



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
6251 College Blvd. Suite A
Farmington, New Mexico 87402
www.nm.blm.gov



IN REPLY REFER TO:
Rincon Unit
NMNM78406X

Case No. 299

November 20, 2017

Mr. Alex Campbell
Enduring Resources
1050 Seventeenth Str. Suite 2500
Denver, CO 80265

Reference is made to your letter request to delay the 2018 plan of development for the Mancos/Gallup participating area (PA) by extending the spud time for the drilling of two initial horizontal wells in the Rincon Unit. Enduring Resources has stated that it is your cumulative experience which led you to the conclusion that the planned equipment was not capable both safely and mechanically and that it is your intent to drill laterals in excess of two, possibly up to three miles.

BLM considers this an Unavoidable Delay as defined in the unit agreement "as other matters beyond the reasonable control of the Unit Operator" which became effective February 27, 1952. The BLM is therefore granting Enduring Resources an additional extension of 6 months from yearend until June 1, 2019 to develop the initial wells for the Rincon Unit's Gallup/Mancos Horizontal well PA.

If you have questions regarding the above decision, please contact me at (505) 564-7740 or jhewitt@blm.gov.

Sincerely,

for Rick Fields,
Field Manager

cc: Commissioner of Public Lands, Santa Fe, NM M.Gruebel (SLO)
New Mexico Oil Conservation Division (NMOCD)
BLM SO Santa Fe, NM J.Glover: (NMSO)