



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



May 31, 2018

IN REPLY REFER TO:
West Escavada Unit # NMNM135218X

Mr. Paul Brooke
Enduring Resources, LLC
1050 17th St., Suite 2500
Denver, CO 80265

Dear Mr. Brooke:

Enclosed is an approved copy of the Unit Agreement for the West Escavada Unit. This Unit has been assigned Agreement No. NMNM135218X. The lands committed to this agreement are identified in Exhibit A and B of the subject Unit. The West Escavada Unit Agreement unitizes rights as to oil and gas, producible from only the Mancos Formation. This Unit is hereby approved and made effective on May 4, 2016.

All wells and facilities under the West 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 West 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. 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 within 90 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (Section 30 CFR 218.54). If you need assistance or clarification, please contact the ONRR at 1-800-525-9167.

If you have any questions, please contact Betty Hagen at (505) 564-7650.

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



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West Escavada Unit
NMNM135218X

APPROVAL-CERTIFICATION-DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior under the Allotted Land Leasing Act of March 3, 1909, 35 Stat. 783, 25 U.S. C. 396, as to Allotted Indian lands and delegated to the Director, Federal Indian Minerals Office, we do hereby:

- A. Approve the attached West Escavada Unit Agreement covering the lands identified in Exhibit A and B of the subject Unit Agreement.
- B. Certify that the West Escavada Unit unitizes only the Mancos Formation as to oil and natural gas, herein referred to as "unitized substances".
- C. Certify and determine that consummation and approval of the West Escavada Unit Agreement is considered to be in the best interest of the Indian landowners.
- D. Certify and determine that the drilling, producing, rental and royalty requirements of the Indian leases committed to said Unitization Agreement is hereby established, altered, changed, or revoked to conform with the terms and conditions of this Agreement.



FIMO Director

Effective:

05/31/18
Date



ENDURING RESOURCES

511 Sixteenth Street Suite 700 Denver Colorado 80202
Telephone: 303 573 1222 Facsimile: 303 573 0461

May 4 2018

Via Federal Express

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

Joseph Hewitt
BLM Farmington Field Office – Geologist
6251 College Blvd., Suite A
Farmington, NM 87401
(505) 564-7740

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

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

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

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

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

David Mankiewicz
BLM Farmington Office – Assistant Field
Manager, Minerals
6251 College Blvd., Suite A
Farmington, NM 87401
(505) 564-7731

William V. Jones, P.E.
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

**RE: BLM/FIMO Final Approval Request + BLM Approval of 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 **BLM and FIMO its application for Final Approval for the West Escavada Unit (unitizes the Mancos formation) encompassing 2,886.42 acres.** Also, requested is the **BLM/AO approval of the initial test well for this unit.** Attached with this

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 #2207-17A 01LWH (formerly known as the #300H) 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, **all of which is in the public interest.**

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/1 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/1 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 Allottees (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 #2207-17A 01LWH 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,

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 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Drive, Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to
Appropriate District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-043-21305		*Pool Code 98225	*Pool Name ESCAVADA MANCOS W
*Property Code 3171688	*Property Name W ESCAVADA UNIT		*Well Number 302H
*GRID No. 120782	*Operator Name WPX ENERGY PRODUCTION, LLC		*Elevation 6878'

¹⁰ Surface Location

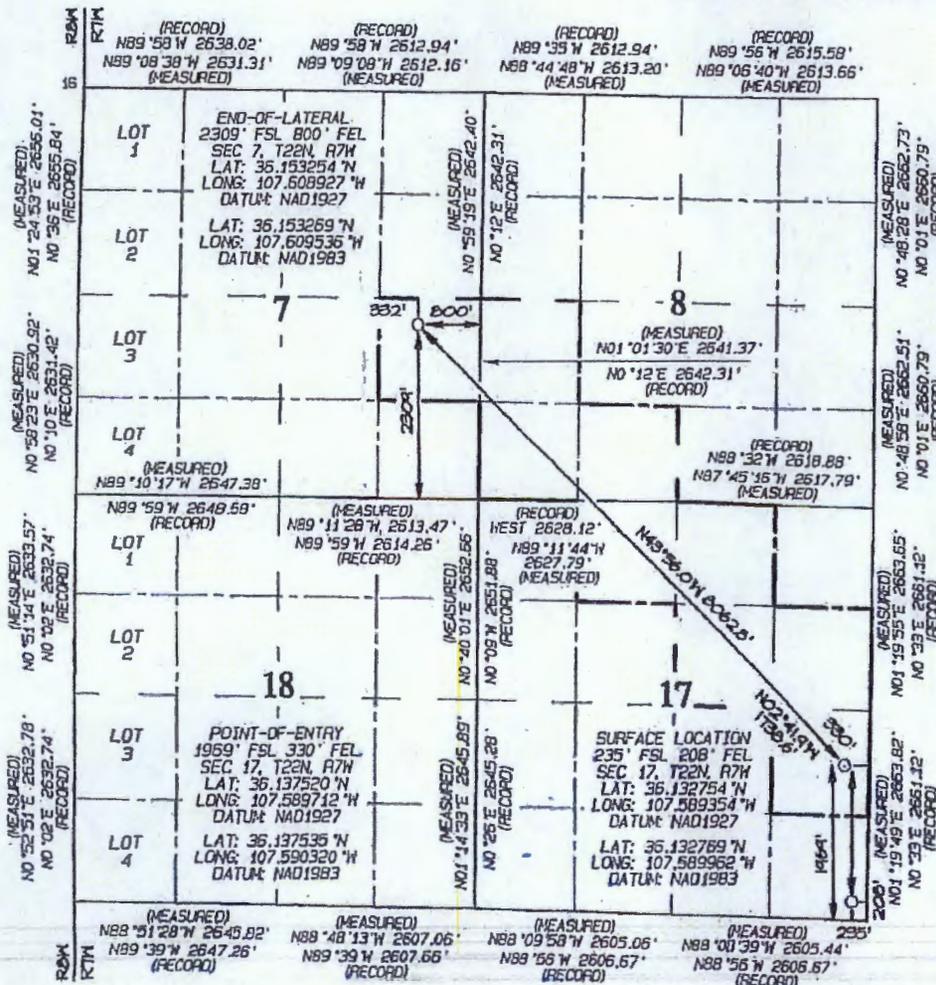
UL or lot no.	Section	Township	Range	Lot Id#	Feet from the	North/South line	Feet from the	East/West line	County
P	17	22N	7W		235	SOUTH	208	EAST	SANDOVAL

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Id#	Feet from the	North/South line	Feet from the	East/West line	County
I	7	22N	7W		2309	SOUTH	800	EAST	SANDOVAL

¹² Dedicated Acres 360.00	NE/4 SE/4 - Section 7 NE/4 NW/4, W/2 NE/4 SE/4 NE/4, NE/4 SE/4 - Section 17 W/2 SW/4, SE/4 SW/4 - Section 8	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-14100
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION
UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Lacey Granillo*
Date: 3/21/17

Printed Name: Lacey Granillo
E-mail Address: lacey.granillo@wpxenergy.com

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Revised: MARCH 15, 2017
Date of Survey: MARCH 3, 2016

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
15269

JASON C. EDWARDS
Certificate Number 15269