

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 BS No. 35H
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 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 3, 2017

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: PLU CVX JV BS #035H**
API 3001542427
24S 31E Sec 19
Eddy County, New Mexico

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The PLU CVX JV BS #35H was drilled in 2014 as a horizontal producer to a measured depth of 17248' in the 2nd Bone Spring Sand. The well is producing from perforations from 10560'-17222'. By mid-year 2017 the well has produced 209 kBO and as of Oct 1, 2017 was testing 199 bopd, 589 kcfd, and 463 bwpd on gas lift. This well is expected to recover approximately 825 kBOE from the current completion. The 35H cost \$9.08M 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.

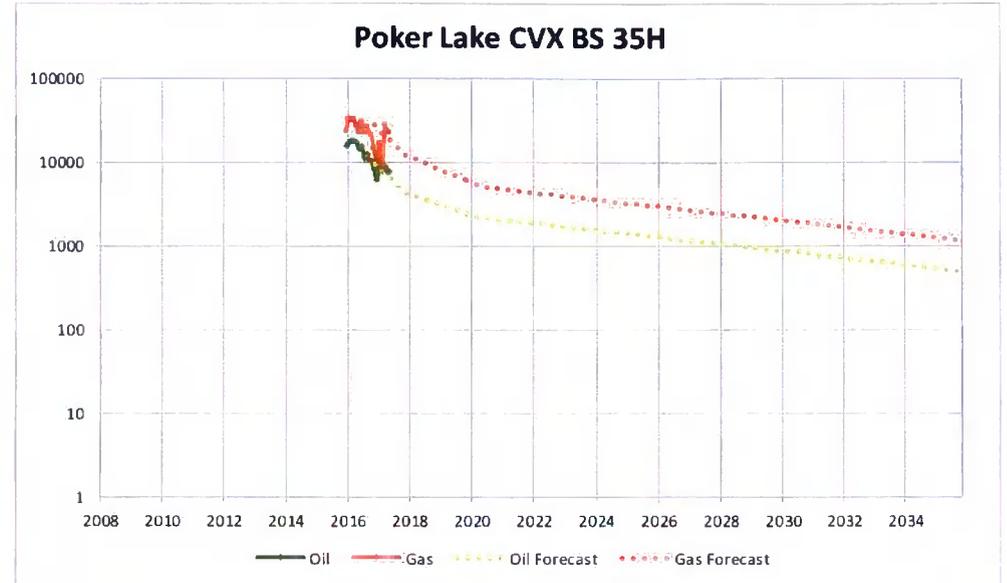
The PLU CVX JV BS #35H is expected to have a lifetime undiscounted cashflow of approximately \$17.9M and bring > 10% rate of return. **It is commercial.**

Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

Well Name **Poker Lake CVX BS 35H**
 API Number **3001542427**
 Formation **Bone Spring**
 Actual CAPEX, \$K **9077.59**
 First Production Date **2/1/2016**
 First Forecast Date **1/1/2017**
 Cum Oil to Date (kbo) **214.279**
 Cum Wet Gas to Date (Mcf) **412.859**
 Water to Date (kbw) **328.931**
 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**
 WI % **100**
 NRI % **85.79294**
 OPX/mo Yr 1-3 **10000**
 OPX/mo Yr 4+ **5000**
 OPX/water (\$/bbl) **0.75**
 ECON CAPEX, \$k **9077.59**

COMMERCIAL

TOTAL NCF 0% DISCOUNT **17,900. KS**
 TOTAL NCF 5% DISCOUNT **10,401 KS**
 EUR Oil **595850 bo**
 EUR Wet Gas **1376213 kef**
 EUR BOE **825,219**



ECONOMICS MODULE

Date	Oil Volume <i>BO</i>	Wet Gas Volume <i>kef</i>	Dry Gas Volume <i>kef</i>	NGL Volume, gals <i>gal</i>	Oil Price <i>\$/BO</i>	Gas Price <i>\$/kef</i>	NGL Price <i>\$/gal</i>	Total Gross Revenue <i>MS</i>	Net Revenue <i>MS</i>	Total Opcost <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	2016	159027	291477	174886	1530254	43.00	2.52	0.25	6825.3	5856	203.1	449.56	5203	9077.59	-3875	-3875
FORECAST	2017	81163	230674	138404	1211037	46.07	2.70	0.27	3934.5	3376	213.4	255.40	2907	0	2907	2768
FORECAST	2018	45117	124464	74679	653437	49.37	2.89	0.29	2333.6	2002	171.9	151.33	1679	0	1679	1523
FORECAST	2019	33838	87125	52275	457406	52.90	3.10	0.31	1857.7	1594	99.0	120.54	1374	0	1374	1187
FORECAST	2020	26289	62513	37508	328194	56.68	3.32	0.33	1530.8	1313	90.3	99.45	1124	0	1124	924
FORECAST	2021	23587	54627	32776	286794	60.73	3.56	0.36	1466.9	1258	87.2	95.26	1076	0	1076	843
FORECAST	2022	21464	49711	29827	260982	65.08	3.81	0.38	1430.3	1227	84.7	92.76	1050	0	1050	783
FORECAST	2023	19532	45237	27142	237494	69.73	4.09	0.41	1394.6	1196	82.5	90.33	1024	0	1024	728
FORECAST	2024	17775	41166	24699	216119	74.71	4.38	0.44	1359.9	1167	80.5	87.98	998	0	998	676
FORECAST	2025	16175	37461	22476	196669	80.06	4.51	0.47	1322.6	1135	78.6	85.69	970	0	970	626
FORECAST	2026	14719	34089	20454	178969	81.58	4.61	0.48	1220.7	1052	76.9	79.44	896	0	896	550
FORECAST	2027	13394	31021	18613	162861	83.13	4.71	0.49	1137.7	976	75.4	73.64	827	0	827	484
REMAINDER		123770	286648	171989	1504904				12046	10334	1702	781	7851	0	7851	3185
TOTAL		595850	1376213	825228	7225120				37866	32486	3046	2462	26978	9078	17900	10401

NM OIL CONSERVATION
ARTESIA DISTRICT

FEB 16 2016

Form C-102
Revised August 1, 2011

DISTRICT I
1826 N. French Dr. NM 88240
Phone:(575)303-8181 Fax:(575)303-0720

DISTRICT II
511 S. First St. Artesia, NM 88210
Phone:(575)748-1283 Fax:(575)748-9720

DISTRICT III
1000 Rio Bravos, Aztec, NM 87410
Phone:(505)334-8178 Fax:(505)334-8170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone:(505)478-3480 Fax:(505)478-3482

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

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

X AMENDED REPORT
"As Drilled"

API Number 30-015-42427	Pool Code 97975	Pool Name WC-015-G-06 S243119C; B.S.
Property Code 313213	Property Name POKER LAKE UNIT CVX JV BS	Well Number 035H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3498'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	24 S	31 E		190'	NORTH	2332'	WEST	EDDY

Bottom Hole 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
F	30	24 S	31 E		2309'	NORTH	1983'	WEST	EDDY

Dedicated Acres 240	Joint or Infill	Consolidation 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

SURFACE LOCATION
Lot - N 32°12'33.92"
Long - W 103°49'03.57"
NMSPC- N 440289.6
E 659493.4
ONAD-27)

TOP PERFORATION
Lot - N 32°12'26.69"
Long - W 103°49'06.81"
NMSPC- N 439558.5
E 659218.1
ONAD-27)

TERMINUS LOCATION
Lot - N 32°11'20.63"
Long - W 103°49'07.69"
NMSPC- N 432882.8
E 659174.2
ONAD-27)

OPERATOR CERTIFICATION

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 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.

Signature _____ Date _____
 Tracie J. Cherry
 Printed Name
 tjcherry@basspet.com
 Email Address

SURVEYOR CERTIFICATION

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.

Date Surveyed: JAN 29 2016
 Signature:
 Professional Surveyor: 22601

01-29-2016
 VASILEIOS KALOGIROU
 Certificate No. 22501
 HALFF ASSOC., INC. 80714-8013

SCALE 1"=3000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION
ARTESIAN MOCD

JUN 13 2016

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

WELL COMPLETION OR RECOMPLETION REPORT

5. Lease Serial No.
NMNM025533

1a. Type of Well Oil Well Gas Well Dry Other

b. Type of Completion New Well Work Over Deepen Plug Back Diff. Resvr.
Other _____

2. Name of Operator
BOPCO LP Contact: TRACIE H CHERRY
E-Mail: tjcherry@basspet.com

3. Address P O BOX 2760
MIDLAND, TX 79702 3a. Phone No. (include area code)
Ph: 432-683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface Sec 19 T24S R34E Mer NMP
NENW 190FNL 2332FWL 32.209422 N Lat, 103.817658 W Lon
At top prod interval reported below Sec 19 T24S R34E Mer NMP
NENW 920FNL 2053FWL
At total depth Sec 30 T24S R31E Mer NMP
SENW 2309FNL 1983FWL

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.
891000303X

8. Lease Name and Well No.
POKER LAKE UNIT CVX JV BS 035H

9. API Well No.
30-015-42427-00-S1

10. Field and Pool, or Exploratory
WC015G06S243119C-BONE SPRING

11. Sec., T., R., M., or Block and Survey
or Area Sec 19 T24S R34E Mer NMP

12. County or Parish
EDDY 13. State
NM

14. Date Spudded
09/23/2014 15. Date T.D. Reached
11/27/2014 16. Date Completed
 D & A Ready to Prod.
01/26/2016

17. Elevations (DF, KB, RT, GL)*
3498 GL

18. Total Depth: MD 17248 TVD 10246 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 22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit analysis)
Directional Survey? No 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 J-55	54.5	0	903		740	217	0	
12.250	9.625 J-55	40.0	0	4290		1230	417	0	
8.750	5.500 HCP-110	17.0	0	17248	5738	3335	934	4118	

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	9475	9475						

25. Producing Intervals 26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BONE SPRING 2ND	10560	17222	10560 TO 17222		900	OPEN
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
10560 TO 17248	FRAC INTERVAL USING TOTAL 138557 BBLs FLUID, 10254700 LBS PROPANT ACROSS 24 STAGES

Accepted for record - NMOC

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
01/27/2016	02/07/2016	24	→	429.0	746.0	1408.0	45.6	0.74	GAS LIFT

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→	429	746	1408		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
			→					

ACCEPTED FOR RECORD
S/ DAVID R. GLASS

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

ELECTRONIC SUBMISSION #331313 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED

JUN 02 2016

RECLAMATION DUE:
JUL 13 2016

DAVID R. GLASS
PETROLEUM ENGINEER

6/22/16

2Rb. 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	Cap. Press	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

2Rc. 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	Cap. 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	547	935		RUSTLER	547
BELL CANYON	4309	5172	SANDSTONE	SALADO	935
CHERRY CANYON	5172	6500	SANDSTONE	BASE OF SALT	4060
BRUSHY CANYON	6500	8155	SANDSTONE	BELL CANYON	4309
BONE SPRING 2ND	10560	17222		CHERRY CANYON	5172
				BRUSHY CANYON	6500
				BONE SPRING 1ST	9095
				BONE SPRING 2ND	9885

32. Additional remarks (include plugging procedure):

PLEASE HOLD AS CONFIDENTIAL*

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 #331313 Verified by the BLM Well Information System.
For BOPCO LP, sent to the Carlsbad
Committed to AFMS for processing by JENNIFER SANCHEZ on 05/20/2016 (16JAS1555SE)

Name (please print) TRACIE H CHERRY Title: REGULATORY ANALYST

Signature _____ (Electronic Submission) Date 02/11/2016

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.

**** REVISED ** REVISED ****