

ENDURING RESOURCES

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R-14100

May 16, 2018

Via Federal Express

Virginia Barber BLM – Lease Production Accountability 6251 College Blvd., Suite A Farmington, NM 87401 (505) 564-7754

Maureen Joe Acting FIMO Director c/o BLM 6251 College Blvd., Suite A Farmington, NM 87401 (505) 564-7671

Julian Serrano BLM – Land Adjudicator 301 Dinosaur Trail Santa Fe, NM 87508 (505) 954-2149

Cynthia Marquez BLM Farmington Field Office – Land Law Examiner 6251 College Blvd., Suite A Farmington, NM 87401 (505)564-7741

William V. Jones, P.E. New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505 Joseph Hewitt BLM Farmington Field Office – Geologist 6251 College Blvd., Suite A Farmington, NM 87401 (505) 564-7740

> James Glover BLM – Geologist 301 Dinosaur Trail Santa Fe, NM 87508

Richard Fields BLM Farmington Field Office – Field Manager 6251 College Blvd., Suite A Farmington, NM 87401 (505) 564-7731

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RE: BLM/FIMO Final Approval Request + BLM Approval of Revised Initial Test Well

Request

West Escavada Unit Area San Juan and Sandoval Counties, New Mexico

Ladies and Gentlemen:

Enduring Resources, LLC ("Enduring") is hereby submitting to the <u>BLM and FIMO its application for</u> Final Approval for the West Escavada Unit (unitizes the Mancos formation) encompassing 2,886.42 Page 2 West Escavada Unit Approval Request

Attached with this letter is a map that outlines the tracts/ownership within the West Escavada Unit boundary (see Unit Agreement Exhibits "A" and "B") and attached/approved BLM APD/Form C-102 reflecting the location/lateral for the W. Escavada Unit 302H well. Note BLM has approved this APD and Enduring is requesting BLM/Authorized officer (AO) approval of such well as an adequate test well in the Mancos Shale Group for this unit.

This Unit does NOT contain any existing State Land Office minerals/leases.

This Unit does not contain any existing horizontal Mancos wells/laterals within unit boundary.

This unit will facilitate improved drilling azimuth and better the utilization of reservoir energy, thereby promoting the opportunity for the prevention of waste and conservation of oil and gas and opportunity for improved hydrocarbon recovery pursuant to same, <u>all of which is in the public interest</u>.

Enclosed for your review with this letter are the following documents:

- 1) Four (4) originals of the Unit Agreement (originals included with Joe Hewitt letter/l copy to others) that have been executed/notarized by Enduring Resources, LLC (attached Exhibit "A"/Unit Plat, Exhibit "B"/Ownership Schedule of Oil and Gas Interests).
- 2) Four (4) originals of the Unit Operating Agreement (originals included with Joe Hewitt letter/1 copy to others) that have been executed/notarized by Enduring Resources, LLC.
- 3) Four (4) originals Ratifications and Joinders each (originals included with Joe Hewitt/l copy to others) from Enduring Resources, LLC, Enduring Resources IV, LLC, WPX Energy Production LLC and Cat Spring Properties, LLC as Lessees of Record and Working Interest (WI) owners. Note that all minerals in this unit are leased and leasehold WI% in this unit are: WPX/Enduring Resources IV, LLC 97.0379%, Enduring Resources IV, LLC 2.1826%, and Cat Spring Properties, LLC 0.7795% = 100.0000% committed WI in this 2,886.42 acre unit and thereby establishing effective control of this 2,886.42 acre unit.
- 4) One (1) original, and three (3) copies of affidavits of West Escavada Unit notice letter sent to <u>Allottees</u> (original included with Joe Hewitt letter/1 copy to others), form of letter, Affidavit Exhibit "A" Allottees/addresses, Affidavit Exhibit "B" Unit Plat/Unit Allotments, Exhibit "C" Affidavit of newspaper publication of notice of Allotments within the West Escavada Unit.
- 5) A copy of the New Mexico Oil Conservation Divisions Order approving the West Escavada Unit.
- 6) Copy of BLM APD/Form C-102 for the West Escavada Unit #302H well.

Please note Enduring intends to commence drilling their initial test well for the West Escavada Unit on or around June 1, 2018; therefore your assistance in perfecting BLM – AO/FIMO approval of this Unit and initial test well at your earliest convenience is appreciated. Should you have any questions/comments and/or need additional information, please contact Paul Brooke at 303-350-5116 or pbrooke@enduringresources.com. Upon approval, we request that all copies of the attached unit agreement not retained by your office be returned to me at our letterhead address.

Sincerely,

Page 3 West Escavada Unit Approval Request

ENDURING RESOURCES, LLC

Alex B. Campbell, Vice President

Enclosures

District I 1625 N. French Drive, Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First Street, Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 67410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Drive, Santa Fe, NM 87505 Fhone: (505) 476-3450 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Drive

Santa Fe. NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to Appropriate District Office

AMENDED REPORT

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