



XTO Energy Inc.
EMHC.W4.4A.497
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Spring TX 77389-1425
832-625-4370 - Direct Phone
carlos_salinas@xtoenergy.com

R-153

October 18, 2019

United States Department of Interior
Bureau of Land Management
301 Dinosaur Trail
Santa Fe, New Mexico 87508
Attention: James Glover

United States Department of Interior
Bureau of Land Management
620 E Greene St.
Carlsbad, New Mexico 88220
Attention: Chris Walls

New Mexico State Land Office
Commissioner of Public Lands
P. O. Box 1148, 310 Old Santa Fe Trail
Santa Fe, New Mexico 87504-1148
Attention: Randy Bayliss

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505
Attention: Mark Fesmire

RE: **POKER LAKE UNIT - EDDY COUNTY, NM**
Initial Wolfcamp Participating Area "C"
NMNM-071016X

Gentlemen:

XTO Energy Inc. (XTO), as agent for BOPCO, LP, hereby applies for the creation and approval of the Initial Wolfcamp Participating Area "C".

BOPCO, L.P. as Unit Operator of the Poker Lake Unit Agreement, pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the selection of the following described lands to constitute the Initial Wolfcamp Participating Area "C." The participating area consists of 1600 acres to be comprised of the lands indicated on the plat attached hereto and further described as follows:

Township 24 South, Range 30 East, NMPM

Section 2: S/2
Section 11: ALL
Section 14: ALL

Containing 1,600.00 acres
Eddy County, New Mexico

In support of this application the following numbered items are attached hereto and made a part hereof:

1. An ownership map depicting the boundaries of the proposed Initial Wolfcamp Participating Area "C".
2. A schedule (Exhibit "B") identifying the lands entitled to participation in the participating area with the percentage of participation of each lease or tract indicated thereon.

An **ExxonMobil** Subsidiary

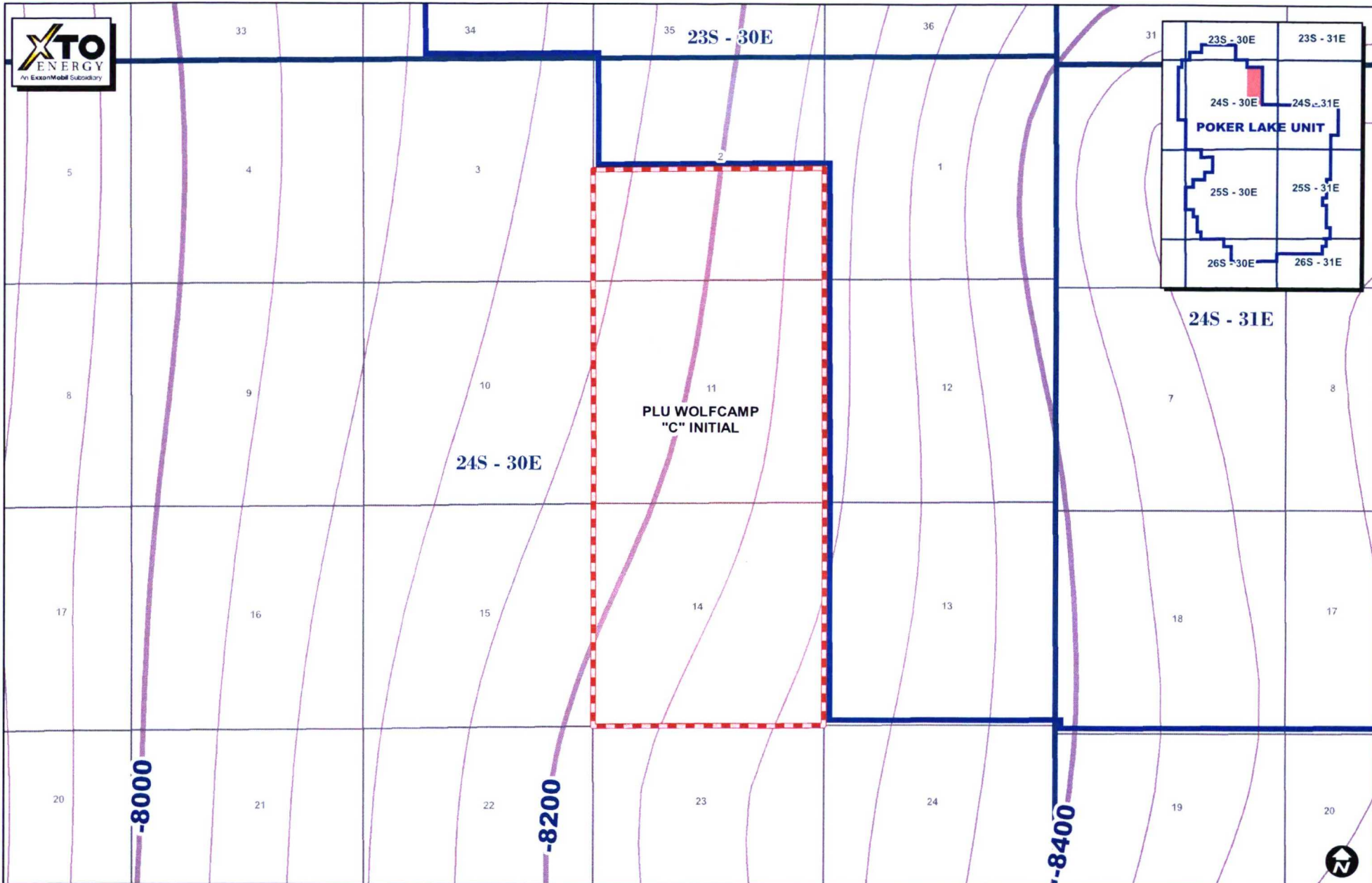
3. A geological and engineering report with accompanying maps supporting and justifying the proposed selection of the area based on the results obtained from 4 wells in the vicinity.

XTO respectfully requests your approval of the hereinabove selection of lands to constitute the Initial Wolfcamp Participating Area "C" and to be effective October 1, 2019. Thank you very much for your cooperation in this regard and should you require additional information concerning same, please don't hesitate to contact the undersigned.

Sincerely,

A handwritten signature in blue ink, appearing to read "C.R. Salinas".

C.R. Salinas
Sr. Landman – Delaware Basin
XTO Energy Inc.
832.625.4370
carlos_salinas@xtoenergy.com



Date: 10/16/2019

DELAWARE BASIN

PERMIAN PA

BLM UNIT

**POKER LAKE UNIT
PROPOSED WOLFCAMP PARTICIPATING AREA "C"
WOLFCAMP STRUCTURE (CONTOUR INTERVAL 40')
EDDY COUNTY, NEW MEXICO
OCTOBER 2019**

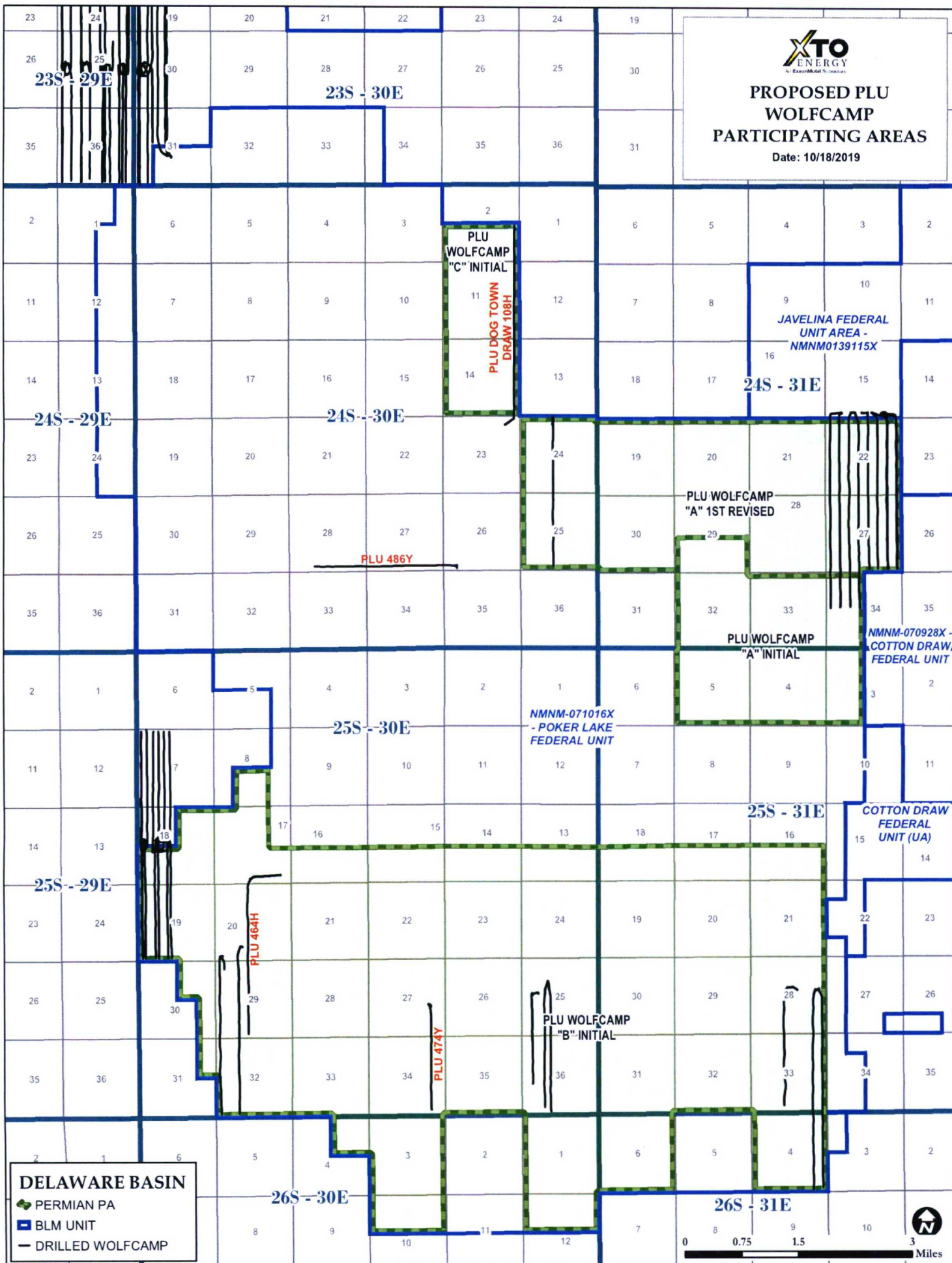


EXHIBIT B
Initial Wolfacmp Participating Area "C"

UNITTRACT #	FEDERAL/STATE SERIAL #	TOWNSHIP RANGE	SECTION	LEGAL DESCRIPTION	PARTICIPATING ACRES	PERCENTAGE OF PARTICIPATION
62	ST E-5229	T24S-R30E	2	S/2	320	20.000%
45	NMLC-068905	T24S-R30E	11	ALL	640	40.000%
45	NMLC-068905	T24S-R30E	14	ALL	640	40.000%
TOTAL:					1,600	100.000%

Date: 10/10/2019

To: Blake Hueske

From: Kaleigh Brady

Re: **Commercial Determination: Poker Lake Unit 464H**

Status: Commercial
API 300154362300
17-25S-30E
Eddy Co., New Mexico

Attached is an economic worksheet and well forecast to be submitted for commercial determination. Poker Lake Unit 464H was completed in August 2018 as a horizontal producer to a measured depth of 22,907' in the Wolfcamp D/E. Its producing interval is 12,615 -22,734'. As of 7/2019, the well has produced ~259KBO & 2,303MCF. Estimated ultimate recovery is expected to be ~1,915 KBOE (assuming hyperbolic decline), and cost approximately \$18,224K to drill and complete.

Historical data along with the most recent EIA future pricing estimates for oil and natural gas were utilized in the economic evaluation. . Initial operating costs were taken from the AFE estimate and assumed to be \$20k/mo for the first 3 years, then decreasing to \$10k/mo. Also included was a fixed \$0.35/bbl costs for water disposal.

The Poker Lake Unit 464H is expected to have a lifetime undiscounted cash flow of approximately \$13.416M and bring >5.0% rate of return. Based on production forecast this well is expected to payout in 2021 and is commercial.

Kaleigh Brady
Reservoir Engineer
Delaware Basin Subsurface Team

Well Name
API Number
Formation
Actual CAPEX, K\$
First Production Date
Last prod date
First Forecast Date
Cum Oil to Date (kbo)
Cum Wet Gas to Date (Mcf)
Water to Date (kbw)
Assumed Shrink
NGL Yield Assumed
WTI Price %
HHub Price %
NGL Price %
Tax Gas
Tax Oil
W1 %
NRI %
OPX mo Yr 1-3
OPX mo Yr 4+
OPX water (\$/bbl)
CAPEX, K\$
Spud date
Completion date
Location

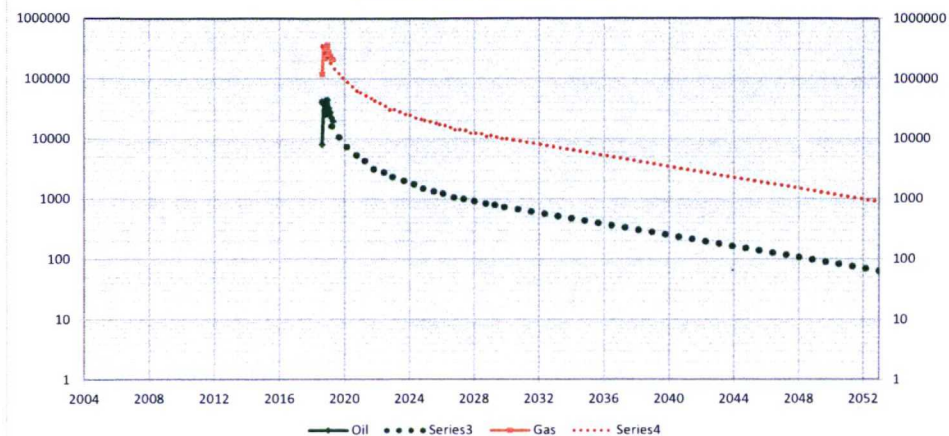
POKER LAKE UNIT 464H
3001543623
WOLFCAMP D/E
\$18,224

COMMERCIAL

TOTAL NET 0% DISCOUNT 13,418 K\$
TOTAL NCF 5% DISCOUNT 7,484 K\$
EST BTAX PAYABLE 2021

EUR Oil 642,711 bo
EUR Gas 7,638,703 kcf
EUR BOE 1,915,829 bo

POKER LAKE UNIT 464H



ECONOMICS MODULE

	Date	Oil Volume	Wet Gas Volume	Dry Gas Volume	NGL Volume, gals	Oil Price \$/BO	Gas Price \$/kcf	NGL Price \$/gal	Total Gross Revenue M\$	Net Revenue M\$	Total Opcost M\$	Local Taxes M\$	Net Oper Income M\$	Total Capital M\$	BTax CFlow M\$	Discounted Cash Flow 5% M\$	Cum. Btax Cflow
		BO	kcf	kcf	gal												
FORECAST	2018	44832	459025	275415	2409881	49.37	2.89	0.25	2652.9	2056	257.6	165.26	1633	18224	-16591	-16591	-16591
FORECAST	2019	224386	2278614	1367168	11962721	52.90	3.10	0.27	14198.0	11003	428.1	880.77	9695	0	9695	9233	-6896
FORECAST	2020	89015	1071535	642921	5625561	56.68	3.32	0.29	6312.2	4892	194.6	390.70	4307	0	4307	3906	-2590
FORECAST	2021	52293	665884	399531	3495893	60.73	3.56	0.31	4037.8	3129	163.8	249.01	2716	0	2716	2347	127
FORECAST	2022	35944	470993	282596	2472715	65.08	3.81	0.33	2999.1	2324	150.1	184.24	1990	0	1990	1637	2117
FORECAST	2023	26855	358099	214860	1880022	69.73	4.09	0.36	2413.5	1870	142.5	147.72	1580	0	1580	1238	3697
FORECAST	2024	21204	286101	171660	1502028	74.71	4.38	0.38	2049.2	1588	137.8	124.97	1325	0	1325	989	5022
FORECAST	2025	17270	235015	141009	1233829	80.06	4.51	0.41	1777.6	1378	134.5	108.97	1134	0	1134	806	6157
FORECAST	2026	14491	198475	119085	1041994	81.58	4.61	0.42	1523.9	1181	132.1	93.27	956	0	956	647	7112
FORECAST	2027	12411	170844	102507	896933	83.13	4.71	0.43	1332.8	1033	130.4	81.46	821	0	821	529	7933
FORECAST	2028	10831	149696	89817	785902	84.71	4.81	0.43	1187.4	920	129.1	72.46	719	0	719	441	8652
FORECAST	2029	9524	132078	79247	693409	86.32	4.92	0.44	1065.8	826	128.0	64.94	633	0	633	370	9285
FORECAST	2030	8466	117621	70573	617510	88.00	5.00	0.45	965.7	748	127.1	58.83	562	0	562	313	9848
FORECAST	2031	7659	106414	63848	558674	89.58	5.02	0.46	886.6	687	126.4	54.14	507	0	507	269	10354
FORECAST	2032	6893	95773	57464	502806	91.20	5.04	0.47	809.8	628	125.8	49.57	452	0	452	228	10806
FORECAST	2033	6204	86195	51717	452526	92.84	5.05	0.48	739.7	573	125.2	45.38	403	0	403	194	11209
FORECAST	2034	5583	77576	46546	407273	94.51	5.07	0.48	675.6	524	124.7	41.54	357	0	357	164	11566

Date: 10/10/2019

To: Blake Hueske

From: Kaleigh Brady

Re: **Commercial Determination: Poker Lake Unit 474Y**

Status: Commercial
API 300154493800
27-25S-30E
Eddy Co., New Mexico

Attached is an economic worksheet and well forecast to be submitted for commercial determination. Poker Lake Unit 474Y was completed On August 2018 as a horizontal producer to a measured depth of 18,231' in the Wolfcamp A formation. Its producing interval is 11,948 -18,074'. As of 7/2019, the well has produced ~241KBO & 977MCF. Estimated ultimate recovery is expected to be ~1,279 KBOE (assuming hyperbolic decline), and cost approximately \$20,508 to drill and complete.

Historical data along with the most recent EIA future pricing estimates for oil and natural gas were utilized in the economic evaluation. Initial operating costs were taken from the AFE estimate and assumed to be \$20k/mo for the first 3 years, then decreasing to \$10k/mo. Also included was a fixed \$0.35/bbl for water.

The Poker Lake Unit 474Y is expected to have a lifetime undiscounted cash flow of approximately \$9.469M and bring >5.0% rate of return. Based on production forecast this well is expected to payout in 2024 and is commercial.

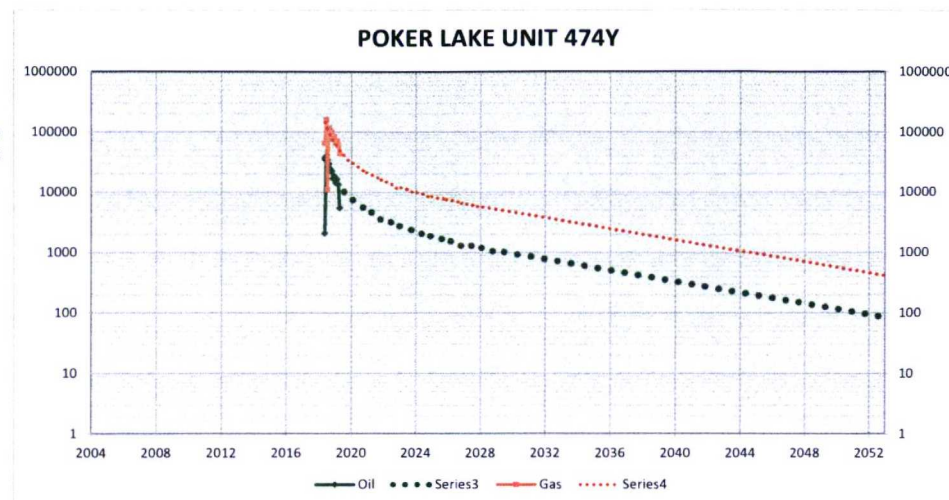
Kaleigh Brady
Reservoir Engineer
Delaware Basin Subsurface Team

Well Name	POKER LAKE UNIT 474Y
API Number	3001544938
Formation	Wolfcamp A
Actual CAPEX, K\$	\$20,508
First Production Date	8/31/2018
Last prod date	7/31/2019
First Forecast Date	9/1/2018
Cum Oil to Date (kbo)	241
Cum Wet Gas to Date (Mcf)	977
Water to Date (kbw)	786
Assumed Shrink	0.6
NGL Yield Assumed	104
WTI Price %	0.9
HHub Price %	0.6
NGL Price %	0.3
Tax Gas	7.94
Tax Oil	7.09
WI %	100.00
NRI %	77.50
OPX mo Yr 1-3	\$20,000
OPX mo Yr 4+	\$10,000
OPX water (\$/bbl)	\$0.35
CAPEX, K\$	\$20,508
Spud date	5/6/2018
Completion date	8/2/2018
Location	27-25S-30E

COMMERCIAL

TOTAL NCF 9% DISCOUNT	9,469	K\$
TOTAL NCF 5% DISCOUNT	3,501	K\$
PST BTAX PAYOUT	2024	

EUR Oil	751,808	bo
EUR Gas	3,185,782	kcf
EUR NGL	1,278,666	bo



ECONOMICS MODULE

	Date	Oil Volume BO	Wet Gas Volume kcf	Dry Gas Volume kcf	NGL Volume, gals	Oil Price \$/BO	Gas Price \$/kcf	NGL Price \$/gal	Total Gross Revenue M\$	Net Revenue M\$	Total OpCost M\$	Local Taxes M\$	Net Oper Income M\$	Total Capital M\$	BTax CFlow M\$	Discounted Cash Flow 5% M\$	Cum. Btax CFlow M\$
FORECAST	2018	132222	466228	279737	2036484	49.37	2.89	0.25	6515.0	5049	310.8	397.30	4341	20508	-16167	-16167	-16167
FORECAST	2019	177573	703001	421801	3070710	52.90	3.10	0.27	9488.2	7353	442.5	577.43	6333	0	6333	6032	-9834
FORECAST	2020	88889	365276	219165	1595524	56.68	3.32	0.29	5110.2	3960	221.4	310.38	3429	0	3429	3110	-6405
FORECAST	2021	57207	243156	145893	1062104	60.73	3.56	0.31	3537.6	2742	185.2	214.45	2342	0	2342	2023	-4063
FORECAST	2022	41467	181225	108735	791590	65.08	3.81	0.33	2756.6	2136	167.3	166.79	1802	0	1802	1483	-2261
FORECAST	2023	32128	143737	86242	627842	69.73	4.09	0.36	2295.0	1779	156.6	138.60	1483	0	1483	1162	-777
FORECAST	2024	26067	118991	71394	519751	74.71	4.38	0.38	2000.0	1550	149.7	120.58	1280	0	1280	955	502
FORECAST	2025	21692	100783	60470	440220	80.06	4.51	0.41	1780.7	1380	144.7	107.57	1128	0	1128	801	1630
FORECAST	2026	18526	87431	52459	381898	81.58	4.61	0.42	1553.1	1204	141.1	93.75	969	0	969	656	2599
FORECAST	2027	16105	77084	46250	336703	83.13	4.71	0.43	1378.6	1068	138.4	83.15	847	0	847	546	3446
FORECAST	2028	14237	68883	41330	300882	84.71	4.81	0.43	1243.9	964	136.2	74.96	753	0	753	462	4199
FORECAST	2029	12621	61914	37148	270440	86.32	4.92	0.44	1126.0	873	134.4	67.80	670	0	670	392	4869
FORECAST	2030	11418	55723	33434	243396	88.00	5.00	0.45	1037.5	804	133.0	62.47	609	0	609	339	5478
FORECAST	2031	10276	50150	30090	219056	89.58	5.02	0.46	949.2	736	131.7	57.22	547	0	547	290	6024
FORECAST	2032	9248	45135	27081	197151	91.20	5.04	0.47	868.5	673	130.5	52.40	490	0	490	248	6514
FORECAST	2033	8324	40622	24373	177436	92.84	5.05	0.48	794.7	616	129.5	48.00	438	0	438	211	6953
FORECAST	2034	7491	36560	21936	159692	94.51	5.07	0.48	727.1	564	128.5	43.96	391	0	391	179	7344

Date: 10/10/2019

To: Blake Hueske

From: Kaleigh Brady

Re: **Commercial Determination: Poker Lake Unit 486Y**

Status: Commercial
API 300154512800
29-24S-30E
Eddy Co., New Mexico

Attached is an economic worksheet and well forecast to be submitted for commercial determination. Poker Lake Unit 486Y was completed in January 2019 as a horizontal producer to a measured depth of 21,561' in the Wolfcamp D/E formation. Its producing interval is 12,835 -21,386'. As of 7/2019, the well has produced ~130KBO & 699MCF. Estimated ultimate recovery is expected to be ~1,536 KBOE (assuming hyperbolic decline), and cost approximately \$10,862K to drill and complete.

Historical data along with the most recent EIA future pricing estimates for oil and natural gas were utilized in the economic evaluation. Initial operating costs were taken from the AFE estimate and assumed to be \$20k/mo for the first 3 years, then decreasing to \$10k/mo. Also included was a fixed \$0.35/bbl costs for water.

The Poker Lake Unit 486Y is expected to have a lifetime undiscounted cash flow of approximately \$27.175M and bring >5.0% rate of return. Based on production forecast this well will payout in 2020 and is commercial.

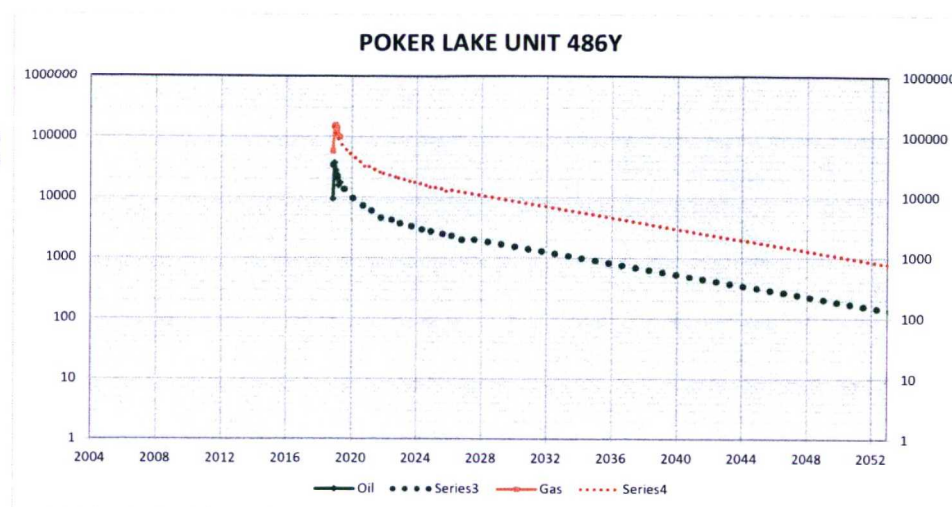
Kaleigh Brady
Reservoir Engineer
Delaware Basin Subsurface Team

Well Name	POKER LAKE UNIT 486Y
API Number	3001545128
Formation	WOLFCAMP D/E
Actual CAPEX, K\$	\$10,862
First Production Date	2/28/2019
Last prod date	7/31/2019
First Forecast Date	3/1/2019
Cum Oil to Date (kbo)	130
Cum Wet Gas to Date (Mcf)	699
Water to Date (kbw)	223
Assumed Shrink	0.6
NGL Yield Assumed	125
WTI Price %	0.9
HHub Price %	0.6
NGL Price %	0.3
Tax Gas	7.94
Tax Oil	7.09
WI %	100.00
NRI %	77.50
OPX mo Yr 1-3	\$20,000
OPX mo Yr 4+	\$10,000
OPX water (\$/bbl)	\$0.35
CAPEX, K\$	\$10,862
Spud date	7/27/2018
Completion date	1/31/2019
Location	29-24S-30E

COMMERCIAL

TOTAL NCF 0% DISCOUNT	27,179	K\$
TOTAL NCF 5% DISCOUNT	18,260	K\$
EST BTAX PAYOUT	2020	

EUR Oil	520,404	bo
EUR Gas	4,292,603	kcf
EUR NGL	1,335,838	bo



ECONOMICS MODULE

	Date	Oil Volume BO	Wet Gas Volume kef	Dry Gas Volume kef	NGL Volume, gals gal	Oil Price \$/BO	Gas Price \$/kef	NGL Price \$/gal	Total Gross Revenue M\$	Net Revenue M\$	Total OpCost M\$	Local Taxes M\$	Net Oper Income M\$	Total Capital M\$	BTax CFlow M\$	Discounted Cash Flow 5% M\$	Cum. Btax Cflow M\$
FORECAST	2019	202587	919567	551740	4827725	52.90	3.10	0.27	11056.2	8569	161.7	679.75	7727	10862	-3135	-3135	-3135
FORECAST	2020	111398	555054	333032	2914032	56.68	3.32	0.28	6595.5	5112	306.9	404.86	4400	0	4400	4190	1265
FORECAST	2021	71789	373674	224204	1961789	60.73	3.56	0.31	4582.4	3551	163.1	280.75	3108	0	3108	2819	4372
FORECAST	2022	53671	287108	172265	1507316	65.08	3.81	0.33	3685.5	2856	152.2	225.36	2479	0	2479	2141	6851
FORECAST	2023	43101	235221	141132	1234908	69.73	4.09	0.35	3180.7	2465	145.9	194.13	2125	0	2125	1748	8976
FORECAST	2024	36226	200850	120510	1054460	74.71	4.38	0.38	2871.3	2225	141.8	174.93	1909	0	1909	1495	10885
FORECAST	2025	31168	175080	105048	919168	80.06	4.51	0.40	2640.9	2047	138.7	161.30	1747	0	1747	1303	12631
FORECAST	2026	27457	155392	93235	815806	81.58	4.61	0.41	2374.1	1840	136.5	144.90	1559	0	1559	1108	14190
FORECAST	2027	24450	140581	84348	738049	83.13	4.71	0.42	2160.1	1674	134.7	131.74	1408	0	1408	953	15598
FORECAST	2028	22121	126523	75914	664244	84.71	4.81	0.43	1990.5	1543	133.3	121.30	1288	0	1288	830	16886
FORECAST	2029	19909	113870	68322	597820	86.32	4.92	0.43	1826.1	1415	132.0	111.20	1172	0	1172	720	18058
FORECAST	2030	17918	102483	61490	538038	88.00	5.00	0.44	1674.9	1298	130.8	101.98	1065	0	1065	623	19123
FORECAST	2031	16126	92235	55341	484234	89.58	5.02	0.45	1532.2	1187	129.7	93.40	964	0	964	537	20087
FORECAST	2032	14513	83012	435811	91.20	5.04	0.46	1401.6	1086	128.7	128.7	85.54	872	0	872	462	20959
FORECAST	2033	13062	74710	44826	392229	92.84	5.05	0.47	1282.2	994	127.8	78.34	788	0	788	398	21747
FORECAST	2034	11756	67239	40344	353007	94.51	5.07	0.47	1173.0	909	127.1	71.75	710	0	710	342	22457
FORECAST	2035	10580	60515	36309	317706	96.00	5.09	0.48	1071.0	830	126.4	65.57	638	0	638	292	23095