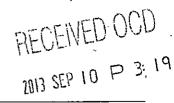


J. SCOTT HALL Office: (505) 986-2646 Email: shall@montand.com Reply To: Santa Fe Office www.montand.com



September 10, 2013

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

Hand-Delivered

- Onder R - 13731, Ordering A 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,

7. I way - day

J. Scott Hall

Enclosure

cc: Kyle Paxton, Eland Energy

500549

**REPLY TO:** 

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325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE, Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210 Albuquerque, New Mexico 87176-6210 مير کمچه بالل

### 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.



# FURTHER AFFIANT SAYETH NOT.

KYLE A. PAXTON

Subscribed, sworn to and acknowledged before me on this 10<sup>4</sup> day of <u>heglember</u>, 2013, by Kyle A. Paxton.

S Durlar Notary Public

l

My commission expires:

JESSICA NUCKELS Notary Public, State of Texas My Commission Expires December 05, 2014

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	]																						
Hon Coat Dearing 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	n											
<ul> <li>Gene F. Lang</li> </ul>	x				0.00162500						0.00162500												C0.000654095
Mumford & Company	X											-		0.02083333									€0.00290740
David T. Holt	x		0.00162500	0.00162500	0.00162500	0.00162500		0.00162500	0.00162500	0.00162500	0.00162500	)											C0:00085409=
E.L.Latham & Co.	х													0.04166667									C00581419
Burnett Partners	x		0.00500000	0.00500000	0,00500000	0.00500000		0.00500000	0.00500000	0.00500000	0.00500000	1											C0.00201258
- McCay Living Trust	x				0.00175000			0.00175000	0.00175000	0.00175000	0.00175000	1											10.00065753
g Blue Hole Investments	x													0.02083333									<0:002907:10g
🔏 Kenneth H. Griffin			0.00500000	0.00500000	0.00500000	0.00500000		0.00500000	0.00500000	0.00500000	0.00500000	1											€0.00201259
VJ Callaway														0.02083333									<u>=0:002907;10</u>
Li Lynx Petroleum					0.01825000			0.01825000	0.01825000	0.01825000	0.01825000	1											<b>ca 0:006857,13</b>
LCBF Company A1/A2	x													0.02083334									<0.002997,10⇒
🖉 Viersen Oil & Gas		0.05333333					0,05333333					0.05333333	h										€0.00932946
I#Crescent Porter Hale	x	•											0.12500000	0.12500000	0.12500000	0.12500000	0.12500000	0,12500000	0.12500000	0.12500000			< <u>←10.03877595</u>
5 Fortune Natural Resources		-																					1
Corporation	x				0.05000000						0.08250000												e0:027.12840
GState 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	0.18750000	0.18750000	e0:13931029
														<u>Total</u>	Non Cost B	learing Inter	est for Bobl	<u>oi Waterflood</u>	<u>d Unit</u>				<u>0.25660638</u>
			•																				0.23544
																				٥r	high		0.20
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Fortune Natural Resources Corporation Bobbi State Waterflood Unit Lea County, New Mexico Owner Schedule

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		Fieldwide Unit	Participation	0.81875934	0.01339286	0.00062500	0.00687334	0 00729111	0.00229111	0.00229111	0.00125000	0.00076370	0.00076371	0.00076370	0.00229111	0.00916445	0.00229111	0.00704906	0.00062500	0.00062500	0.00148396	0.00041221	D.D0041221	0.00041221	0.00164884	0.00041221	0.00164884	0.0003/994	455100000 U	0.01453294	0.00697581	0.09843025	1.0000000
Tract 21	0.02678571 0.08556069	SDODCEON'N		1.0000000																													1,0000000
Tract 20	0.02678571	1/02/07070		1.0000000																													1.0000000
Tract 19	0.00802857	1007600010		0.6700000																												0.3300000	1.0000000
Tract 18	0.00892857 0.00892857	/CD7ROND'D		0 6700000																												0.33000000	1,0000000
Tract 17	0.00892857	100700000		0.6700000																												0.3300000	1.0000000
Tract 16	0.00892857	10026000'0		0.67000000																												0,3300000	1.0000000
Tract 15				0,70125000																							-	-				0.29875000	1.00000000 1.00000000
Tract 14	0 11709552 0 00892857			0.70125000													· ·			_												0.29875000	1.0000000
Tract 13	0 13054061			0.67000000																												0.33000000	1.0000000
Tract 12	0.00802857			0 67000000			_																							-		0.3300000	1.00000000
Tract 11	1447 0.77308855			1.00000000																									-	   	   		1.0000000
Tract 10	0 16001447	0.1000144/		1.0000000												•											Ī						1.0000000
Tract 9	0.00892857			0.70877250		0 0200000	0.03000000	0.0100000	0.01000000	0 01000000	0.04000000	0.00333333	0.00333333	0.0033334	0.01000000	0.0400000	0.01000000	0.04122750	0.02000000	0.0200000													
Tract 8	0.05813176			0.44750000			0.03000000		-			0.00333334 [	0.00333334 0	0.0033334		0.04000000	0.01000000	0			0,00750000	0.00208333	0.00208333	0.00208333	0.00833333	0.00208333	0.00833333	_		<u> </u>	0.12000000		00000000
Tract 7	0.00807857	1 /cozsonn'r		0.70877250 0		0.0200000	0.03000000			_	0.04000000	0 0.00333333	0.00333333	0.00333334 0		0.04000000	0.01000000 0	0.04122750	0.02000000	0.02000000	0	0	0			•			_	-			1,00000000 1.00000000 1.00000000
Tract 6	0.04736730 0.00802842	1 AC/20/40		1.0000000000000000000000000000000000000			0				0		0	0	9	0	0	0	•	0							-+						1.00000000
Tract 5	0.00802857			0.36438625	0.5000000	0.01000000	0.01500000	0.0050000	0.00500000	0.00500000	0.02000000	0.00166666	0.00166657	0.00166667	0.00500000	0.02000000	0.00500000	0.02061375	0.01000000	0.01000000					-+				-				
Tract 4	0 1307067 0			0.79627252 0.	¢		0.03000000	· · ·	-			0.00333333	0.00333334 0.	0.00333333		0.04000000 0.	0.0100000000000000000000000000000000000	0.04122750 0.	-	¢	0.00750000	0.00208333	0.00208333	0.00208333	0 00833333	0.00208333	0.00833333						1.00000000 1.00000000 1.00000000
Tract 3		0 00802821 0		0.36438625 0		0.01000000	0.01500000 0.				0.02000000		0.00166667 0.	0 00166667 0	0020000	0.02000000	0.00500000	0.02061375 0		0.01000000	0		Ð		<u> </u>		-						00000000
Tract 2	0.00802857			0 36438625 0.	0 5000000 0		0.01500000 0.		_		0.02000000 0.	0.00166666	0.00166667 0.	0.00166667 0	†	0.02000000 0.	0.00500000 0.	0.02061375 0.		0.01000000 0.													1.00000000 1.
Tract 1	0.06367143_0			1.00000000	d	đ	¢			Ö	0.	Ó	ä	Ö		0	Ö	Ö	o	ó													
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			Elected to Participate	×	×		×	×		×		×	×	×	×	×		×	×	×	×		x		×		×			;		×	1120.1
Unit Tract No.	Participation by Tract	Tract Participation Factor.	ing Interest Owners	Fortune Natural Resources Corp.	Fortune Natural Resources Corp	Jack Case	Fortune Natural Resources Corp.	Fortune Natural Resources	Glenn Boale	Carl M. Baldwin	Wright Petroleum Ltd.	First Interstate Bank of Roswell, Trustee for Allyson Ann Butler under Goodrum Testamentary Trust	Fortune Natural Resources Corp.	Fortune Natural Resources Corp.	Drusilla C. Cieszinski, Trustee of the Cieszinki Trus utta dtd 5/17/2007	New Mexico Western Minerals, Inc.	Tom P. Stephens, Trustee of the Tom P. Stephens Trust u/t/a dtd 10/30/1995	Riverbend Exploration & Production, LLC	Fortune Natural Resources Corp.	Fortune Natural Resources Corp.	John's Oil	Melanie Bartczak	Fortune Natural Resources Corp.	William Denius	Homer R. Denius, Jr.	Marcia Denius	Sandra Keeley	William Goffe	Fortune Natural Resources	Mav Enerov Partners. Ltd.	Don Boe (Met Profite Interest)	Fortune Natural Resources Corp.	Totals:

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