



R-14347

ENDURING RESOURCES

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June 6, 2018

Via Federal Express

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New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

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BLM – Deputy State Director, Minerals
301 Dinosaur Trail
Santa Fe, NM 87508
(505) 954-2134

**RE: Additional documents for BLM/FIMO Final Approval Request
South Escavada Unit Area
Sandoval County, New Mexico**

Ladies and Gentlemen:

On September 20, 2017, WPX Energy Production, LLC submitted its application to the BLM and FIMO for Final Approval of **the South Escavada Unit (unitizes the Mancos formation) encompassing 4,723.82 acres along with its request for approval of the initial test well for this unit.** Since that time several

events have transpired. 1) At the request of Sheila Mallory of the BLM, WPX agreed to add the following provision to the end of Section 18(d) of the South Escavada Unit Agreement, "If the public interest requirement is not satisfied, the approval of this unit by the AO shall be invalid." 2) WPX Energy Production, LLC has conveyed its interest in this and other properties to Enduring Resources IV, LLC (with Enduring Resources, LLC as operator.) Therefore to bring your paperwork up to date and in order to request final approval, please find attached the information set forth below.

As a reminder, This Unit does NOT contain any existing State Land Office minerals/leases; and, this Unit does not contain any existing horizontal Mancos wells/laterals within unit boundary. The purpose of this unit is to 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 a revised Unit Agreement modified in Sections 9. and 10. to mirror the previously submission of Enduring's West Escavada Unit (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). The purpose of the revision is to show Enduring Resources, LLC as Operator, Enduring Resources IV, LLC as interest owner and to add the language cited above in the first paragraph and noted herein.
- 2) Four (4) originals of the following Unit Operating Agreement pages modified to include the revised Exhibit F consistent with West Escavada Unit (originals included with Joe Hewitt letter/1 copy to others): Cover Page, Pages 5, 21, 22 revised to reflect Enduring as operator with signature pages that have been executed/notarized by Enduring Resources, LLC. Also, attached is a revised Exhibit "A" to the Unit Operating Agreement reflecting Enduring's interest in the Unit Area.
- 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 as Lessees of Record and Working Interest (WI) owners. WPX Energy Production, LLC and Bison Oil & Gas II, LLC as Lessees of Record and Working Interest (WI) owners were previously submitted to you under date of September 20, 2017. – Note that all minerals in this unit are leased and leasehold WI% in this unit are: WPX/Enduring Resources IV, LLC 98.70482%, Enduring Resources IV, LLC 0.66683%, and Bison Oil & Gas II, LLC 0.62835% = 100.0000% committed WI in this 4,723.82 acre unit and thereby establishing effective control of this 4,723.82 acre unit. Please also note we include Ratifications and Joinders by EnerVest. Our research leads us to conclude that EnerVest is the successor-in-interest to American Exploration Company as Lessee of Record for Tracts 5. and 6.

You previously received:

- 1) One (1) copy of affidavits of South Escavada Unit notice letter sent to Allottees (a copy 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 South Escavada Unit. Please note that the originals of this

South Escavada Unit Approval Request


notice letter were included in the original WPX Energy Production, LLC submittal dated September 20, 2017.

- 2) A copy of the New Mexico Oil Conservation Divisions Order approving the West Escavada Unit.
- 3) Copy of BLM APD/Form C-102 for the South Escavada Unit #352H well.

Please note Enduring intends to commence drilling their initial test well for the South Escavada Unit sometime after 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 the undersigned 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,

ENDURING RESOURCES, LLC



Alex B. Campbell

Enclosures

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) 748-1203 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		*Pool Code 52860	*Pool Name RUSTY GALLUP OIL POOL
*Property Code	*Property Name S ESCAVADA UNIT		*Well Number 352H
*OSRID No. 120782	*Operator Name WPX ENERGY PRODUCTION, LLC		*Elevation 6776'

¹⁰ Surface Location

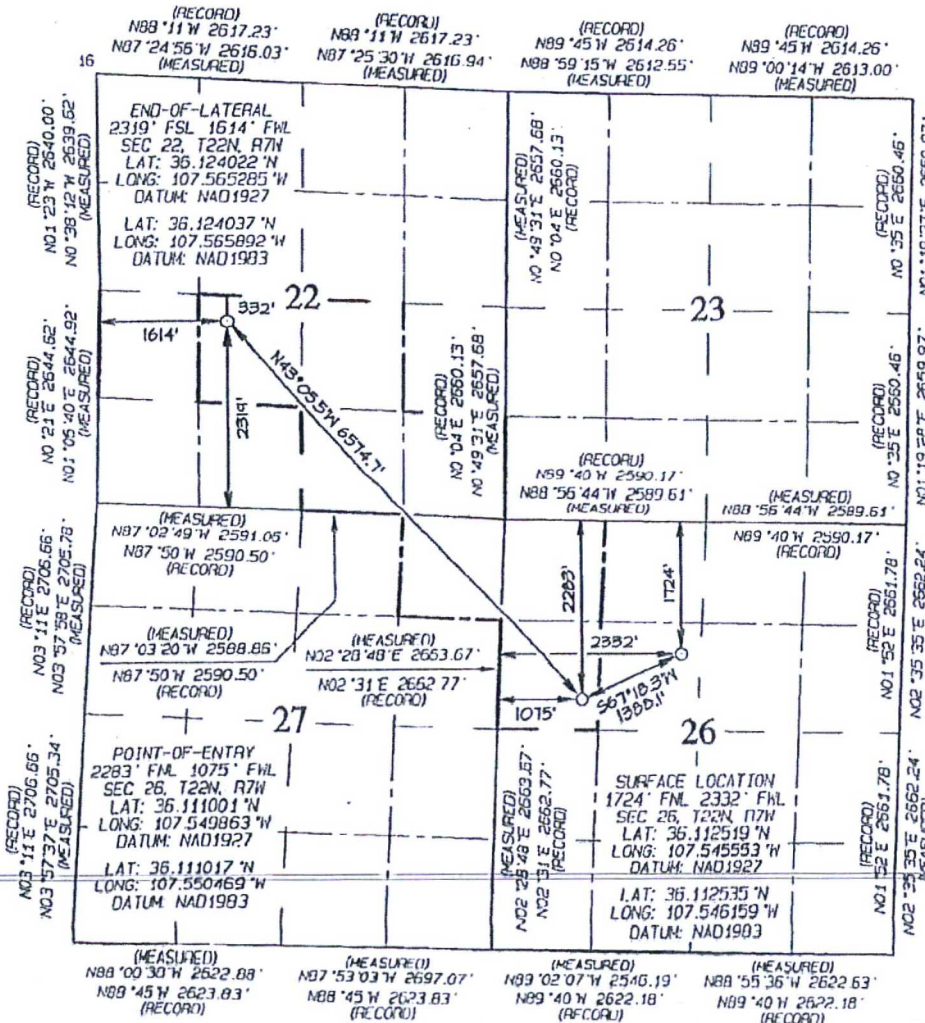
UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
F	26	22N	7W		1724	NORTH	2332	WEST	SANDOVAL

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
K	22	22N	7W		2319	SOUTH	1614	WEST	SANDOVAL

¹² Dedicated Acres 280.00	NE/4 SW/4, W/2 SE/4 SE/4 SE/4 - Section 22 W/2 NW/4 - Section 26 NE/4 NE/4 - Section 27	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-14347
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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: 2/25/18
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: FEBRUARY 20, 2018
Date of Survey: JUNE 6, 2017

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269