

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-153
~~8873~~

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
First Revision to the Wolfcamp Participating Area "A"
NMNM-071016X

Gentlemen:

XTO Energy Inc. (XTO), as agent for BOPCO, LP, hereby applies for approval of the First Revision to the Poker Lake Wolfcamp Participating Area "A".

The initial Wolfcamp Participating Area "A" has been approved effective the date indicated below and is now in effect, consisting of 3,520 acres described as follows:

Wolfcamp Participating Area "A" effective date June 1, 1981

Township 24 South, Range 31 East, NMPM

Section 29: S/2
Section 32: ALL
Section 33: ALL
Section 34: W/2

Township 25 South, Range 31 East, NMPM

Section 3: W/2
Section 4: ALL
Section 5: ALL
Containing 3,520.00 acres
Eddy County, New Mexico

Requested First Revision of the Wolfcamp Participating Area "A" effective date January 1, 2018.

By this application, XTO requests the First Revision of the Wolfcamp Participating Area "A" be made effective January 1, 2018 by adding the following lands to the above described initial Wolfcamp Participating Area "A":

Township 24 South, Range 30 East, NMPM

Section 24: ALL
Section 25: ALL
Section 36: N/2

Township 24 South, Range 31 East, NMPM

Section 19: ALL
Section 20: ALL
Section 21: ALL
Section 22: ALL
Section 27: ALL
Section 28: ALL
Section 29: N/2
Section 30: ALL
Section 31: N/2

Township 25 South, Range 31 East, NMPM

Section 10: E/2 W/2

Containing 6,880.00 acres
Eddy County, New Mexico

The First Revision of the Wolfcamp Participating Area "A", for which approval is hereby requested effective January 1, 2018, consists of the above-described initial Wolfcamp Participating Area "A" and the above-described 6,880.00 acres, being a total of 10,400.00 acres described as follows:

Township 24 South, Range 30 East, NMPM

Section 24: ALL
Section 25: ALL
Section 36: N/2

Township 24 South, Range 31 East, NMPM

Section 19: ALL
Section 20: ALL
Section 21: ALL
Section 22: ALL
Section 27: ALL
Section 28: ALL
Section 29: ALL
Section 30: ALL
Section 31: N/2
Section 32: ALL
Section 33: ALL
Section 34: W/2

Township 25 South, Range 31 East, NMPM

Section 3: W/2

Section 4: ALL
Section 5: ALL
Section 10: E/2 W/2

Containing 10,400.00 acres
Eddy County, New Mexico

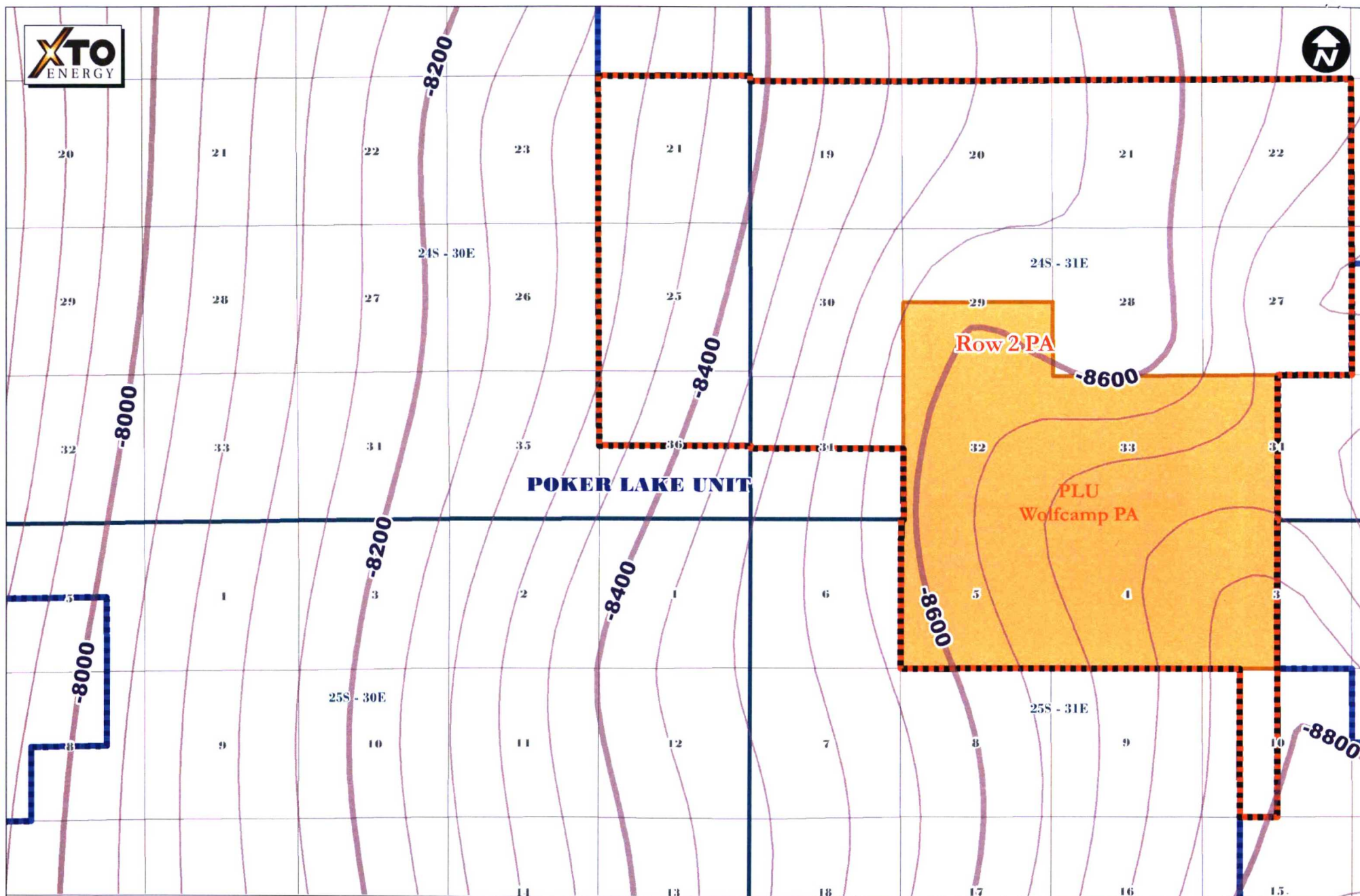
Attached is a plat outlining the existing Wolfcamp Participating Area "A" and the herein requested First Revision to the Wolfcamp Participating Area "A" along with a schedule (Exhibit "B") showing the lands to be included within the Participating Area along with corresponding tracts, lease numbers and percentage of participation.

The attached geological mapping 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 indicate there are commercial reserves being produced outside of the current Wolfcamp Participating Area "A".

Please feel free to call me if you have any questions.

Sincerely,

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

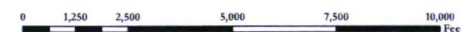


DELAWARE BASIN

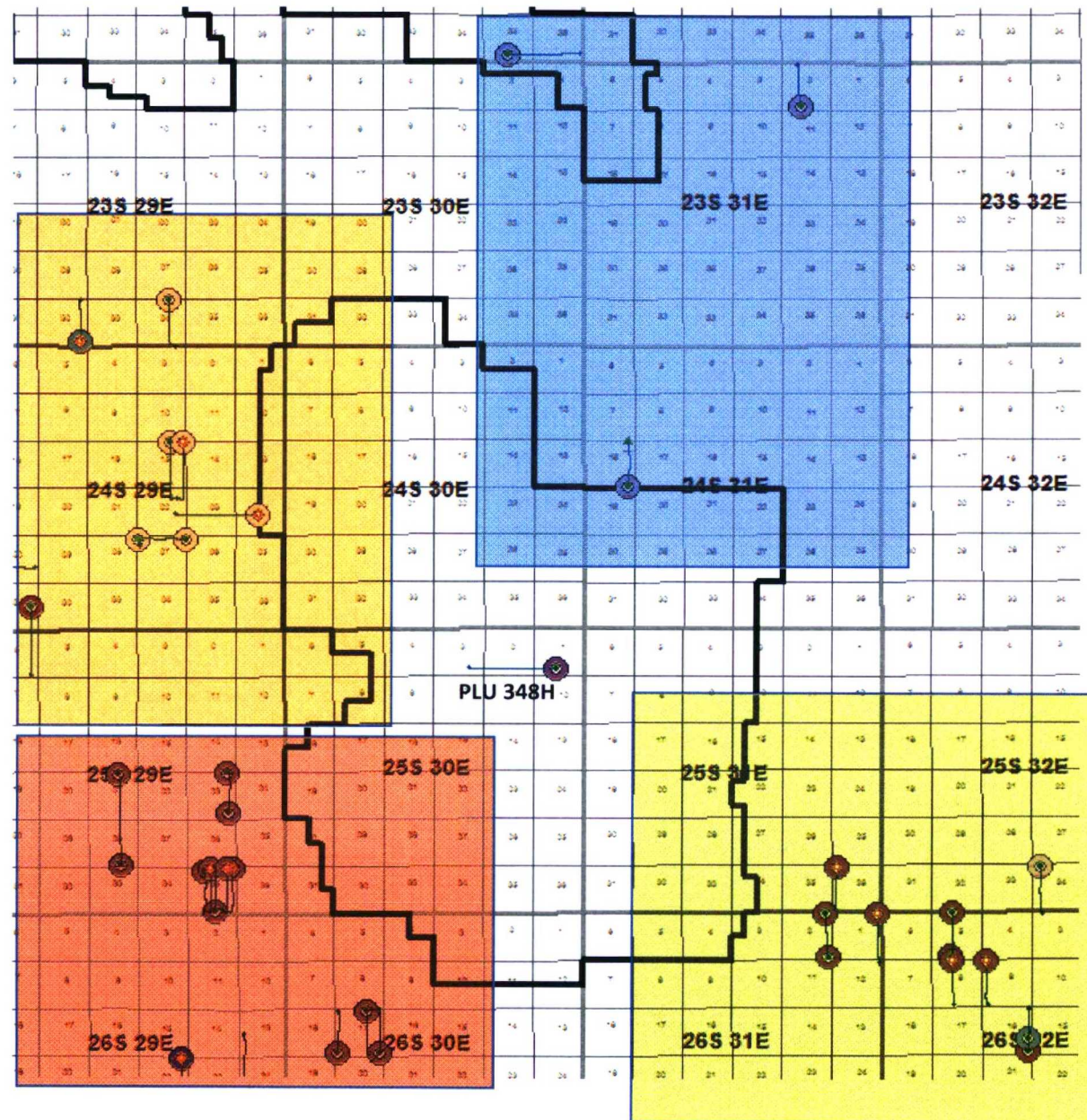
-  BOPCO Unit Outlines
-  Proposed PA
-  Wolfcamp PA

PLU - Proposed Row 2 PA
Wolfcamp Structure (Contour Interval 40')
Eddy County, New Mexico
January 2018

information depicted on this map is subject to change and is provided on a non-warranty, "as is" basis and intended for the sole use of the individual user. Additionally, the user must not: (1) distribute or copy any of this map or contents; (2) modify, publish, retransmit, or otherwise use the contents of this map; or (3) attempt to circumvent any security features of this map.



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)

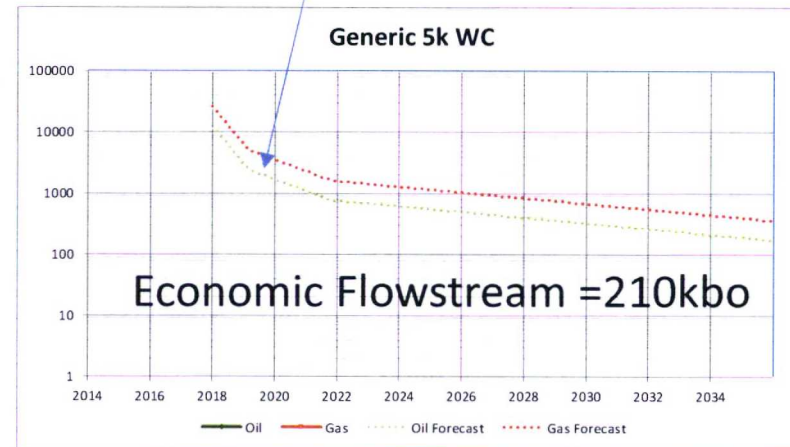
WORKSHEET FOR COMMERCIAL DETERMINATION FOR FEDERAL UNITS

Well Name: Generic 5k WC
 API Number: Wolfcamp
 Formation: 6500
 Actual CAPEX, K\$: 1/1/2018
 First Production Date: 1/1/2018
 First Forecast Date: 0
 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
 HHHub 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 kcf
 EUR, BOE: 285,992 bo

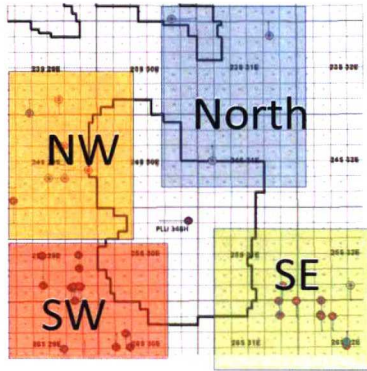
3 WOR

ECONOMICS MODULE

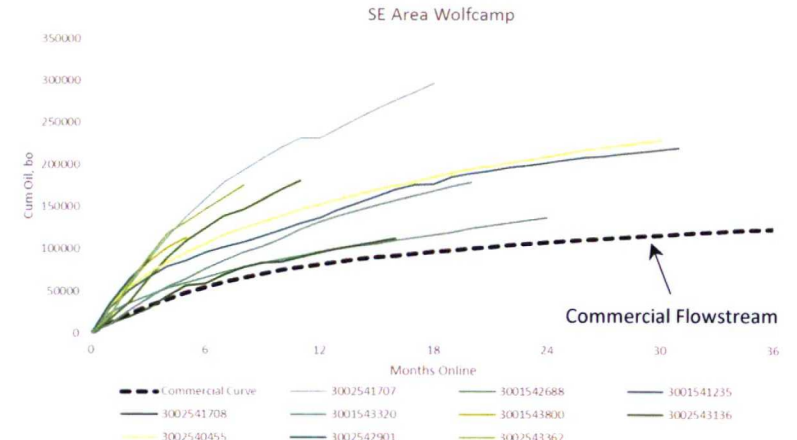
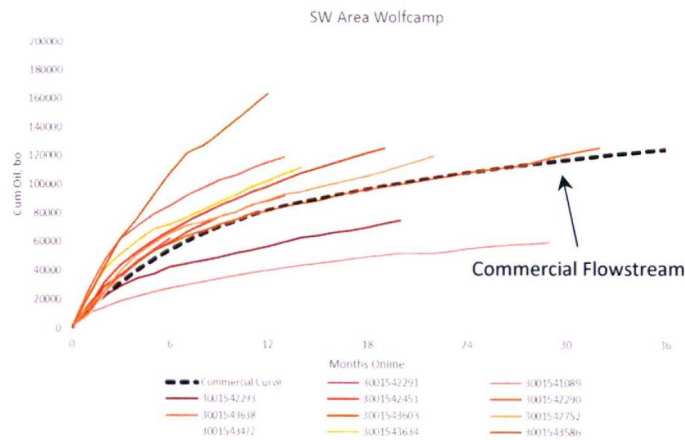
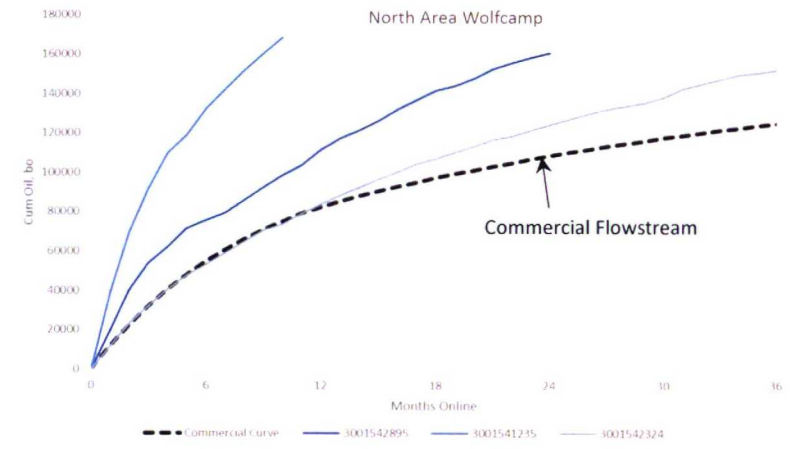
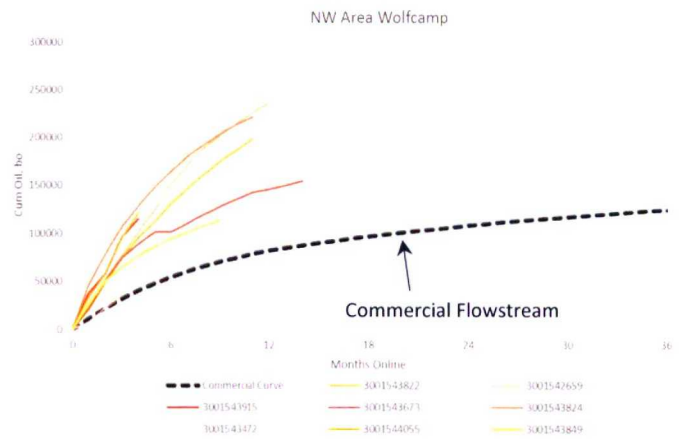


	Date	Oil Volume BO	Wet Gas Volume kef	Dry Gas Volume kef	NGL Volume, gals	Oil Price \$/BO	Gas Price \$/kef	NGL Price \$/gal	Total Gross Revenue M\$	Net Revenue M\$	Total Opcost M\$	Local Taxes M\$	Net Oper Income M\$	Total Capital M\$	BTax CFlow M\$	Discounted Cash Flow M\$
FORECAST	2018	82492	171859	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

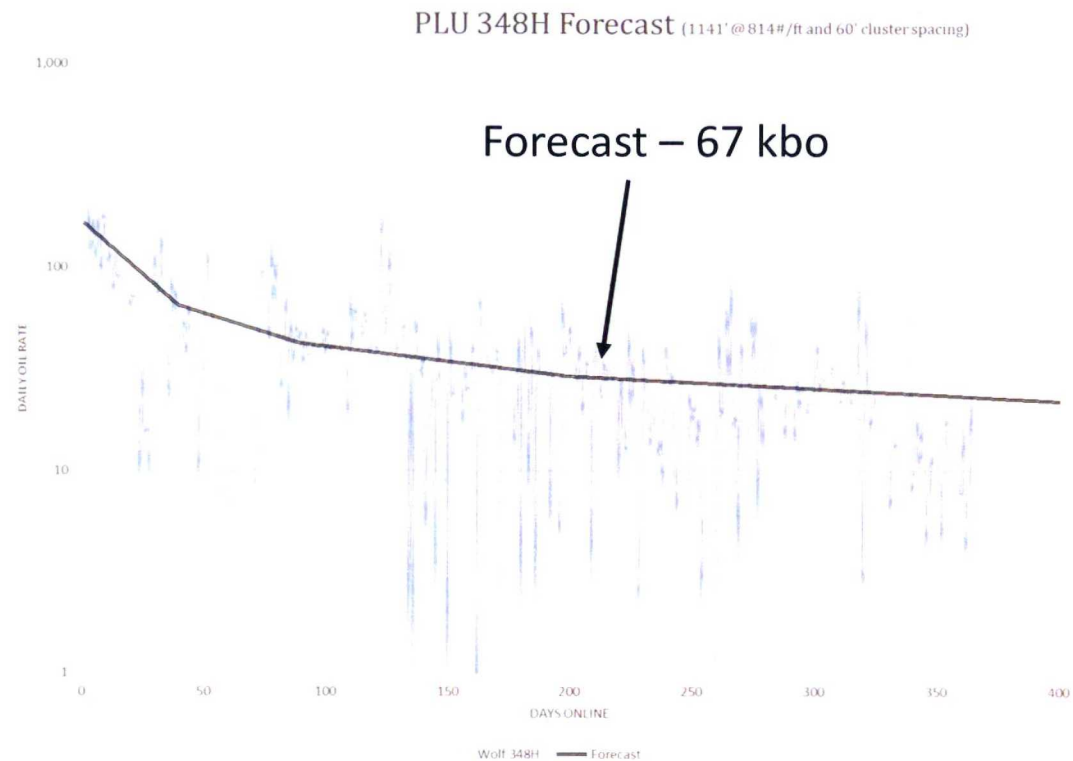
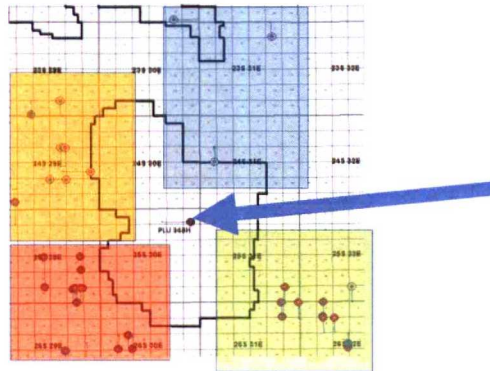
HOW DO OFFSET WELLS STACK UP VS THAT FLOWSTREAM?



30 of 32 are above the commercial threshold. Most significantly so.



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

First Revision to the Wolfcamp Participating Area "A"

UNITTRACT #	FEDERAL/STATE SERIAL #	TOWNSHIP RANGE	SECTION	LEGAL DESCRIPTION	PARTICIPATING ACRES	PERCENTAGE OF PARTICIPATION
36	NMNM-030453	T24S-R30E	24	ALL	640	6.153846%
26A, 26B	NMLC-061705B NMLC-0157779	T24S-R30E	25	ALL	640	6.153846%
58A, 68	ST-E-2206-3 ST-B-10685	T24S-R30E	36	N/2	320	3.076923%
26A, 26B, 32	NMLC-061705B NMLC-0157779 NMNM-025533	T24S-R31E	19	ALL	640	6.153846%
26A, 26BC	NMLC-061705B NMNM-0157566	T24S-R31E	20	ALL	640	6.153846%
2A, 4A	NMNM-0506A NMNM-0542	T24S-R31E	21	ALL	640	6.153846%
2A, 2C	NMNM-0506A NMNM-0506	T24S-R31E	22	ALL	640	6.153846%
2A, 2D, 26A	NMNM-0506A NMNM-0506 NMLC-061705B	T24S-R31E	30	ALL	640	6.153846%
2A, 2B, 2C	NMNM-0506A NMNM-0506A NMNM-0506	T24S-R31E	29	ALL	640	6.153846%
3A, 3C, 3D	NMNM-0522A NMNM-0522A NMNM-0522	T24S-R31E	28	ALL	640	6.153846%
3A, 3B, 3C, 5, 7	NMNM-0522A NMNM-0522A NMNM-0522A NMNM-0543 NMNM-01181	T24S-R31E	27	ALL	640	6.153846%
4B, 28A	NMNM-0542A NMNM-030454	T24S-R31E	31	N/2	320	3.076923%
58A, 58B, 67, 71	ST-E-2206-0006 ST-E-2206-0002 ST-B-10684 ST-E-5897-1	T24S-R31E	32	ALL	640	6.153846%

15, 28A, 28B	NMNM-033218 NMNM-030454 NMNM-031382	T24S-R31E	33	ALL	640	6.153846%
28A, 28B	NMNM-030454 NMNM-031382	T24S-R31E	34	NW/4, E/2 SW4, N/2 SW4	320	3.076923%
22A, 22B	NMNM-030457 NMNM-031383	T25S-R31E	3	W/2	320	3.076923%
22A, 22B	NMNM-030457 NMNM-031383	T25S-R31E	4	ALL	640	6.153846%
22A, 22B, 22C	NMNM-030457 NMNM-031383 NMNM-033501	T25S-R31E	5	ALL	640	6.153846%
25A, 25B	NMNM-030458 NMNM-031384	T25S-R31E	10	E/2 W/2	160	1.538462%
					10,400	100.000000%