



RECEIVED

AUG 26 2013

LAND DEPT.

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

RECEIVED

Ray Powell, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

August 20, 2013

Sundown Energy LP
Two Galleria Tower
13455 Noel Road, Suite 2000
Dallas, Texas 75240

Attn: Mr. Kyle A. Paxton

Re: Final Approval
Bobbi State Waterflood Unit
Lea County, New Mexico

Dear Mr. Paxton:

Thank you for your letters of May 23, 2013 and August 19, 2013 requesting final approval of the Bobbi State Waterflood Unit Agreement Lea County, New Mexico.

Attached with your letter of August 19, 2013 is NMOCD Statutory Unitization Order No. R-13731 which fully commits all tracts to the unit.

The Commissioner of Public Lands has this date granted final approval to the Bobbi State Waterflood Unit Agreement effective September 1, 2013. Also approved is your initial plan of operation.

Pursuant to Article 22 of your agreement, please submit a certificate of effectiveness to this office.

Enclosed are five (5) Certificates of Approval.

Your \$90.00 filing fee has been received.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
Larry J. Roybal, Director
Oil, Gas and Minerals Division
(505) 827-5744
RP/LR/pm
cc: Reader File,
OCD-Attention: Mr. Ed Martin
TRD-Attn: Ms. Joan Ishimoto
RMD-Attn: Mr. Kurt McFall

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

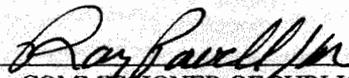
SUNDOWN ENERGY LP
BOBBI STATE WATERFLOOD UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Unit Agreement for the development and operation of acreage which is described within the referenced Agreement, dated April 2, 2013 which said Agreement has been executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, do hereby consent to and approve the said Agreement, however, such consent and approval being limited and restricted to such lands within the Unit Area, which are effectively committed to the Unit Agreement as of this date, and further, that leases insofar as the lands covered thereby committed to this Unit Agreement shall be and the same are hereby amended to conform with the terms of such Unit Agreement, and said leases shall remain in full force and effect in accordance with the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 20th day of August, 2013.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico