

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION
FOR THE PURPOSE OF CONSIDERING:**

**APPLICATION OF SUNDOWN ENERGY LP
FOR STATUTORY UNITIZATION, LEA
COUNTY, NEW MEXICO**

CASE NO. 14982
ORDER NO. R-13731-A

ORDER OF THE DIVISION

BY THE DIVISION:

This case was re-opened on September 16, 2013, to supplement the record, at Santa Fe, New Mexico before Examiner David K. Brooks.

NOW, on this 18th day of September, 2013, the Division Director, having considered the evidence,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) On August 13, 2013, the Division, in Order No. R-13731 issued in Case No. 14982, granted the application of Sundown Energy LP ("Applicant") to statutorily unitize the **Bobbi State Waterflood Unit** in the West Arkansas Junction-San Andres Pool in Lea County, New Mexico, with the provision that findings be made in a subsequent order of the Division that (i) at least 75 percent in interest of owners of expense bearing interests, including at least one such owner in addition to the Applicant have ratified the revised Unit Agreement, and (ii) that at least 75 percent in interest of the owners of non-expense bearing interests have separately ratified the Unit Agreement (See Ordering Paragraph (4) of Order No. R-13731).

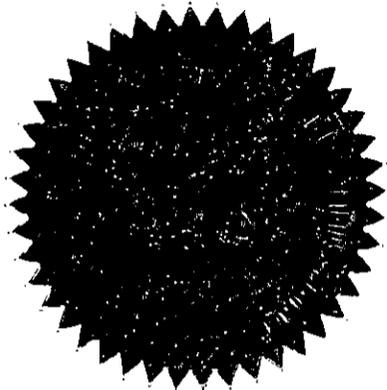
(3) Applicant has filed evidence by affidavit demonstrating that the required ratifications have been obtained.

IT IS THEREFORE ORDERED THAT:

(1) The Unit Agreement and Unit Operating Agreement have been ratified as required in the NMSA 1978 Section 70-7-8 (governing statutory unitization) and Ordering Paragraph (4) of Order No. R-13731, and accordingly, Order No. R-13731 is now in full force and effect.

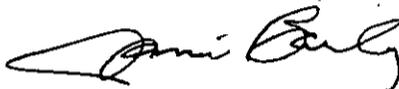
(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JAMI BAILEY
Director