

30 015 39293

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

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

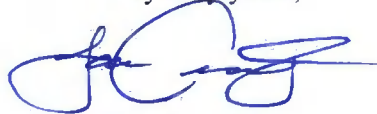
Re: Commercial Determination  
Poker Lake Unit 328H  
Delaware Formation  
Eddy County, New Mexico

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 328H**  
**API 3001539293**  
**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 328H was drilled in 2012 as a horizontal producer to a measured depth of 14,715' in the Delaware. The well is producing from perforations from 8673'-14667'. By mid-year 2017 the well has produced 143 kBO, and as of Aug 27, 2017 it was testing 16 bopd, 242 kcf/d, and 485 bwpd on ESP. This well is expected to recover approximately 485 kBOE from the current completion. The 328H cost \$7.05M 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 328H is expected to have a lifetime undiscounted cashflow of approximately \$9.4M and bring > 10% rate of return. **It is commercial.**

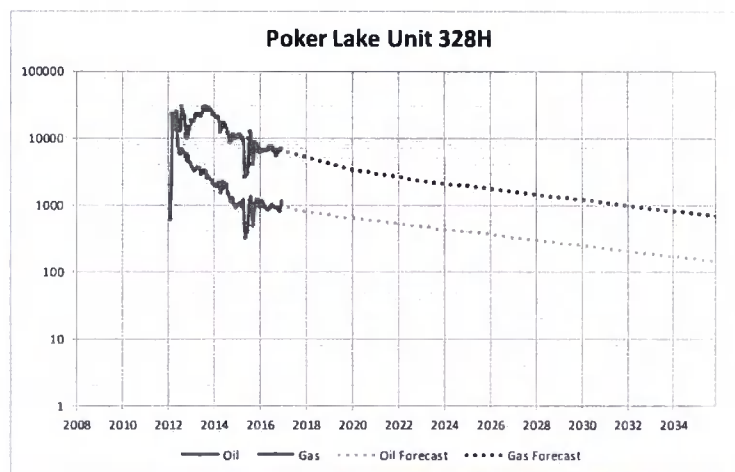
Trent Boneau  
Reservoir Engineering Advisor  
Delaware Basin Subsurface Team

Well Name Poker Lake Unit 328H  
 API Number 3001539293  
 Formation Delaware  
 Actual CAPEX, \$K 7052.855  
 First Production Date 4/1/2012  
 First Forecast Date 1/1/2017  
 Cum Oil to Date (kbo) 143  
 Cum Wet Gas to Date (Mcf) 674  
 Water to Date (kbw) 1479  
 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 7052.855

## COMMERCIAL

TOTAL NCF 0% DISCOUNT 9,377 K\$  
 TOTAL NCF 5% DISCOUNT 6,835 K\$  
 EUR Oil 264443 bo  
 EUR Wet Gas 1321351 kcf  
 EUR BOE 484,668

## ECONOMICS MODULE



	Date	Oil Volume BO	Wet Gas Volume kef	Dry Gas Volume kef	NGL Volume, gals	Oil Price \$/BO	Gas Price \$/kef	NGL Price \$/gal	Total Gross Revenue M\$	Net Revenue M\$	Total OpCost M\$	Local Taxes M\$	Net Oper Income M\$	Total Capital M\$	BTax CFlow M\$	Discounted Cash Flow 5% M\$
HISTORICAL	2012	77747	151925	91155	797606	94.10	2.75	0.73	7255.3	6348	643.9	495.31	5209	7052.855	-1844	-1844
HISTORICAL	2013	42858	258967	155380	1359577	97.90	3.73	0.76	5076.8	4442	452.9	333.43	3656	0	3656	3482
HISTORICAL	2014	22252	200097	120058	1050509	93.30	4.39	0.72	2908.4	2545	292.8	182.98	2069	0	2069	1877
HISTORICAL	2015	11097	103218	61931	541895	49.00	2.63	0.38	787.6	689	146.2	50.14	493	0	493	426
HISTORICAL	2016	11918	80280	48168	421470	43.00	2.52	0.33	673.1	589	152.6	43.34	393	0	393	323
FORECAST	2017	10895	73819	44291	387549	46.07	2.70	0.36	660.6	578	144.6	42.33	391	0	391	306
FORECAST	2018	9352	59055	35433	310039	49.37	2.89	0.38	594.5	520	132.6	38.09	349	0	349	261
FORECAST	2019	8241	47244	28346	248031	52.90	3.10	0.41	545.8	478	124.0	35.02	319	0	319	226
FORECAST	2020	7435	39428	23657	206999	56.68	3.32	0.44	516.5	452	117.7	33.18	301	0	301	204
FORECAST	2021	6766	34697	20818	182159	60.73	3.56	0.47	499.2	437	112.6	32.03	292	0	292	188
FORECAST	2022	6157	30533	18320	160300	65.08	3.81	0.50	482.6	422	107.8	30.95	283	0	283	174
FORECAST	2023	5603	27277	16366	143204	69.73	4.09	0.54	468.4	410	103.5	30.00	276	0	276	162
FORECAST	2024	5109	24822	14893	130315	74.71	4.38	0.58	456.7	400	99.6	29.19	271	0	271	151
FORECAST	2025	4640	22588	13553	118587	80.06	4.51	0.62	443.3	388	96.0	28.40	263	0	263	140
FORECAST	2026	4222	20555	12333	107914	81.58	4.61	0.63	411.2	360	92.8	26.32	241	0	241	122
FORECAST	2027	3842	18705	11223	98202	83.13	4.71	0.64	381.4	334	89.8	24.40	219	0	219	106
FORECAST	2028	3496	17022	10213	89364	84.71	4.81	0.66	353.8	310	87.2	22.61	200	0	200	92
FORECAST	2029	3182	15490	9294	81321	86.32	4.92	0.67	328.2	287	84.7	20.96	181	0	181	79
FORECAST	2030	2895	14096	8457	74002	88.00	5.00	0.68	304.4	266	82.5	19.43	164	0	164	68
REMAINDER		16747	81533	48920	428048				1884	1648	670	121	857	0	857	293
TOTAL		264443	1321351	792810	6937092				25032	21903	3834	1639	16430	7053	9377	6835

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

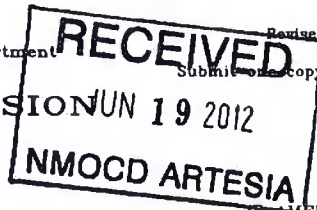
DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

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

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



Form C-102  
Revised July 16, 2010  
Submit one copy to appropriate District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-015-39293</b>	Pool Code	Pool Name <b>Poker Lake, NW (Delaware)</b>
Property Code <b>306402</b>	Property Name <b>POKER LAKE UNIT</b>	Well Number <b>328H</b>
OGRID No. <b>260737</b>	Operator Name <b>BOPCO, L.P.</b>	Elevation <b>3509'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	12	24 S	30 E		2400	SOUTH	305	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
L	2	24 S	30 E		2244	SOUTH	761	WEST	EDDY

Dedicated Acres <b>280</b>	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**  
Lat - N 32°14'44.30"  
Long - W 103°51'26.31"  
NMSPC- N 453408.44  
E 647171.11  
(NAD-27)

**SURFACE LOCATION**  
Lat - N 32°13'53.90"  
Long - W 103°50'29.32"  
NMSPC- N 448336.760  
E 652088.544  
(NAD-27)

SURVEY CERTIFICATION IS FOR SURFACE LOCATION ONLY

**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* 6-4-12  
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 *JUN 19 2011*  
Date Surveyed

*Gary L. Jones*  
Signature & Seal of Professional Surveyor 7977

Certificate No. Gary L. Jones 7977

BASIN SURVEYS 23969



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
OMB NO. 1004-0137  
Expires: October 31, 2014

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. NMLC068905
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.		6 If Indian, Allottee or Tribe Name
Other: _____		7 Unit or CA Agreement Name and No. NMNM71016F
2 Name of Operator BOPCO, L.P.		8 Lease Name and Well No. Poker Lake Unit 328H
3 Address P O Box 2760 Midland Tx 79702		9 API Well No. 30-015-39293
3a Phone No. (include area code) (432)683-2277		10 Field and Pool or Exploratory Poker Lake, NW (Delaware)
4 Location of Well (Report location clearly and in accordance with Federal requirements)*  At surface UL L; 2,400' FSL 305' FWL  At top prod. interval reported below  At total depth UL L; Sec. 2, 24S, 30E; 2,244' FSL 761' FWL		11 Sec. T., R., M., on Block and Survey or Area 12; 24S; 30E
14 Date Spudded 02/15/2012		15 Date T.D. Reached 03/22/2012
16 Date Completed 04/19/2012 <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod.		17 Elevations (DF, RKB, RT, GL)* 3,509' GL
18 Total Depth: MD 14715 TVD 7844		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) Comp. Neutron Gamma Ray/CCL
22 Was well cored? <input type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy)		12 County or Parish Eddy
		13 State NM

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	0	855 865		720 cc	215	Circ	
12 1/4	9 5/8 J55	40	0	4150		1500 cc	483	Circ	
8 3/4	7"	26	0	8590	4960	450 TLV Cem	188	Circ	
6 1/4	4 1/2	11.6	8471	14675					

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8	7244							

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Delaware	4,115	6,359	8,673 - 14,667	Frac	Ports	Producing
B)						
C)						
D)						

Depth Interval	Amount and Type of Material
8,673 - 14,666	115,338 gals 25# Linear Gel; 1,505,351 gals 25# Silverstim R(21); 2,362,260 lbs. 16/30 Arizona 396,887 lbs. Super LC (CRC)

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
4/26/2012	5/6/12	24	→	611	677	1,717	39.0	0.8299	Wood Group TD 1750
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
W/O	550	480	→	611	677	1,717	1,108	P.O.W.	

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 page 2)

RECEIVED  
JUN 19 2012  
MOCD ARTESIA

RECLAMATION  
DUE 10-19-20

ACCEPTED FOR RECORD  
JUN 16 2012  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE



## 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	4,115	5,004	Sandstone	Rustler	480
Cherry Canyon	5,004	6,306	Sandstone	Salado	850
Lo. Cherry Canyon	6,306	6,359	Sandstone	base/Salt	3,915
Brushy Canyon	6,359	NR	Sandstone	Lamar	4,148
				Bell Canyon	4,115
				Cherry Canyon	5,004
				Lo. Cherry Canyon	6,306
				Brushy Canyon	6,359

## 32. Additional remarks (include plugging procedure):

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

## 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. 7379

Title Sr. Regulatory Clerk

Signature Sandra J. Belt

Date 06/07/2012

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)