

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: Chaco 2307-06G #274H

Preliminary Approval to Communitize Unleased Federal Acreage

WPX Energy Production, LLC Attn: Mr. Chuck Bassett, Landman One Williams Center, Suite 4400 Tulsa, Oklahoma 74172

Re:

Approval to develop unleased federal acreage located in:

API # 30-045-35643

11/4/2015

S/2 NW/4 Section 6, Township 23 North, Range 7 West,

Rio Arriba County, New Mexico

Dear Mr. Bassett:

Reference is made to our letter, dated October 21, 2015, notifying WPX of potential drainage of Lease No. NO-G-1312-1861 (comprised of the NE/4 of Section 7, Township 23 North, Range 8 West, Rio Arriba County, New Mexico) by the MC 4 Com No. 285H well (located in the S/2 S/2 of Section 5, Township 23 North, Range 8 West, Rio Arriba County, New Mexico).

The Farmington Field Office (FFO) is aware that WPX is in the process of combining unleased federal acreage comprised of the S/2 NW/4 of Section 6, Township 23 North, Range 7 West, Rio Arriba County, New Mexico ("Subject Acreage") into a communitization agreement with the S/2 N/2 of Section 1, Township 23 North, Range 8 West, San Juan County, New Mexico. WPX intends to develop the proposed communitized area with the **Chaco 2307-06G No. 274H** well.

Due to potential drainage of Lease No: NO-G-1312-1861, the FFO hereby approves inclusion of the Subject Acreage into a communitization agreement in order to drill an offset well to prevent drainage of said land by the MC 4 Com No. 285H well. An unleased account will be created for said acreage following production.

Sincerely,

David J. Mankiewicz

Assistant Field Manger, Minerals

CC: Well file NMOCD