



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
6251 College Blvd., Suite A
Farmington, New Mexico 87402

IN REPLY REFER TO:
3105 (21110):
CA Letter dated 2/25/2014

March 7, 2014

WPX Energy Inc
Ken McQueen, Director, San Juan Region
One Williams Center, MD 25-8
Tulsa, OK 74172

Dear Mr. McQueen:

This letter amends our February 25, 2014, letter to reflect the actual acreage distribution in the proposed Communitization Agreement (CA). The CA proposes to communitize oil and gas from the Mancos Formation on approximately 9,237.3 acres and is comprised of approximately 8,357.3 acres of Federal mineral estate (90.5%), 400 acres of patented mineral estate (4.3%) and 480 acres of State of New Mexico minerals (5.2%).

We understand that this proposal has been rescheduled for hearing before the New Mexico Oil and Gas Conservation Division (NMOCD) on March 20, 2014. Again, based on the supporting geologic and engineering data you supplied and the drilling schedule for the CA area, we believe that your proposal meets the public interest requirement and hereby provide our preliminary approval of the proposed CA. Final approval of the CA is conditioned upon filing acceptable modified CA language, updated Exhibits A and B and obtaining project area approval from the NMOCD.

If you have any questions, please contact me at the above address or telephone me at (505) 564-7731.

Sincerely,

David Mankiewicz
Assistant Field Manager, Minerals

Cc: NMOCD: Santa Fe
State of NM, Commissioner of Public Lands

**BEFORE THE OIL CONSERVATION
DIVISION**
Santa Fe, New Mexico
Exhibit No. 4
Submitted by: WPX ENERGY
Hearing Date: March 20, 2014



Ray Powell, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

March 18, 2014

Land Department-San Juan Region
WPX Energy Inc.
One Williams Center, MD 25-8
Tulsa, OK 74172

Re: State-Federal-Fee Proposed Communitization Agreement

9237.30 Acres consisting of portions of 15 Sections
All within Township 23 North, Ranges 6 and 7 West, NMPM
Rio Arriba County, New Mexico

State of New Mexico Minerals within this agreement:

480 Acres, Tract No. 8 of the agreement
Consisting of the following portion of lease: E0-1207-9
NW4 and S2 of Section 16, Township 23 North, Range 6 West, NMPM
Rio Arriba County, New Mexico

Dear Sir/Madam,

The State Land Office has received your draft Communitization Agreement (CA) proposing to communitize the oil and gas within the described depths of the Mancos formation as recovered from horizontal wells within the above described, diversely owned lands – lands further depicted in Exhibit A of the draft CA. The proposed CA would be effective January 1, 2013, and operated by WPX Energy Production, LLC.

We understand that this proposal is at this time scheduled for hearing before the New Mexico Oil Conservation Division (NMOCD) on March 20, 2014. Based on the supporting geologic and engineering data you supplied and the drilling schedule for the CA area, we believe that your proposal meets the interest requirements of the State of New Mexico and hereby provide our preliminary approval for the proposed CA. The Commissioner considers this an unusual case for a Communitization Agreement and reserves the right to individually evaluate the merits of proposed future agreements of this scope and magnitude.

Final approval of this CA is dependent upon such factors as the (i) filing of a fully signed CA upon the State Land Office, State-Federal-Fee form, modified with voluntary segregation within lease E0-

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State Land Office – Proposed Communitization Agreement
WPX Energy Production, LLC
Rio Arriba County, New Mexico
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1207-9 of the 480 acres proposed as Tract No. 8; and (ii) obtaining project area approval from the NMOCD.

If you have any questions, please contact me or telephone either Mr. Will Jones at 505-827-6628 or Mr. Pete Martinez at 505-827-5791.

Sincerely,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:



TERRY G. WARNELL, Director
Oil, Gas & Minerals Division
(505) 827-5745
RP/TGW/wvj