



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



IN REPLY REFER TO:
Blanco Wash Unit NMNM137065X

May 30, 2017

Ms. Mona Binion
Encana Services Company Ltd.
370 17th Street, Suite 1700
Denver, Colorado 80202

Dear Ms. Binion:

Enclosed is an approved copy of the Unit Agreement for the Blanco Wash Unit. This Unit has been assigned Agreement No. NMNM137065X. The lands committed to this agreement are identified in Exhibits A and B of the subject Unit. The Blanco Wash Unit Agreement unitizes rights as to oil and gas, producible from only the Mancos Formation. This Unit is hereby approved May 30, 2017, and made effective August 20, 2012..

All wells and facilities under the Blanco Wash Unit must display 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 Blanco Wash 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, you may contact our office at (505) 564-7640.

Sincerely,

Maureen Joe, Acting FIMO Director

Enclosures

cc: BLM, Farmington District Office
ONRR Royalty Mgmt. Prog., Box 25165, MS 357B1, Denver, CO 80225-5165



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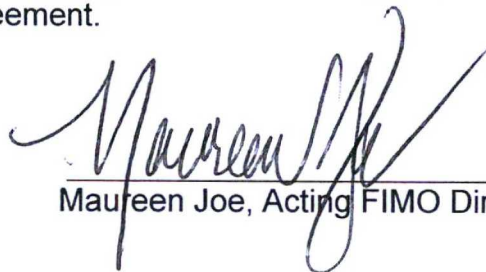


IN REPLY REFER TO:
Blanco Wash Unit
NMNM137065X

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 Blanco Wash Unit Agreement covering the lands identified in Exhibits A and B of the subject Unit Agreement.
- B. Certify that the Blanco Wash 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 Blanco Wash 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.



Maureen Joe, Acting FIMO Director

05/30/17

Date



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:

NMNM137065X
3105 (F01100)

2017 307-2 02 00

May 31, 2017

Encana Oil & Gas (USA) Inc.
Attn: Mona Binon
370-17th Street, Suite 1700
Denver, CO 80202

Dear Sir or Madam:

The Blanco Wash Unit Agreement, San Juan County, New Mexico is approved May 31, 2017 and is effective August 20, 2012. This agreement has been assigned case recordation number NMNM137065X. 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, Indian allotted, Fee, and State minerals.
3. The leases committed to the Blanco Wash Unit will not be horizontally segregated.
4. The Escrito I24-2409 #01H well, API # 30-045-35322 is the initial obligation well. The surface hole location is located in the NE/4SE/4, Section 24, T.24 N., R.9 W., San Juan County, New Mexico.
5. The following Federal leases contain lands both inside and outside the Blanco Wash Unit and are subject to segregation provisions pursuant to 43 CFR 3107.3-2, Segregation of leases committed in part:

- | | |
|----------------|---------------------------|
| a. NMNM 10755 | Held By Actual Production |
| b. NMNM 97108 | Held By Actual Production |
| c. NMNM 118136 | Expires 05/31/2017 |

The Blanco Wash Unit embraces 13,128.47 acres more or less. All lands embraced within the Blanco Wash Unit are fully committed with the exception of two (2) tracts. The following two (2) tracts are non-committed:

- a. Tract 7, lease NMNM 23742 with 80.00 acres, located in the S/2SW/4, Section 5, T.24 N., R.9 W.,
- b. Tract 23, State lands with 320.00 acres, located in N/2, Sec. 16, T.24 N., R.9 W.,
- c. Tract 26, Fee land with 240.08 acres, located in Lot 7, SE/4SW/4, Sec. 6, T.24 N., R.8 W., and SE/4, Sec. 1, T.24 N., R.9 W.

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 public interest and for the purpose of more properly conserving natural resources.

Please continue your efforts to obtain joinder signatures and provide to us.

In accordance with Article 9 of the Blanco Wash Unit Agreement, the Escrito I24 2409 #01H well, API # 30-045-35322 has been drilled and was completed on October 12, 2012. The public interest requirement for the Blanco Wash Unit agreement has been satisfied. Pursuant to the subsequent drilling obligations of Section 10 of the unit agreement, a Plan of Development is required to be filed yearly.

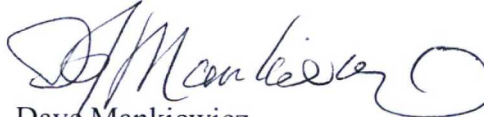
Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

Copies of the following agreement components are being distributed to the appropriate Federal and State agencies:

- 1) Exhibit "A" Map
- 2) Exhibit "B" Lease Schedule
- 3) Exhibit "C" Type Log
- 4) Working Interest Ratification & Joinders (Including Tract list with TPR & Commitments)
- 5) Overriding Royalty Interest Ratification & Joinders
- 6) State of New Mexico Oil Conservation Division Order R-13931-A.
- 7) Affidavit of Notice for allotted Indian lands

You are requested to furnish all interested parties with appropriate evidence of this approval.

Sincerely,

A handwritten signature in dark ink, appearing to read "D Mankiewicz", with a large, stylized circular flourish at the end.

Dave Mankiewicz
Assistant Field Manager, Minerals

cc: Commissioner of Public Lands, Santa Fe, NM
New Mexico Oil Conservation Division (NMOCD)
Office of Natural Resources Revenue (ONRR)



United States Department of the Interior
FEDERAL INDIAN MINERALS OFFICE

6251 College Boulevard, Suite B
Farmington, New Mexico 87402

IN REPLY REFER TO:
NO-G-1403-1947
NO-G-1403-1952

MAY 16 2017

Ms. Mona Binion
Encana Services Company Ltd.
370 17th Street, Suite 1700
Denver, Colorado 80202

Dear Ms. Binion:

We are enclosing the original document Oil and Gas Lease, signed by Mr. Orlando Rivera. The lease document is for two allotments:

Township 24 North, Range 9 West, NMPM
Section 11 SE4 Allot 211431, 160 acres
Section 14 NE4 Allot 211435, 160 acres

This lease is for the fee interest rights under the Blanco Wash Unit Tract 38 and Tract 39.

Should you have any questions regarding this matter, please contact, Realty Specialist, Annette Ahill or Acting Director, Maureen Joe at (505) 564-7640.

Sincerely,

Acting Director

Enclosure

✓ cc: Joe Hewitt, BLM, Farmington, NM (w/o enclosure)
Kurt Fagrelus, Dugan Production Corp.

Blanco 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 Blanco Wash 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: May 31, 2017
Effective: August 20, 2012


Dave Mankiewicz
Assistant Field Manager, Minerals
Bureau of Land Management

Contract No. NMNM137065X