

30-015-41039

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

RECEIVED OGD

2017 SEP -7 P 3:19

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

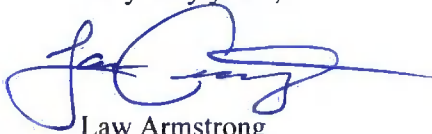
Re: Commercial Determination
Poker Lake Unit 331H
Delaware Formation
Eddy County, New Mexico

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 331H**
API 3001541039
24S 30E Sec 3
Eddy County, New Mexico

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake Unit 331H was drilled in 2013 as a horizontal producer to a measured depth of 14,425' in the Delaware. The well is producing from perforations from 8043'-14332'. By mid-year 2017 the well has produced 159 kBO, and as of Sept 2, 2017 it was testing 43bopd, 435 kcfd, and 781 bwpd on ESP. This well is expected to recover approximately 552 kBOE from the current completion. The 331H 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 331H is expected to have a lifetime undiscounted cashflow of approximately \$11.1M and bring > 10% rate of return. **It is commercial.**

Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

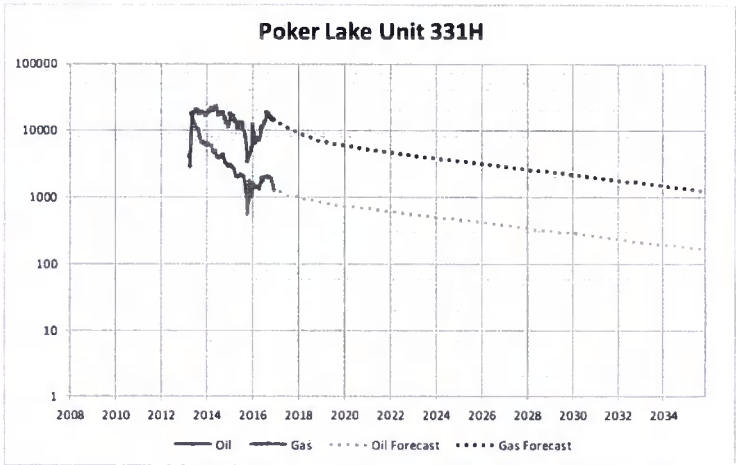
Well Name Poker Lake Unit 331H
API Number 3001541039
Formation Delaware
Actual CAPEX, \$K 7053.171
First Production Date 6/1/2013
First Forecast Date 1/1/2017
Cum Oil to Date (kbo) 159
Cum Wet Gas to Date (McF) 541
Water to Date (kbw) 1099
Assumed Shrink 0.6
NGL Yield Assumed 125
WTI Price % 0.9
HHub 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 (\$/bbt) 0.75
CAPEX, \$k 7053.171

COMMERCIAL

TOTAL NCF 0% DISCOUNT 11,147 KS
TOTAL NCF 5% DISCOUNT 7,827 KS

EUR Oil 293391 bo
EUR Wet Gas 1551908 kcf

EUR BOE 552,043



ECONOMICS MODULE															Discounted Cash Flow 5%
Date	Oil Volume BO	Wet Gas Volume kef	Dry Gas Volume kef	NGL Volume, gals gal	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\$	
HISTORICAL	2013	69001	114491	68695	601078	97.90	3.73	0.71	6630.3	5802	417.4	449.52	4935	7053.171	-2119
HISTORICAL	2014	60133	219867	131920	1154302	93.30	4.39	0.67	6147.5	5379	431.5	404.14	4543	0	4543
HISTORICAL	2015	27171	142927	85756	750367	49.00	2.63	0.35	1596.0	1396	260.7	104.13	1032	0	1032
HISTORICAL	2016	20284	126946	76168	666467	43.00	2.52	0.31	1108.2	970	165.1	71.45	733	0	733
FORECAST	2017	13928	143416	86049	752932	46.07	2.70	0.33	968.8	848	132.1	60.43	655	0	655
FORECAST	2018	11242	100391	60235	527052	49.37	2.89	0.36	793.0	694	118.2	49.65	526	0	526
FORECAST	2019	9581	77688	46613	407862	52.90	3.10	0.38	699.5	612	109.6	43.86	459	0	459
FORECAST	2020	8567	68365	41019	358918	56.68	3.32	0.41	666.5	583	104.4	41.66	437	0	437
FORECAST	2021	7796	60162	36097	315848	60.73	3.56	0.44	642.5	562	100.4	40.10	422	0	422
FORECAST	2022	7094	53745	32247	282163	65.08	3.81	0.47	622.6	545	96.7	38.78	409	0	409
FORECAST	2023	6456	48908	29345	256768	69.73	4.09	0.50	607.1	531	93.4	37.69	400	0	400
FORECAST	2024	5875	44506	26704	233659	74.71	4.38	0.54	591.9	518	90.4	36.63	391	0	391
FORECAST	2025	5346	40501	24301	212630	80.06	4.51	0.58	573.6	502	87.7	35.62	379	0	379
FORECAST	2026	4865	36856	22113	193493	81.58	4.61	0.59	552.1	466	85.2	33.00	347	0	347
FORECAST	2027	4427	33539	20123	176079	83.13	4.71	0.60	493.6	432	82.9	30.58	318	0	318
FORECAST	2028	4029	30520	18312	160232	84.71	4.81	0.61	458.0	401	80.9	28.34	292	0	292
FORECAST	2029	3666	27773	16664	145811	86.32	4.92	0.62	424.9	372	79.0	26.26	267	0	267
FORECAST	2030	3336	25274	15164	132688	88.00	5.00	0.64	394.0	345	77.3	24.34	243	0	243
FORECAST	2031	3036	22999	13800	120746	89.58	5.02	0.65	364.1	319	75.7	22.54	220	0	220
REMAINDER		17560	133034	79820	698426				2244	1963	631	140	1192	0	1192
TOTAL		293391	1551908	931145	8147518				26558	23238	3320	1719	18200	7053	11147

DISTRICT I
1026 N. French Dr., Hobbs, NM 88240

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

DISTRICT III
1000 Rio Bravo 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

RECEIVED

JUL 19 2013

Form O-102
Revised July 16, 2010

Submit one copy to appropriate District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☒ AMENDED REPORT
As Drilled

API Number 30-015-41039	Pool Code 47545	Pool Name Nash Draw; Del/BS (Avalon Snd)
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 331H
ODRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3448'

Surface Location

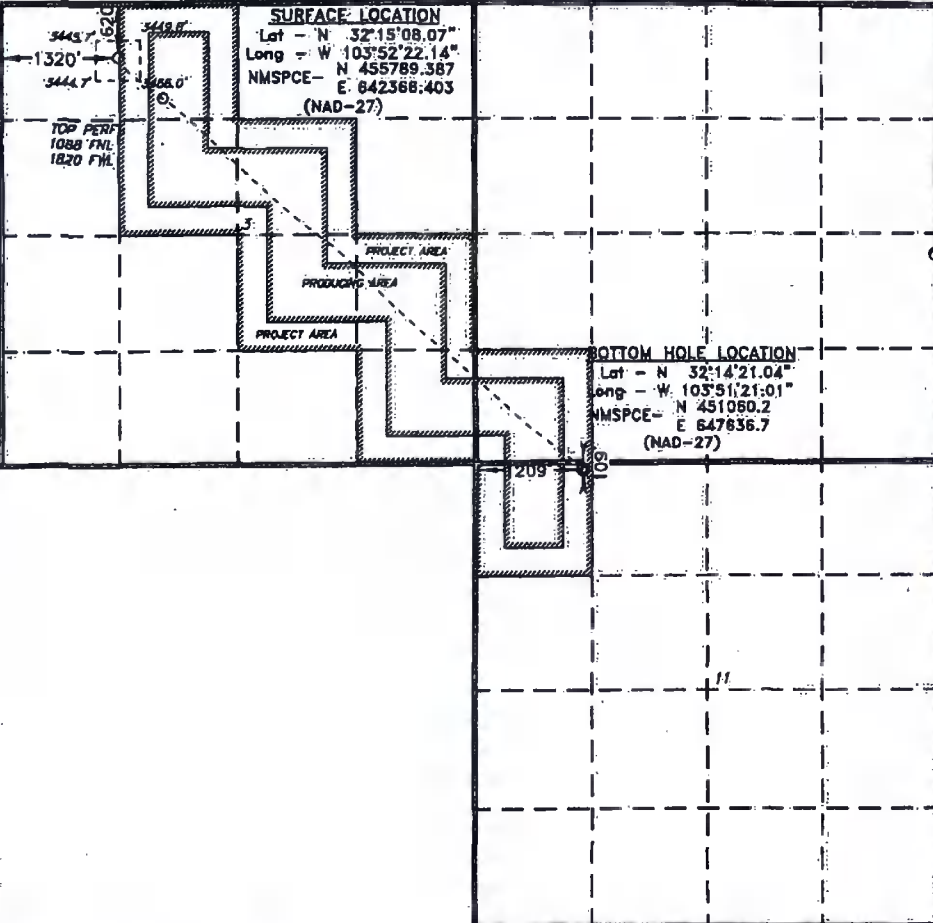
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	3	24 S	30 E		620	NORTH	1320	WEST	EDDY

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
D	11	24 S	30 E		109	NORTH	1209	WEST	EDDY

Dedicated Acres 320.49	Joint or Infill	Consolidation Code	Order No.
----------------------------------	-----------------	--------------------	-----------

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

 <p>SURFACE LOCATION Lat - N 32°15'08.07" Long - W 103°52'22.14" NMSPC - N 455789.387 E 842368.403 (NAD-27)</p> <p>BOTTOM HOLE LOCATION Lat - N 32°14'21.04" Long - W 103°51'21.01" NMSPC - N 451080.2 E 847836.7 (NAD-27)</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Tracie J Cherry</i> 07-18-13 Signature Date</p> <p>Tracie J Cherry Printed Name tjcherry@basspet.com Email Address</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p><i>Gary L. Jones</i> Signature Seal of Professional Surveyor</p>
	<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 26011</p>

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
				RUSTLER	404
				SALADO	700
				BASE OF SALT	3800
				LAMAR	3918
				BELL CANYON	3985
				CHERRY CANYON	4878
				BRUSHY CANYON	6184

32. Additional remarks (include plugging procedure):

*****PLEASE HOLD INFORMATION 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 #214139 Verified by the BLM Well Information System.

For BOPCO LP, sent to the Carlsbad

Committed to AFMSS for processing by KURT SIMMONS on 07/23/2013 (13KMS6806SE)

Name (please print) TRACIE J CHERRY

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 07/18/2013

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 ****

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

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. Other			6. If Indian, Allottee or Tribe Name		
2. Name of Operator BOPCO LP			7. Unit or CA Agreement Name and No. 891000303X		
Contact: TRACIE J CHERRY E-Mail: tjcherry@basspet.com			8. Lease Name and Well No. POKER LAKE UNIT 331H		
3. Address MIDLAND, TX 79702			9. API Well No. 30-015-41039-00-S1		
3a. Phone No. (include area code) Ph: 432-221-7379			10. Field and Pool, or Exploratory NASH DRAW DEL/BS		
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface Lot 4 620FNL 1320FWL Sec 3 T24S R30E Mer NMP At top prod interval reported below Lot 4 1088FNL 1820FWL Sec 3 T24S R30E Mer NMP At total depth NWNW 109FNL 1209FWL Sec 11 T24S R30E Mer NMP			11. Sec., T., R., M., or Block and Survey or Area Sec 3 T24S R30E Mer NMP		
14. Date Spudded 04/09/2013			15. Date T.D. Reached 05/05/2013		
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 06/23/2013			17. Elevations (DF, KB, RT, GL.)*		
18. Total Depth: MD 14425 TVD 7785		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 POROSITY RESISTIVITY			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	13.375 J-55	61.0	0	719		540		0	
12.250	9.625 J-55	40.0	0	3906		1210		0	
8.750	7.000 HCL-80	26.0	0	7964	4993	850		0	
6.125	4.500 HCP-110	11.6	7888	14425					

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	7016							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BRUSHY CANYON	6184	14425	8043 TO 14332			OPEN FRAC PORTS
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
8043 TO 14332	FRAC USING 45670 BBLS FLUID, 2263863# PROPANT ACROSS 21 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
06/25/2013	07/04/2013	24	→	576.0	567.0	1675.0	42.0		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	
			→	576	567	1675	984	FLOW	

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 #214139 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

RECEIVED
JUL 31 2013
NMOCD ARTESIA
RECLAMATION
DUE 12-23-13
ACCEPTED FOR RECORD