

30-015-42574



RECEIVED OGD

2017 AUG 11 A 11: 23 August 10, 2017

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 456H
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 456H**
API 3001542574
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 456H was drilled in 2014 as a horizontal producer to a measured depth of 14,181' in the Delaware formation. Since mid-year 2016, the well has been producing from an interval from 7931-14181'. By mid-year 2017 the well has produced 81 kBO, and as of August 6, 2017 it was testing 555 bopd, 1393 kcf/d, and 2778 bw/d on submersible pump. This well is expected to recover approximately 842 kBOE from the current completion. The 456H cost \$5.306M 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. 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 456H 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 456H
 API Number: 3001542574
 Formation: Delaware
 Actual CAPEX, K\$: 5306.4
 First Production Date: 9/1/2016
 First Forecast Date: 1/1/2017
 Cum Oil to Date (kbo): 81.268
 Cum Wet Gas to Date (McF): 100.51
 Water to Date (kbw): 567.106
 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 %: 84.5
 OPIX/mo Yr 1-3: 10000
 OPIX/mo Yr 4+: 5000
 OPIX/water (\$/bbl): 0.75
 CAPEX, K\$: 5306.4

COMMERCIAL

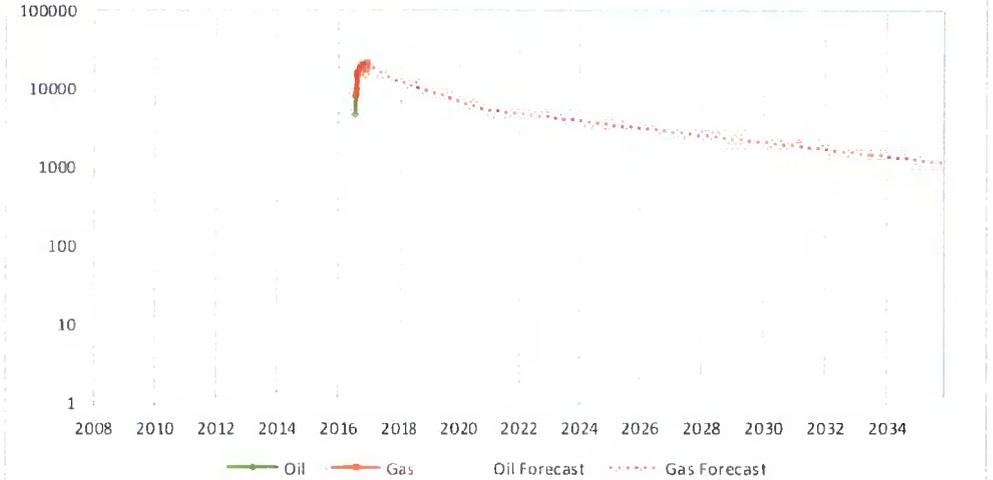
TOTAL NCF 0% DISCOUNT: 21789 K\$

TOTAL NCF 5% DISCOUNT: 13176 K\$

EUR Oil: 647493 bo

EUR Gas: 1166712 kcf

Poker Lake 456H



ECONOMICS MODULE

	Date	Oil Volume <i>BO</i>	Wet Gas Volume <i>kcf</i>	Dry Gas Volume <i>kcf</i>	NGL Volume, <i>gals</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 <i>5%</i>
HISTORICAL	2016	49646	61893	37136	324938	43.00	2.52	0.25	2063.8	1744	349.8	134.93	1259	5306.4	-4047	-4047
FORECAST	2017	118649	201557	120934	1058176	46.07	2.70	0.27	5417.1	4577	741.0	351.55	3485	0	3485	3319
FORECAST	2018	67760	132976	79786	698126	49.37	2.89	0.29	3362.1	2841	474.6	217.08	2149	0	2149	1949
FORECAST	2019	47432	99732	59839	523594	52.90	3.10	0.31	2540.6	2147	308.2	163.47	1675	0	1675	1447
FORECAST	2020	37077	74799	44880	392696	56.68	3.32	0.33	2118.4	1790	254.0	136.29	1400	0	1400	1152
FORECAST	2021	33370	60808	36485	319244	60.73	3.56	0.36	2021.7	1708	234.6	130.32	1343	0	1343	1053
FORECAST	2022	30033	54727	32836	287319	65.08	3.81	0.38	1949.6	1647	217.2	125.54	1305	0	1305	974
FORECAST	2023	27029	49255	29553	258587	69.73	4.09	0.41	1880.1	1589	201.5	120.94	1266	0	1266	900
FORECAST	2024	24326	44329	26598	232729	74.71	4.38	0.44	1813.1	1532	187.3	116.52	1228	0	1228	831
FORECAST	2025	21894	39896	23938	209456	80.06	4.51	0.47	1744.9	1474	174.6	112.27	1188	0	1188	766
REMAINDER		190278	346738	208043	1820373				17566	14843	2916	1131	10797	0	10797	4834
TOTAL		647493	1166712	700027	6125238				42477	35893	6059	2739	27095	5306	21789	13176

NM OIL CONSERVATION
ARTESIA DISTRICT

SEP 08 2016

DISTRICT I
16100 N. French Dr., Hobbs, NM 88240
Phone (505) 333-4181 Fax (505) 333-0720

DISTRICT II
811 S. First St., Artesia, NM 86210
Phone (505) 745-1255 Fax (505) 745-0720

DISTRICT III
1090 Ho Brusos Rd., Artec, NM 87410
Phone (505) 334-4170 Fax (505) 334-2170

DISTRICT IV
1225 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-2425 Fax (505) 476-2422

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT
"As Drilled"

API Number 30-015-42574		Pool Code 96047	Pool Name Poker Lake; Delaware, SW
Property Code 306402	Property Name POKER LAKE UNIT		Well Number 456H
OGRID No. 260737	Operator Name BOPCO, L.P.		Elevation 3300

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		1930	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
I	23	25 S	30 E		1935	SOUTH	150	EAST	EDDY

Dedicated Acres 200	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

N: 408739.7 E: 641238.6 (NAD-27)

N: 408771.9 E: 643899.9 (NAD-27)

N: 408810.9 E: 646560.7 (NAD-27)

N: 408817.9 E: 649226.8 (NAD-27)

N: 408825.0 E: 651892.8 (NAD-27)

N: 403415.5 E: 641279.2 (NAD-27)

N: 403481.4 E: 646582.4 (NAD-27)

N: 403500.0 E: 651899.1 (NAD-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 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.

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 belief.

FEBRUARY 11 2014
Date Surveyed

Tracie J Cherry
Signature
Tracie J Cherry
Professional Surveyor
7977

Certified Correct
BASSPET 7977
BASSPET SURVEYORS

0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'
WO Num.: 30052

<p>SURFACE LOCATION</p> <p>Lat - N 32°06'49.21" Long - W 103°51'55.13" NMSPC- N 405390.9 E 644904.7 (NAD-27)</p>	<p>TOP PERE</p> <p>Lat - N 32°08'49.09" Long - W 103°51'45.94" NMSPC- N 405381.2 E 645695.0 (NAD-27)</p>	<p>PROPOSED BOTTOM HOLE LOCATION</p> <p>Lat - N 32°08'49.34" Long - W 103°50'35.58" NMSPC- N 405434.4 E 651746.6 (NAD-27)</p>
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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOC CONSERVATION
NM Oil Conservation
ARIZONA DISTRICT

OCT 31 2016

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

1b. 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: NWSE 1930FSL 1670FEL
At top prod interval reported below: NESE 1910FSL 880FEL
At total depth: NESE 1935FSL 150FEL

5. Lease Serial No. NMLC063873

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 456H

9. API Well No. 30-015-42574

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

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 11/13/2014 15. Date T.D. Reached 12/03/2014 16. Date Completed D & A Ready to Prod. 07/22/2016

17. Elevations (DF, KB, RT, GL)* 3300 GL

18. Total Depth: MD 14181 TVD 7794 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 Cement Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17.500	13.375 J55	54.0		1337		1000	297		
12.250	9.625 J55	40.0		3877		1250	398		
8.750	7.000 P110	26.0		7931	4299	700	242	2368	
6.125	4.500 HCP110	11.6	7838	14170					

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		7019						

25. Producing Intervals 26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BRUSHY CANYON	6032		8106 TO 14181			OH COMPLETION SYSTEM
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
8106 TO 14181	FRAC DOWN CSG USING TOTAL 55804 BBLs FLUID, 2851437# PROPANT

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
08/26/2016	08/30/2016	24	→	56.0	165.0	2910.0			ELECTRIC DRUMS SURFACE
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→				2946	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
OCT 20 2016
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

(See Instructions and spaces for additional data on reverse side).
ELECTRONIC SUBMISSION #349813 VERIFIED BY THE BLM WELL INFORMATION SYSTEM
** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Reclamation due: 02/26/2017

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	3960	4868	SANDSTONE SANDSTONE SANDSTONE	RUSTLER	1073
CHERRY CANYON	4868	6032		SALADO/T. SALT	1545
BRUSHY CANYON	6032			B. SALT	3715
				LAMAR	3921
				BELL CANYON	3960
				CHERRY CANYON	4868
				L. CHERRY CANYON	5974
				BRUSHY CANYON	6032

32. Additional remarks (include plugging procedure):

CONFIDENTIAL COMPLETION

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 #349813 Verified by the BLM Well Information System.
For BOPCO LP, sent to the Carlsbad**

Name (please print) TRACIE J CHERRY

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 09/01/2016

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.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****