

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

May 1, 2018

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 394H
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,



Blake Hueske
(817) 885-6609
Blake_Hueske@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: April 22, 2018

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: POKER LAKE UNIT 394H**
API 3001541083
24S 31E Sec 19
Eddy County, New Mexico

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake Unit 394H was drilled in 2013 as a horizontal producer to a measured depth of 14,672' in the Delaware. The well is producing from perforations from 8317'-TD. By early 2018 the well has produced 263 kBO, and as of April 2018 was testing 57 bopd, 232 kcf/d, and 559 bw/d. This well is expected to recover approximately 599 kBOE from the current completion. The 394H cost \$7.25M 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 394H is expected to have a lifetime undiscounted cashflow of approximately \$12.7M and bring > 10% rate of return. **It is commercial.**

Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

Well Name Poker Lake 394H
API Number 3001541083
Formation Delaware
Actual CAPEX, K\$ 7245
First Production Date 8/1/2013
First Forecast Date 1/1/2018
Cum Oil to Date (kbo) 263,252
Cum Wet Gas to Date (Mcf) 833,516
Water to Date (kbw) 2183.567
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
WT % 100
NRI % 84.5
OPX/mo Yr 1-3 10000
OPX/mo Yr 4+ 5000
OPX/water (\$/bbl) 0.75
CAPEX, K\$ 7245

COMMERCIAL

TOTAL NCF 0% DISCOUNT

12,772 K\$

TOTAL NCF 5% DISCOUNT

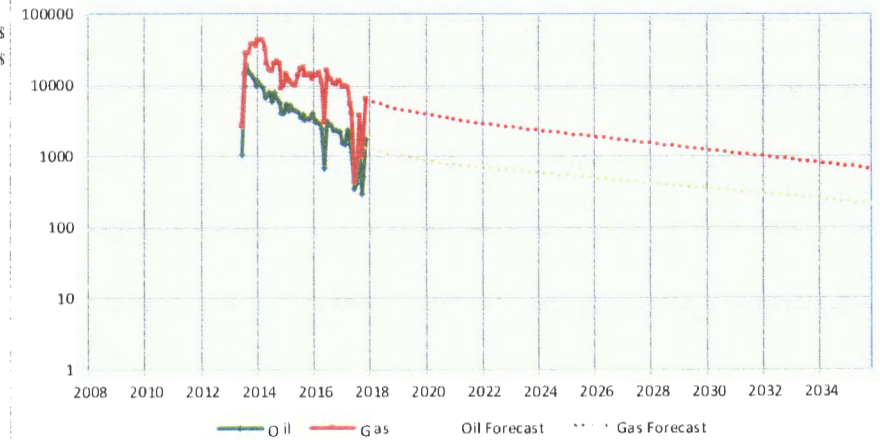
9,532 K\$

EUR Oil 383138 bo

EUR Gas 1296586 kcf

599235.8679

Poker Lake 394H



ECONOMICS MODULE

					NGL												Discounted
	Date	Oil Volume	Wet Gas Volume	Dry Gas Volume	Volume, gals	Oil Price	Gas Price	NGL Price	Total Gross Revenue	Net Revenue	Total Opco	Local Taxes	Net Oper Income	Total Capital	B/Tax C'Flow		Cash Flow 5%
		BO	kcf	kcf	gal	\$/BO	\$/kcf	\$/gal	M\$	M\$	M\$	M\$	M\$	M\$	M\$		M\$
HISTORICAL	2013	60887	110843	66506	581926	97.90	3.73	0.71	5897.8	4984	458.8	385.58	4139	7245	-3106		-3106
HISTORICAL	2014	101581	348936	209362	1831914	93.30	4.39	0.67	10272.5	8680	751.9	653.75	7275	0	7275		6928
HISTORICAL	2015	50521	151827	91096	797092	49.00	2.63	0.35	2650.5	2240	434.3	170.41	1635	0	1635		1483
HISTORICAL	2016	33190	146070	87642	766868	43.00	2.52	0.31	1656.4	1400	266.5	104.77	1028	0	1028		888
HISTORICAL	2017	15304	69376	41626	364224	46.07	2.70	0.33	823.9	696	155.2	51.88	489	0	489		402
FORECAST	2018	13996	65960	39576	346293	49.37	2.89	0.36	814.7	688	147.1	51.05	490	0	490		384
FORECAST	2019	11510	52269	31362	274414	52.90	3.10	0.38	711.7	601	131.6	44.55	425	0	425		317
FORECAST	2020	9783	44429	26657	233252	56.68	3.32	0.41	648.2	548	120.9	40.46	386	0	386		275
FORECAST	2021	8616	37765	22659	198264	60.73	3.56	0.44	606.8	513	113.6	37.85	361	0	361		245
FORECAST	2022	7927	32931	19759	172888	65.08	3.81	0.47	591.1	500	109.3	36.90	353	0	353		228
FORECAST	2023	7293	29638	17783	155600	69.73	4.09	0.50	580.0	490	105.4	36.18	349	0	349		214
FORECAST	2024	6709	26674	16005	140040	74.71	4.38	0.54	569.2	481	101.7	35.47	344	0	344		201
FORECAST	2025	6172	24007	14404	126036	80.06	4.51	0.58	556.4	470	98.4	34.79	337	0	337		188
REMAINDER		49650	155860	93516	818266				5084	4296	1569	322	2405	0	2405		885
TOTAL		383138	1296586	777951	6807075				31463	26586	4563	2005	20017	7245	12772		9532

OCD Artesia

Form 3160-4
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NMNM0506	
b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other _____		6. If Indian, Allottee or Tribe Name	
2. Name of Operator BOPCO LP		7. Unit or CA Agreement Name and No. NMNM71016X	
Contact: TRACIE CHERRY E-Mail: tjcherry@basspet.com		8. Lease Name and Well No. POKER LAKE UNIT 394H	
3. Address P O BOX 2760 MIDLAND, TX 79702		9. API Well No. 30-015-41083	
4. Location of Well (Report location clearly and in accordance with Federal requirements) Sec 19 T24S R31E Mer NMP At surface SESE 1125FSL 200FEL At top prod interval reported below SWSW 568FSL 350FWL At total depth Sec 29 T24S R31E Mer NESE 1467FSL 561FEL		10. Field and Pool, or Exploratory POKER LAKE; DELAWARE, SW	
14. Date Spudded 05/12/2013		15. Date T.D. Reached 06/17/2013	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 07/25/2013		17. Elevations (DF, KB, RT, GL)* 3468 GL	
18. Total Depth: MD 14672 TVD 8088		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)	
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> 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	13.675 J55	61.0	0	874		800	234	0	0
12.250	9.625 J55	40.0	0	7263		1730	549	0	0
8.750	7.000 N80	26.0	0	8317	5033	520	216	2832	0
6.125	4.500 HCP110	11.6	8225	14652					

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	7302							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) L. BRUSHY CANYON	6437	14672	8475 TO 14602			OPEN FRAC PORTS
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
8475 TO 14602	FRAC USING 44547 BBLs FLUID, 2087710# PROPANT OVER 21 STAGES

RECLAMATION
DUE 1-25-13

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
08/26/2013	08/26/2013	24	→	150.0	253.0	2535.0	42.8	0.81	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	
			→	150	253	2535	1687	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	
			→						

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

ELECTRONIC SUBMISSION #218832 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Amended

9

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
				RUSTLER	515
				SALADO	850
				B. SALT	4028
				LAMAR	4244
				BELL CANYON	4265
				CHERRY CANYON	5105
				L. CHERRY CANYON	6424
				BRUSHY CANYON	6437

32. Additional remarks (include plugging procedure):

PLEASE HOLD COMPLETION CONFIDENTIAL

Base of Lower Brushy Canyon not reached.

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 #218832 Verified by the BLM Well Information System.
For BOPCO LP, sent to the Carlsbad

Name (please print) TRACIE CHERRY Title REGULATORY ANALYST
Signature _____ (Electronic Submission) Date 09/04/2013

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 **

RECEIVED

DISTRICT I
1626 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. Bl. Francis Dr., Santa Fe, NM 87505

SEP 06 2013

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised July 16, 2010

Submit one copy to appropriate
District Office

WOOD ARTESIA

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☒ AMENDED REPORT
"As Drilled"

API Number 30-015-41083	Pool Code 96047	Pool Name Poker Lake; Delaware, SW
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 394H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3468

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	19	24 S	31 E		1125	SOUTH	200	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/West line	County
I	29	24 S	31 E		1467	SOUTH	561	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
280			

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
Lat - N 32°11'54.64"
Long - W 103°48'30.74"
NMSPCE- N 436334.90
E 862332.17
(NAD-27)

BOTTOM HOLE LOCATION
Lat - N 32°11'05.82"
Long - W 103°47'33.37"
NMSPCE- N 431425.3
E 667286.9
(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 09-04-13
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.

Gary L. Jones
Date Surveyed Signature & Seal of Professional Surveyor
Certificate No. Gary L. Jones 7977
BASIN SURVEYS 26957