



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:
NMNM137065X
3105 (F01100)
Revised

R-13931

March 19, 2018

Encana Oil & Gas (USA) Inc.
Attn: Mona Binon
370-17th Street, Suite 1700
Denver, CO 80202

Dear Sir or Madam:

The Blanco Wash Unit Agreement, San Juan County, New Mexico was approved May 31, 2017 and is effective August 20, 2012. Due to portions of segregated lands in Oil and Gas lease NMNM97108, this lease has been segregated into NMNM137046, effective March 1, 2014. This has affected Tract 17 on the attached revised Exhibit B.

This agreement has been assigned case recordation number NMNM137065X. The basic information associated with this unit is as follows:

1. This is an Undivided Unit and only the Mancos Formation is unitized.
2. This unit includes Federal, Indian allotted, Fee, and State minerals.
3. The leases committed to the Blanco Wash Unit will not be horizontally segregated.
4. The Escrito I24-2409 #01H well, API # 30-045-35322 is the initial obligation well. The surface hole location is located in the NE/4SE/4, Section 24, T.24 N., R.9 W., San Juan County, New Mexico.
5. The following Federal leases contain lands both inside and outside the Blanco Wash Unit and are subject to segregation provisions pursuant to 43 CFR 3107.3-2, Segregation of leases committed in part:

- | | |
|----------------|---------------------------|
| a. NMNM 10755 | Held By Actual Production |
| b. NMNM 118136 | Expires 05/31/2017 |

The Blanco Wash Unit embraces 13,128.47 acres more or less. All lands embraced within the Blanco Wash Unit are fully committed with the exception of two (2) tracts. The following two (2) tracts are non-committed:

- a. Tract 7, lease NMNM 23742 with 80.00 acres, located in the S/2SW/4, Section 5, T.24 N., R.9 W.,
- b. Tract 23, State lands with 320.00 acres, located in N/2, Sec. 16, T.24 N., R.9 W.,

- c. Tract 26, Fee land with 240.08 acres, located in Lot 7, SE/4SW/4, Sec. 6, T.24 N., R.8 W., and SE/4, Sec. 1, T.24 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.

Please continue your efforts to obtain joinder signatures and provide to us.

In accordance with Article 9 of the Blanco Wash Unit Agreement, the Escrito I24 2409 #01H well, API # 30-045-35322 has been drilled and was completed on October 12, 2012. The public interest requirement for the Blanco Wash Unit agreement has been satisfied. 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 (Including Tract list with TPR & Commitments)
- 5) Overriding Royalty Interest Ratification & Joinders
- 6) State of New Mexico Oil Conservation Division Order R-13931-A.
- 7) Affidavit of Notice for allotted Indian lands

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

Sincerely,



Richard A. Fields
Richard A. Fields
Farmington Field Office Manager

1 Enclosure

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

Exhibit "B"
BLANCO WASH UNIT
Revised Mancos Formation Participating Area
San Juan County, New Mexico
Effective August 18, 2017

| Unit Tract No. | Serial Number / Lease Name Type of Lease | Description of Land | Unit Tract Acres | Participating Acres | Tract Participation Factor | Working Interest Owner |
|-----------------------|---|---|------------------|---------------------|----------------------------|---|
| FEDERAL LANDS: | | | | | | |
| 1 | NMNM 002337 Federal (Committed) | <u>Towship 24 North, Range 8 West, NMPM</u> Section 6 Lots 1 (41.93 NENE), 2 (41.38 NWNE), 3 (40.82 NENW), 4 (39.16 NWNW), 5 (39.29 SWNW), 6 (39.69 NWSW), S2NE, SENW, NESW, SE Section 7 N2NE <u>Towship 24 North, Range 9 West, NMPM</u> Section 1 Lots 1 (39.99 NENE), 2 (39.97 NWNE), 3 (39.95 NENW), 4 (39.93 NWNW), S2N2 | 962.11 | 962.11 | 7.654998% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 2 | NMNM 009520 Federal (Committed) | <u>Towship 24 North, Range 9 West, NMPM</u> Section 10 SE Section 12 SW | 320.00 | 320.00 | 2.546070% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 3 | NMNM 010089 Federal (Committed) | <u>Towship 24 North, Range 9 West, NMPM</u> Section 9 All | 640.00 | 640.00 | 5.092140% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 4 | NMNM 010755 Federal (Committed) | <u>Towship 24 North, Range 9 West, NMPM</u> Section 10 W2NE Section 20 All | 720.00 | 720.00 | 5.728657% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 5 | NMNM 016759 Federal (Committed) | <u>Towship 24 North, Range 9 West, NMPM</u> Section 5 Lots 3 (40.35 NENW), 4 (40.33 NWNW), S2NW, N2SW | 240.68 | 240.68 | 1.914963% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. James B. Fullerton (RT) Encana Oil & Gas (USA) Inc. |
| 6 | NMNM 136063 Federal (Committed) | <u>Towship 24 North, Range 8 West, NMPM</u> Section 7 Lots 1 (40.27 NWNW), 2 (40.26 SWNW), 3 (40.26 NWSW), 4 (40.25 SWSW), S2NE, E2W2, SE | 561.04 | 561.04 | 4.463897% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 7 | NMNM 023742 Federal (Committed) | <u>Towship 24 North, Range 9 West, NMPM</u> Section 5 S2SW | 80.00 | 80.00 | 0.636517% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. James B. Fullerton (RT) Burlington Resources Oil & Gas LP |
| 8 | NMNM 025440 Federal (Committed) | <u>Towship 24 North, Range 9 West, NMPM</u> Section 8 All | 640.00 | 640.00 | 5.092140% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 9 | NMNM 030854 Federal (Committed) | <u>Towship 24 North, Range 9 West, NMPM</u> Section 4 SWSW Section 5 SENE, E2SE | 160.00 | 160.00 | 1.273035% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 10 | NMNM 036473 Federal (Committed) | <u>Towship 24 North, Range 9 West, NMPM</u> Section 17 W2 | 320.00 | 320.00 | 2.546070% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |

| Unit Tract No. | Serial Number / Lease Name Type of Lease | Description of Land | Unit Tract Acres | Participating Acres | Tract Participation Factor | Working Interest Owner |
|--|--|---|------------------|---------------------|----------------------------|--|
| 11 | NMNM 036474 Federal (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 21 N2 | 320.00 | 320.00 | 2.546070% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 12 | NMNM 041650 Federal (Committed) | <u>Township 24 North, Range 8 West, NMPM</u> Section 19 Lots 3 (40.38 NWSW), 4 (40.31 SWSW), E2SW, SE | 320.69 | 320.69 | 2.551560% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 13 | NMNM 045208 Federal (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 17 E2 | 320.00 | 320.00 | 2.546070% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 14 | NMNM 063319 Federal (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 5 Lots 1 (40.39 NENE), 2 (40.37 NWNE), SWNE, W2SE | 200.76 | 200.76 | 1.597341% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 15 | NMNM 136062 Federal (Committed) | <u>Township 24 North, Range 8 West, NMPM</u> Section 18 E2 | 320.00 | 320.00 | 2.546070% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 16 | NMNM 088074 Federal (Committed) | <u>Township 24 North, Range 8 West, NMPM</u> Section 19 NE | 160.00 | 160.00 | 1.273035% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 17 | NMNM 087108 Federal (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 4 Lots 3 (40.22 NENW), 4 (40.34 NWNW), S2NW4, N2SW, SESW | 280.56 | 280.56 | 2.232267% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 18 | NMNM 100302 Federal (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 10 E2NE, W2 Section 15 SW | 560.00 | 560.00 | 4.455622% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 19 | NMNM 100303 Federal (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 12 NW4, S2NE, SE | 400.00 | 400.00 | 3.182587% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 20 | NMNM 118136 Federal (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 11 NE Section 12 N2NE Section 14 NW Section 15 N2, SE | 880.00 | 880.00 | 7.001692% | Encana Oil & Gas (USA) Inc. (RT) Encana Oil & Gas (USA) Inc. |
| 21 | NMNM 135989 Federal (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 13 SW Section 14 S2 Section 22 N2 Section 23 N2 Section 24 NW, S2 | 1,600.00 | 1,600.00 | 12.730350% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 21 Federal Tracts totalling acres or 76.214822% of Unit Area | | | 10,005.84 | 10,005.84 | 79.611151% | |
| STATE LANDS: | | | | | | |
| 22 | B-10889 State of New Mexico (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 16 NWSE | 40.00 | 40.00 | 0.318259% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Koch Industries, Inc. (RT) QEP Energy Company |

| Unit Tract No. | Serial Number / Lease Name Type of Lease | Description of Land | Unit Tract Acres | Participating Acres | Tract Participation Factor | Working Interest Owner |
|--|--|---|------------------|---------------------|----------------------------|--|
| 23 | E-6644 State of New Mexico (Uncommitted) | <u>Township 24 North, Range 9 West, NMPM</u> Section 16 N2 | 320.00 | 0.00 | 0.000000% | Kaiser Francis Oil Company (RT) Kaiser Francis Oil Company |
| 24 | V-7918 State of New Mexico (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 16 NESE, N2SW, SESW, SWSE | 200.00 | 200.00 | 1.591294% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 25 | V-8941 State of New Mexico (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 16 SESE, SWSW | 80.00 | 80.00 | 0.636517% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 4 State Tracts totalling acres or 4.874902% of Unit Area | | | 640.00 | 320.00 | 2.546070% | |
| PATENTED LANDS: | | | | | | |
| 26 | Charles R. Wiggins, et al (Patented) (Uncommitted) | <u>Township 24 North, Range 8 West, NMPM</u> Section 6 Lots 7 (40.08 SWSW), SESW <u>Township 24 North, Range 9 West, NMPM</u> Section 1 SE | 240.08 | 0.00 | 0.000000% | Encana Oil & Gas (USA) Inc. Unleased |
| 1 Patented Tract totalling acres or 1.828697% of Unit Area | | | 240.08 | - | 0.000000% | |
| NAVAJO ALLOTTED LANDS: | | | | | | |
| 27 | BIA 1420-0603-1402 Navajo Allotted (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 1 SW | 160.00 | 160.00 | 1.273035% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 28 | BIA 1420-0603-1404 Navajo Allotted (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 2 SE | 160.00 | 160.00 | 1.273035% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 29 | BIA 1420-0603-1405 Navajo Allotted (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 2 Lots 1 (39.97 NENE), 2 (40.07 NWNE), S2NE | 160.04 | 160.04 | 1.273353% | Encana Oil & Gas (USA) Inc. Dugan Production Corp. (RT) Dugan Production Corp. |
| 30 | BIA N0-G-1401-1833 Navajo Allotted (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 11 SW | 160.00 | 160.00 | 1.273035% | Encana Oil & Gas (USA) Inc. (RT) Encana Oil & Gas (USA) Inc. |
| 31 | BIA N0-G-1401-1835 Navajo Allotted (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 13 NW | 160.00 | 160.00 | 1.273035% | Encana Oil & Gas (USA) Inc. (RT) Encana Oil & Gas (USA) Inc. |
| 32 | BIA N0-G-1402-1904 Navajo Allotted (Committed) | <u>Township 24 North, Range 8 West, NMPM</u> Section 18 Lots 1 (40.28 NWNW), 2 (40.35 SWNW), E2NW | 160.63 | 160.63 | 1.278048% | Encana Oil & Gas (USA) Inc. (RT) Encana Oil & Gas (USA) Inc. |
| 33 | BIA N0-G-1402-1906 Navajo Allotted (Committed) | <u>Township 24 North, Range 8 West, NMPM</u> Section 19 Lots 1 (40.51 NWNW), 2 (40.44 SWNW), E2NW | 160.95 | 160.95 | 1.280594% | Encana Oil & Gas (USA) Inc. (RT) Encana Oil & Gas (USA) Inc. |
| 34 | BIA N0-G-1403-1909 Navajo Allotted (Committed) | <u>Township 24 North, Range 9 West, NMPM</u> Section 11 NW | 160.00 | 160.00 | 1.273035% | Encana Oil & Gas (USA) Inc. (RT) Encana Oil & Gas (USA) Inc. |

| Unit Tract No. | Serial Number / Lease Name Type of Lease | Description of Land | Unit Tract Acres | Participating Acres | Tract Participation Factor | Working Interest Owner |
|---|--|---|------------------|---------------------|----------------------------|---|
| 35 | BIA N0-G-1403-1911 Navajo Allotted (Committed) | <u>Towship 24 North, Range 9 West, NMPM</u> Section 13 NE | 160.00 | 160.00 | 1.273035% | Encana Oil & Gas (USA) Inc. (RT) Encana Oil & Gas (USA) Inc. |
| 36 | BIA N0-G-1403-1914 Navajo Allotted (Committed) | <u>Towship 24 North, Range 8 West, NMPM</u> Section 18 Lots 3 (NWSW 40.43), 4 (SWSW 40.50), E2SW | 160.93 | 160.93 | 1.280434% | Encana Oil & Gas (USA) Inc. (RT) Encana Oil & Gas (USA) Inc. |
| 37 | BIA N0-G-1403-1940 Navajo Allotted (Committed) | <u>Towship 24 North, Range 9 West, NMPM</u> Section 24 NE | 160.00 | 160.00 | 1.273035% | Encana Oil & Gas (USA) Inc. (RT) Encana Oil & Gas (USA) Inc. |
| 38 | BIA N0-G-1403-1947 Navajo Allotted (Committed) Richard P. Rodriguez (Patented) (Committed) Orlando Rivera (Patented) (Committed) | <u>Towship 24 North, Range 9 West, NMPM</u> Section 11 SE | 160.00 | 160.00 | 1.273035% | Encana Oil & Gas (USA) Inc. (RT) Encana Oil & Gas (USA) Inc. Encana Oil & Gas (USA) Inc. Encana Oil & Gas (USA) Inc. |
| 39 | BIA N0-G-1403-1952 Navajo Allotted (Committed) Richard P. Rodriguez (Patented) (Committed) Orlando Rivera (Patented) (Committed) | <u>Towship 24 North, Range 9 West, NMPM</u> Section 14 NE | 160.00 | 160.00 | 1.273035% | Encana Oil & Gas (USA) Inc. (RT) Encana Oil & Gas (USA) Inc. Encana Oil & Gas (USA) Inc. Encana Oil & Gas (USA) Inc. |
| 40 | BIA N0-G-1404-1969 Navajo Allotted (Committed) | <u>Towship 24 North, Range 9 West, NMPM</u> Section 13 SE | 160.00 | 160.00 | 1.273035% | Encana Oil & Gas (USA) Inc. (RT) Encana Oil & Gas (USA) Inc. |
| 14 Allotted Tracts totalling acres or 17.081579% of Unit Area | | | 2,242.55 | 2,242.55 | 17.842779% | |
| Total Unit Acres | | | 13,128.47 | 12,568.39 | 100.000000% | |

| Blanco Wash Unit Participating Area Recap | | |
|---|---------------------|-----------------------------|
| Lease Type | Participating Acres | Percentage of Participation |
| Federal | 10,005.84 | 79.611151% |
| State | 320.00 | 2.546070% |
| Patented | - | 0.000000% |
| Navajo Allotted | 2,242.55 | 17.842779% |
| Total Participating Unit Acres | 12,568.39 | 100.000000% |