



# United States Department of the Interior

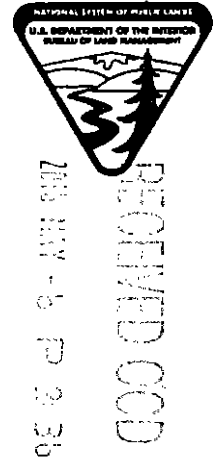
## BUREAU OF LAND MANAGEMENT

Farmington District Office  
6251 College Blvd. - Suite A  
Farmington, New Mexico 87402  
www.blm.gov/nm

In Reply Refer to:

NMNM135217X  
3105 (F01100)

May 4, 2016



WPX Energy Production, LLC  
Attn: Delio Silvestri  
3500 One Williams Center, Ste. 4400  
Tulsa, OK 74172-0135

Dear Mr. Silvestri:

The North Escavada Unit Agreement, Sandoval County, New Mexico was approved May 4, 2016 and effective May 4, 2016. This agreement has been assigned case recordation number NMNM135217X. 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 Federal and Indian Allotted mineral estates.
3. The leases committed to the North Escavada Unit will not be horizontally segregated.
4. The N Escavada UT #313H well is the initial obligation well. The N Escavada UT #313H surface hole location is located in the NE $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 10, T.22 N., R.7 W. The wellbore penetrates the NE $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 10, T. 22N, R.7 W. Sandoval County, New Mexico.
5. The following Federal leases contain lands both inside and outside the North Escavada Unit and are subject to segregation provisions pursuant to 43 CFR 3107.3-2, Segregation of leases committed in part:
  - a. NMNM6680 Held By Actual Production
  - b. NMNM25821 Held By Actual Production

The North Escavada Unit embraces 3040.00 acres more or less, of which 320.00 acres are federal mineral estate (10.53%) and 2,720.0 acres are Indian Allotted lands (89.47%). All lands embraced within the North 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 North Escavada UT #313H will be drilled, completed and deemed commercial. The public interest requirement for the North Escavada Unit

agreement has 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 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-14080

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

Sincerely,



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)

5/4/2016