



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



In Reply Refer To:
NMNM135255X
3105 (NMF0110)

March 28, 2016

WPX Energy Production LLC
Attn: Brennan West
3500 One Williams Center, Ste. 4400
Tulsa, OK 74172-0135

Dear Mr. West:

The Kimbeto Wash Unit Agreement, San Juan County, New Mexico was approved and made effective on March 1, 2016, in accordance with the Federal Indian Minerals Director. This agreement was assigned case recordation number NMNM135255X. The basic information associated with this unit is as follows:

1. This is an undivided unit and only the Mancos Formation is unitized.
2. This unit includes Federal and Indian Allotted mineral estates.
3. The leases committed to the Kimbeto Wash Unit will not be horizontally segregated.
4. The initial obligation well will be located in the SE/4SE/4 of Section 17, T.23 N., R.9 W., (SHL) and the (BHL) in NW/4NE/4 Section 18, T.23 N., R.9 W., San Juan County, New Mexico. The test and initial obligation well will be the KWU #771H or a well that is approved by the Authorized Officer.

The Kimbeto Wash Unit embraces 5,279.20 acres more or less, of which 2,399.75 are Federal Mineral estate (45.46%) and 2,879.45 acres are Indian Allotted mineral estates (54.54%). All lands embraced within the Kimbeto Wash are fully committed.

In view of the foregoing commitment status, effective control of the unit area has been established. We are of the opinion that this agreement is in the interest of the Indian Allottees and for the purpose of more properly conserving natural resources.

This unit provides for drilling of the obligation well and subsequent drilling obligations pursuant to Section 10 of the unit agreement and the Plan of Development. The obligation well is considered to be a contractual commitment on the part of the Unit Operator. No extension of time beyond September 30, 2016 will be granted to commence the obligation well other than Unavoidable Delay (Section 23 of the Unit Agreement), where justified. Any extension granted for unavoidable delay 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.

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, ab initio. 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.

Copies of the agreement are being distributed to the appropriate Federal and State agencies for their records. You are requested to furnish all interested parties with appropriate evidence of this approval.

Sincerely,



Dave Mankiewicz
Assistant Field Manager, Minerals

3/28/2016

Cc: New Mexico Oil Conservation Division
Office of Natural Resources Revenue (ONRR)
Federal Indian Minerals Office (FIMO)

Kimбето Wash Unit Approval Certification-Determination Page

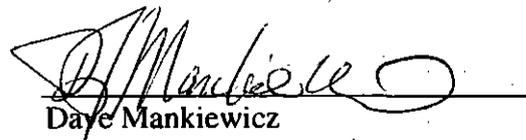
CERTIFICATE-DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, Under the Act approved February 25, 1920, 41 Stat., 437 as amended, 30 U.S.C. sec 181, et seq., and delegated to the Authorized Officer of the Bureau of Land Management, under the authority of 43 CFR 3180, I do hereby certify:

- A. Approve the attached agreement for the development and operation of the Nageezi Unit Area, San Juan County, New Mexico. This approval shall be considered invalid, ab initio if the public interest requirement under 3183.4(b) of this title is not met.
- B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of all Federal leases committed to said Agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Dated: March 28, 2016

Effective: March 1, 2016



Daye Mankiewicz
Assistant Field Manager, Minerals
Bureau of Land Management

Contract No. NMNM135255X

3/28/2016