

30 015 40685

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

August 30, 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

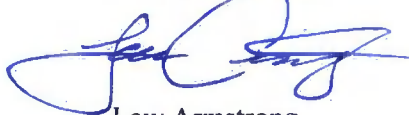
Re: Commercial Determination
Poker Lake Unit 324H
Delaware Formation
Eddy County, New Mexico

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 28, 2017

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: POKER LAKE UNIT 324H**
API 3001540685
24S 30E Sec 23
Eddy County, New Mexico

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake Unit 324H was drilled in 2012 as a horizontal producer to a measured depth of 15,642' in the Delaware. The well is producing from perforations from 7964'-15642'. By mid-year 2017 the well has produced 235 kBO, and as of Aug 27, 2017 it was testing 55 bopd, 260 kcfd, and 532 bwpd on ESP. This well is expected to recover approximately 580 kBOE from the current completion. The 324H cost \$9.05M 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 324H is expected to have a lifetime undiscounted cashflow of approximately \$11.6M and bring > 10% rate of return. **It is commercial.**

Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

Well Name
API Number
Formation
Actual CAPEX, \$K
First Production Date
First Forecast Date
Cum Oil to Date (kbo)
Cum Wet Gas to Date (McF)
Water to Date (kbw)
Assumed Shrink
NGL Yield Assumed
WTI Price %
HHub Price %
NGL Price %
Tax Gas
Tax Oil
WI %
NRI %
OPX/mo Yr 1-3
OPX/mo Yr 4+
OPX/water (\$/bbl)
CAPEX, \$K

Poker Lake Unit 324H
3001540685
Delaware
9048.067
3/1/2013
1/1/2017
203.261
623.128
1037.635
0.6
125
0.9
0.82
0.8
8.19
7.09
100
83.60937
10000
5000
0.75
9048.067

COMMERCIAL

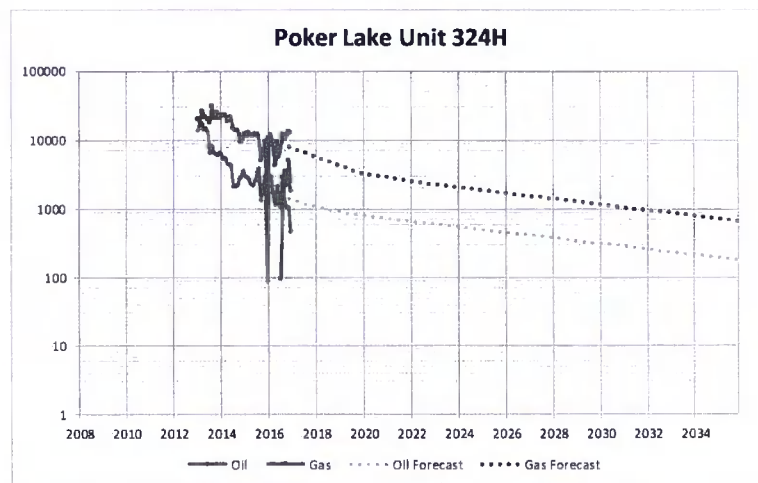
TOTAL NCF 0% DISCOUNT
TOTAL NCF 5% DISCOUNT

11,592 KS
8,563 KS

EUR Oil
EUR Wet Gas
EUR BOE

370374 bo
1259208 kecf
580,242

ECONOMICS MODULE



	Date	Oil Volume	Wet Gas Volume	Dry Gas Volume	NGL Volume, gals	Oil Price	Gas Price	NGL Price	Total Gross Revenue	Net Revenue	Total Opcast	Local Taxes	Net Oper Income	Total Capital	BTax CFlow	Discounted Cash Flow 5%
		BO	kecf	kecf	gal	\$/BO	\$/kecf	\$/gal	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
HISTORICAL	2013	119511	225552	135331	1184148	97.90	3.73	0.71	11614.9	9711	487.6	750.88	8473	9048.067	-575	-575
HISTORICAL	2014	52543	229746	137848	1206167	93.30	4.39	0.67	5559.5	4648	321.2	346.60	3980	0	3980	3791
HISTORICAL	2015	33330	126679	76007	665065	49.00	2.63	0.35	1822.4	1524	247.6	115.05	1161	0	1161	1053
HISTORICAL	2016	28968	112037	67222	588194	43.00	2.52	0.31	1406.3	1176	170.9	88.46	916	0	916	792
FORECAST	2017	15056	84429	50658	443254	46.07	2.70	0.33	854.7	715	117.6	52.72	544	0	544	448
FORECAST	2018	12382	63322	37993	332441	49.37	2.89	0.36	735.2	615	107.4	45.41	462	0	462	362
FORECAST	2019	10552	47492	28495	249331	52.90	3.10	0.38	651.2	544	100.4	40.35	404	0	404	301
FORECAST	2020	9435	38221	22933	200661	56.68	3.32	0.41	609.6	510	96.1	37.87	376	0	376	267
FORECAST	2021	8586	33635	20181	176581	60.73	3.56	0.44	590.3	494	92.9	36.64	364	0	364	246
FORECAST	2022	7813	29598	17759	155392	65.08	3.81	0.47	571.7	478	89.9	35.47	353	0	353	227
FORECAST	2023	7110	26442	15865	138819	69.73	4.09	0.50	555.4	464	87.2	34.43	343	0	343	210
FORECAST	2024	6470	24062	14437	126325	74.71	4.38	0.54	541.5	453	84.8	33.51	334	0	334	196
FORECAST	2025	5888	21896	13138	114956	80.06	4.51	0.58	526.1	440	82.5	32.63	325	0	325	181
FORECAST	2026	5358	19926	11955	104610	81.58	4.61	0.59	487.9	408	80.5	30.24	297	0	297	158
FORECAST	2027	4876	18132	10879	95195	83.13	4.71	0.60	452.6	378	78.7	28.03	272	0	272	137
FORECAST	2028	4437	16501	9900	86628	84.71	4.81	0.61	419.8	351	77.0	25.98	248	0	248	119
FORECAST	2029	4038	15015	9009	78831	86.32	4.92	0.62	389.4	326	75.5	24.08	226	0	226	104
FORECAST	2030	3674	13664	8198	71736	88.00	5.00	0.64	361.1	302	74.1	22.33	206	0	206	90
FORECAST	2031	3344	12434	7461	65280	89.58	5.02	0.65	334.1	279	72.8	20.68	186	0	186	77
REMAINDER		27004	100424	60255	527228				2964	2478	1123	184	1171	0	1171	380
TOTAL		370374	1259208	755525	6610843				31448	26293	3668	1986	20640	9048	11592	8563

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 335-6161 Fax: (505) 335-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1233 Fax: (505) 748-0720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 354-6176 Fax: (505) 354-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 478-3480 Fax: (505) 478-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

RECEIVED

Submit one copy to appropriate
District Office

Form C-102
Revised August 1, 2011

NMOC ARTESIA

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-40685	Pool Code	Pool Name Nash Draw; Del/BS (Av Snd)
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 324H
ODRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3434'

Surface Location

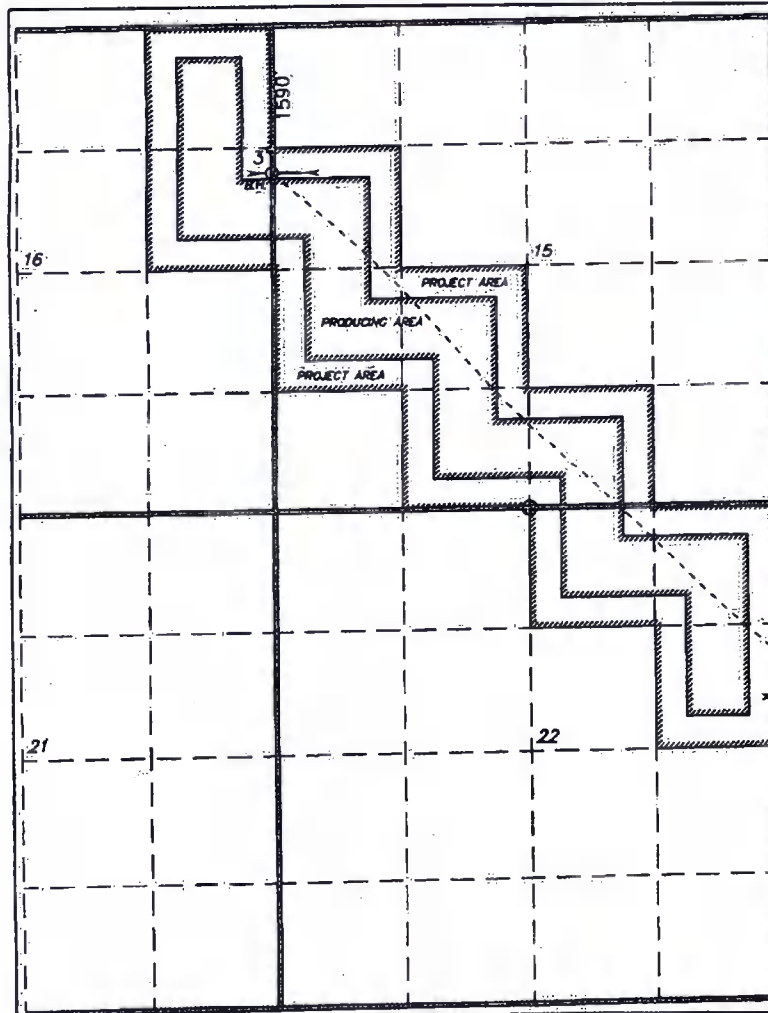
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	23	24 S	30 E		2120	NORTH	480	WEST	EDDY

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
H	16	24 S	30 E		1590	NORTH	3	EAST	EDDY

Dedicated Acreage	Joint or Infill	Consolidation Code	Order No.
400			

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 LOCATION
Lat - N 32°13'13.8"
Long - W 103°52'37.6"
NMSPC- N 444238.8
E 641085.5
(NAD-27)

SURFACE LOCATION
DELAWARE PENETRATION PT.
Lat - N 32°12'16.78"
Long - W 103°51'29.71"
NMSPC- N 438500.070
E 646945.121
(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 undivided 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.

Signature _____ Date _____

Tracie J Cherry

Printed Name

tjcherry@basspet.com

Email Address

SURVEYOR CERTIFICATION

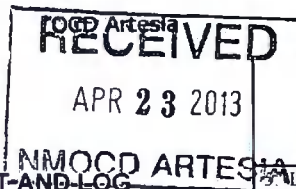
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

Date Surveyed _____
Signature & Seal of Professional Surveyor

Certificate No. Gary L. Jones 7977

BASIN SURVEYS 26658

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



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

WELL COMPLETION OR RECOMPLETION REPORT-AND LOG

Lease Serial No.
NMLC068431

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
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		7. Unit or CA Agreement Name and No. 891000303X
2. Name of Operator BOPCO LP		8. Lease Name and Well No. POKER LAKE UNIT 324H
3. Address MIDLAND, TX 79702		9. API Well No. 30-015-40685-00-S1
3a. Phone No. (include area code) Ph: 432-221-7379		10. Field and Pool, or Exploratory NASH DRAW
4. Location of Well (Report location clearly and in accordance with Federal requirements)* Sec 23 T24S R30E Mer NMP At surface SWNW 2120FNL 480FWL 32.204661 N Lat, 103.858250 W Lon Sec 23 T24S R30E Mer NMP At top prod interval reported below SWNW 2120FNL 480FWL 32.204661 N Lat, 103.858250 W Lon Sec 16 T24S R30E Mer NMP At total depth SENE 1590FNL 3FEL		11. Sec., T., R., M., or Block and Survey or Area Sec 23 T24S R30E Mer NMP
14. Date Spudded 11/23/2012	15. Date T.D. Reached 12/21/2012	12. County or Parish EDDY
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 03/01/2013		13. State NM
17. Elevations (DF, KB, RT, GL)* 3434 GL	18. Total Depth: MD TVD 15642 7672	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) CALIPER LITHO-DENS CNL GR AIT MICROCL GR
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 type="checkbox"/> No <input checked="" 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	13.375 H-40	48.0	0	973		900		0	
12.250	9.625 J-55	40.0	0	4028		1386		0	
8.750	7.000 N-80	26.0	0	7934	5004	550		2940	
6.125	4.500 HCP-110	11.6	7865	15608					

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	7008							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BRUSHY CANYON	6245	7672	7983 TO 15556			OPEN FRAC PORTS
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
7983 TO 15556	gal fluid, 3475548# propan in 25 stages

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
03/10/2013	03/12/2013	24	→	543.0	554.0	2141.0	39.2	0.83	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	
			→	543	554	2141	1020		

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 #204319 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED

APR 20 2013
CARLSBAD FIELD OFFICE

MW

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.)
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
				BASE OF SALT	380
				RUSTLER	530
				BRUSHY CANYON	624
				SALADO	825
				LAMAR	4015
				BELL CANYON	4055
				CHERRY CANYON	4968

32. Additional remarks (include plugging procedure):

PLEASE HOLD COMPLETION CONFIDENTIAL

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 #204319 Verified by the BLM Well Information System.

For BOPCO LP, sent to the Carlsbad

Committed to AFMSS for processing by JOHNNY DICKERSON on 04/16/2013 (13JLD0527SE)

Name (please print) TRACIE CHERRY

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 04/12/2013

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.

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****