



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Farmington District Office
6251 College Blvd. - Suite A
Farmington, New Mexico 87402
www.blm.gov/nm

IN REPLY REFER TO:
NMNM 132829(CA)
3105 (NMF0110)

July 11, 2014

WPX Energy Production, LLC
Attn: Brennan West
P.O. Box 3102
Tulsa, Oklahoma 74101-3102

Dear Mr. West:

Enclosed is your approved Communitization Agreement (CA) for the Northeast Chaco Communitized Area. The CA has been assigned case recordation No. NMNM132829 and made effective January 1, 2013. The CA includes approximately 9,237.3 acres of which 8,357.3 acres is federal mineral estate (90.47%), 480 acres of State of New Mexico lands (5.2%) and 400 acres of private minerals estate (4.33%). This agreement communitizes all rights as to oil and natural gas producible from the Mancos Formation and embraces the following lands:

Township 23 North, Range 6 West, NMPM

Section 5: Lots 1,2,3,4, S/2N/2, S/2
Section 6: Lots 1,2,3,4,5,6,7, S/2NE/4, SE/4NW/4, E/2SW/4, SE/4
Section 7: Lots 1,2,3,4, E/2W/2, E/2
Section 8: All
Section 16: SE/4, W/2
Section 17: Lots 1,2,3,4,5,6,7, NE/4NE/4, S/2
Section 18: Lots 1,2,3,4, E/2NE/4, W/2NE/4, E/2W/2, SE/4
Section 19: Lots 1,2,3,4, E/2W/2, E/2

Township 23 North, Range 7 West, NMPM

Section 1: Lots 5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20
Section 11: Lots 1, 2, S/2NW/4, NE/4, S/2
Section 12: Lots 1,2,3, NW/4SW/4, N/2, SE/4
Section 13: All
Section 14: All
Section 15: NE/4, S/2
Section 24: All

Rio Arriba and Sandoval Counties, New Mexico

This agreement is specific as to horizontal Mancos wells only. All pre-existing and future vertical wells in the same formation within the communitized area are excluded from this agreement.

CA number NMNM 132829 as assigned above, must be posted on the well and facility sign for each well drilled under this agreement. The sign shall include the well name and number, Operator name,

BEFORE THE OIL CONVERSATION
DIVISION
Santa Fe, New Mexico
Exhibit No. 1
Submitted by: WPX ENERGY PRODUCTION
Hearing Date: September 4, 2014

lease serial number, Communitization number, the quarter-quarter section, section, township and range, county, and state per (43 CFR 3162.6).

Pursuant to the terms and conditions of the approved CA and 43 CFR 3162.4-1, Well Records and Reports, you are required to file your well completion report within 30 days of the wells' completion. Within five (5) days of commencement of production for all new wells drilled after the above approval date, you are required to file a notice of production startup in accordance with the requirements outlined. Penalties for non-compliance with such requirements are applicable to all wells and facilities on State or privately owned mineral lands committed to this CA which affects Federal interests, notwithstanding any provision of the CA to the contrary.

Upon approval of the CA, production and royalty reports are due to the Office of Natural Resources Revenue (ONRR). The submission of form MMS-4054, Oil and Gas Operations Report (OGOR), must begin once drilling is completed. OGORs must be submitted to ONRR by the 15th day of the second month following the production month. Royalty payments, along with the form MMS-2014, Report of Sales and Royalty Remittance, are due on or before the last day of the month following the month during which oil or gas was produced and sold.

If the communitized well(s) are producing, any production royalties that are due must be reported and paid within 90 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (See 30 CFR 218.54).

If you have any questions concerning reporting on Form 2014s; please call your ONRR company contact located at <http://www.onrr.gov/FM/PDFdocs/operasgn.pdf> or call 1-800-525-9167.

If you have questions concerning reporting on Oil and Gas Operations Reports, please call your ONRR company contact located at <http://www.onrr.gov/FM/PDFdocs/operasgn.pdf> or call 1/800-525-7922.

If you have any questions regarding the Communitization Agreement, please contact me at the above address or telephone (505) 564-7731.

Sincerely,

/s/ Dave Mankiewicz

Dave Mankiewicz
Assistant Field Manager, Minerals

Enclosure

1 - Approved Communitization Agreement
cc: ONRR, MS-357 B1, Denver, CO
Commissioner of Public Lands, Santa Fe
NMOCD, Santa Fe (w/o encl.)
NM Tax & Rev. Dept.

Bcc:

NMSO (93000) (w/o encl.)
CA file (NMNM132829)
LR2000/AFMSS/21110: jlovato CA SCA07/11/2014