

3001539251

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

RECEIVED OCD

2017 SEP -5 P 1:38

August 31, 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 327H
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: August 29, 2017

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: POKER LAKE UNIT 327H**
API 3001539251
24S 30E Sec 12
Eddy County, New Mexico

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake Unit 327H was drilled in 2012 as a horizontal producer to a measured depth of 12,743' in the Delaware formation. The well is producing from perforations from 9074'-12704'. By mid-year 2017 the well has produced 88 kBO, and as of Aug 27, 2017 it was testing 13 bopd, 148 kcf/d, and 575 bwpd on ESP. This well is expected to recover approximately 224 kBOE from the current completion. The 327H cost \$6.32 M 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.

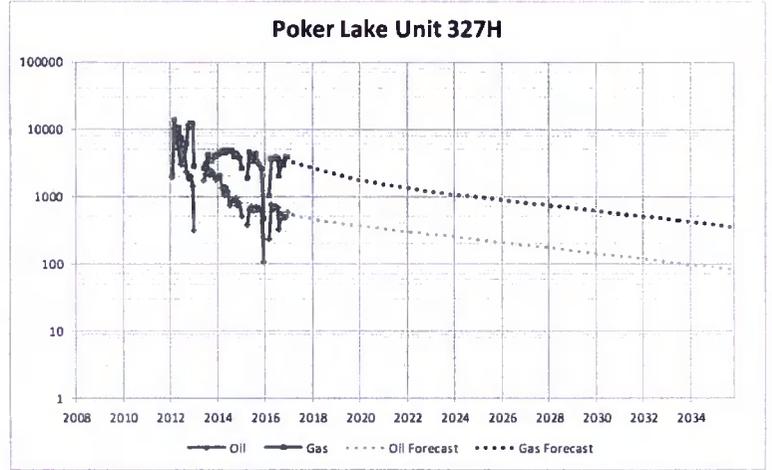
Due to its low actual cost and the high commodity environment from 2012-2014, the Poker Lake 327H is expected to have a lifetime positive undiscounted cashflow of approximately \$0.6M and a rate of return of 3%. **It is commercial.**

Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

Well Name Poker Lake Unit 327H
 API Number 3001539251
 Formation Delaware
 Actual CAPEX, \$K 6314.969
 First Production Date 4/1/2012
 First Forecast Date 1/1/2017
 Cum Oil to Date (kbo) 73.992
 Cum Wet Gas to Date (Mcf) 175,399
 Water to Date (kbw) 914.941
 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 % 87.5
 OPX/mo Yr 1-3 10000
 OPX/mo Yr 4+ 5000
 OPX/water (\$/bbl) 0.75
 CAPEX, \$k 6314.969

COMMERCIAL

TOTAL NCF 0% DISCOUNT 607 KS
 TOTAL NCF 5% DISCOUNT -363 KS
 EUR Oil 142155 bo
 EUR Wet Gas 493195 kcf
 EUR BOE 224,354



ECONOMICS MODULE

Date	Oil Volume	Wet Gas Volume	Dry Gas Volume	NGL Volume, gals	Oil Price \$/BO	Gas Price \$/kef	NGL Price \$/gal	Total Gross Revenue MS	Net Revenue MS	Total Opcost MS	Local Taxes MS	Net Oper Income MS	Total Capital MS	BTax CFflow MS	Discounted Cash Flow 5% MS	
HISTORICAL	2012	43201	65645	39387	344636	94.10	2.75	0.73	3948.6	3455	-440.6	270.10	2744	6314.969	-3571	-3571
HISTORICAL	2013	14550	43756	26254	229719	97.90	3.73	0.76	1501.7	1314	254.9	100.73	958	0	958	913
HISTORICAL	2014	16241	53637	32182	281594	93.30	4.39	0.72	1642.5	1437	270.6	108.53	1058	0	1058	960
HISTORICAL	2015	6341	34998	20999	183740	49.00	2.63	0.38	380.7	333	118.8	24.84	190	0	190	164
HISTORICAL	2016	5144	27388	16433	143787	43.00	2.52	0.33	271.4	237	107.7	17.66	112	0	112	92
FORECAST	2017	6265	37517	22510	196966	46.07	2.70	0.36	365.9	320	118.1	23.59	178	0	178	140
FORECAST	2018	5378	30014	18008	157573	49.37	2.89	0.38	329.9	289	109.9	21.27	158	0	158	118
FORECAST	2019	4739	24011	14407	126058	52.90	3.10	0.41	303.6	266	103.9	19.60	142	0	142	101
FORECAST	2020	4275	20039	12023	105204	56.68	3.32	0.44	287.8	252	99.6	18.61	134	0	134	90
FORECAST	2021	3890	17634	10581	92580	60.73	3.56	0.47	278.4	244	96.1	17.98	130	0	130	83
FORECAST	2022	3540	15518	9311	81470	65.08	3.81	0.50	269.3	236	92.8	17.39	125	0	125	77
FORECAST	2023	3222	13863	8318	72781	69.73	4.09	0.54	261.5	229	89.9	16.86	122	0	122	71
FORECAST	2024	2932	12615	7569	66231	74.71	4.38	0.58	255.0	223	87.2	16.41	120	0	120	67
FORECAST	2025	2668	11480	6888	60270	80.06	4.51	0.62	247.6	217	84.7	15.97	116	0	116	61
FORECAST	2026	2428	10447	6268	54846	81.58	4.61	0.63	229.7	201	82.5	14.81	104	0	104	52
FORECAST	2027	2209	9507	5704	49910	83.13	4.71	0.64	213.0	186	80.5	13.72	92	0	92	44
FORECAST	2028	2010	8651	5191	45418	84.71	4.81	0.66	197.6	173	78.6	12.72	82	0	82	37
FORECAST	2029	1829	7872	4723	41330	86.32	4.92	0.67	183.3	160	77.0	11.79	72	0	72	31
FORECAST	2030	1665	7164	4298	37611	88.00	5.00	0.68	170.0	149	75.4	10.93	62	0	62	26
REMAINDER		9630	41438	24863	217549				1053	921	629	68	224	0	224	80
TOTAL		142155	493195	295917	2589272				12391	10842	3098	822	6922	6315	607	-363

DISTRICT I
1625 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 16, 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

API Number 30-015-39251	Pool Code 96046	Pool Name Poker Lake NW (Delaware)
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 327H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3515'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	12	24 S	30 E		1400	NORTH	450	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
K	2	24 S	30 E		2287	SOUTH	2571	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

BOTTOM HOLE LOC
Lat - N 32°14'44.81"
Long - W 103°51'05.24"
NMSPC- N 453467.18
E 648980.29
(NAD-27)

SURFACE LOCATION
Lat - N 32°14'08.40"
Long - W 103°50'27.69"
NMSPC- N 449802.990
E 652222.372
(NAD-27)

SURVEY CERTIFICATION IS FOR
SURFACE LOCATION.

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.

Sandra J. Belt 5-31-12
Signature Date

Sandra J. Belt
Printed Name

sjbelt@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: NOVEMBER 2011
Date Surveyed

GARY L. JONES
Signature Seal of Professional Surveyor 7977

Certificate No. Gary L. Jones 7977

BASIN SURVEYS 25597

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION
ARTESIA DISTRICT
MOC
APR 12 2016
Artesia
RECEIVED

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

WELL COMPLETION OR RECOMPLETION REPORT

5. Lease Serial No. NMLC068905

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No. NMMN71016X

8. Lease Name and Well No. POKER LAKE UNIT 327H 327H

9. API Well No. 30-015-39251

10. Field and Pool, or Exploratory POKER LAKE; DELAWARE, NW

11. Sec., T., R., M., or Block and Survey or Area Sec 12 T24S R30E Mer NMP

12. County or Parish EDDY 13. State NM

14. Date Spudded 01/21/2012 15. Date T.D. Reached 03/02/2012 16. Date Completed 04/20/2012 D & A Ready to Prod.

17. Elevations (DF, KB, RT, GL)* 3517 GL

18. Total Depth: MD 12704 TVD 7894 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/GR/CCL 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 Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
14.500	13.375 H40	48.0		792		840	228	0	
12.250	9.625 J55	40.0		4156		1350	432	0	
8.750	7.000 N80	26.0		9074	5004	890	356	0	
6.250	4.500	11.6	8910	12674					

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	7286							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	4138	6334	9168 TO 12666			OPEN
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
9168 TO 12666	FRAC INTERVAL USING TOTAL 106.762 GAL 25# LINEAR GEL; 886.935 GALS 25# SILVERSTIME R (21);

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	Well Status
04/24/2012	04/30/2012	24	→	532.0	600.0	1974.0	381.0	0.83	POW
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio		

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

ACCEPTED FOR RECORD
ELECTRIC PUMP SUB SURFACE
APR 12 2016
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

ELECTRONIC SUBMISSION #323627 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

Reclamation was due: 10/24/2012

CR

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. 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	Thg. Press. Flwg. 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.)
CAPTURED

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	4318	4992	SANDSTONE	RUSTLER	530
CHERRY CANYON	4992	6307	SANDSTONE	SALADO	884
LO CHERRY CANYON	6307	6334	SANDSTONE	B. SALT	3884
BRUSHY CANYON	6334		SANDSTONE (BTM NOT REACHED)	LAMAR	4104
				BELL CANYON	4138
				CHERRY CANYON	4992
				L. CHERRY CANYON	6307
				BRUSHY CANYON	6334

32. Additional remarks (include plugging procedure):
PLEASE NOTE

This is a resubmission of form 3160-4 submitted (by hard copy) to BLM Carlsbad dated June 01, 2012. Upon review of files, accepted form could not be located. Directional survey, NMOCD Form C102 showing "As Drilled" locations and electric log also submitted at that time.

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 #323627 Verified by the BLM Well Information System.
For BOPCO LP, sent to the Carlsbad,
Committed to AFMSS for processing by DEBORAH HAM on 12/23/2015

Name (please print) TRACIE J CHERRY

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 11/16/2015

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 **