

BOPCO, L.P.
810 Houston St
Fort Worth, Texas 76102
817-885-6609

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2018 JAN 24 A 8:30

January 15, 2018

United States Department of Interior
Bureau of Land Management
Attention: Mr. Chris Walls
620 E. Greene Street
Carlsbad, NM 88240-1157

R-8873
R-153

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: Pete Martinez

New Mexico Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505
Attention: Mark Fesmire

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

Gentlemen:

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

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 "B." The participating area consists of 15,840 acres to be comprised of the lands indicated on the plat attached hereto and further described as follows:

Township 25 South, Range 30 East, NMPM

Section 8:	W/2 SE/4, E/2 SW/4
Section 17:	ALL
Section 18:	E/2, SW/4
Section 19:	ALL
Section 20:	ALL
Section 30:	E/2 E/2, W/4 NE/4
Section 29:	ALL
Section 31:	E/2 NE/4
Section 32:	ALL
Section 28:	ALL
Section 33:	ALL
Section 27:	S/2
Section 34:	ALL
Section 26:	S/2
Section 35:	ALL
Section 25:	S/2
Section 36:	ALL

Township 25 South, Range 31 East, NMPM

Section 30: S/2
Section 31: ALL
Section 29: S/2
Section 32: ALL
Section 28: S/2
Section 33: ALL
Section 27: W/2 SW/4
Section 34: W/2 W/2

Township 26 South, Range 30 East, NMPM

Section 4: NE/4
Section 3: ALL
Section 10: N/2
Section 11: N/2
Section 1: ALL
Section 12: N/2

Township 26 South, Range 31 East, NMPM

Section 6: ALL
Section 5: ALL
Section 4: SW/4 NW/4
Section 4: E/2, E/2 W/2, NW/4 NW/4, W/2 SW/4
Section 3: W/2 NW/4

Containing 15,840.00 acres
Eddy County, New Mexico

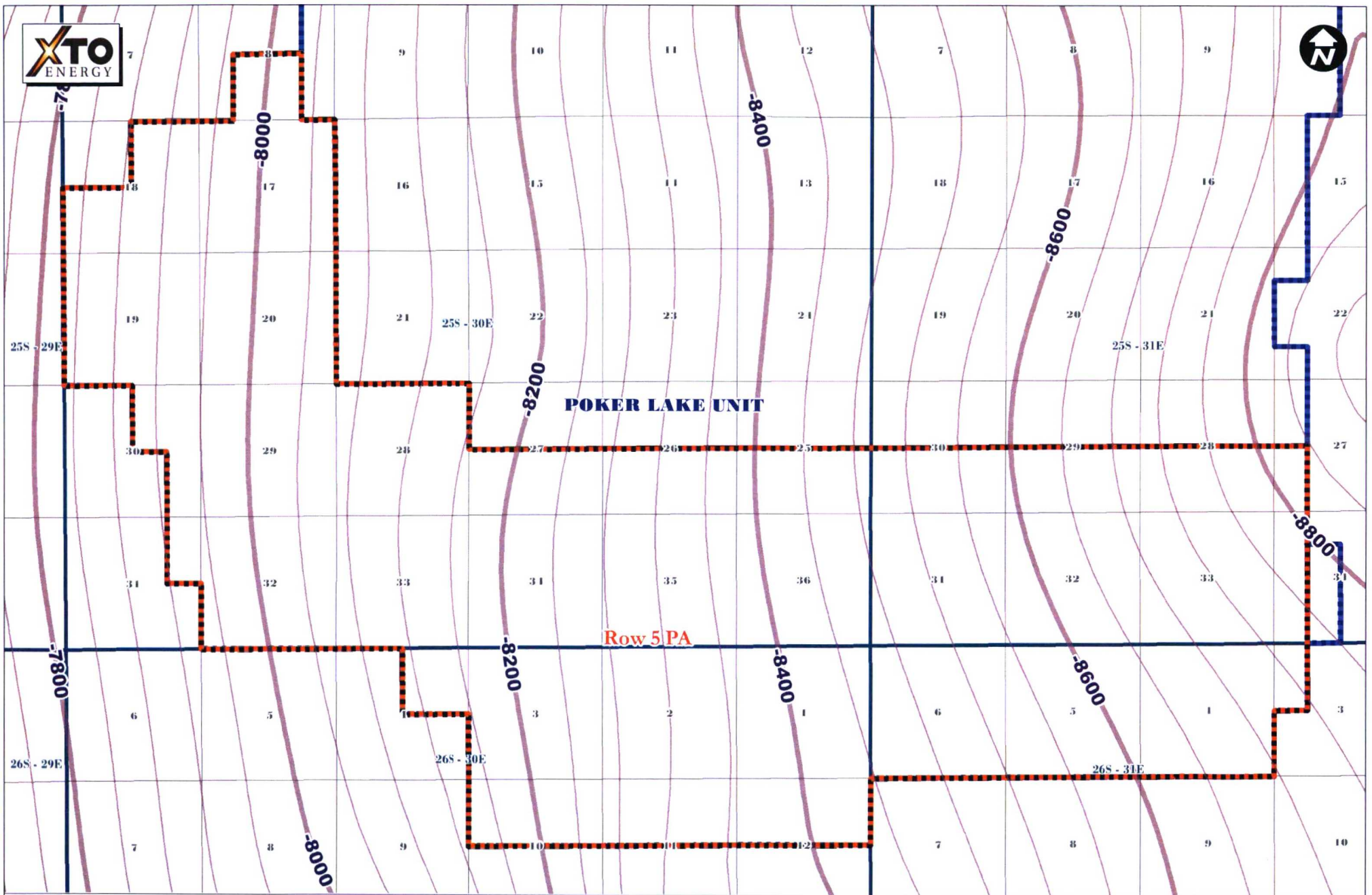
In support of this application the following numbered items are attached hereto and made a part hereof:

1. An ownership map depicting the boundaries of the proposed Initial Wolfcamp Participating Area "B".
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.
3. A geological and engineering report with accompanying maps supporting and justifying the proposed selection of the area based on the results obtained from 32 wells in the vicinity.

XTO respectfully requests your approval of the hereinabove selection of lands to constitute the Initial Bone Spring Participating Area "A" and to be effective January 1, 2018. 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,

Blake Hueske, CPL
Sr. Staff Landman – Delaware Basin
XTO Energy Inc.
(817) 885-6609
Blake_Hueske@xtoenergy.com



DELAWARE BASIN

 BOPCO Unit Outlines

 Proposed PA

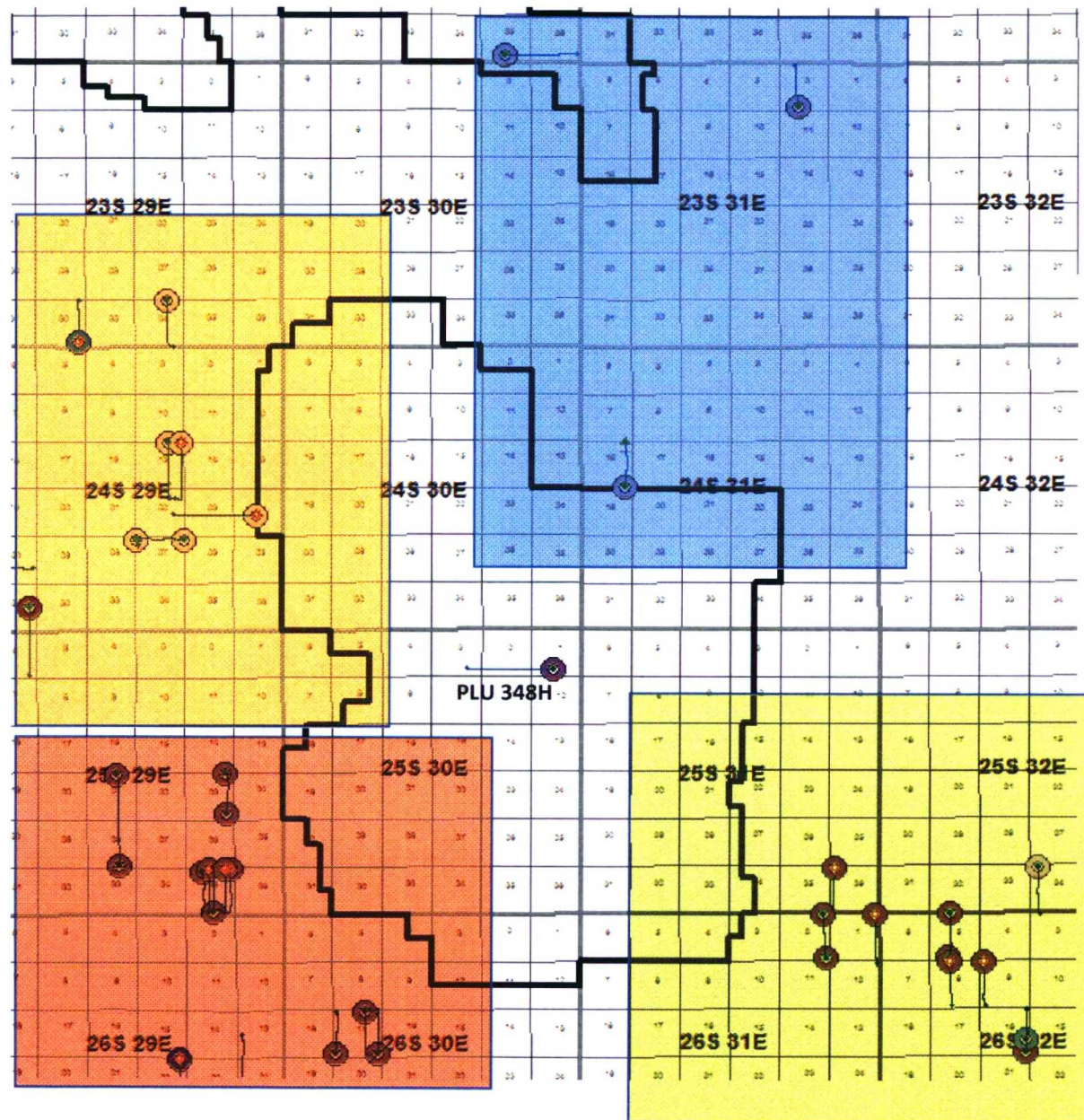
PLU - Proposed Wolfcamp "B" PA
Wolfcamp Structure (Contour Interval 40')
Eddy County, New Mexico
January 2018

Information depicted on this map is derived from aerial photography and is not intended to be used for any purpose other than that for which it was collected. The user assumes all responsibility for the use of this information. No warranty is made by the provider of this information.

0 1,250 2,500 5,000 7,500 10,000 Feet

Land GIS Dept: O:\Arcview\Projects\MATT\PROJECTS\PERMIAN\BLAKE HUESKE\PLU PA's\ROW 2 & 5 PA\WC STRUCTURE ROWS.mxd

HORIZONTAL WOLFCAMP PRODUCERS NEAR POKER LAKE



32 wells: Average length of 4820'

WHAT KIND OF FLOWSTREAM MAKES AN ECONOMIC 5000' Wolfcamp Well?

CAPEX = \$6.5M

EIA Oil/Gas Price

Takes about 210 kBO to exceed threshold (5% ROR)

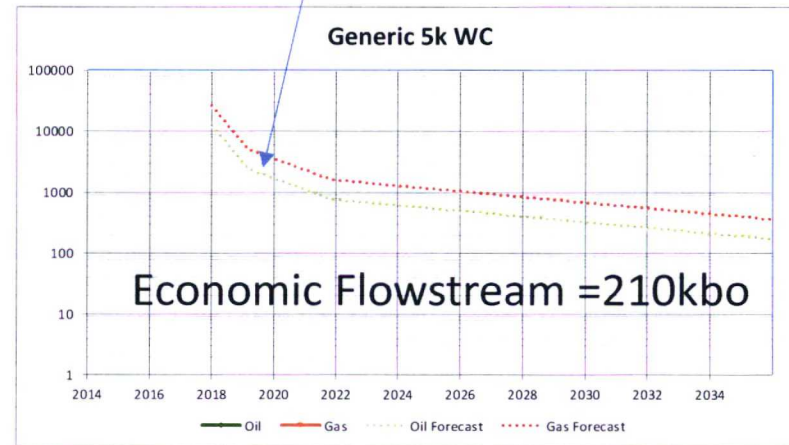
WORKSHEET FOR COMMERCIAL DETERMINATION FOR FEDERAL UNITS

Well Name Generic 5k WC
API Number
Formation Wolfcamp
Actual CAPEX, K\$ 6500
First Production Date 1/1/2018
First Forecast Date 1/1/2018
Cum Oil to Date (kbo) 0
Cum Wet Gas to Date (Mcf) 0
Water to Date (kbw) 0
Assumed Shrink 0.6
NGL Yield Assumed 125
WTI Price % 0.9
HHub Price % 0.82
NGL Price % 0.8
Tax Gas 8.19
Tax Oil 7.09
W1 % 100
NRI % 80
OPX/mo Yr 1-3 10000
OPX/mo Yr 4+ 5000
OPX/water (\$/bbl) 0.75
CAPEX, K\$ 6500

TOTAL NCF 0% DISCOUNT 1,347 K\$
TOTAL NCF 5% DISCOUNT 3 K\$
EUR Oil 212,282 bo
EUR Gas 442,255 kef
EUR, BOE 285,992 bo

3 WOR

ECONOMICS MODULE

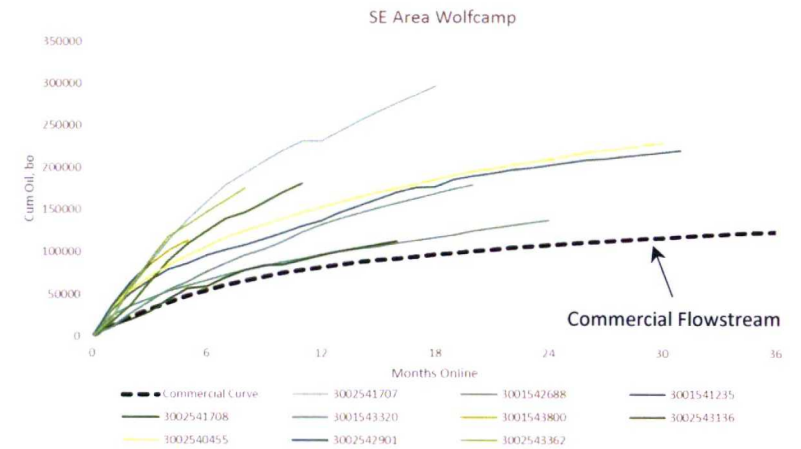
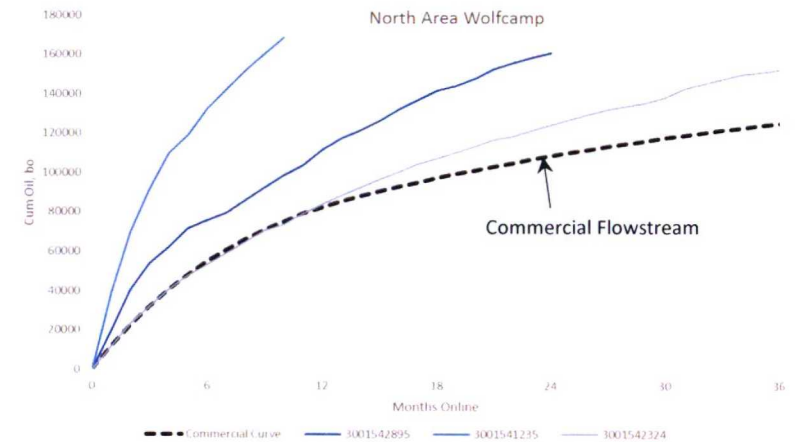


	Date	Oil Volume BO	Wet Gas Volume kef	Dry Gas Volume kef	NGL Volume, gals	Oil Price \$ BO	Gas Price \$ kef	NGL Price \$ gal	Total Gross Revenue M\$	Net Revenue M\$	Total OpCost M\$	Local Taxes M\$	Net Oper Income M\$	Total Capital M\$	BTax CFlow M\$	Discounted Cash Flow 5%
FORECAST	2018	82492	171859	103115	902258	49.37	2.89	0.25	4092.4	3274	195.61	249.47	2829	6500	-3671	-3671
FORECAST	2019	26040	54249	32550	284809	52.90	3.10	0.27	1384.2	1107	178.59	84.26	845	0	845	804
FORECAST	2020	16506	34387	20632	180532	56.68	3.32	0.29	940.1	752	157.14	57.15	538	0	538	488
FORECAST	2021	10749	22393	13436	117565	60.73	3.56	0.31	656.0	525	84.18	39.82	401	0	401	346
FORECAST	2022	8485	17678	10607	92807	65.08	3.81	0.33	554.9	444	79.09	33.64	331	0	331	272
FORECAST	2023	7637	15910	9546	83526	69.73	4.09	0.36	535.1	428	77.18	32.41	318	0	318	250
FORECAST	2024	6873	14319	8591	75174	74.71	4.38	0.38	516.0	413	75.46	31.22	306	0	306	228
FORECAST	2025	6186	12887	7732	67656	80.06	4.51	0.41	496.5	397	73.92	30.08	293	0	293	208
FORECAST	2026	5567	11598	6959	60891	81.58	4.61	0.42	455.4	364	72.53	27.58	264	0	264	179
FORECAST	2027	5010	10438	6263	54802	83.13	4.71	0.43	417.7	334	71.27	25.28	238	0	238	153
FORECAST	2028	4509	9395	5637	49321	84.71	4.81	0.43	383.1	307	70.15	23.18	213	0	213	131
FORECAST	2029	4058	8455	5073	44389	86.32	4.92	0.44	351.4	281	69.13	21.26	191	0	191	112
FORECAST	2030	3653	7610	4566	39950	88.00	5.00	0.45	322.4	258	68.22	19.50	170	0	170	95
FORECAST	2031	3287	6849	4109	35955	89.58	5.02	0.46	295.1	236	67.40	17.86	151	0	151	80
FORECAST	2032	2959	6164	3698	32360	91.20	5.04	0.47	270.2	216	66.66	16.36	133	0	133	67
FORECAST	2033	2663	5547	3328	29124	92.84	5.05	0.48	247.4	198	65.99	14.99	117	0	117	56
FORECAST	2034	2396	4993	2996	26211	94.51	5.07	0.48	226.4	181	65.39	13.73	102	0	102	47
FORECAST	2035	2157	4493	2696	23590	96.00	5.09	0.49	206.9	166	64.85	12.55	88	0	88	38
REMAINDER		11055	23032	13819	120919				1114	891	505	68	319	0	319	119
TOTAL		212282	442255	265353	2321839				13465	10772	2108	818	7847	6500	1347	3

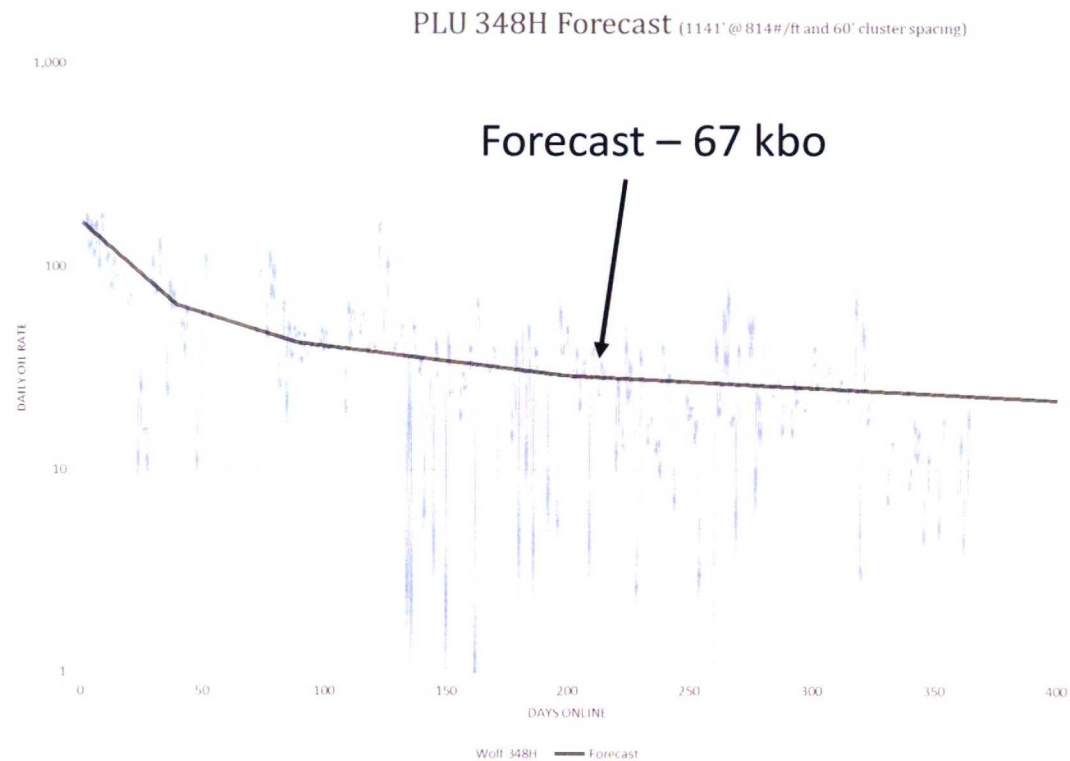
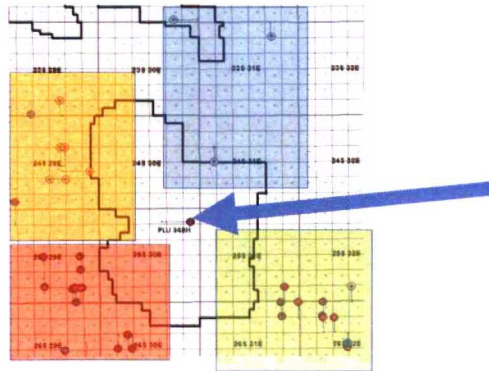
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HOW DO OFFSET WELLS STACK UP VS THAT FLOWSTREAM?



PLU 348H : Center of Unit



Due to mechanical difficulties only 1141' of lateral was completed

On 5000' basis EUR would be = $5000/1141 * 67\text{kbo} = 301\text{kbo}$

Exceeds commercial threshold of 210kbo

EXHIBIT B
Initial Wolfcamp Participating Area "B"

UNITTRACT #	FEDERAL/STATE SERIAL #	TOWNSHIP RANGE	SECTION	LEGAL DESCRIPTION	PARTICIPATING ACRES	PERCENTAGE OF PARTICIPATION
65	ST-B-10678	T25S-R30E	8	W/2 SE/4, E/2 SW/4	160	1.010101%
37	NMNMLC-063875	T25S-R30E	17	ALL	640	4.040404%
39, 39A	NMNMLC-065705 NMNMLC-065705B	T25S-R30E	18	E/2, SW/4	480	3.030303%
56	NMNMLC-070341	T25S-R30E	19	ALL	640	4.040404%
37,38	NMNMLC-064894A NMNMLC064894	T25S-R30E	20	ALL	640	4.040404%
54	NMNMLC-070125	T25S-R30E	30	E/2 E/2, W/4 NE/4	240	1.515152%
38	NMNMLC-064894	T25S-R30E	29	ALL	640	4.040404%
14	NMNM-03103C	T25S-R30E	31	E/2 NE/4	80	0.505051%
59	ST-E2642-2	T25S-R30E	32	ALL	640	4.040404%
17A, 17B	NMNM-05039A NMNM-05039	T25S-R30E	28	ALL	640	4.040404%
17A, 17B	NMNM-05039A NMNM-05039	T25S-R30E	33	ALL	640	4.040404%
35A, 35B	NMNMLC-063875A NMNMLC-063875	T25S-R30E	27	S/2	320	2.020202%
17A, 17B	NMNM-05039A NMNM-05039	T25S-R30E	34	ALL	640	4.040404%
35A, 35B	NMNMLC-063875A NMNMLC-063875	T25S-R30E	26	S/2	320	2.020202%
17A, 17B	NMNM-05039A NM-05039	T25S-R30E	35	ALL	640	4.040404%
30A, 21B	NMLC-063079A NMNM-0157756B	T25S-R30E	25	S/2	320	2.020202%
66, 70	ST-B-10679 ST-E-5899-1	T25S-R30E	36	ALL	640	4.040404%
						0.000000%
21A, 21B	NMLC-061634B NMLC-0616341	T25S-R31E	30	S/2	320	2.020202%
21A, 21B	NMLC-061634B NMLC-0616341	T25S-R31E	31	ALL	640	4.040404%
21A, 21B, 21D, 31	NMLC-061634B NMLC-0616341 NMNM-157756A NMLC-063136A	T25S-R31E	29	S/2	320.000	2.020202%
64, 69A, 69B	ST-B-10676 AT-B-10757-2 AT-B-10757-4	T25S-R31E	32	ALL	640.000	4.040404%
31	NMLC-063136A	T25S-R31E	28	S/2	320.000	2.020202%

23, 23A	NMLC-061672B NMLC-061672E	T25S-R31E	33	ALL	640.000	4.040404%
31	NMLC-063136A	T25S-R31E	27	W/2 SE/4	80.000	0.505051%
24	NMLC-061672A	T25S-R31E	34	W/2 W/2	160.000	1.010101%
						0.000000%
53	NMLC-069852A	T26S-R30E	4	NE/4	160	1.010101%
48	NMLC-069513A	T26S-R30E	3	ALL	640	4.040404%
49	NMLC-069513	T26S-R30E	10	N/2	320	2.020202%
40	NMLC-068337	T26S-R30E	11	N/2	320	2.020202%
48, 53	NMLC-069513A NMLC-069852A	T26S-R30E	1	ALL	640	4.040404%
41	NMLC-068337A	T26S-R30E	12	N/2	320	2.020202%
8, 51	NMNM-02790 NMLC-069514A	T26S-R31E	6	ALL	640	4.040404%
8	NMNM-02790	T26S-R31E	5	ALL	640	4.040404%
76	FEE	T26S-R31E	4	SW/4 NW/4	40	0.252525%
50	NMLC-069514B	T26S-R31E	4	E/2, E/2 W/2, NW/4 NW/4, W/2 SW/4	600	3.787879%
72	STATE LSE	T26S-R31E	3	W/2 NW/4	80	0.505051%
					15,840	100.000000%