

30-015-42470



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XTO Energy Inc.
810 Houston Street
Fort Worth, TX 76102-6298
(817) 870-2800
(817) 885-6616 Fax

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 455H
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: _____



Date: August 7, 2017

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: POKER LAKE UNIT 455H**
API 3001542470
25S 30E Sec 22
Eddy County, New Mexico

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake 455H was drilled in 2014 as a horizontal producer to a measured depth of 14,111' in the Delaware formation. Since mid-year 2016, the well has been producing from an interval from 7784-14111'. By mid-year 2017 the well has produced 92 kBO, and as of August 6, 2017 it was testing 219 bopd, 733 kcf/d, and 768 bwpd on submersible pump. This well is expected to recover approximately 628 kBOE from the current completion. The 455H cost \$5.197M to drill and complete.

Historical prices along with the most recent EIA future pricing estimates for oil and natural gas were utilized in the economic evaluation. Commodity 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 455H is already close to achieving payout and has a large positive valuation. It is a commercial well and should be incorporated into a participating area.

Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

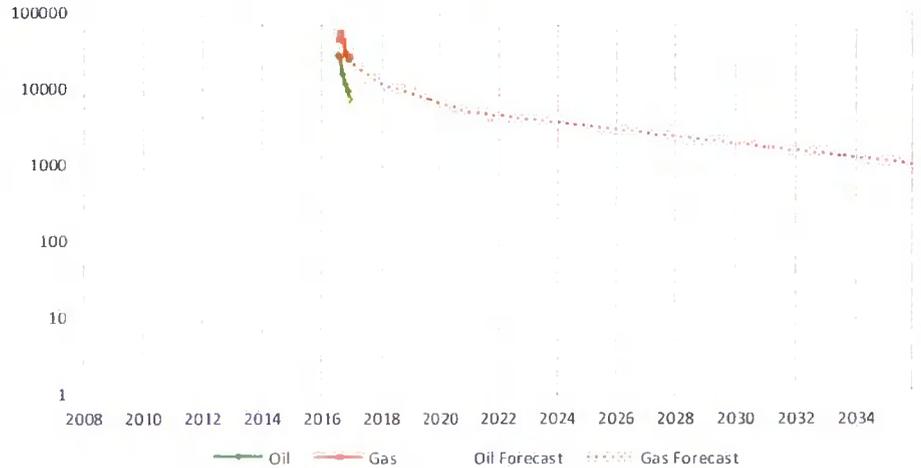
**WORKSHEET FOR COMMERCIAL DETERMINATION FOR
FEDERAL UNITS**

Well Name: Poker Lake 455H
 API Number: 3001542470
 Formation: Delaware
 Actual CAPEX, \$K: 5197.4
 First Production Date: 9/1/2016
 First Forecast Date: 1/1/2017
 Cum Oil to Date (kbo): 91.789
 Cum Wet Gas to Date (McF): 212,753
 Water to Date (klw): 186.32
 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 %: 84.5
 OPX/mo Yr 1-3: 10000
 OPX/mo Yr 4+: 5000
 OPX/water (\$/bbl): 0.75
 CAPEX, \$K: 5197.4

COMMERCIAL

TOTAL NCF 0% DISCOUNT: 14,253 K\$
 TOTAL NCF 5% DISCOUNT: 8,633 K\$
 EUR Oil: 429745 bo
 EUR Gas: 1187438 kcf

Poker Lake 455H



ECONOMICS MODULE:

Date	Oil Volume <i>BO</i>	Wet Gas Volume <i>kcf</i>	Dry Gas Volume <i>kcf</i>	NGL Volume, <i>gal</i>	Oil Price <i>\$/BO</i>	Gas Price <i>\$/kcf</i>	NGL Price <i>\$/gal</i>	Total Gross Revenue <i>M\$</i>	Net Revenue <i>M\$</i>	Total Opcost <i>M\$</i>	Local Taxes <i>M\$</i>	Net Oper Income <i>M\$</i>	Total Capital <i>M\$</i>	BTax CFlow <i>M\$</i>	Discounted	
															Cash Flow	
															5%	
HISTORICAL	2016	76037	164034	98420	861179	43.00	2.52	0.25	3320.2	2806	205.8	214.51	2385	5197.4	-2812	-2812
FORECAST	2017	59690	204897	122938	1075711	46.07	2.70	0.27	2980.5	2519	210.9	189.20	2118	0	2118	2018
FORECAST	2018	37944	121367	72820	637178	49.37	2.89	0.29	2006.7	1696	177.8	127.44	1390	0	1390	1261
FORECAST	2019	27196	91025	54615	477884	52.90	3.10	0.31	1552.5	1312	101.4	98.19	1112	0	1112	961
FORECAST	2020	23543	68269	40961	358413	56.68	3.32	0.33	1408.1	1190	95.8	89.43	1005	0	1005	826
FORECAST	2021	21188	55500	33300	291373	60.73	3.56	0.36	1338.6	1131	92.3	85.22	954	0	954	747
FORECAST	2022	19069	49950	29970	262236	65.08	3.81	0.38	1290.9	1091	89.0	82.06	920	0	920	686
FORECAST	2023	17163	44955	26973	236012	69.73	4.09	0.41	1244.8	1052	86.1	79.02	887	0	887	630
FORECAST	2024	15446	40459	24276	212411	74.71	4.38	0.44	1200.5	1014	83.5	76.11	855	0	855	579
FORECAST	2025	13902	36413	21848	191170	80.06	4.51	0.47	1154.4	975	81.2	73.31	821	0	821	529
REMAINDER		118567	310569	186341	1630486				11343	9585	1861	721	7004	0	7004	3208
TOTAL		429745	1187438	712463	6234052				28840	24370	3084	1835	19451	5197	14253	8633

DISTRICT I
16100 N. French Dr., Hobbs, NM 88240
Phone (505) 522-6181 Fax (505) 522-0770

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 748-1222 Fax (505) 748-0720

DISTRICT III
1000 Rio Erasmos Rd., Aztec, NM 87410
Phone (505) 524-6170 Fax (505) 524-6170

DISTRICT IV
1225 S. St. Francis Dr., Santa Fe, NM 87605
Phone (505) 476-6400 Fax (505) 476-6402

State of New Mexico
Energy, Minerals and Natural Resources Department

AUG 31 2010

OIL CONSERVATION DIVISION
1225 South St. Francis Dr.
Santa Fe, New Mexico 87505

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

X AMENDED REPORT
As Drilled

API Number 30-015-42470	Pool Code 503806	Pool Name Poker Lake; Delaware, S.
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 455H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3297

Surface Location

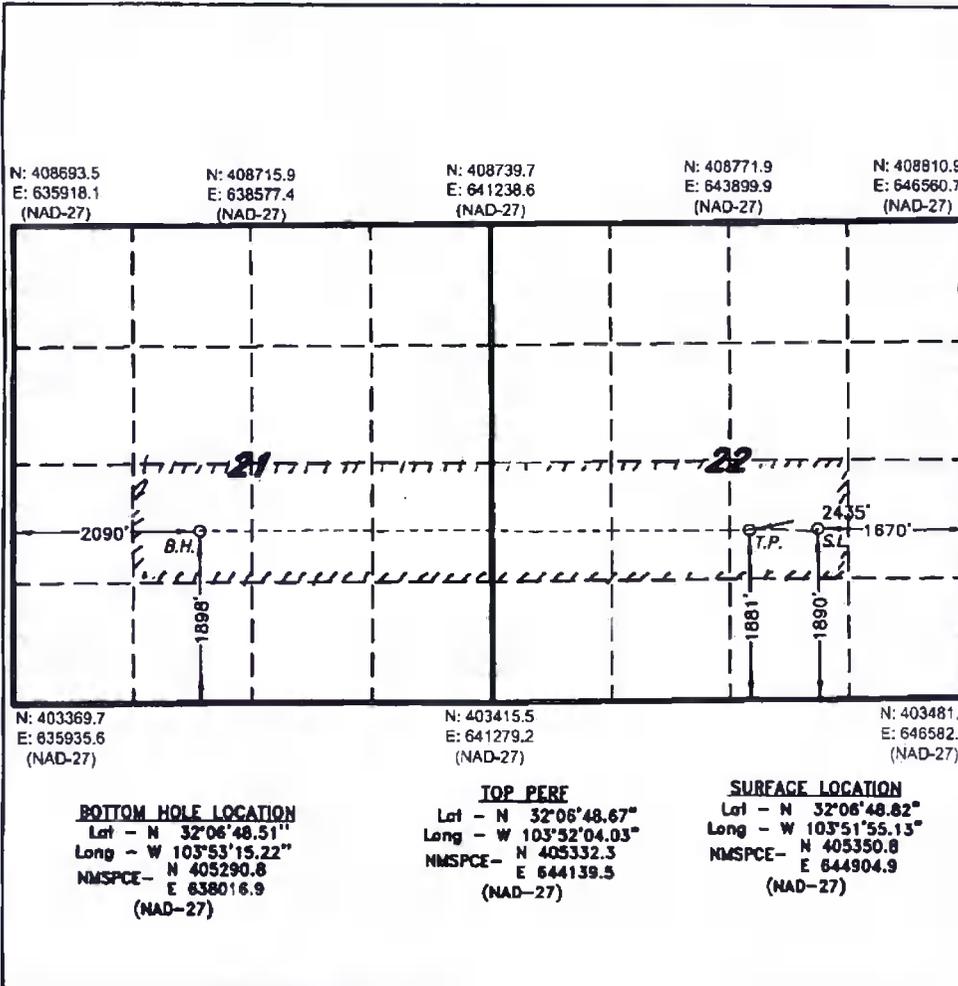
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/EAST LINE	County
J	22	25 S	30 E		1890	SOUTH	1670	EAST	EDDY

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/EAST LINE	County
K	21	25 S	30 E		1898	SOUTH	2090	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



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 unitary pooling agreement or a compulsory pooling order heretofore entered by the division.

Tracie J Cherry 8/24/10
Signature Date

Tracie J Cherry
Printed Name
ticherry@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.

FEBRUARY 13 2014
Date Surveyed

Tracie J Cherry
Signature of Professional Surveyor
7977

Certification Number: 7977
Bass Petroleum Services

0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'
WO Num.: 30051

Carlsbad Field Office
OCB Artesia
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

Case Serial No.
WLC063875A

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: **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 22 T25S R30E Mer NMP NWSE 1890FSL 1670FEL 32.064882 N Lat, 103.515513 W Lon**
 At top prod interval reported below **Sec 22 T25S R30E Mer NMP NWSE 1881FSL 2435FEL**
 At total depth **Sec 21 T25S R30E Mer NMP NESW 1898FSL 2090FWL 32.064851 N Lat, 103.531522 W Lon**

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 455H**
 9. API Well No. **30-015-42470-00-S1**
 10. Field and Pool, or Exploratory **POKER LAKE**
 11. Sec., T., R., M., or Block and Survey or Area **Sec 22 T25S R30E Mer NMP**
 12. County or Parish **EDDY** 13. State **NM**
 14. Date Spudded **10/14/2016** 15. Date T.D. Reached **11/05/2016** 16. Date Completed D & A Ready to Prod. **07/25/2016**
 17. Elevations (DF, KB, RT, GL)* **3297 GL**

18. Total Depth: MD **14111** TVD **7557** 19. Plug Back T.D.: MD **MD** TVD **TVD** 20. Depth Bridge Plug Set: MD **MD** TVD **TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) **RCBL CNL AIT CALIPER** 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 J55	54.5		1333		1000	297	0	
12.250	9.625 J55	40.0		3917		1100	347	0	
8.750	7.000 J55	26.0		7784	5014	850	297	3158	
6.125	4.500 P110	11.6	7711	14111					

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	6882							

25. Producing Intervals 26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BRUSHY CANYON	6032	14111	7981 TO 14111			OPEN HOLE COMPLETION SYSTEM
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
7981 TO 14111	FRAC DOWN CSG USING TOTAL 55,084 BBLs FLUID, 2,475,999# PROPANT

NM OIL CONSERVATION
ARTESIA DISTRICT
OCT 11 2016

28. Production - Interval A **RECEIVED**

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
08/05/2016	08/14/2016	24	→	720.0	898.0	1164.0		0.60	ELECTRIC PUMP SUB-SURFACE
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→	720	898	1164	1247	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
08/06/2016	08/14/2016	24	→	720.0	898.0	1164.0	42.6	0.64	ELECTRIC PUMP SUB-SURFACE
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→	720	898	1164		001	

ACCEPTED FOR RECORD

Mustafa Hayre
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

(See Instructions and spaces for additional data on reverse side)
 ELECTRONIC SUBMISSION #348840 VERIFIED BY THE BLM WELL INFORMATION SYSTEM
**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Reclamation Due 01/25/2017

AB

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(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	3960	4868	SANDSTONE	RUSTLER	1073
CHERRY CANYON	4868	6032	SANDSTONE	TOP SALT	1545.
BRUSHY CANYON	6032		SANDSTONE	BOTTOM SALT	3715
				LAMAR	3921
				BELL CANYON	3960
				CHERRY CANYON	4868
				BRUSHY CANYON	6032

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

Cmt did not circulation to DV on 7", circulated good blue dye.

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 #348840 Verified by the BLM Well Information System.
For BOPCO LP, sent to the Carlsbad
Committed to AFMSS for processing by MUSTAFA HAQUE on 10/06/2016 (17MH0002SE)

Name (please print) TRACIE J CHERRY Title REGULATORY ANALYST

Signature (Electronic Submission) Date 08/24/2016

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 ****