

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. 7H
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 4, 2017

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: PLU CVX JV PB #07H**
API 3001542639
25S 31E Sec 20
Eddy County, New Mexico

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The PLU CVX JV PB #07H was drilled in 2014 as a horizontal producer to a measured depth of 16963' in the 2nd Bone Spring Sand. The well is producing from perforations from 10290'-16928'. By mid-year 2017 the well has produced 187 kBO and as of Oct 1, 2017 was testing 141 bopd, 628 kcfd, and 194 bwpd on gas lift. This well is expected to recover approximately 765 kBOE from the current completion. The 07H cost \$7.4M 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.

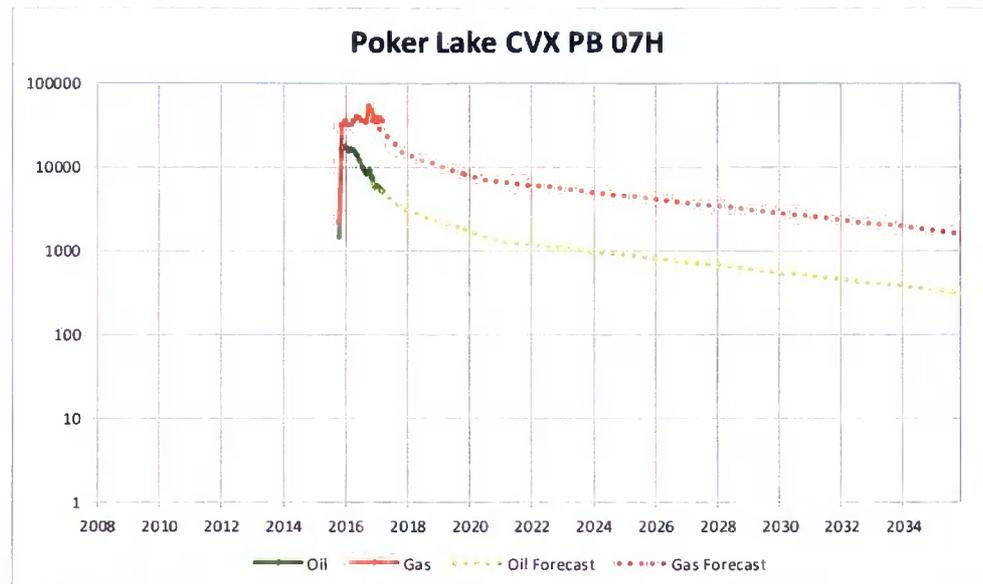
The PLU CVX JV PB #07H is expected to have a lifetime undiscounted cashflow of approximately \$13.5M and bring > 10% rate of return. **It is commercial.**

Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

Well Name: Poker Lake CVX PB 07H
 API Number: 3001542639
 Formation: Bone Spring
 Actual CAPEX, \$K: 7440.103
 First Production Date: 12/1/2015
 First Forecast Date: 1/1/2017
 Cum Oil to Date (kbo): 189,962
 Cum Wet Gas to Date (Mcf): 618,535
 Water to Date (kbw): 455.811
 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 (\$/bbt): 0.75
 ECON CAPEX, \$K: 7440.103

COMMERCIAL

TOTAL NCF 0% DISCOUNT: 13,496 K\$
 TOTAL NCF 5% DISCOUNT: 7,555 K\$
 EUR Oil: 450280 bo
 EUR Wet Gas: 1889792 kcf
 EUR BOE: 765,245



ECONOMICS MODULE

	Date	Oil Volume	Wet Gas Volume	Dry Gas Volume	NGL Volume	Oil Price	Gas Price	NGL Price	Total Gross Revenue	Net Revenue	Total OpCost	Local Taxes	Net Oper Income	Total Capital	BTax CFlow	Discounted Cash Flow 5%
		BO	kcf	kcf	gal	\$/BO	\$/kcf	\$/gal	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
HISTORICAL	2015	1424	2169	1301	11387	49.00	2.63	0.31	68.4	59	122.6	4.53	-68	7440.103	-7509	-7509
HISTORICAL	2016	159076	427774	256664	2245814	43.00	2.52	0.27	7173.3	6154	406.3	467.87	5280	0	5280	5029
FORECAST	2017	55233	293817	176290	1542540	46.07	2.70	0.29	3038.9	2607	219.4	192.19	2196	0	2196	1991
FORECAST	2018	32716	151973	91184	797858	49.37	2.89	0.31	1868.5	1603	118.9	118.60	1366	0	1366	1180
FORECAST	2019	24537	113980	68388	598394	52.90	3.10	0.33	1501.6	1288	104.2	95.02	1089	0	1089	896
FORECAST	2020	18403	87085	52251	457195	56.68	3.32	0.36	1211.7	1040	93.1	76.39	870	0	870	682
FORECAST	2021	15035	76932	46159	403891	60.73	3.56	0.38	1080.2	927	87.1	67.60	772	0	772	576
FORECAST	2022	13682	70008	42005	367541	65.08	3.81	0.41	1053.3	904	84.6	65.75	753	0	753	535
FORECAST	2023	12451	63707	38224	334462	69.73	4.09	0.44	1027.0	881	82.4	63.95	735	0	735	497
FORECAST	2024	11330	57973	34784	304360	74.71	4.38	0.47	1001.4	859	80.4	62.21	717	0	717	462
FORECAST	2025	10310	52756	31653	276968	80.06	4.51	0.50	971.7	834	78.6	60.53	695	0	695	426
FORECAST	2026	9383	48008	28805	252041	81.58	4.61	0.51	901.4	773	76.9	56.10	640	0	640	374
REMAINDER		86698	443611	266167	2328958				9563	8205	1716	596	5892	0	5892	2415
TOTAL		450280	1889792	1133875	9921408				30461	26133	3270	1927	20936	7440	13496	7555

NM OIL CONSERVATION
ARTESIA DISTRICT

MAY 27 2016

Form C-102
Revised August 1, 2011

DISTRICT I
1624 N. Francis Dr., NM 88510
Phone:(505)333-6161 Fax:(505)333-0220

DISTRICT II
511 S. First St., Artesia, NM 88210
Phone:(505)748-1281 Fax:(505)748-0720

DISTRICT III
1006 Rio Brazos, Aztec, NM 87410
Phone:(505)334-6170 Fax:(505)334-6170

DISTRICT IV
1220 N. St. Francis Dr., Santa Fe, NM 87508
Phone:(505)476-3460 Fax:(505)476-3402

State of New Mexico
Energy, Minerals and Natural Resources Department

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

one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT
As drilled

API Number 30-015-42639	Pool Code 97913	Pool Name WILDCAT G-06 S2530020G B.S.
Property Code 313363	Property Name POKER LAKE UNIT CVX JV PB	Well Number 007H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3377'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	25 S	31 E		531	NORTH	597	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
E	29	25 S	31 E		2309	NORTH	680	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°07'17.87"
Long - W 103°48'22.68"
NMSPC- N 408350.1
E 663162.3
OAD-27

TOP PERFORATION
Lot - N 32°07'13.27"
Long - W 103°48'22.83"
NMSPC- N 407806.5
E 663151.2
OAD-27

TERMINUS LOCATION
Lot - N 32°06'07.48"
Long - W 103°48'22.35"
N 401258.5
E 663225.3
OAD-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.

Tracie J. Cherry
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 knowledge and belief.

VASILIOS KALOGIROU
Date Surveyed: 12-12-2015
Signature: [Signature]
Professional Surveyor
Certificate No. 32401

HALF ASSOC., INC. 28714-7014

SCALE 1"=3000'

NM OIL CONSERVATION
 ARTESIA DISTRICT
 NMOCD
 MAY 27 2016
 Artesia

Form 3160-4
 (August 2007)

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

RECEIVED

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 J CHERRY E-Mail: ljcherry@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: NWNW 531FNL 597FWL 32.071767 N Lat, 103.482268 W Lon
 At top prod interval reported below: Sec 20 T25S R31E Mer NMP NWNW 975FNL 587FWL
 At total depth: Sec 29 T25S R31E Mer NMP SWNW 2309FNL 680FWL

5. Lease Serial No. NMLC061634B

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 PB 007H

9. API Well No. 30-015-42639-00-S1

10. Field and Pool, or Exploratory UNDESIGNATED

11. Sec., T., R., M., or Block and Survey or Area Sec 20 T25S R31E Mer NMP

12. County or Parish EDDY 13. State NM

14. Date Spudded 11/25/2014 15. Date T.D. Reached 12/15/2014 16. Date Completed D & A Ready to Prod. 12/14/2015 17. Elevations (DF, KB, RT, GL)* 3377 GL

18. Total Depth: MD 16963 TVD 10126 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) CNL 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	1088		710	218	0	
12.250	9.625 J-55	40.0	0	4200		1550	501	0	
7.875	5.500 HCP-110	17.0	0	16963	5826	2980	814	4390	

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	9500	9500						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BONE SPRING 2ND	10290	16928	10290 TO 16928		912	OPEN
B)						
C)						
D)						

26. Perforation Record

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

Depth Interval	Amount and Type of Material
10290 TO 16963	FRAC INTERVAL USING TOTAL 129.812 BBLS FLUID, 9,968.688# PROPANT ACROSS 24 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
12/24/2105	01/05/2016	24	▶	945.0	1085.0				FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
18/84	SI	940.0	▶	945	1085	0	1660	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.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
	SI		▶						ACCEPTED FOR RECORD

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

ELECTRONIC SUBMISSION #327866 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** BLM REVISED **

MAY 20 2016

RECLAMATION DUE:
 JUN 14 2016

DAVID R. GLASS
 PETROLEUM ENGINEER

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Cont. API	Gas Gravity	Production Method
			→						
Choke Size	Thg. Press. Pkg. 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 Cont. API	Gas Gravity	Production Method
			→						
Choke Size	Thg. Press. Pkg. 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	4190	5077	SANDSTONE	RUSTLER	748
CHERRY CANYON	5077	6425	SANDSTONE	SALADO	1076
BRUSHY CANYON	6425	8097	SANDSTONE	BASE OF SALT	3951
BONE SPRING 2ND	10290	16963	SANDSTONE/LIMESTONE	BELL CANYON	4190
				CHERRY CANYON	5077
				BRUSHY CANYON	6425
				BONE SPRING	8097
				AVALON SAND	8350

32. Additional remarks (include plugging procedure):
 ****CONFIDENTIAL COMPLETION*****

Tapered hole drilled for production casing. 8.75 from surface to 10925', 7.875 to TD.
 Received red dye back on 1st stage cmt for 5.5" csg but no cmt.

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 #327866 Verified by the BLM Well Information System.
 For BOPCO LP, sent to the Carlsbad
 Committed to AFMSS for processing by JENNIFER SANCHEZ on 05/20/2016 (16JAS1549SE)

Name (please print) TRACIE J CHERRY Title REGULATORY ANALYST
 Signature (Electronic Submission) Date 01/06/2016

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 ****