

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

May 1, 2018

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
Big Eddy Unit D15 4H
Delaware 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 commercial well in the Delaware 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,

Ty Eagle
(817) 885-3008
Ty_Eagle@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: _____



Date: April 24, 2018

To: Tracie Cherry

From: Trent Boneau

Re: **Commercial Determination: Big Eddy Unit DI5 4H**
API 3001540397
20S 31E Sec 27
Eddy County, New Mexico

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Big Eddy Unit DI5 4H was drilled in 2014 as a horizontal producer to a measured depth of 19,126' in the Delaware. The well is producing from perforations from 7940'-19054'. By early 2018 the well has produced 182 kBO, and as of April 2018 was testing 78 bopd, 259 kcf/d, and 714 bw/d. This well is expected to recover approximately 449 kBOE from the current completion. The 4H cost \$11.9M 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 Big Eddy Unit DI5 4H is expected to have a lifetime undiscounted cashflow of approximately \$3.7M and bring > 5% rate of return. **It is commercial.**

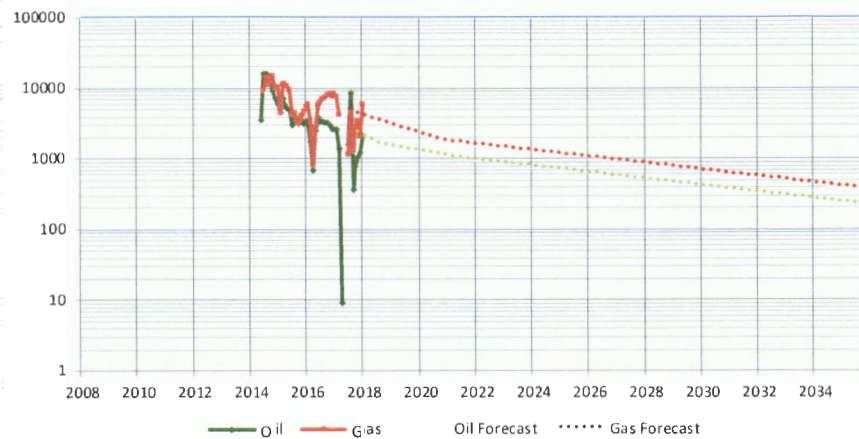
Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

Well Name BEU D15 4H
API Number 3001540397
Formation Delaware
Actual CAPEX, K\$ 11965.3
First Production Date 8/17/2014
First Forecast Date 1/1/2018
Cum Oil to Date (kbo) 182.172
Cum Wet Gas to Date (McF) 258.935
Water to Date (kbw) 326.244
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 % 84.5
OPX/mo Yr 1-3 10000
OPX/mo Yr 4+ 5000
OPX/water (\$/bbl) 0.75
CAPEX, K\$ 11965.3

COMMERCIAL

TOTAL NCF 0% DISCOUNT 3,671 K\$
TOTAL NCF 5% DISCOUNT 131 K\$
EUR Oil 355817 bo
EUR Gas 556589 kcf
448581.7837

BEU D15 4H



ECONOMICS MODULE

					NGL				Total Gross		Total	Local	Net Oper	Total	BTax	Discounted
	Date	Oil Volume	Wet Gas Volume	Dry Gas Volume	Volume, gals	Oil Price	Gas Price	NGL Price	Revenue	Net Revenue	Opco	Taxes	Income	Capital	CFlow	Cash Flow
		BO	kcf	kcf	gal	\$/BO	\$/kcf	\$/gal	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
HISTORICAL	2014	57988	48754	29252	255959	93.30	4.39	0.63	5103.5	4312	157.9	335.45	3819	11965.3	-8146	-8146
HISTORICAL	2015	62371	95771	57463	502798	49.00	2.63	0.33	3007.5	2541	203.8	196.32	2141	0	2141	2039
HISTORICAL	2016	34469	59115	35469	310354	43.00	2.52	0.29	1479.3	1250	166.3	96.21	988	0	988	896
HISTORICAL	2017	22977	44332	26599	232743	46.07	2.70	0.31	1069.6	904	90.9	69.27	744	0	744	642
FORECAST	2018	23361	46436	27862	243790	49.37	2.89	0.33	1169.1	988	91.4	75.54	821	0	821	675
FORECAST	2019	17812	34827	20896	182842	52.90	3.10	0.36	953.3	806	83.9	61.55	660	0	660	517
FORECAST	2020	15140	26120	15672	137132	56.68	3.32	0.38	857.0	724	80.3	55.44	588	0	588	439
FORECAST	2021	12942	21235	12741	111482	60.73	3.56	0.41	781.2	660	77.4	50.55	532	0	532	378
FORECAST	2022	11547	19111	11467	100334	65.08	3.81	0.44	747.4	632	75.5	48.31	508	0	508	344
FORECAST	2023	10392	17200	10320	90300	69.73	4.09	0.47	720.8	609	74.0	46.55	489	0	489	315
FORECAST	2024	9353	15480	9288	81270	74.71	4.38	0.50	695.1	587	72.6	44.85	470	0	470	288
FORECAST	2025	8418	13932	8359	73143	80.06	4.51	0.54	669.1	565	71.3	43.22	451	0	451	264
FORECAST	2026	7576	12539	7523	65829	81.58	4.61	0.55	613.7	519	70.2	39.63	409	0	409	228
REMAINDER		6470	101737	61042	534117				5664	4786	1403	366	3017	0	3017	1252
TOTAL		355817	556589	333953	2922092				23530	19883	2718	1529	15636	11965	3671	131

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

DEC 20 2014 Copy

NM OIL CONSERVATION
ARTESIA DISTRICT

MAR 16 2015

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

RECEIVED

WELL COMPLETION OR RECOMPLETION REPORT AND LOG
BOPCO WILD PRODUCTION

5. Lease Serial No.
NMLC065914

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name	
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 _____		7. Unit or CA Agreement Name and No. NMNM68294X	
2. Name of Operator BOPCO LP		8. Lease Name and Well No. BIG EDDY UNIT D15 004H	
3. Address P O BOX 2760 MIDLAND, TX 79701		9. API Well No. 30-015-40397	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface Sec 27 T20S R31E Mer NMP SWNE 1980FNL 1848FEL At top prod interval reported below Sec 27 T20S R31E Mer NMP SENE 1978FNL 972FEL At total depth Sec 25 T20S R31E Mer NMP SENE 2049FNL 350FEL		10. Field and Pool, or Exploratory PARALLEL; DELAWARE	
14. Date Spudded 05/13/2014		15. Date T.D. Reached 07/01/2014	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 08/19/2014		17. Elevations (DF, KB, RT, GL)* 3523 GL	
18. Total Depth: MD 19126 TVD 7609		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, CAL, AIT, GR, HRLA/MICRO-CFL, CNL, HNGS	
22. Was well cored? <input type="checkbox"/> No <input checked="" 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 Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
18.125	16.000 J55	84.0		814		750	212	0	
14.750	13.375 HCL80	68.0		2684		700	210	0	
12.250	9.625 N80	40.0		3872	3884	1000	313	0	
8.750	7.000 HCP110	26.0		7626	4967	560	236	1670	
6.125	4.500 HCP110	11.6	7573	19100					

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875	6787							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BRUSHY CANYON	6160	7474	7940 TO 9279	0.430	120	OPEN
B)			7606 TO 19126			OH COMPLETION SYSTEM
C)						
D)						

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

Depth Interval	Amount and Type of Material
7940 TO 19126	FRAC DOWN CSG USING TOTAL 125066 BBLs FLUID, 2833467# PROPANT ACROSS 35 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
08/23/2014	09/02/2014	24	→	368.0	0.0	4569.0		
Choke Size	Thg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					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
			→					
Choke Size	Thg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

ACCEPTED FOR RECORD
ELECTRIC PUMP SUB-SURFACE
DEC 15 2014
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

ELECTRONIC SUBMISSION #266175 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

DATE 3/2/15

db

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	Thg. Press. Pwg. 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	Thg. Press. Pwg. 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
RUSTLER	671	881	ANHYDRITE	RUSTLER	671
SALT	881	2666	SALT	T. SALT	881
CAPITAN REEF	2900	3740	DOLOMITE, LIMESTONE	B. SALT	2666
DELA MTN GROUP	3740	3845	SANDSTONE, SILTSTONE, SHALE	CAPITAN REEF	2900
BELL CANYON	3845	5330	SANDSTONE, SHALE, SILTSTONE	DELAWARE MTN GROUP	3740
CHERRY CANYON	5330	6160	SANDSTONE, SILTSTONE, SHALE	BELL CANYON	3845
BRUSHY CANYON	6160	7486	SANDSTONE, SILTSTONE, SHALE	CHERRY CANYON	5330
				BRUSHY CANYON	6160

32. Additional remarks (include plugging procedure):

****CONFIDENTIAL COMPLETION****

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 #266175 Verified by the BLM Well Information System.

For BOPCO LP, sent to the Carlsbad

Committed to AFMSS for processing by DEBORAH HAM on 12/11/2014 ()

Name (please print) TRACIE J CHERRYTitle REGULATORY ANALYSTSignature (Electronic Submission)Date 09/28/2014

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 **

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised July 18, 2010

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT
"As Drilled"

API Number 30-015-40397	Pool Code 49600	Pool Name PARALLEL, DELAWARE
Property Code 305860	Property Name BIG EDDY UNIT D15	Well Number 4H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3523'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	27	20 S	31 E		1980	NORTH	1848	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	26	20 S	31 E		2049	NORTH	350	EAST	EDDY

Dedicated Acreage 400	Joint or Infill	Consolidation Code	Order No.
---------------------------------	-----------------	--------------------	-----------

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>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 undivided 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 a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Tracie J Cherry</i> 09/26/14 Signature Date</p> <p>Tracie J Cherry Printed Name</p> <p>tjcherry@basspet.com Email Address</p>
<p>SURFACE LOCATION Lat - N 32°32'45.49" Long - W 103°51'14.19" NMSPCE- N 562668.476 E 647722.356 (NAD-27)</p> <p>BOTTOM HOLE LOCATION Lat - N 32°32'44.93" Long - W 103°48'53.39" NMSPCE- N 562668.5 E 658774.8 (NAD-27)</p> <p>SCALE 1" = 3000'</p>	<p>SURVEYOR 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><i>Gary L. Jones</i> Signature & Seal of Professional Surveyor</p> <p>2014 SEP 26 10:20 AM Date Surveyed</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 26030</p>