



AFFIDAVIT OF JOSEPH C. ROBBINS

STATE OF NORTH CAROLINA COUNTY OF Orange

The undersigned being first duly swom, states:

- I. Joseph C. Robbins, own a mineral interest in the southwest quarter of 1. Section 8, Township 29 North, Range 11 West, N.M.P.M., San Juan County, New Mexico (the "Property").
 - I have personal knowledge of the facts stated in this affidavit. 2.
- 3. On or about May 3, 2005, I received a letter from Patrick Hegarty, Principal, Synergy Operating, LLC ("Synergy"), and spoke with Mr. Hegarty on the telephone. Through this communication with Mr. Hegarty I learned that Synergy was a co-owner of mineral rights in the Property. A copy of the letter is attached hereto as Exhibit A.
- The May 3, 2005, letter from Synergy stated that the Estate had "a number of options to consider regarding this proposed well," which included to "participate,... go non-consent,... farmout,... or sell." The letter further stated that Synergy's "main objective" was "to avoid having to initiate legal action before the Oil Conservation Division to invoke a Force Pool non-consent penalty necessary to drill [Synergy's] well."



Based on the choice outlined by the Synergy letter between being forced to participate in the pool at a financial out-of-pocket cost and possibly a 256% penalty or signing a farm-out agreement at no cost and in exchange for relinquishing a minor



contingent royalty interest, I made the decision to sign a farm-out agreement with Synergy.

- 6. In making the decision to sign the farm-out agreement with Synergy, I relied on Synergy's representation that it owned a percentage of mineral rights in the Property.
- 7. I would not have signed the farm-out agreement with Synergy had I understood at the time I signed the farm-out agreement that Synergy's representation that it owned a percentage of mineral rights in the Property was in question.
- 8. Based on information that the interest claimed by Synergy is also claimed by Jerry Walmsely, Trustee, Bypass Trust U/W June H. Walmsely (the Walmsely Trust) I now believe that Synergy's ownership of a percentage of mineral rights in the Property is In question.
- 9. I am contemplating rescinding the farm-out agreement with Synergy because I relied on Synergy's representation that it owned a percentage of mineral rights in the Property and Synergy's ownership of such rights is now in question and because there was no consideration for the farm-out agreement at the time I signed it and Synergy has not yet performed under the farm-out agreement.
- 10. Because the Order of the Division executed on July 1, 2005 grants

 Synergy's application to force the pool only on the basis that Synergy had standing to

 force the pool due to the farm-out agreement with me, I believe that this Order should

 be stayed until the two separate requests for de novo review filed by the Walmsely Trust



and Edwin and Earnest Smith of the Order have been decided by the New Mexico Oil Conservation Commission.

If it is determined that Synergy did not have standing to invoke a force 11. pool proceeding before Synergy approached me to obtain a farm-out agreement, I believe my interest will be detrimentally affected by allowing the Order granting Synergy's motion for compulsory pooling to stand and that I will be prevented from exercising my correlative right to drill a well on the Property using an operator of my own choosing.



FURTHER AFFIANT SAYETH NAUGHT.

Joseph C. Robbins

SUBSCRIBED AND SWORN TO before me on the 29th day July by Joe Robbins. 2005, by Joe Robbins.

Notary Public

My commission expires

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