



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:
3105 (F01100)
NMNM135218X

MAY 31 2018

Enduring Resources, LLC
Attn: Paul Brooke
511 16th Street, Suite 700
Denver, CO 80202

Dear Mr. Brooke:

The West Escavada Unit Agreement, located in Sandoval and San Juan Counties, New Mexico is approved May 31, 2018 and is effective May 31, 2018. This agreement has been assigned case recordation number NMNM135218X. 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 only Federal and Indian Allotted mineral estates.
3. The leases committed to the West Escavada Unit will not be horizontally segregated.
4. The West Escavda Unit #302H is the initial obligation well. The surface hole location is located in the SE/4 SE/4, Section 17, T.22 N., R.7 W., Sandoval County, New Mexico
5. The following Federal leases contain lands both inside and outside the West Escavada Unit and are subject to segregation provisions pursuant to 43 CFR 3107.3-2, Segregation of leases committed in part:

- | | |
|----------------|--------------------------------------|
| a. NMNM 117143 | Held By Producing Unit (NMNM135229A) |
| b. NMNM 136657 | Held By Actual Production |

The West Escavada Unit embraces 2,886.42 acres more or less, of which 2,566.42 acres (88.9140%) are Indian allotted lands and 320.00 acres (11.0860%) are Federal lands. All lands embraced within the West Escavada Unit 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 public interest and for the purpose of more properly conserving natural resources.

In accordance with Article 9 of the Unit Agreement, the West Escavada Unit #302H well will be drilled as the initial obligation well. The public interest requirements for the West Escavada Unit

agreement have 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.

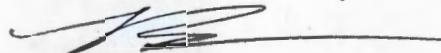
Approval of this unit agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

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) Working Interest Ratification & Joinders (Including Tract list with TPR & Commitments)
- 4) Overriding Royalty Interest Ratification & Joinders
- 5) State of New Mexico Oil Conservation Division Order R-14100-A

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

Sincerely,



Richard A. Fields
Farmington Field Office Manager

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

West Escavada 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., 437as 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 West Escavada Unit Area, Sandoval and 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 7, 2018
Effective: May 31, 2018


Richard A. Fields
Farmington Field Office Manager
Bureau of Land Management

Contract No. NMNM135218X