



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:
West Lybrook Unit
NMNM135216X

December 1, 2015

Brennan West
WPX Energy Production, LLC
P.O. Box 3102
Tulsa, Oklahoma 74101-3202

Dear Mr. West:

The West Lybrook Unit Agreement, San Juan County, New Mexico was approved December 1, 2015. This agreement has been assigned case recordation number NMNM135216X. 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 interest
3. There are 2 unleased Federal Minerals tracts within the unit and they are located in the SW/4 of section 34 and the SE/4 of section 35, T.23N, R.9W.
4. The leases committed to the West Lybrook Unit will not be horizontally segregated.
5. The test and initial obligation well will be the W Lybrook Unit #702H with a diagonal wellbore. The entry point will be in the SESE/4 of Section 8, to ending point or (BHL) will be in the NWNW/4 of section 8, T.23N., R.8W. The (SHL) will be in SWSW/4 Section 9, T.23N., R.8W., and San Juan County, New Mexico.
6. The following uncommitted lands are outside the West Lybrook Unit but other portions are within and committed to the Unit:

NMNM57164: NE 1/4 Section 17, T. 23N., R. 9W.,
E 1/2 Section 18, T. 23N., R. 9W.,
NE 1/4 Section 20, T. 23N., R. 9W.,
W 1/2 Section 28, T. 23N., R. 9W.

a. NMNM109399: Lots 1,2,3,4,5,8,9, S2NE, SENW, N2SE Section 6, T. 23N., R. 8W.,

7. The following Federal lease embraced lands within the West Lybrook Area:
 - a. NMNM23741 HBP Actual
 - b. NMNM25830 HBP Actual
 - c. NMNM36949 HBP Actual

- d. *NMNM57164 HBP Actual*
- e. *NMNM109399 HBP Actual*
- f. NMNM118731 Expires 08/31/2017
- g. NMNM121961 Expires 04/30/2019
- h. Unleased Lands SW¼ Sec. 34 and SE¼ Sec. 35, T. 23N., R. 9W.

*The above asterisk marked leases contain lands both inside and outside the West Lybrook Unit area and are subject to lease segregation provisions pursuant to 43 CFR 3107.3-2, Segregation of leases committed in part.

The following 35 Allotted leases embrace land within the West Lybrook Unit area:

- a. N0-G-0107-1490 HBP Actual
- b. N0-G-1310-1841 Expires 11-07-2018
- c. N0-G-1312-1846 Expires 12-17-2018
- d. N0-G-1312-1856 Expires 12-29-2018
- e. N0-G-1312-1857 Expires 12-29-2018
- f. N0-G-1312-1858 Expires 12-29-2018
- g. N0-G-1312-1860 Expires 12-29-2018
- h. N0-G-1212-1861 Expires 12-29-2018
- i. N0-G-1312-1862 Expires 12-29-2018
- j. N0-G-1312-1863 Expires 12-29-2018
- k. N0-G-1401-1864 Expires 01-14-2019
- l. N0-G-1401-1865 Expires 01-20-2019
- m. N0-G-1401-1867 Expires 12-29-2018
- n. N0-G-1401-1870 Expires 01-15-2019
- o. N0-G-1401-1871 Expires 01-15-2019
- p. N0-G-1401-1872 Expires 01-15-2019
- q. N0-G-1401-1877 Expires 01-30-2019
- r. N0-G-1401-1878 Expires 01-30-2019
- s. N0-G-1401-1880 Expires 01-30-2019
- t. N0-G-1402-1885 Expires 01-30-2019
- u. N0-G-1402-1888 Expires 02-19-2019
- v. N0-G-1402-1890 Expires 02-13-2019
- w. N0-G-1402-1891 Expires 02-11-2019
- x. N0-G-1403-1908 Expires 03-10-2019
- y. N0-G-1403-1939 Expires 03-20-2019
- z. N0-G-1403-1942 Expires 03-20-2019
- aa. N0-G-1403-1944 Expires 03-20-2019
- bb. N0-G-1403-1945 Expires 03-20-2019
- cc. N0-G-1403-1948 Expires 03-20-2019
- dd. N0-G-1403-1950 Expires 03-20-2019
- ee. N0-G-1403-1953 Expires 03-26-2019
- ff. N0-G-1404-1964 Expires 04-07-2019
- gg. N0-G-1408-1974 Expires 09-10-2019
- hh. N0-G-1419-1978 Expires 10-13-2019

The West Lybrook Unit embraces 12,807.24 acres more or less, of which 7,207.60 acres is Federal mineral estate (56.28%) and 5,599.64 acres is Allotted Indian lands (43.72%). WPX Energy is assured effective control over unit operations by conveyance of both the lessee of record and working interest owners. All lands embraced within the West Lybrook Unit are effectively 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.

This unit provides for drilling of the obligation well (W Lybrook UT 703H) and subsequent drilling obligations pursuant to Section 9 of the unit agreement and the Plan of Development. The obligation well is considered to be a contractual commitment on the part of the Unit Operator. No extension of time beyond **May 1, 2016** will be granted to commence the obligation well other than Unavoidable Delay (Section 23), where justified. Any extension granted for unavoidable delay requires convincing written justification and documentation prior to the critical date and is limited to 30 days with possible renewal for 30 day periods if the delay is extensive, with timely written documentation for each extension.

Pursuant to 43 CFR 3183.4(b) and Section 9 of the unit agreement, if the Public Interest Requirement is not fulfilled, the unit will be declared invalid, ab initio and no lease committed to this agreement shall receive the benefits of unitization pursuant to 43 CFR 3107.3-2 and 3107.4.

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 agreement are being distributed to the appropriate Federal and State agencies. You are requested to furnish all interested parties with appropriate evidence of this approval.

Sincerely,

Charles E. Harwood
acting for

Dave Mankiewicz
Assistant Field Manager, Minerals

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

Bcc: West Lybrook Unit File
AFMSS/LR2000
NMF0111: 12/01/15