



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:

Kimbeto Wash Unit NMNM-135255X

March 28, 2016

WPX Energy Production LLC
Attn: Brennan West
3500 One Williams Center, Ste. 440
P.O. Box 3102
Tulsa, OK 74172-0135

Case 15375

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Dear Mr. West:

Enclosed is an approved copy of the Unit Agreement for the Kimbeto Wash Unit. This Unit has been assigned agreement Number NMNM-135255X. The lands committed to this agreement are identified in Exhibit A and B. The Kimbeto Wash Unit Agreement unitizes rights as to oil and gas producible from only the Mancos Formation. This unit is hereby approved and made effective on March 1, 2016.

All wells and facilities under the Kimbeto Wash Unit must bear 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 Kimbeto 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 wells(s) are producing, royalties that are due must be reported and paid with 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). Call ONRR at 1-800-525-9167, if assistance or clarification is needed.

If you have any questions, please contact me at (505) 564-7640.

Sincerely,

Johnna Oberly
ACTING DIRECTOR
For Johnna Oberly
Director

Enclosures

cc: BLM, Farmington District Office
ONRR Royalty Mgmt. Prog. Box 25165, MS357B, Denver, CO 80225-5165
TR-4618-P5 Indian Lease Case File
FIMO (ONNR/BIA) Chrono file