

30-015-38668

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

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2017 SEP -8 P 1:15

September 6, 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 347H
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,



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: September 5, 2017

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: POKER LAKE UNIT 347H**

**API 3001538668
25S 30E Sec 11
Eddy County, New Mexico**

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake Unit 347H was drilled in 2011 as a horizontal producer to a measured depth of 12,000' in the Delaware. The well is producing from perforations from 8209'-11915'. By mid-year 2017 the well has produced 62 kBO, It has seen a marked improvement in performance on upsized ESP in 2017, and as of Sept 3, 2017 it was testing 185 bopd, 347 kcf/d, and 2637 bw/d. This well is expected to recover approximately 392 kBOE from the current completion. The 347H cost \$8.25M 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 Poker Lake 347H is expected to have a lifetime undiscounted cashflow of approximately \$5.5M and bring > 5% rate of return. **It is commercial.**

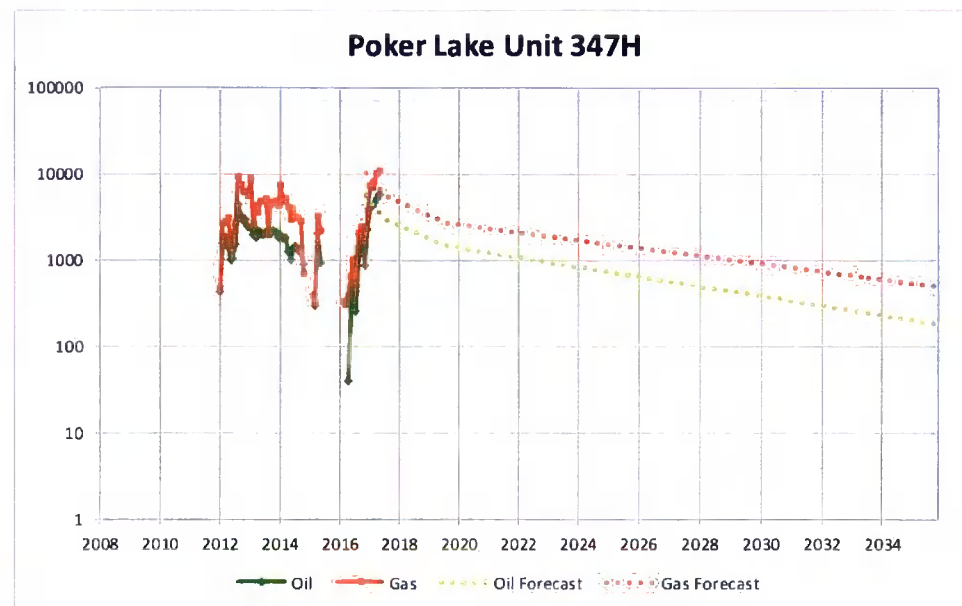
Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

Well Name Poker Lake Unit 347H
API Number 3001538668
Formation Delaware
Actual CAPEX, \$K 8248.893
First Production Date 3/1/2012
First Forecast Date 1/1/2017
Cum Oil to Date (kbo) 62
Cum Wet Gas to Date (Mcf) 140
Water to Date (kbw) 343
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 % 87.5
OPX/mo Yr 1-3 10000
OPX/mo Yr 4+ 5000
OPX/water (\$/bbl) 0.75
CAPEX, \$k 8248.893

COMMERCIAL

TOTAL NCF 0% DISCOUNT 5,542 K\$
TOTAL NCF 5% DISCOUNT 1,572 K\$
EUR Oil 290866 bo
EUR Wet Gas 603854 kcf
EUR BOE 391,508

ECONOMICS MODULE



	Date	Oil Volume	Wet Gas Volume	Dry Gas Volume	NGL Volume, gals	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	MS	MS	MS	MS	MS	MS	MS	MS
HISTORICAL	2012	19200	36797	22078	193184	94.10	2.75	0.73	1788.6	1565	109.2	122.12	1334	8248.893	-6915	-6915
HISTORICAL	2013	26161	56051	33631	294268	97.90	3.73	0.76	2586.5	2263	227.9	174.72	1861	0	1861	1772
HISTORICAL	2014	17859	46589	27953	244592	93.30	4.39	0.72	1741.7	1524	193.7	115.99	1214	0	1214	1101
HISTORICAL	2015	3645	6116	3670	32109	49.00	2.63	0.38	178.4	156	75.0	12.05	69	0	69	60
HISTORICAL	2016	5145	9566	5740	50222	43.00	2.52	0.33	224.4	196	81.2	15.10	100	0	100	82
FORECAST	2017	45628	84619	50771	444250	46.07	2.70	0.36	2131.4	1865	248.3	143.25	1473	0	1473	1154
FORECAST	2018	27158	50366	30220	264424	49.37	2.89	0.38	1359.3	1189	172.1	91.23	926	0	926	691
FORECAST	2019	19171	35583	21350	186808	52.90	3.10	0.41	1028.2	900	139.1	68.92	692	0	692	492
FORECAST	2020	15878	29968	17981	157332	56.68	3.32	0.44	914.2	800	125.5	61.18	613	0	613	415
FORECAST	2021	13972	26971	16183	141599	60.73	3.56	0.47	864.3	756	117.7	57.73	581	0	581	374
FORECAST	2022	12296	24274	14564	127439	65.08	3.81	0.50	817.1	715	110.7	54.48	550	0	550	338
FORECAST	2023	10820	21847	13108	114695	69.73	4.09	0.54	772.5	676	104.6	51.42	520	0	520	304
FORECAST	2024	9522	19662	11797	103226	74.71	4.38	0.58	730.5	639	99.3	48.54	491	0	491	274
FORECAST	2025	8379	17696	10618	92903	80.06	4.51	0.62	689.1	603	94.6	45.82	463	0	463	245
FORECAST	2026	7374	15926	9556	83613	81.58	4.61	0.63	619.8	542	90.4	41.16	411	0	411	207
FORECAST	2027	6489	14334	8600	75252	83.13	4.71	0.64	557.5	488	86.8	36.98	364	0	364	175
FORECAST	2028	5710	12900	7740	67726	84.71	4.81	0.66	501.5	439	83.6	33.22	322	0	322	148
FORECAST	2029	5025	11610	6966	60954	86.32	4.92	0.67	451.1	395	80.7	29.85	284	0	284	124
FORECAST	2030	4422	10449	6270	54858	88.00	5.00	0.68	405.9	355	78.2	26.83	250	0	250	104
REMAINDER		27012	72529	43517	380777				2750	2406	951	182	1273	0	1273	427
TOTAL		290866	603854	362312	3170232				21112	18473	3270	1412	13791	8249	5542	1572

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

OIL CONSERVATION DIVISION

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

"As Drilled"

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FEB 09 2012

Form C-102

Revised July 18, 2010

to appropriate
District Office

NMOC ARTESIA

WELL LOCATION AND ACREAGE DEDICATION PLAT

☒ AMENDED REPORT

API Number 30-015-38668	Pool Code 96209	Pool Name Corral Canyon, NE (Delaware)
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 347H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3339'

Surface Location

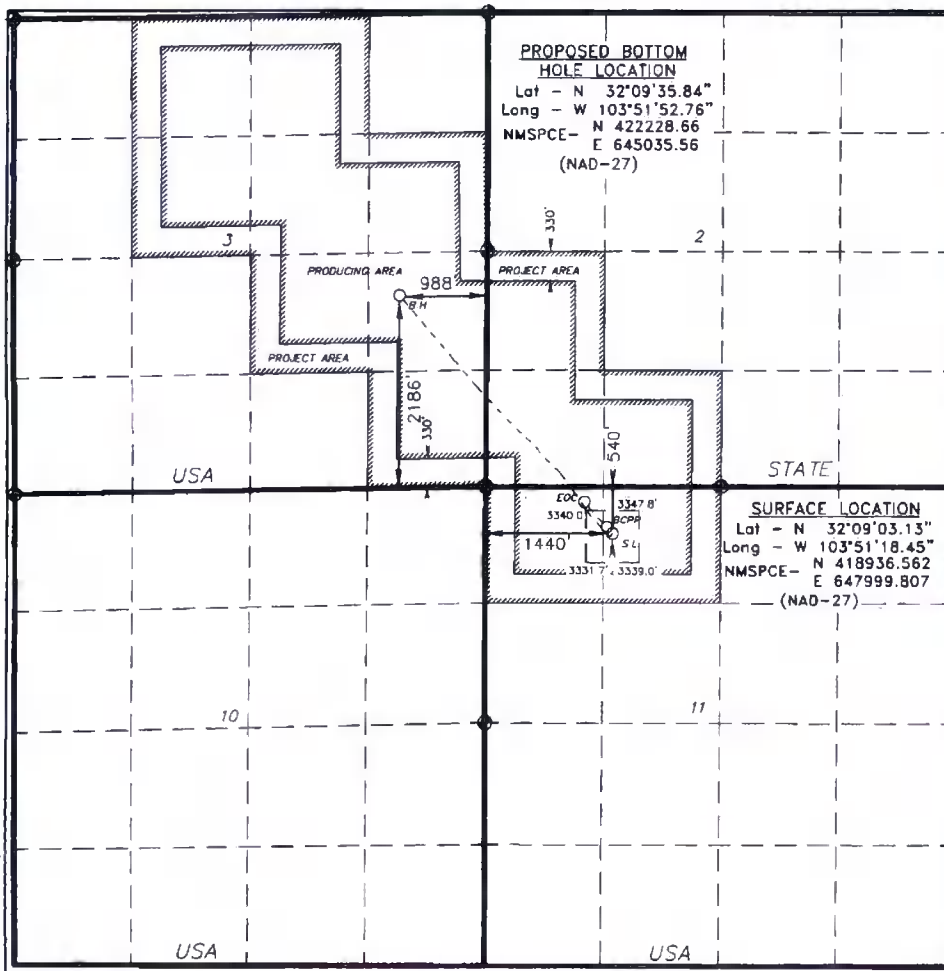
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	11	25 S	30 E		540	NORTH	1440	WEST	EDDY

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
I	3	25 S	30 E		2186	SOUTH	988	EAST	EDDY

Dedicated Acres 520	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



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 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.

Sandro J. Belt 2-7-12
Signature Date
Sandro J. Belt
Printed Name
sjbelt@classpet.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.

GARY L. JONES
DECEMBER 2010
Date Surveyed
Signature & Seal of 7977
Professional Surveyor
W.O. No. 23827
Certificate No. Gary L. Jones 7977
BASIN SURVEYS 23827

Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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, L.P.

3. Address
P O Box 2760 Midland Tx 79702

3a. Phone No. (include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface NENW; UL C; 540' FNL 1440' FWL; Lat N32.150869; Long W103.855125
At top prod. interval reported below
At total depth

14. Date Spudded
10/10/2011

15. Date T.D. Reached
11/21/2011

16. Date Completed
☐ D & A ☒ Ready to Prod. 12/28/2011

5. Lease Serial No.
LC063873A 0161616A

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.
NMNM71016X

8. Lease Name and Well No.
Poker Lake Unit 347H

9. API Well No.
30-015-38668

10. Field and Pool or Exploratory
Corral Canyon, NE (Delaware)

11. Sec., T., R., M., on Block and
Survey or Area
11; T25S; R30E; Mer NMP

12. County or Parish
Eddy

13. State
NM

17. Elevations (DF, RKB, RT, GL)*
3,361 KB

18. Total Depth: MD 12,000
TVD 7,671

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)
SBGR/CCL; CNGR/CCL

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☒ Yes (Submit copy)

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
17 1/2	13 3/8 H40	48.00	0	1,300		1,226 CC	359	Circulate	
12 1/4	9 5/8 J55	40.0	0	4,014		1,600 CC	518	Circulate	
8 3/4	7 N80	26.0	0	8,170		410 TL; HalC	182	2,460 TS	
6 1/8	4 1/2 P110	11.60	8,064	11,980					

CONFIDENTIAL

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 7/8"	7,200'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Delaware	4004	6302	8,209 - 11,915	Frac	Port	Producing
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
8,211 - 11,912	124,804 gals. 25# Linear; 863,016 gals. 25# Silverstim; 1,362,417 lbs Ottawa; 187,310 lbs. 16/30 SuperLC

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NMOCD ARTESIA

RECLAMATION

DUE 6-28-12

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
			→						Wood Group TD 1750 SubPump
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→					Testing	

ACCEPTED FOR RECORD

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	
			→						

FEB 19 2012

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

*(See instructions and spaces for additional data on page 2)

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	Tbg. Press. Flwg. 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	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

29. Disposition of Gas (Solid, 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	4048	4924	Sandstone	Rustler	1111
Cherry Canyon	4924	6302	Sandstone	Salt	1338
Brushy Canyon	6302	NR	Sandstone	Base/Salt	3796
				Lamar	4004
				Bell Canyon	4048
				Cherry Canyon	4924
				Lo Cherry Canyon	6244
				Brushy Canyon	6302

32. Additional remarks (include plugging procedure):

2-7/8" EUE 8rd 6.5 ppf L-80 tbg;

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2012 FEB - 9 PM 3:28

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CARLSBAD FIELD OFFICE

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☒ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Sandra J. Belt ext. 149Title Sr. Regulatory ClerkSignature Sandra J. BeltDate 02/08/2012

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.

(Continued on page 3)

(Form 3160-4, page 2)