15-S, R-36-E  
API # 30-025-28905  
Lea County, New Mexico**

**Procedure to sidetrack and deepen into the lower Devonian**

MIRU 24 hour workover unit. POOH w/ tubing and packer. PU 2-7/8" Drill pipe and six 3-1/2" drill collars. RIH and drill out CIBP at 12,435'. Drill out CIBP at 13,315'. Tag ESP fish at 13,520'.

RIH and set whipstock with plug assembly. Set plug-whipstock assembly at +/-13,300'. PU whipstock mill and mill a window in the casing. Prep to sidetrack well.

POOH. RIH 4-3/4" bit, directional tools and mud motor. Sidetrack well and deepen well to the top of the Sylvan Shale. POOH. Estimated TVD is 14,000'. Mud logger may be considered on location to monitor potential deeper Devonian pay intervals. Monitor returns till Sylvan Shale is encountered.

PU and RIH w/ 4" cementing shoe and float. RIH 9.5# FL4s slimhole casing. Set casing on bottom of the Sylvan Shale. Set Baker FLEX-LOCK 4" X 5-1/2" Hydraulic set rotating liner hanger at 11,300'.

Tie on cement equipment. Mix and pump Class "H" neat cement with fluid loss additive. Pump cement to the top of the liner at 11,300'. Rotate liner during the cement process. Release from liner hanger and reverse out any excess cement off top of the liner.

MIRU wireline unit and run CBL-CCL log under 500 psig. Perforate the Lower Devonian below the original oil water contact (-9920 SS) to the base of the Sylvan Shale (4 spf 90 degree phasing).

RIH w/ 2-7/8" 6.5# N-80 IPC and 2-3/8" 4.7 N-80 IPC tapered tubing string with a 4" Arrow-set 1-X packer (or equivalent). Set packer 50' above the top perforation. Pressure test casing annulus for mechanical integrity. Run a pump in test to determine rates and pressure for the Lower Devonian injectivity. RDMO 24-hour workover rig.

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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FEB 09 2011 Santa Fe, NM 87505

District Office

☐ AMENDED REPORT

87505  
HOBBSOCD

## WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                   |  |                                  |
|-----------------------------------|--|----------------------------------|
| API Number<br><b>30-025-28905</b> | Pool Code<br><b>96101</b>                  | Pool Name<br><b>SWD Devonian</b> |
| Property Code<br><b>306892</b>    | Property Name<br><b>Kochia AAM State</b>   | Well Number<br><b>1</b>          |
| OGRID No.<br><b>232611</b>        | Operator Name<br><b>Sundown Energy, LP</b> | Elevation<br><b>3855' GL</b>     |

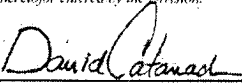
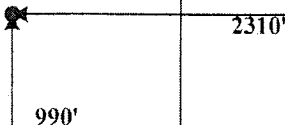
### Surface Location

|               |         |          |         |         |               |                  |               |                |        |
|---------------|---------|----------|---------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range   | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| O             | 35      | 15 South | 36 East |         | 990'          | South            | 2310'         | East           | Lea    |

## Bottom Hole Location If Different From Surface

|                        |                 |          |                  |         |               |                  |               |                |        |
|------------------------|-----------------|----------|------------------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no.<br>*     | Section         | Township | Range            | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| Dedicated Acres<br>N/A | Joint or Infill |          | Consolidate Code |         | Order No.     |                  |               |                |        |

No Allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the Division

|  |  |   |  |   |
|--|--|---|--|---|
|  |  |   |  | <p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the kind including the proposed bottomhole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofor entered by the Division.</i></p> <p align="right">  <span style="margin-left: 50px;">2/9/11</span> </p> <p>             _____<br/>             Signature <span style="float: right;">Date</span> </p> <p> <b>David Catanach, Agent</b><br/>             _____<br/>             Printed Name         </p> <p> <u>drcatanach@netscape.com</u><br/>             _____<br/>             E-mail Address         </p> |
|  |  | (BHL will be within 50' of current BHL)   |  | <p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>_____</p> <p>Date of Survey</p> <p>_____<br/>             Signature and Seal of Professional Surveyor:</p><br><br><p>_____</p> <p>Certificate Number :</p>   |
|  |  |  |  |   |

# Sundown Energy, LP

Kochia AAM State No. 1  
990' FSL & 2310' FEL (O)  
Section 35, T-15S, R-36E

17 1/2" Hole; Set 13 3/8" 54.5# Csg. @ 404'.  
Cemented w/435 Sx. Cement circulated to surface

11" Hole; Set 8 5/8" 32# Csg. @ 4,922'.  
Cemented w/2,350 Sx. Cement circulated to surface

TOC @ 8,950' by CBL

TOL @ 11,300'  
Strawn Perfs: 11,499'-11,686' (Squeezed w/150 Sx.)

Morrow Perfs: 12,234'-12,255'  
CIBP @ 12,435' (To be drilled out)  
Morrow Perfs: 12,494'-12,573'

DV Tool @ 12,802'

CIBP @ 13,315' w cement on top

Junk subpump TOF @ 13,520'

Devonian Perfs: 13,594'-13,598'

CIBP @ 13,654' w/ 4' cement on top

5 1/2" RBP @ 13,600'

Devonian Perfs: 13,672'-13,676'

5' Cement plug

7 7/8" Hole; Set 5 1/2" 17# Csg. @ 13,800'. Cemented 1<sup>st</sup> stage-250 Sx.  
2<sup>nd</sup> Stage-1350 Sx. DV Tool @ 12,802. TOC @ 8,950' by CBL

T.D. 13,800'

4 3/4" Hole; 4" Slimhole liner to be set 11,300'-14,500' Cement w/ 75 Sx. Circulate to top of liner  
Proposed Devonian disposal interval: Perforated 13,800'-14,500'

T.D. 14,500'