

December 12, 2014



**Via Certified Mail RRR and Email**

R & R Royalty, Ltd.  
ATTN: Rajan Ahuja  
500 N. Shoreline Blvd Suite 322  
Corpus Christi, Texas 78401

RE: Chaco 2408-33M #121H  
S/2 of Section 33- T24N-R8W  
San Juan County, New Mexico

Mr. Ahuja:

WPX Energy Production, LLC, ("WPX"), as an owner of an interest in the oil and gas leasehold estate in and under Section 33 - T24N-R8W, San Juan County, New Mexico, hereby proposes to drill the Chaco 2408-33M #121H Well as a horizontal well to a depth sufficient to test the Mancos formation. As the attached plat demonstrates, WPX plans to utilize a surface location approximately 108' FSL and 428' FWL of Section 33 in Unit M, enter the formation in Unit M of Section 33, and then proceed horizontally to the east with the terminus of the wellbore located approximately at 380' FSL, and 230' FEL in Unit P of Section 33. A 320 acre project area consisting of the S/2 of Section 33 will be dedicated to this well. Please realize that minor discrepancies in the location of the bottom hole as outlined in this proposal and reflected on the provided plat are possible.

According to the title information now available for these sections, you own a 100% W1 in the SE/4 of Section 33-T24N-8W, giving you a 50% W1 in this well. As set forth in the attached AFE, the estimated dry hole cost for the Chaco 2408-33M #121H Well is \$2,105,468 with an estimated completion cost of \$3,378,200. This results in an estimated completed well cost of \$5,483,668.

If you would like to participate in the drilling of the Chaco 2408-33M #121H Well, please indicate your election in the space indicated below and return a copy of this letter to the undersigned. Please also confirm your election to participate by signing and returning the attached AFE. In the event that you elect to participate, I will forward an Operating Agreement covering the S/2 of Section 33-T24N-R8W for your review and execution.

If you elect to not participate with your interest(s) in the proposed operations as outlined herein, please so indicate your election not to participate in the space provided below, and return a copy of this letter to the undersigned.

The Chaco 2408-33M #121H Well currently has an anticipated spud date of March 11, 2015. As such, your timeliest decision regarding participation is appreciated. Should you elect to participate in the Chaco 2408-33M #121H Well, and desire well information, please provide a well information data sheet along with a single email address.

One Williams Center | MD: 44 | Tulsa, OK 74172 | 539.573.2878 Tel | brennan.west@wpxenergy.com

**BEFORE THE OIL CONVERSATION  
DIVISION**

Santa Fe, New Mexico

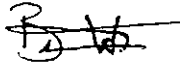
Exhibit No. 4

Submitted by: **WPX ENERGY PRODUCTION**

Hearing Date: March 19, 2015

Should you have any questions regarding the above provided information, please do not hesitate to contact the undersigned by phone at (539) 573-2878, or by email at [brennan.west@wpxenergy.com](mailto:brennan.west@wpxenergy.com).

Regards,



Brennan West  
Senior Landman  
WPX Energy Production, LLC

\_\_\_\_ Elect to participate in the drilling of the Chaco 2408-33M #121H Well.

\_\_\_\_ Elect not to participate in the drilling of the Chaco 2408-33M #121H Well.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_