

BOPCO, L.P.
 810 Houston St
 Fort Worth, Texas 76102
 817-885-2453

October 9, 2017

FEDERAL EXPRESS

Bureau of Land Management
 Carlsbad District Office
 620 E. Green St.
 Carlsbad, New Mexico 88220
 Attn: Mr. Chris Walls

New Mexico State Land Office
 Commissioner of Public Lands
 310 Old Santa Fe Trail
 Santa Fe, New Mexico 87501
 Attention: Mr. Anchor Holm

New Mexico Oil Conservation Division
 1220 St. Francis
 Santa Fe, New Mexico 87505
 Attention: Mr. William Jones

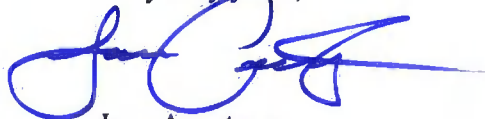
Re: Commercial Determination
 Poker Lake Unit CVX JV PB No. 8H
 Bone Spring Formation
 Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of XTO's (as agent and attorney in fact for BOPCO, LP) commercial determination worksheets and exhibits which indicate that the subject well is a non-commercial well in the Bone Spring Formation. Please indicate your concurrence to the above Commercial Determination to the undersigned at the address above.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please do not hesitate to contact the undersigned at the number or email address below.

Very truly yours,



Law Armstrong
 (817) 885-2453
 Allen_armstrong@xtoenergy.com

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

BOPCO, L.P.

Date: October 4, 2017

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: PLU CVX JV PB #08H**
API 3001542630
25S 31E Sec 32
Eddy County, New Mexico

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The PLU CVX JV PB #08H was drilled in 2014 as a horizontal producer to a measured depth of 17935' in the 2nd Bone Spring Sand. The well is producing from perforations from 11590'-17892'. By mid-year 2017 the well has produced 38 kBO and as of Sept 15, 2017 was testing 25 bopd, 86 kcfd, and 79 bwpd on road pump. This well is expected to recover approximately 179 kBOE from the current completion. The 08H cost \$8.4M 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. Prices were adjusted downward by approximately 12% to account for local conditions. Operating costs were assumed to be \$10k/mo, declining to \$5k/mo plus a fixed \$0.75/bw cost for water disposal.

The PLU CVX JV PB #08H is expected to have a lifetime undiscounted cashflow of approximately negative \$4.3M. We might expect a new drill here, with a better stimulation, to produce significant volumes, but this one is **non-commercial**.

Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

Poker Lake CVX PB 08H

3001542630

Bone Spring

8429.365

1/1/2015

1/1/2017

34.611

82.3

109.465

0.6

125

0.9

0.82

0.8

8.19

7.09

100

85.79294

10000

5000

0.75

8429.365

NON-COMMERCIAL

TOTAL NCF 0% DISCOUNT -4,228 KS

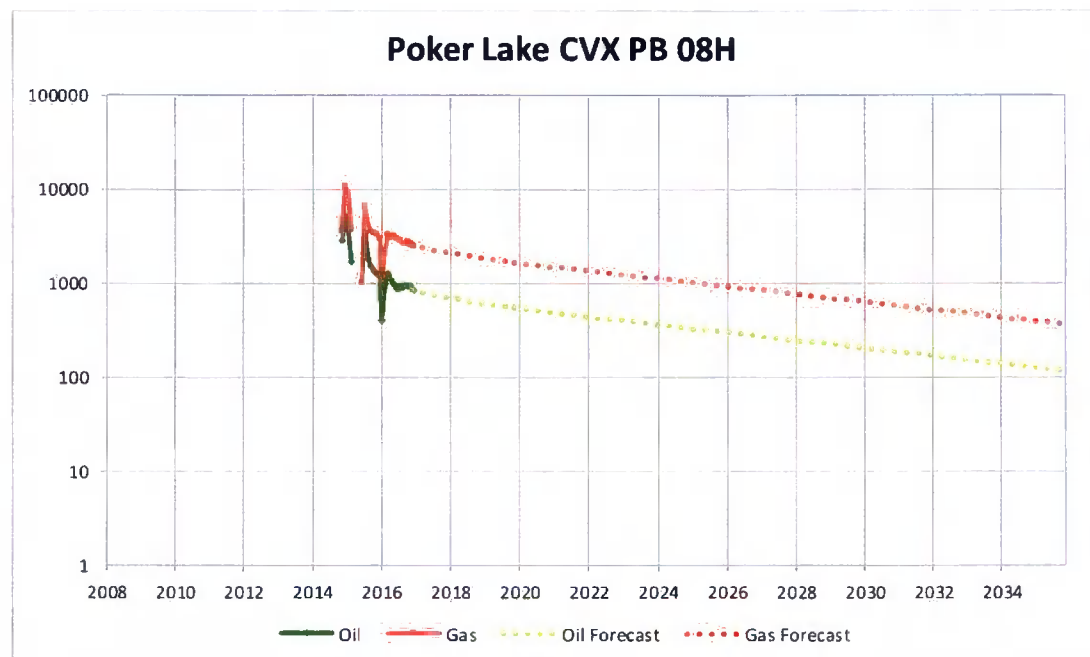
TOTAL NCF 5% DISCOUNT -5,357 KS

EUR Oil 120895 bo

EUR Wet Gas 349838 kcf

EUR BOE 179,202

ECONOMICS MODULE



	Date	Oil Volume <i>BO</i>	Wet Gas Volume <i>kcf</i>	Dry Gas Volume <i>kcf</i>	NGL Volume, gals <i>gal</i>	Oil Price <i>\$ BO</i>	Gas Price <i>\$ kcf</i>	NGL Price <i>\$ gal</i>	Total Gross Revenue <i>MS</i>	Net Revenue <i>MS</i>	Total Opcoast <i>MS</i>	Local Taxes <i>MS</i>	Net Oper Income <i>MS</i>	Total Capital <i>MS</i>	BTax CFlow <i>MS</i>	Discounted Cash Flow 5% <i>MS</i>
HISTORICAL	2015	21415	45168	27101	237132	49.00	2.63	0.31	1061.4	911	60.8	69.84	780	8429.365	-7649	-7649
HISTORICAL	2016	11454	32188	19313	168987	43.00	2.52	0.27	519.8	446	147.2	33.86	265	0	265	252
FORECAST	2017	9109	27862	16717	146275	46.07	2.70	0.29	448.7	385	141.6	29.07	214	0	214	194
FORECAST	2018	7820	23921	14352	125584	49.37	2.89	0.31	412.8	354	78.5	26.69	249	0	249	215
FORECAST	2019	6882	21050	12630	110514	52.90	3.10	0.33	389.2	334	76.3	25.11	232	0	232	191
FORECAST	2020	6076	18805	11283	98728	56.68	3.32	0.36	368.9	316	74.4	23.74	218	0	218	171
FORECAST	2021	5502	17113	10268	89842	60.73	3.56	0.38	358.2	307	73.0	23.01	211	0	211	158
FORECAST	2022	5006	15573	9344	81756	65.08	3.81	0.41	349.3	300	71.9	22.39	205	0	205	146
FORECAST	2023	4556	14171	8503	74398	69.73	4.09	0.44	340.5	292	70.8	21.80	200	0	200	135
FORECAST	2024	4146	12896	7737	67702	74.71	4.38	0.47	332.1	285	69.8	21.23	194	0	194	125
FORECAST	2025	3773	11735	7041	61609	80.06	4.51	0.50	322.7	277	68.9	20.67	187	0	187	115
FORECAST	2026	3433	10679	6407	56064	81.58	4.61	0.51	299.3	257	68.1	19.16	170	0	170	99
REMAINDER		31724	98677	59206	518057				3182	2730	1635	204	891	0	1076	490
TOTAL		120895	349838	209903	1836649				8385	7194	2637	540	4016	8429	-4228	-5357

DISTRICT I
1420 N. French Dr., Hobbs, NM 88240
Phone: (505) 392-6161 Fax: (505) 392-6162
DISTRICT II
811 N. First St., Artesia, NM 88210
Phone: (505) 748-1189 Fax: (505) 748-0732
DISTRICT III
1000 Rio Arriba Rd., Albany, NM 87110
Phone: (505) 531-6178 Fax: (505) 531-6170
DISTRICT IV
1224 N. G. Francis Dr., Santa Fe, NM 87501
Phone: (505) 476-3450 Fax: (505) 476-3452

NEW MEXICO OIL CONSERVATION

ARTESIA DISTRICT

JUN 9 2015

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

☒ AMENDED REPORT
Rev. acreage
AS DRILLED

RECEIVED **WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-42630		Pool Code 97913	Pool Name WILDCAT G-06 S2530 020; BS
Property Code 313363	Property Name POKER LAKE UNIT CVX JV PB		Well Number 008H
ODRID No. 260737	Operator Name BOPCO, L.P.		Elevation 3286'

Surface Location

UL or lot no.	Section	Township	Range	Lot /dn	Feet from the	North/South line	Feet from the	East/West line	County
H	32	25 S	31 E		2180	NORTH	660	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot /dn	Feet from the	North/South line	Feet from the	East/West line	County
P	5	26 S	31 E		351	SOUTH	656	EAST	EDDY

Dedicated Acres 240	Joint or Infill	Consolidated Code	Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>NW COR SEC 32 NMSR-E (NAD 27) Y = 386263.0' N X = 662536.5' E LAT. = 32°05'37.87"N LONG. = 103°48'30.53"W</p> <p>TOP PERF NMSR-E (NAD 83) Y = 384389.7' N X = 708376.2' E LAT. = 32°04'59.29"N LONG. = 103°47'38.38"W</p> <p>NMSR-E (NAD 27) Y = 384342.0' N X = 667190.3' E LAT. = 32°05'30.11"N LONG. = 103.7839172"W</p> <p>SW COR SEC 32 NW COR SEC 5 NMSR-E (NAD 27) Y = 392939.4' N X = 662556.5' E LAT. = 32°04'46.19"N LONG. = 103°48'30.60"W</p>	<p>POKER LAKE UNIT CVX JV PB 008H SHL 2,180' FNL, 660' FEL EL. = 3,286'</p> <p>TOP PERF 1,366' FROM SECTION 32 SOUTH LINE, 882' FROM SECTION 32 EAST LINE MD = 11,590'</p> <p>POKER LAKE UNIT CVX JV PB 008H TERMINUS 351' FSL, 656' FEL MD = 17,835'</p> <p>PLU PHANTOM BANKS 32 25 31 USA - SHL NMSR-E (NAD 83) Y = 386168.3' N X = 708388.8' E LAT. = 32°05'16.77"N LONG. = 103°47'38.15"W</p> <p>NMSR-E (NAD 27) Y = 386108.5' N X = 667201.1' E LAT. = 32.0878878"N LONG. = 103.7934539"W</p> <p>SE COR SEC 32/ NE COR SEC 5 NMSR-E (NAD 27) Y = 392981.4' N X = 667880.6' E LAT. = 32°04'45.34"N LONG. = 103°47'28.72"W</p> <p>TERMINUS NMSR-E (NAD 83) Y = 388058.1' N X = 708427.8' E LAT. = 32°03'56.53"N LONG. = 103°47'38.15"W</p> <p>NMSR-E (NAD 27) Y = 388000.5' N X = 667241.7' E LAT. = 32.0855787"N LONG. = 103.7834537"W</p> <p>SE COR SEC 5 NMSR-E (NAD 27) Y = 387653.9' N X = 667896.9' E LAT. = 32°03'52.62"N LONG. = 103°47'28.82"W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Tracie J. Cherry</i> Signature Date 06/03/15</p> <p>Tracie J. Cherry Print Name tjcherry@basspet.com E-mail Address</p> <p>SURVEYORS CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JANUARY 28, 2014 Date of Survey</p> <p>Signature and Seal of Professional Surveyor <i>James E. Tompkins</i> JAMES E. TOMPKINS REGISTERED PROFESSIONAL SURVEYOR NEW MEXICO 14729</p> <p>Job No.: WTC50474 JAMES E. TOMPKINS 14729 Certificate Number</p>
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OCD Artesia

Form 3160-4
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NMNM02790	
b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other _____		6. If Indian, Allottee or Tribe Name	
2. Name of Operator BOPCO LP		7. Unit or CA Agreement Name and No. NMNM71016X	
Contact: TRACIE J CHERRY E-Mail: tjcherry@basspet.com		8. Lease Name and Well No. POKER LAKE UNIT CVX JV PB 008H	
3. Address P O BOX 2760 MIDLAND, TX 79702		9. API Well No. 30-015-42630	
3a. Phone No. (include area code) Ph: 432-683-2277		10. Field and Pool, or Exploratory WC G-06 S2530020, BONE SPR	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* Sec 32 T25S R31E Mer NMP At surface SENE 2180FNL 660FEL At top prod interval reported below Sec 32 T25S R31E Mer NMP NESE 1366FSL 682FEL ← <i>Connected L.A. by Base</i> At total depth Sec 5 T26S R31E Mer NMP SESE 351FSL 656FEL		11. Sec., T., R., M., or Block and Survey or Area Sec 32 T25S R31E Mer NMP	
12. County or Parish EDDY		13. State NM	
14. Date Spudded 10/20/2014		15. Date T.D. Reached 11/13/2014	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 01/11/2015		17. Elevations (DF, KB, RT, GL)* 3286 GL	
18. Total Depth: MD 17935 TVD 10173		19. Plug Back T.D.: MD TVD	
20. Depth Bridge Plug Set: MD TVD			
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) RCBL/GR, AIT, HRLA/MICRO-CFL/HNGS, CNL, SPEC GR		22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit analysis)	

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17.500	13.375 J55	54.5		956		600	184	0	
12.250	9.625 J55	40.0		4137		1000	324	0	
7.875	5.500 HCP110	17.0		17910	4920	2540	743	2950	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) 2ND BONE SPR SND	9682	17935	11590 TO 17892	0.420	264	OPEN
B)						
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
11590 TO 17935	FRAC DOWN CSG USING TOTAL 54247 BBLs FLUID, 3819058# PROPANT ACROSS 13 STAGES

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
01/11/2015	01/24/2015	24	→	68.0	129.0	121.0			FLows FROM WELL
Choke Size	Tbg. Press. Flwg SI	Csg. Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→				1897	POW	

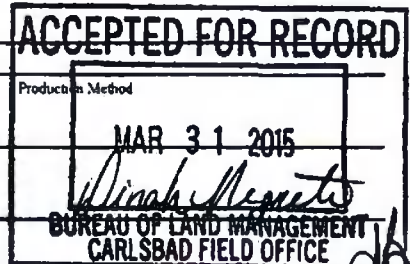
28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg SI	Csg. Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→						

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #296399 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **



Reclamation Due: 7/11/2015

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

29. Disposition of Gas(Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
BELL CANYON	4087	4080	SANDSTONE	RUSTLER	808
CHERRY CANYON	4080	6380	SANDSTONE	SALADO/T. SALT	3852
BRUSHY CANYON	6380	8052	SANDSTONE	B. SALT	3852
BONE SPRING	8052		SANDSTONE/LIMESTONE	LAMAR	4064
				BELL CANYON	4087
				CHERRY CANYON	4080
				BRUSHY CANYON	6380
				BONE SPRING	8052

32. Additional remarks (include plugging procedure):

*****CONFIDENTIAL COMPLETION*****

8-3/4" hole from surface to 10,688'

7-7/8" hole from 10,688' to TD

Cement did not circulate to DV tool.

CORRECTED FORM, CHANGE TOP PROD INTERVAL LOCATION. REPLACES EC 290108

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7. Other: | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #296399 Verified by the BLM Well Information System.
For BOPCO LP, sent to the Carlsbad

Name (please print) TRACIE J CHERRYTitle REGULATORY ANALYSTSignature (Electronic Submission)Date 03/26/2015

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL **