



Brooks

July 12, 2013

RECEIVED OGD

2013 JUL 15 P 2:15

VIA CERTIFIED MAIL 7102 2920 0000 3674 8764

New Mexico Oil Conservation Division
1220 SOUTH ST. FRANCIS DRIVE
Santa Fe, NM 87505

Re: All Sec. 20, N/2 Sec. 29, NW/4 Sec. 28, T18S, R36E
Bobbi State Waterflood Unit
Lea County, NM

To Whom it May Concern:

This letter is to release EOG Resources, Inc. ("EOG") of any compulsory pooling or unitization action from case number 14982; Sundown Energy LP's ("SELP") case for compulsory pooling for the Bobbi State Waterflood Unit on May 16, 2013. SELP has successfully negotiated an assignment from EOG into SELP regarding the subject lands. Enclosed is a copy of that assignment in Fortune Natural Resources Corporation (sister entity of Sundown Energy LP).

Should you have any questions concerning this request, please contact me at 214-368-6100 (ext. 2165) or e-mail me at kpaxton@sundownenergy.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Kyle A. Paxton".

Kyle A. Paxton
Landman

cc: D.H. McCright
EOG Resources, Inc.
5509 Champions Drive
Midland, TX 79706

COF

STATE OF NEW MEXICO §
 COUNTY OF LEA §

ASSIGNMENT AND BILL OF SALE AND CONVEYANCE

THIS ASSIGNMENT AND BILL OF SALE AND CONVEYANCE, effective as of 7:00 a.m. at the location of the Properties on April 1, 2013 ("Effective Time") is between EOG RESOURCES, INC. ("Assignor") P.O. Box 2267, Midland, Texas 79702 and FORTUNE NATURAL RESOURCES CORPORATION, a Delaware Corporation, ("Assignee") with offices at 13455 Noel Road, Suite 2000, Dallas, Texas 75240.

RECITALS

1. Assignor owns an interest in the oil and gas lease described on Exhibit "A" (the "Lease").
2. Assignor owns an interest in certain personal property, equipment and fixtures located on or about the Lease and used in connection with operation of the Lease (the "Equipment").
3. Assignor's interest in the Lease are benefited and burdened by rights and obligations existing under certain contracts and agreements (the "Contracts"), including, but not limited to, operating agreements, unitization agreements, pooling agreements, declarations of pooling or unitization, farm out agreements, rights of way, easements, surface agreements, assignments, gas sale contracts and gas processing contracts.
4. Assignor is entitled to receive oil, gas, casinghead gas, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons, products refined and manufactured therefrom, other minerals, and the accounts and proceeds from the sale of all of the foregoing (the "Production") under the terms of the Lease and the Contracts.
5. Assignor maintains files, records, data, including geophysical and seismic data and other documentary information regarding the Lease, the Wells, the Equipment, the Contracts, and the Production, (the "Data"). The Data shall not include any confidential information which, if disclosed, would cause Assignor to breach any contract or agreement.
6. The Lease, Wells, Equipment, Contracts, Production and Data are all collectively referred to as the "Properties".
7. Assignor agrees to assign all right, title and interest of Assignor in the Properties to Assignee.

CONVEYANCE

For One Hundred Dollars (\$100.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby sells, transfers, conveys and assigns to Assignee, all of Assignor's right, title and interest in and to the Properties, to have and to hold unto Assignee, its successors and assigns, forever.

This Assignment and Bill of Sale is made without warranty of title, either express or implied. This Assignment and Bill of Sale is made and accepted subject to all burdens, encumbrances, contracts and agreements which are of record to the extent that same are in force and effect and affect the Properties.

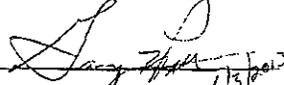
ASSIGNOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS AS TO THE QUALITY, MERCHANTABILITY, OR FITNESS OF THE PROPERTIES FOR ASSIGNEE'S INTENDED USE OR FOR ANY USE WHATSOEVER AND ASSIGNEE ACCEPTS THE PROPERTIES "AS IS", "WHERE IS", "WITH ALL FAULTS", IN THEIR PRESENT CONDITION AND STATE OF REPAIR.

Assignor shall indemnify and hold Assignee harmless from any and all expenses, attorney's fees, damages, liabilities, claims and causes of action of every kind or character arising out of or connected with the use, occupancy, ownership, operation or abandonment of the Properties, that occur prior to the Effective Time whether such claims are presented before or after the Effective Time. Assignee shall indemnify and hold Assignor harmless from and against any and all, expenses, attorney's fees, damages, liabilities, claims and causes of action of every kind or character arising out of or connected with the use, occupancy, ownership, operation or abandonment of the Properties, that occur after the Effective Time.

IN WITNESS WHEREOF, the Assignor and Assignee have caused this Assignment and Bill of Sale to be executed on the date of their respective acknowledgments set forth below, to be effective, however, as of the Effective Time.

ASSIGNOR:

EOG RESOURCES, INC.

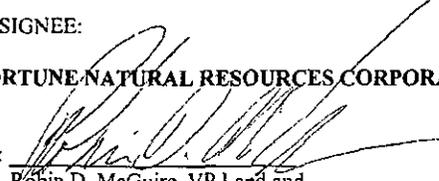
By: 

Printed Name: Gary L. Pitts 6/3/03 DM

Title: Vice President 

ASSIGNEE:

FORTUNE NATURAL RESOURCES CORPORATION

By: 

Robin D. McGuire, VP Land and General Counsel

ACKNOWLEDGEMENTS

STATE OF TEXAS §
COUNTY OF MIDLAND §

BEFORE ME, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared, GARY L. PITTS to me personally known, who being by me duly sworn, did say that he is the VICE PRESIDENT of EOG RESOURCES, INC. and that the foregoing instrument was duly authorized and signed on behalf of said company and he acknowledged said instrument to be the free act and deed of said company for the uses and purposes herein set forth.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 3rd day of June, 2013.

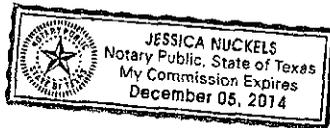


Bridget J. Row
Notary Public, Texas
My Commission Expires 5-7-14

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared, Robin D. McGuire to me personally known, who being by me duly sworn, did say that he is the VP Land & General Counsel of Fortune Natural Resources Corporation and that the foregoing instrument was duly authorized and signed on behalf of said company and he acknowledged said instrument to be the free act and deed of said company for the uses and purposes herein set forth.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 29th day of May, 2013.



Jessica Nuckels
Notary Public, State of Texas
My Commission Expires 12/05/2014

After Recording Return To:
Fortune Natural Resources
13455 Noel Road, Ste. 2000
Dallas, TX 75240

Exhibit "A"

Attached to and made a part of that certain Assignment, Bill of Sale and Conveyance from EOG Resources, Inc. to Fortune Natural Resources Corporation effective April 1, 2013.

"The Lease"

Lease Number: LG-1869-0001
Lessor: State of New Mexico
Lessee: Griffin, Ross, & Burnett, Inc.
Date: July 1, 1974
Legal: W/2 Section 20, Township 18 South, Range 36 East, Lea County, New Mexico
Depths: As to the San Andres Formation Only; defined as 100' above and 100' below the correlative interval as found in the Bobbi #3 well API# 30-025-26954 (Compensated Neutron - Formation Density Log) from 5086' - 5577'.

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

JUN 21 2013

at 12:31 o'clock PM
and recorded in Book 1842
Page 695
Pat Chappelle, Lea County Clerk
By [Signature] Deputy



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