



United States Department of the Interior
FEDERAL INDIAN MINERALS OFFICE
BIA-ONRR-BLM
6251 College Boulevard, Suite B
Farmington, New Mexico 87402



IN REPLY REFER TO:
South Escavada Unit # NMNM130812X

JUL 17 2018 AM 09:25

Alex B. Campbell
Enduring Resources, LLC.
1050 17th Street Suite 2500
Denver, CO 80265

R-14347

Dear Mr. Campbell:

Enclosed is an approved copy of the Unit Agreement for the South Escavada Unit. This Unit has been assigned Agreement No. NMNM130812X. The lands committed to this agreement are identified in Exhibit A and B of the subject Unit. The South Escavada Unit Agreement unitizes rights as to oil and gas, producible from only the Mancos Formation. This Unit is hereby approved and made effective July 13, 2018.

It was agreed between FIMO/BLM/Enduring Resources, LLC. that, when possible, the Unit will be expanded to include four (4) tracts adjacent to the Unit after approval. The tracts are located in T22N-R7W, Sec. 22 N/2, Sec. 24 SE/4, Sec. 26 SW/4

All wells and facilities under the South Escavada Unit must bear appropriate signage in accordance with Title 43 of the Code of Federal Regulations, Section 3162.6 (Section 43 CFR 3162.6). Signs shall include the well name and number, Operator name, lease number, unit agreement number, the quarter-quarter section, section, township and range, county, and state.

Upon approval of the South Escavada Unit Agreement, 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 and production begins. 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 unitized well(s) are producing, any production royalties that are due must be reported and paid as stated above. Payers will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (Section 30 CFR 1218.54). If you need assistance or clarification, please contact ONRR at 1-800-525-9167.

If you have any questions, please contact Betty Hagen, Realty Specialist at (505) 564-7640.

Sincerely,

FIMO Director

Enclosures

cc: BLM, Farmington District Office
ONRR Royalty Mgmt. Prog., Box 25165, MS 357B1, Denver, CO 80225-5165
TR-4618-P5 Indian Lease Case File
FIMO (ONRR/BIA) Chrono file