

RECEIVED OOD

FORTUNE NATURAL RESOURCES CORPORATION

2013 MAR 2 20

March 2, 2013

**Kirby Minerals AN Oklahoma
General Partnership
PO Box 268947
Oklahoma City, OK 73126**

Re: Bobbi State Waterflood Unit
All Section 20, N/2 Section 29, NW/4 Section 28, 18S-36E
Lea County, New Mexico

Ladies and Gentlemen:

A recent title opinion performed on the above referenced acreage shows that you are an owner of a percentage of the Overriding Royalty Interest or Title Interest in said acreage. Fortune Natural Resources Corporation ("FNRC") hereby proposes to form a secondary waterflood unit in the above subject lands. Sundown Energy LP, an entity of FNRC will be the operator of the proposed waterflood unit, and is moving forward with unitization proceedings with the New Mexico Oil Conservation Division. Enclosed in this packet you will find the following:

1. Unit Agreement (for your review)
2. Unit Operating Agreement (for your review)
3. Ratification and Joinder of Unit Agreement and Unit Operating Agreement (sign, have notarized and return)
4. Plan of Operations

Please review the Plan of Operations page for a detailed review of the waterflood. This secondary recovery project will be flooding the San Andres formation. Sundown/FNRC plans to spend \$1,295,000 initially on this project. We believe we will be able to recover 268,000 bbls of secondary reserves over the life of the flood and have an estimated project payout in approximately two years. Since you are only an Overriding Royalty Interest Owner, you will only be receiving your proportionate share of the revenues. No costs will be allocated to your interest. The production of the current wells in this area are barely holding the leases. This secondary waterflood project will extend the life of the leases and your overriding royalty interest.

Sundown/FNRC is scheduled to go to a hearing to unitize the subject lands in May of 2013. Your timely response to this letter is extremely important and we request that you respond as soon as possible so we can start the unitization process. Please be aware that if you do not return this letter within 30 days of receipt we will start statutory force pooling procedures concerning your interest. Please make your election below and return to the undersigned at the letterhead address.

If you have any further questions regarding this proposal please contact me at 214-368-6100 or by email at kpaxton@sundownenergy.com. Again, please return an executed Ratification and Joinder of Unit Agreement and Unit Operating Agreement and the election page attached to this letter.

RECEIVED MAR 12 2013

Sincerely,

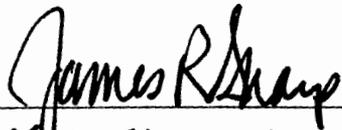
FORTUNE NATURAL RESOURCES CORPORATION



Kyle A. Paxton, RPL
Landman

James R. Sharp
Attorney-in-fact

Owner Signature: _____



Owner Name/Company _____

dw Kirby Minerals, an Oklahoma general partnership

Owner Address _____

101 N. Robinson Ave., Ste. 1000

Owner Phone # _____

Oklahoma City, OK 73102 (405) 516-7600

Owner Email _____

jbritten@maproyalty.com

Please return the above election and Ratification of Unit Agreement and Operating Agreement to my attention:

Fortune Natural Resources Corporation
Attn: Kyle Paxton
13455 Noel Road, Suite 2000
Dallas, TX 75240

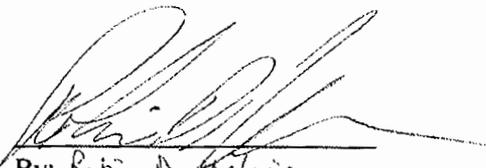
RATIFICATION AND JOINDER OF UNIT AGREEMENT
AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Bobbi State Waterflood Unit Area, County of Lea, State of New Mexico dated May 2, 2013, and in consideration of the execution or ratification by other working interest owners of the Unit Operating Agreement which relates to said Unit Agreement, the undersigned hereby expressly ratifies, approves, and adopts said Unit Agreement, and also said Unit Operating Agreement as fully as though the undersigned had executed the original instrument.

The Ratification and Joinder shall be effective as to the undersigned's interest in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substance, covering any lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

EXECUTED this 1st day of March, 2013.


By: Robin D. McGuire
Its: VP Land & General Counsel

(individual acknowledgment form)

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____ who acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement.

Given under my hand and seal of office this ____ day of _____, 2013.

(SEAL)

NOTARY PUBLIC

My commission expires: _____.

(corporation acknowledgment form)

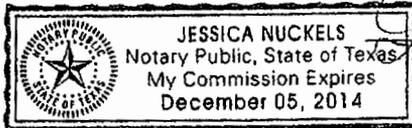
STATE OF Texas

COUNTY OF Dallas

BEFORE ME, the undersigned authority, on this day personally appeared Robin D. McGuire, who, as VP + General Counsel of Fortune Natural Resources, acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement for and on behalf of said corporation with full authority so to do.

Given under my hand and seal of office this 1st day of March, 2013.

(SEAL)



Jessica Nuckels

NOTARY PUBLIC

My commission expires: _____.

RATIFICATION AND JOINDER OF UNIT AGREEMENT
AND UNIT OPERATING AGREEMENT

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This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

EXECUTED this 14 day of March, 2013.

*Kirby Minerals, an Oklahoma
general partnership*
James R. Sharp
By: _____
Its: **James R. Sharp**
Attorney-in-fact

(individual acknowledgment form)

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____ who acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement.

Given under my hand and seal of office this ____ day of _____, 2013.

(SEAL)

NOTARY PUBLIC

My commission expires: _____.

(corporation acknowledgment form)

STATE OF Oklahoma
COUNTY OF Oklahoma

BEFORE ME, the undersigned authority, on this day personally appeared James R. Sharp, who, as Attorney-in-fact of Kirby Minerals, an Oklahoma partnership, acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement for and on behalf of said corporation with full authority so to do.

Given under my hand and seal of office this 14 day of March, 2013.

(SEAL)

Jamie Britten
NOTARY PUBLIC

My commission expires: 1/27/14



RECEIVED

MAR 25 2013

FORTUNE NATURAL RESOURCES CORPORATION LAND DEPT.

March 2, 2013

Gene F. Lang & CO.
PO BOX 850
Parker, CO 80138

Re: Bobbi State Waterflood Unit
All Section 20, N/2 Section 29, NW/4 Section 28, 18S-36E
Lea County, New Mexico

Ladies and Gentlemen:

A recent title opinion performed on the above referenced acreage shows that you are an owner of a percentage of the Overriding Royalty Interest or Title Interest in said acreage. Fortune Natural Resources Corporation ("FNRC") hereby proposes to form a secondary waterflood unit in the above subject lands. Sundown Energy LP, an entity of FNRC will be the operator of the proposed waterflood unit, and is moving forward with unitization proceedings with the New Mexico Oil Conservation Division. Enclosed in this packet you will find the following:

1. Unit Agreement (for your review)
2. Unit Operating Agreement (for your review)
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4. Plan of Operations

Please review the Plan of Operations page for a detailed review of the waterflood. This secondary recovery project will be flooding the San Andres formation. Sundown/FNRC plans to spend \$1,295,000 initially on this project. We believe we will be able to recover 268,000 bbls of secondary reserves over the life of the flood and have an estimated project payout in approximately two years. Since you are only an Overriding Royalty Interest Owner, you will only be receiving your proportionate share of the revenues. No costs will be allocated to your interest. The production of the current wells in this area are barely holding the leases. This secondary waterflood project will extend the life of the leases and your overriding royalty interest.

Sundown/FNRC is scheduled to go to a hearing to unitize the subject lands in May of 2013. Your timely response to this letter is extremely important and we request that you respond as soon as possible so we can start the unitization process. Please be aware that if you do not return this letter within 30 days of receipt we will start statutory force pooling procedures concerning your interest. Please make your election below and return to the undersigned at the letterhead address.

If you have any further questions regarding this proposal please contact me at 214-368-6100 or by email at kpaxton@sundownenergy.com. Again, please return an executed Ratification and Joinder of Unit Agreement and Unit Operating Agreement and the election page attached to this letter.

Sincerely,

FORTUNE NATURAL RESOURCES CORPORATION



Kyle A. Paxton, RPL
Landman

Owner Signature: _____



Owner Name/Company _____

Owner Address _____

Owner Phone # (303) 790-2470

Owner Email geni@gflassociates.com

Please return the above election and Ratification of Unit Agreement and Operating Agreement to my attention:

Fortune Natural Resources Corporation
Attn: Kyle Paxton
13455 Noel Road, Suite 2000
Dallas, TX 75240

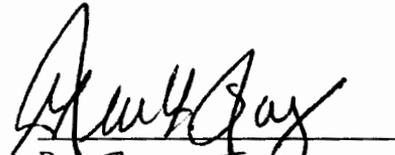
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This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

EXECUTED this 21st day of March 2013.


By: Gene F. Lang
Its: president

(individual acknowledgment form)

STATE OF Colorado

COUNTY OF Douglas

BEFORE ME, the undersigned authority, on this day personally appeared DENE F. LANG who acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement.

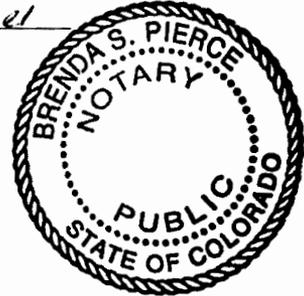
Given under my hand and seal of office this 21st day of March, 2013.

(SEAL)

Brenda S. Pierce

NOTARY PUBLIC

My commission expires: 05/06/2013



(corporation acknowledgment form)

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____, who, as _____ of _____, acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement for and on behalf of said corporation with full authority so to do.

Given under my hand and seal of office this _____ day of _____, 2013.

(SEAL)

NOTARY PUBLIC

My commission expires: _____

RECEIVED

MAR 18 2013

LAND DEPT.

FORTUNE NATURAL RESOURCES CORPORATION

March 2, 2013

Mumford & Company
502 Rawhide
Horseshoe Bay, TX 78657

Re: Bobbi State Waterflood Unit
All Section 20, N/2 Section 29, NW/4 Section 28, 18S-36E
Lea County, New Mexico

Ladies and Gentlemen:

A recent title opinion performed on the above referenced acreage shows that you are an owner of a percentage of the Overriding Royalty Interest or Title Interest in said acreage. Fortune Natural Resources Corporation ("FNRC") hereby proposes to form a secondary waterflood unit in the above subject lands. Sundown Energy LP, an entity of FNRC will be the operator of the proposed waterflood unit, and is moving forward with unitization proceedings with the New Mexico Oil Conservation Division. Enclosed in this packet you will find the following:

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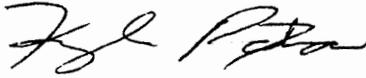
Please review the Plan of Operations page for a detailed review of the waterflood. This secondary recovery project will be flooding the San Andres formation. Sundown/FNRC plans to spend \$1,295,000 initially on this project. We believe we will be able to recover 268,000 bbls of secondary reserves over the life of the flood and have an estimated project payout in approximately two years. Since you are only an Overriding Royalty Interest Owner, you will only be receiving your proportionate share of the revenues. No costs will be allocated to your interest. The production of the current wells in this area are barely holding the leases. This secondary waterflood project will extend the life of the leases and your overriding royalty interest.

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If you have any further questions regarding this proposal please contact me at 214-368-6100 or by email at kpaxton@sundownenergy.com. Again, please return an executed Ratification and Joinder of Unit Agreement and Unit Operating Agreement and the election page attached to this letter.

Sincerely,

FORTUNE NATURAL RESOURCES CORPORATION



Kyle A. Paxton, RPL
Landman

Owner Signature: Jean Mumford
Owner Name/Company Jean Mumford/Mumford + Co
Owner Address 502 Rawhide Horseshoe Bay, TX 78657
Owner Phone # 830-596-1785; 512-925-5850
Owner Email mumford_susan@yahoo.com

Please return the above election and Ratification of Unit Agreement and Operating Agreement to my attention:

Fortune Natural Resources Corporation
Attn: Kyle Paxton
13455 Noel Road, Suite 2000
Dallas, TX 75240

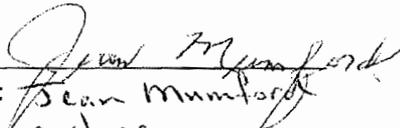
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This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

EXECUTED this 14th day of March 2013.


By: Sean Mumford
Its: partner

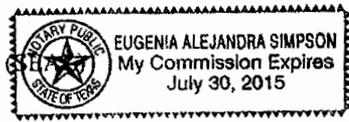
(individual acknowledgment form)

STATE OF Texas

COUNTY OF Burnet

BEFORE ME, the undersigned authority, on this day personally appeared Jean Mumbord who acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement.

Given under my hand and seal of office this 14 day of March, 2013.



Eugenia A. Simpson

NOTARY PUBLIC

My commission expires: July 30, 2015

(corporation acknowledgment form)

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____, who, as _____ of _____, acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement for and on behalf of said corporation with full authority so to do.

Given under my hand and seal of office this _____ day of _____, 2013.

(SEAL)

NOTARY PUBLIC

My commission expires: _____

FORTUNE NATURAL RESOURCES CORPORATION

RECEIVED
MAR 18 2013
LAND DEPT.

March 2, 2013

David T Holt
PO BOX 680997
Franklin, TN 37068

Re: Bobbi State Waterflood Unit
All Section 20, N/2 Section 29, NW/4 Section 28, 18S-36E
Lea County, New Mexico

Ladies and Gentlemen:

A recent title opinion performed on the above referenced acreage shows that you are an owner of a percentage of the Overriding Royalty Interest or Title Interest in said acreage. Fortune Natural Resources Corporation ("FNRC") hereby proposes to form a secondary waterflood unit in the above subject lands. Sundown Energy LP, an entity of FNRC will be the operator of the proposed waterflood unit, and is moving forward with unitization proceedings with the New Mexico Oil Conservation Division. Enclosed in this packet you will find the following:

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If you have any further questions regarding this proposal please contact me at 214-368-6100 or by email at kpaxton@sundownenergy.com. Again, please return an executed Ratification and Joinder of Unit Agreement and Unit Operating Agreement and the election page attached to this letter.

RATIFICATION AND JOINDER OF UNIT AGREEMENT
AND UNIT OPERATING AGREEMENT

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The Ratification and Joinder shall be effective as to the undersigned's interest in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substance, covering any lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

EXECUTED this 1st day of March, 2013.



By: Robin D. McBuire

Its: VP Land & General Counsel

Sincerely,

FORTUNE NATURAL RESOURCES CORPORATION



Kyle A. Paxton, RPL
Landman

Owner Signature: DESVYU
Owner Name/Company SELF
Owner Address P.O. Box 680997
Owner Phone # 615-945-9090
Owner Email dholt@holtco.com

Please return the above election and Ratification of Unit Agreement and Operating Agreement to my attention:

Fortune Natural Resources Corporation
Attn: Kyle Paxton
13455 Noel Road, Suite 2000
Dallas, TX 75240

(individual acknowledgment form)

STATE OF Tennessee
COUNTY OF Williamson

BEFORE ME, the undersigned authority, on this day personally appeared DAVID T. HOLT who acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement.

Given under my hand and seal of office this 12th day of MARCH, 2013.



Rebecca G. Burkhart

NOTARY PUBLIC

My commission expires: 5-23-2016



(corporation acknowledgment form)

STATE OF TN
COUNTY OF Williamson

BEFORE ME, the undersigned authority, on this day personally appeared _____, who, as _____ of _____, acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement for and on behalf of said corporation with full authority so to do.

Given under my hand and seal of office this _____ day of _____, 2013.

(SEAL)

NOTARY PUBLIC

My commission expires: _____

RATIFICATION AND JOINDER OF UNIT AGREEMENT
AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Bobbi State Waterflood Unit Area, County of Lea, State of New Mexico dated May 2, 2013, and in consideration of the execution or ratification by other working interest owners of the Unit Operating Agreement which relates to said Unit Agreement, the undersigned hereby expressly ratifies, approves, and adopts said Unit Agreement, and also said Unit Operating Agreement as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

EXECUTED this 15 day of March 2013.

Debra L. Hanley
By:
Its:

(individual acknowledgment form)

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____ who acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement.

Given under my hand and seal of office this ____ day of _____, 2013.

(SEAL)

NOTARY PUBLIC

My commission expires: _____.

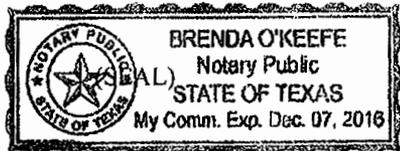
(corporation acknowledgment form)

STATE OF TEXAS

COUNTY OF Tarrant

BEFORE ME, the undersigned authority, on this day personally appeared Diane L. HANLEY, who, as AGENT of E.L. LATHAMCO., acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement for and on behalf of said corporation with full authority so to do.

Given under my hand and seal of office this 15th day of March, 2013.



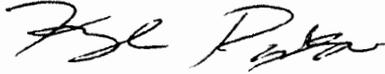
Brenda O'Keefe

NOTARY PUBLIC

My commission expires: 12/07/2016

Sincerely,

FORTUNE NATURAL RESOURCES CORPORATION



Kyle A. Paxton, RPL
Landman

Owner Signature: Deemi L. Hawley POA (attached)
Owner Name/Company E. L. LATHAM Co
Owner Address 1320 S. UNIVERSITY Ste 820 FT. WORTH TX
Owner Phone # 817-332-3594 76107
Owner Email dhc.pa@sbcglobal.net

Please return the above election and Ratification of Unit Agreement and Operating Agreement to my attention:

Fortune Natural Resources Corporation
Attn: Kyle Paxton
13455 Noel Road, Suite 2000
Dallas, TX 75240

RATIFICATION AND JOINDER OF UNIT AGREEMENT
AND UNIT OPERATING AGREEMENT

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This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

EXECUTED this 8 day of March 2013.

BURNETT PARTNERS



By: GENERAL PARTNER

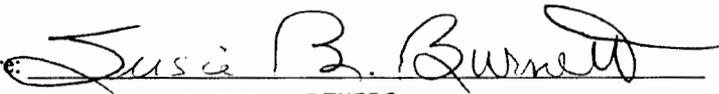
Its:

Sincerely,

FORTUNE NATURAL RESOURCES CORPORATION



Kyle A. Paxton, RPL
Landman

Owner Signature: 
Owner Name/Company BURNETT PARTNERS
Owner Address P.O. BOX 50474, MIDLAND, TX 79710
Owner Phone # _____
Owner Email _____

Please return the above election and Ratification of Unit Agreement and Operating Agreement to my attention:

Fortune Natural Resources Corporation
Attn: Kyle Paxton
13455 Noel Road, Suite 2000
Dallas, TX 75240

(individual acknowledgment form)

STATE OF Texas

COUNTY OF Midland

BEFORE ME, the undersigned authority, on this day personally appeared James B. Burnett who acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement.

Given under my hand and seal of office this 8th day of March, 2013.



Terri L. Wiger

NOTARY PUBLIC

My commission expires: 1-7-14

(corporation acknowledgment form)

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____, who, as _____ of _____, acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement for and on behalf of said corporation with full authority so to do.

Given under my hand and seal of office this _____ day of _____, 2013.

(SEAL) _____

NOTARY PUBLIC

My commission expires: _____

Sincerely,

FORTUNE NATURAL RESOURCES CORPORATION



Kyle A. Paxton, RPL
Landman

Owner Signature: 

Owner Name/Company Wichita TX

Owner Address 10 Box 2014 Roswell, NM 89202

Owner Phone # 575 623 4735

Owner Email ky@mcrayoil.com

Please return the above election and Ratification of Unit Agreement and Operating Agreement to my attention:

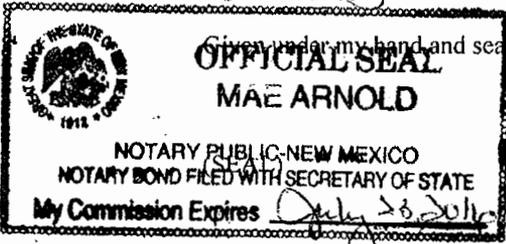
Fortune Natural Resources Corporation
Attn: Kyle Paxton
13455 Noel Road, Suite 2000
Dallas, TX 75240

(individual acknowledgment form)

STATE OF New Mexico
COUNTY OF Chaves

BEFORE ME, the undersigned authority, on this day personally appeared Roy McKay who acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement.

Given under my hand and seal of office this 27 day of March, 2013.



Mae Arnold

NOTARY PUBLIC

My commission expires: July 23, 2014

(corporation acknowledgment form)

STATE OF _____
COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____, who, as _____ of _____, acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement for and on behalf of said corporation with full authority so to do.

Given under my hand and seal of office this _____ day of _____, 2013.

(SEAL)

NOTARY PUBLIC

My commission expires: _____

RATIFICATION AND JOINDER OF UNIT AGREEMENT
AND UNIT OPERATING AGREEMENT

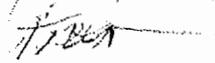
In consideration of the execution of the Unit Agreement for the development and operation of the Bobbi State Waterflood Unit Area, County of Lea, State of New Mexico dated May 2, 2013, and in consideration of the execution or ratification by other working interest owners of the Unit Operating Agreement which relates to said Unit Agreement, the undersigned hereby expressly ratifies, approves, and adopts said Unit Agreement, and also said Unit Operating Agreement as fully as though the undersigned had executed the original instrument.

The Ratification and Joinder shall be effective as to the undersigned's interest in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substance, covering any lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

EXECUTED this 2nd day of June, 2013.



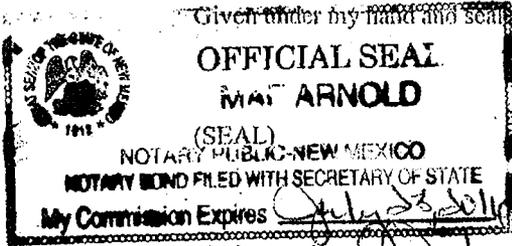
By: 
Its: 

(individual acknowledgment form)

STATE OF New Mexico
COUNTY OF Chaves

BEFORE ME, the undersigned authority, on this day personally appeared Roy McIlroy who acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement.

Given under my hand and seal of office this 27 day of March, 2013.



Mat Arnold

NOTARY PUBLIC

My commission expires: July 23, 2016

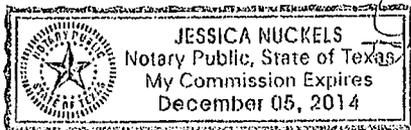
(corporation acknowledgment form)

STATE OF Texas
COUNTY OF Dallas

BEFORE ME, the undersigned authority, on this day personally appeared Brian D. McGuire, who, as VP + General Counsel of Fortune Natural Resources, acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement for and on behalf of said corporation with full authority so to do.

Given under my hand and seal of office this 1st day of March, 2013.

(SEAL)



Jessica Nuckels

NOTARY PUBLIC

My commission expires: _____

FORTUNE NATURAL RESOURCES CORPORATION

March 2, 2013

**Blue Hole Investments
C/O Heidi Knight
1701 River Run Road, Suite 1011
Fort Worth, TX 76107**

Re: Bobbi State Waterflood Unit
All Section 20, N/2 Section 29, NW/4 Section 28, 18S-36E
Lea County, New Mexico

Ladies and Gentlemen:

A recent title opinion performed on the above referenced acreage shows that you are an owner of a percentage of the Overriding Royalty Interest or Title Interest in said acreage. Fortune Natural Resources Corporation ("FNRC") hereby proposes to form a secondary waterflood unit in the above subject lands. Sundown Energy LP, an entity of FNRC will be the operator of the proposed waterflood unit, and is moving forward with unitization proceedings with the New Mexico Oil Conservation Division. Enclosed in this packet you will find the following:

1. Unit Agreement (for your review)
2. Unit Operating Agreement (for your review)
3. Ratification and Joinder of Unit Agreement and Unit Operating Agreement (sign, have notarized and return)
4. Plan of Operations

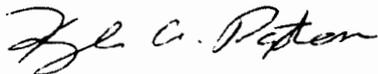
Please review the Plan of Operations page for a detailed review of the waterflood. This secondary recovery project will be flooding the San Andres formation. Sundown/FNRC plans to spend \$1,295,000 initially on this project. We believe we will be able to recover 268,000 bbls of secondary reserves over the life of the flood and have an estimated project payout in approximately two years. Since you are only an Overriding Royalty Interest Owner, you will only be receiving your proportionate share of the revenues. No costs will be allocated to your interest. The production of the current wells in this area are barely holding the leases. This secondary waterflood project will extend the life of the leases and your overriding royalty interest.

Sundown/FNRC is scheduled to go to a hearing to unitize the subject lands in May of 2013. Your timely response to this letter is extremely important and we request that you respond as soon as possible so we can start the unitization process. Please be aware that if you do not return this letter within 30 days of receipt we will start statutory force pooling procedures concerning your interest. Please make your election below and return to the undersigned at the letterhead address.

If you have any further questions regarding this proposal please contact me at 214-368-6100 or by email at kpaxton@sundownenergy.com. Again, please return an executed Ratification and Joinder of Unit Agreement and Unit Operating Agreement and the election page attached to this letter.

Sincerely,

FORTUNE NATURAL RESOURCES CORPORATION



Kyle A. Paxton, RPL
Landman

Owner Signature:  _____

Owner Name/Company Blue Hole Investments LLC

Owner Address 1701 River Run Rd, Suite 1011 Ft. Worth TX 76107

Owner Phone # 817.878.5711

Owner Email hknight@knightfinancial.com

Please return the above election and Ratification of Unit Agreement and Operating Agreement to my attention:

Fortune Natural Resources Corporation
Attn: Kyle Paxton
13455 Noel Road, Suite 2000
Dallas, TX 75240

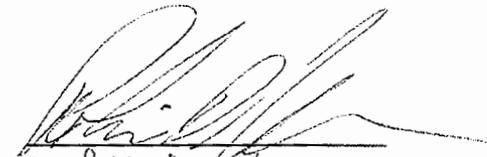
RATIFICATION AND JOINDER OF UNIT AGREEMENT
AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Bobbi State Waterflood Unit Area, County of Lea, State of New Mexico dated May 2, 2013, and in consideration of the execution or ratification by other working interest owners of the Unit Operating Agreement which relates to said Unit Agreement, the undersigned hereby expressly ratifies, approves, and adopts said Unit Agreement, and also said Unit Operating Agreement as fully as though the undersigned had executed the original instrument.

The Ratification and Joinder shall be effective as to the undersigned's interest in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substance, covering any lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

EXECUTED this 1st day of March, 2013.


By: Robin D. McBuire
Its: VP Land & General Counsel

(individual acknowledgment form)

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____ who acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement.

Given under my hand and seal of office this ____ day of _____, 2013.

(SEAL)

NOTARY PUBLIC

My commission expires: _____.

(corporation acknowledgment form)

STATE OF Texas

COUNTY OF Dallas

BEFORE ME, the undersigned authority, on this day personally appeared Robin D. McGuire, who, as VP + General Counsel of Fortune Natural Resources, acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement for and on behalf of said corporation with full authority so to do.

Given under my hand and seal of office this 1st day of March, 2013.

(SEAL)



Jessica Nuckels

NOTARY PUBLIC

My commission expires: _____.

RATIFICATION AND JOINDER OF UNIT AGREEMENT
AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Bobbi State Waterflood Unit Area, County of Lea, State of New Mexico dated May 2, 2013, and in consideration of the execution or ratification by other working interest owners of the Unit Operating Agreement which relates to said Unit Agreement, the undersigned hereby expressly ratifies, approves, and adopts said Unit Agreement, and also said Unit Operating Agreement as fully as though the undersigned had executed the original instrument.

The Ratification and Joinder shall be effective as to the undersigned's interest in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substance, covering any lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

EXECUTED this 25th day of March 2013.

Blue Hole Investments LLC
By: [Signature]
Its: Manager

(individual acknowledgment form)

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____ who acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement.

Given under my hand and seal of office this ____ day of _____, 2013.

(SEAL) _____

NOTARY PUBLIC

My commission expires: _____

(corporation acknowledgment form)

STATE OF Texas

COUNTY OF Tarrant

BEFORE ME, the undersigned authority, on this day personally appeared Jennifer Myers, who, as _____ of _____, acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement for and on behalf of said corporation with full authority so to do.

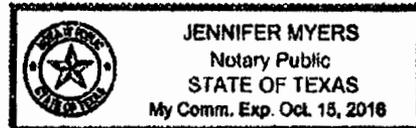
Given under my hand and seal of office this 26th day of March, 2013.

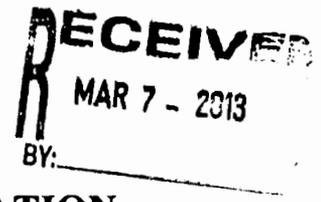
(SEAL) _____

Jennifer Myers

NOTARY PUBLIC

My commission expires: October 15, 2016





FORTUNE NATURAL RESOURCES CORPORATION

March 2, 2013

**Crescent Porter Hale Foundation
655 Redwood Highway, Suite 301
Mill Valley, CA 94941**

Re: Bobbi State Waterflood Unit
All Section 20, N/2 Section 29, NW/4 Section 28, 18S-36E
Lea County, New Mexico

Ladies and Gentlemen:

A recent title opinion performed on the above referenced acreage shows that you are an owner of a percentage of the Overriding Royalty Interest or Title Interest in said acreage. Fortune Natural Resources Corporation ("FNRC") hereby proposes to form a secondary waterflood unit in the above subject lands. Sundown Energy LP, an entity of FNRC will be the operator of the proposed waterflood unit, and is moving forward with unitization proceedings with the New Mexico Oil Conservation Division. Enclosed in this packet you will find the following:

1. Unit Agreement (for your review)
2. Unit Operating Agreement (for your review)
3. Ratification and Joinder of Unit Agreement and Unit Operating Agreement (sign, have notarized and return)
4. Plan of Operations

Please review the Plan of Operations page for a detailed review of the waterflood. This secondary recovery project will be flooding the San Andres formation. Sundown/FNRC plans to spend \$1,295,000 initially on this project. We believe we will be able to recover 268,000 bbls of secondary reserves over the life of the flood and have an estimated project payout in approximately two years. Since you are only an Overriding Royalty Interest Owner, you will only be receiving your proportionate share of the revenues. No costs will be allocated to your interest. The production of the current wells in this area are barely holding the leases. This secondary waterflood project will extend the life of the leases and your overriding royalty interest.

Sundown/FNRC is scheduled to go to a hearing to unitize the subject lands in May of 2013. Your timely response to this letter is extremely important and we request that you respond as soon as possible so we can start the unitization process. Please be aware that if you do not return this letter within 30 days of receipt we will start statutory force pooling procedures concerning your interest. Please make your election below and return to the undersigned at the letterhead address.

If you have any further questions regarding this proposal please contact me at 214-368-6100 or by email at kpaxton@sundownenergy.com. Again, please return an executed Ratification and Joinder of Unit Agreement and Unit Operating Agreement and the election page attached to this letter.

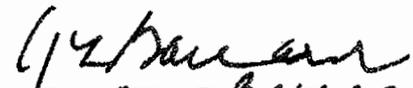
RATIFICATION AND JOINDER OF UNIT AGREEMENT
AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Bobbi State Waterflood Unit Area, County of Lea, State of New Mexico dated May 2, 2013, and in consideration of the execution or ratification by other working interest owners of the Unit Operating Agreement which relates to said Unit Agreement, the undersigned hereby expressly ratifies, approves, and adopts said Unit Agreement, and also said Unit Operating Agreement as fully as though the undersigned had executed the original instrument.

The Ratification and Joinder shall be effective as to the undersigned's interest in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substance, covering any lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

EXECUTED this _____ day of _____, 2013.


By: A.L. BALLARD
Its: Director
Crescent Parker Hale
Foundation

(individual acknowledgment form)

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____ who acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement.

Given under my hand and seal of office this ____ day of _____, 2013.

(SEAL)

NOTARY PUBLIC

My commission expires: _____.

(corporation acknowledgment form)

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared A.L. Ballard, who, as Director of Crescent Peter Hale Foundation, acknowledged to me that he/she signed, executed and delivered the above and foregoing approval of Ratification and Joinder of Unit Agreement and Unit Operating Agreement for and on behalf of said corporation with full authority so to do.

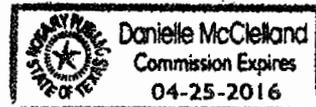
Given under my hand and seal of office this 1st day of April, 2013.

(SEAL)

Danielle McClelland

NOTARY PUBLIC

My commission expires: 4/25/2016.



RECEIVED
APR 04 2013
LAND DEPT

Sincerely,

FORTUNE NATURAL RESOURCES CORPORATION



Kyle A. Paxton, RPL
Landman

Owner Signature: 
Owner Name/Company Director
Owner Address Crescent Porter Foundation
Owner Phone # (719) 651-0181
Owner Email ALB@BALLARD Exec. Com

Please return the above election and Ratification of Unit Agreement and Operating Agreement to my attention:

Fortune Natural Resources Corporation
Attn: Kyle Paxton
13455 Noel Road, Suite 2000
Dallas, TX 75240