



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
New Mexico State Office  
301 Dinosaur Trail  
Santa Fe, New Mexico 87508  
www.blm.gov/new-mexico

In Reply Refer To:  
3180 (NM92500)  
**NMNM 140471X**

R-20594

September 20, 2019

Reference:  
Final Approval of Unit Agreement  
Ridge Federal/Indian Exploratory Unit  
San Juan County, New Mexico

Paul Brooke  
Enduring Resources, LLC  
1050 17<sup>th</sup> Street, Suite 2500  
Denver, CO 80265

Dear Paul Brooke:

**This letter supersedes the letter on August 5, 2019. The change is regarding federal lease NMNM136038 being held by production from four (4) producing wells outside the unit boundary. All other contents of the letter are still valid.**

The Ridge Unit Agreement, San Juan County, New Mexico, is approved and effective as of **August 5, 2019**. This agreement has been assigned No. **NMNM 140471X**.

The basic information is as follows:

1. The unit agreement submitted for the area designated shall provide for an initial test well and a second obligation well in the Mancos Formation. These wells are to be drilled in conformity with the terms of Section 9 of the Unit Agreement.
2. The unitized formation is from the top to the bottom of the Mancos Formation as defined in Section 3 of the Unit Agreement.
3. The unit embraces 2560.0 acres more or less, of which 2240.0 acres (87.50%) are Federal, and 320.0 acres (12.50%) are Allottee lands.

4. The following Federal leases embrace lands within the unit area:

Tract No.	Serial Number	Description	Acres	Expiration Date
1	NMNM20304	T. 24N, R. 8W NMPM	600.0	HBP
		Section 23: NW/4NE/4, S/2N/2, S/2		
2	*NMNM23233	T. 24N, R. 8W NMPM	480.0	HBP
		Section 22: E/2, NW/4		
3	*NMNM136038	T. 24N, R. 8W NMPM	40.0	HBP
		Section 24: NE/4NW/4		
4	NMNM54366	T.24N, R.8W NMPM	160.0	HBP
		Section 22: SW/4		
5	*NMNM136074	T. 24N, R.8W NMPM	40.0	HBP
		Section 23: NE/4NE/4		
6	NMNM138391	T.24N, R.8W NMPM	920	HBP
		Section 24: NW/4NW/4, S/2NW/4, SW/4		
		Section 25: N/2		
		Section 26: N/2		
		<b>Total Federal Acres</b>	<b>12,605.23</b>	

\* indicates committed leases to be considered for segregation pursuant to Section 17(g) of the unit agreement, Public Law 86-705, and 43 CFR 3107.3-2:

5. The following Indian leases embrace lands within the unit area:

Tract No.	Serial Number	Description	Acres	Expiration Date
1	NO-G-0110-1555	T. 24N, R. 8W NMPM	160.0	HBP
		Section 27: NW/4 882-122		
2	NO-G-0110-1556	T. 24N, R. 8W NMPM	160	HBP
		Section 27: NE/4 699-433		
		<b>Total Indian Acres</b>	<b>320.0</b>	

\*Federal lease NMNM136074 is held by production from three (3) producing wells on acreage outside the unit area:

Shoofly 1(API: 3004526133)  
Escrito L14-2408 3H (API: 3004535533)  
Escrito L14-2408 4H (API: 3004535534)

\*Federal lease NMNM136038 is held by production from four (4) producing wells outside the unit boundary:

Escrito D32-2408 1H (API: 3004535519)  
Escrito D32-2408 2H (API: 3004535520)  
Escrito L32-2408 1H (API: 3004535451)  
Escrito M32-2408 1H (API: 3004535521)

\*Federal lease NMNM23233 is held by production from one (1) producing well on acreage inside the unit area:

South Blanco Federal 22 5 (API: 3004534260)

\*Federal lease NMNM23233 is held by production from one (1) producing well on acreage outside the unit area:

South Blanco Federal 33 1 (API: 3004533696)

All lands and interests are effectively committed. All parties owning interests in lands within the unit were invited to join the unit agreement.

In view of the foregoing commitment status, effective control of operations within the unit area is assured. We are of the opinion that the agreement is necessary and advisable in the public interest and for the purpose of more properly conserving natural resources.

This unit provides for the drilling of obligation wells pursuant to Section 9 of the Unit Agreement. The obligation wells are considered a contractual commitment on the part of the Unit Operator. No extension of time will be granted to commence the obligation well other than under the provisions of Section 9 and/or Section 25 of the Unit Agreement, where justified. Any extension granted requires convincing written justification and documentation prior to the critical date, and is limited to 30 days with possible renewal for 30-day periods if the delay is extensive, with timely written documentation for each extension. The unit operator shall submit to the Authorized Officer an application for a participating area with sufficient technical justification as soon as practicable upon completion of the obligation wells in their respective formations.

Any producible wells that exist in the unit area prior to unitization will not be recognized as unit wells until after an initial participating area is established based on the completion of a unit obligation well capable of producing unitized substances in paying quantities as defined in Section 9 of the agreement.

In accordance with 43 CFR 3181.4(b), The Federal Indian Minerals Office concurs in the final approval of the Ridge Unit Agreement.

Pursuant to 43 CFR 3183.4(b) and Section 9 of the Unit Agreement, if the Public Interest Requirement is not fulfilled, the unit will be declared invalid, and no Federal lease committed to this agreement shall receive the benefits of 43 CFR 3107.3-2 and 3107.4.

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.

All unit wells shall be operated by the Unit Operator.

Copies of the approved agreement are being distributed to the appropriate Federal offices. You are requested to furnish all interested parties with appropriate evidence of this approval.

As provided in 43 CFR 3165.3(b), you may request an administrative review of this decision before the State Director. Per 43 CFR 3165.4, you may appeal any instructions, orders, or decisions issued by the BLM New Mexico State Office directly to the Interior Board of Land Appeals pursuant to the regulations found at 43 CFR 4. A copy of Form 1842-1, Information on Taking Appeals to the Interior Board of Land Appeals, is enclosed.

Sincerely,  
  
James Glover  
Supervisory Geologist

Enclosures:  
Ridge Unit Certification Determination  
Ridge Unit Agreement  
Ridge Unit Agreement Exhibits A and B  
BLM Form 1842-1

cc w/o enclosures:  
NM92500, M. Dupre  
NM92500, J. Glover  
NM92000, D. Ellenburg  
ONRR, Denver (MS357B-1)

Exhibit "C"

