



# 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  
370-17<sup>th</sup> 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,



*RF* 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
<b>FEDERAL LANDS:</b>						
1	NMNM 002337 Federal (Committed)	<u>Towhship 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>Towhship 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>Towhship 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>Towhship 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>Towhship 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>Towhship 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>Towhship 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>Towhship 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>Towhship 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>Towhship 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>Towhship 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>Towship 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>Towship 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>Towship 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>Towship 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>Towship 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>Towship 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	<del>NMNM 097108</del> Federal (Committed)	<u>Towship 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>Towship 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>Towship 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>Towship 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>Towship 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.
<b>21 Federal Tracts totalling acres or 76.214822% of Unit Area</b>			<b>10,005.84</b>	<b>10,005.84</b>	<b>79.611151%</b>	
<b>STATE LANDS:</b>						
22	B-10889 State of New Mexico (Committed)	<u>Towship 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>Towship 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>Towship 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>Towship 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%	
<b>PATENTED LANDS:</b>						
26	Charles R. Wiggins, et al (Patented) (Uncommitted)	<u>Towship 24 North, Range 8 West, NMPM</u> Section 6 Lots 7 (40.08 SWSW), SESW <u>Towship 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%	
<b>NAVAJO ALLOTTED LANDS:</b>						
27	BIA 1420-0603-1402 Navajo Allotted (Committed)	<u>Towship 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>Towship 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>Towship 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>Towship 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>Towship 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>Towship 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>Towship 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>Towship 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>Towhship 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>Towhship 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>Towhship 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>Towhship 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>Towhship 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>Towhship 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.
<b>14 Allotted Tracts totalling acres or 17.081579% of Unit Area</b>			<b>2,242.55</b>	<b>2,242.55</b>	<b>17.842779%</b>	
<b>Total Unit Acres</b>			<b>13,128.47</b>	<b>12,568.39</b>	<b>100.000000%</b>	

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%
<b>Total Participating Unit Acres</b>	<b>12,568.39</b>	<b>100.000000%</b>