



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:
NMNM138623X
3105 (F01100)

NOV 21 2018 4:21 PM

NOV 29 2018

Enduring Resources, LLC
Attn: Paul Brooke
1050 17th Street, Suite 2500
Denver, CO 80265

Dear Mr. Brooke:

The Lone Mesa Unit Agreement, San Juan County, New Mexico is approved November 29, 2018 and is effective November 29, 2018. This agreement has been assigned case recordation number NMNM138623X. The basic information associated with this unit is as follows:

1. This is an Undivided Unit and only the Fruitland Formation is unitized.
2. This unit includes Federal, State and Indian allotted minerals.
3. The leases committed to the Lone Mesa Unit will not be horizontally segregated.
4. The Lone Mesa Unit #001H, API # 30-045-35895 is the initial obligation well. The surface hole location is located in the NW/4 SE/4, Section 28, T.22 N., R.8 W., San Juan County, New Mexico.
5. The following Federal leases contain lands both inside and outside the Lone Mesa Unit and are subject to segregation provisions pursuant to 43 CFR 3107.3-2, Segregation of leases committed in part:
 - a. *NMNM 122639 Expires May 31, 2019
 - b. *NMNM 137897 Extended

The Lone Mesa Unit embraces 5,445.18 acres more or less. The following three (3) tracts are unleased:

- a. Tract 21, with 160.00 acres, located in the NW/4, Section 29, T.22 N., R.8 W.,
- b. Tract 22, with 160.00 acres, located in the NE/4, Section 30, T.22 N., R.8 W.,
- c. Tract 23, with 160.00 acres, located in the SW/4, Section 25, T.22 N., R.9 W.

In view of the foregoing commitment status, effective control of the unit area has been established. We are of the opinion that this agreement is in the public interest and for the purpose of more properly conserving natural resources.

In accordance with Article 9 of the Lone Mesa Unit Agreement, the Lone Mesa Unit #001H well, API # 30-045-35895 is the initial obligation well.

Pursuant to the subsequent drilling obligations of Section 10 of the unit agreement, a Plan of Development is required to be filed yearly.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

Copies of the following agreement components are being distributed to the appropriate Federal and State agencies:

- 1) Exhibit "A" Map
- 2) Exhibit "B" Lease Schedule
- 3) Exhibit "C" Type Log
- 4) Working Interest Ratification & Joinders
- 5) Overriding Royalty Interest Ratification & Joinders
- 6) State of New Mexico Oil Conservation Division Order R-20043.

You are requested to furnish all interested parties with appropriate evidence of this approval.

Sincerely,



Richard A. Fields
Field Office Manager

cc: Commissioner of Public Lands, Santa Fe, NM
New Mexico Oil Conservation Division (NMOCD)
Office of Natural Resources Revenue (ONRR)

Lone Mesa Unit Approval Certification-Determination Page

CERTIFICATE-DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, Under the Act approved February 25, 1920, 41 Stat., 437 as amended, 30 U.S.C. sec 181, et seq., and delegated to the Authorized Officer of the Bureau of Land Management, under the authority of 43 CFR 3180, I do hereby certify:

- A. Approve the attached agreement for the development and operation of the Lone Mesa Unit Area, San Juan County, New Mexico. This approval shall be considered invalid, ab initio if the public interest requirement under 3183.4(b) of this title is not met.
- B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of all Federal leases committed to said Agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Effective: November 29, 2018



Richard A. Fields
Field Office Manager
Bureau of Land Management

Contract No. NMNM138623X