



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

**J. SCOTT HALL**  
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RECEIVED OCD  
2013 SEP 10 P 3:19

September 10, 2013

Mr. David Brooks  
NM Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87501

**Hand-Delivered**

*Order R-13731, Ordering #4*

**Re: NMOCD Case No. 14982: Application of Sundown Energy LP for Statutory Unitization, Lea County, New Mexico**

**Re: NMOCD Case No. 14983: Application of Sundown Energy LP for Authorization to Inject for Waterflood Project Operations, Lea County, New Mexico**

Dear Mr. Brooks:

As requested, enclosed is a copy of an affidavit and attachments setting forth the interest owners who have ratified the Bobbi State Waterflood Unit. We will send the original of the affidavit as soon as we receive it here.

If anything more is needed, please let me know.

Thank you.

Very truly yours,

J. Scott Hall

Enclosure

cc: Kyle Paxton, Eland Energy

500549

**REPLY TO:**

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

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

**Case No. 14982**

**And**

**APPLICATION OF SUNDOWN ENERGY LP FOR  
AUTHORIZATION TO INJECT FOR  
WATERFLOOD OPERATIONS, LEA COUNTY,  
NEW MEXICO**

**Case No. 14983**

**AFFIDAVIT OF KYLE A. PAXTON**

**STATE OF TEXAS            )  
                                  ) ss.  
COUNTY OF DALLAS        )**

KYLE A. PAXTON, being duly sworn, states:

I am the age of majority and am otherwise competent to testify to the matters set forth herein of which I have personal knowledge.

I am Landman for Fortune Natural Resources Corporation and its subsidiary, Sundown Energy L.P. in their Dallas, Texas office. Among other areas, I am familiar with and am responsible for the company's land matters in the vicinity of Township 18 South, Range 36 East, NMPM in Lea County, New Mexico. I am familiar with the lands that comprise the Bobbi State Waterflood Unit which is the subject of Sundown's Applications in these cases.

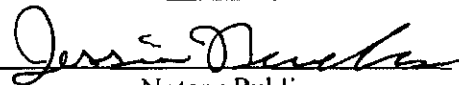
The attached table accurately sets forth the identities of the owners of working interests who have elected to participate in the Bobbi State Waterflood Unit, along with the owners of non-cost bearing interests who have ratified the unit and the quantum of interest owned by each.

{00499854-1}

FURTHER AFFIANT SAYETH NOT.

  
KYLE A. PAXTON

Subscribed, sworn to and acknowledged before me on this 10<sup>th</sup> day of  
September, 2013, by Kyle A. Paxton.

  
Notary Public

My commission expires:



Unit Tract No.		Tract 1	Tract 2	Tract 3	Tract 4	Tract 5	Tract 6	Tract 7	Tract 8	Tract 9	Tract 10	Tract 11	Tract 12	Tract 13	Tract 14	Tract 15	Tract 16	Tract 17	Tract 18	Tract 19	Tract 20	Tract 21	
Participation by Tract																							
Tract Participation Factor:		0.05357143	0.00892857	0.00892857	0.13972957	0.00892857	0.04736739	0.00892857	0.05813176	0.00892857	0.16001447	0.07398855	0.00892857	0.13954063	0.11709552	0.00892857	0.00892857	0.00892857	0.00892857	0.00892857	0.02678571	0.08556069	
Non Cost Bearing Owners	Ownership per Tract																						
	Elected to Ratify Unit																						
Kirby Minerals	X		0.02925000	0.02925000	0.02925000	0.02925000		0.02925000	0.02925000	0.02925000	0.02925000												0.01177387
Gene F. Lang	X		0.00162500	0.00162500	0.00162500	0.00162500		0.00162500	0.00162500	0.00162500	0.00162500												0.00069409
Mumford & Company	X													0.02083333									0.00290710
David T. Holt	X		0.00162500	0.00162500	0.00162500	0.00162500		0.00162500	0.00162500	0.00162500	0.00162500												0.00069409
E.L.Latham & Co.	X													0.04166667									0.00581415
Burnett Partners	X		0.00500000	0.00500000	0.00500000	0.00500000		0.00500000	0.00500000	0.00500000	0.00500000												0.00201259
McCay Living Trust	X				0.00175000			0.00175000	0.00175000	0.00175000	0.00175000												0.000685713
Blue Hole Investments	X													0.02083333									0.00290710
Kenneth H. Griffin			0.00500000	0.00500000	0.00500000	0.00500000		0.00500000	0.00500000	0.00500000	0.00500000												0.00201259
VJ Callaway														0.02083333									0.00290710
Lynx Petroleum					0.01825000			0.01825000	0.01825000	0.01825000	0.01825000												0.000685713
CBF Company A1/A2	X													0.02083334									0.00290710
Viersen Oil & Gas		0.05333333					0.05333333					0.05333333											0.00932946
Crescent Porter Hale	X												0.12500000	0.12500000	0.12500000	0.12500000	0.12500000	0.12500000	0.12500000	0.12500000	0.12500000		0.03877595
Fortune Natural Resources Corporation	X		0.02500000	0.02500000	0.05000000	0.02500000		0.08250000	0.08250000	0.08250000	0.08250000												0.02712840
State of New Mexico	X	0.16666667	0.12500000	0.12500000	0.12500000	0.12500000	0.16666667	0.12500000	0.12500000	0.12500000	0.12500000	0.16666667	0.12500000	0.12500000	0.12500000	0.12500000	0.12500000	0.12500000	0.12500000	0.12500000	0.18750000	0.18750000	0.13931029
		Total Non Cost Bearing Interest for Bobbi Waterflood Unit																					0.25660638

Ratified

0.2354971 = 91.578%

**Fortune Natural Resources Corporation  
Bobbi State Waterflood Unit  
Lea County, New Mexico  
Owner Schedule**

[illegible]