

30 015 42009

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

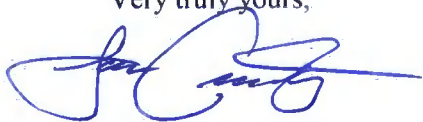
Re: Commercial Determination
Poker Lake Unit 323H
Delaware Formation
Eddy County, New Mexico

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 323H**
API 3001542009
25S 30E Sec 8
Eddy County, New Mexico

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake Unit 323H was drilled in 2014 as a horizontal producer to a measured depth of 16,705' in the Delaware. The well is producing from perforations from 7831'-16695'. By mid-year 2017 the well has produced 160 kBO, and as of Aug 12, 2017 it was testing 60 bopd, 336 kcf/d, and 786 bw/d on ESP. This well is expected to recover approximately 692 kBOE from the current completion. The 323H cost \$9.09M 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 323H is expected to have a lifetime undiscounted cashflow of approximately \$9.5M and bring > 10% rate of return. **It is commercial.**

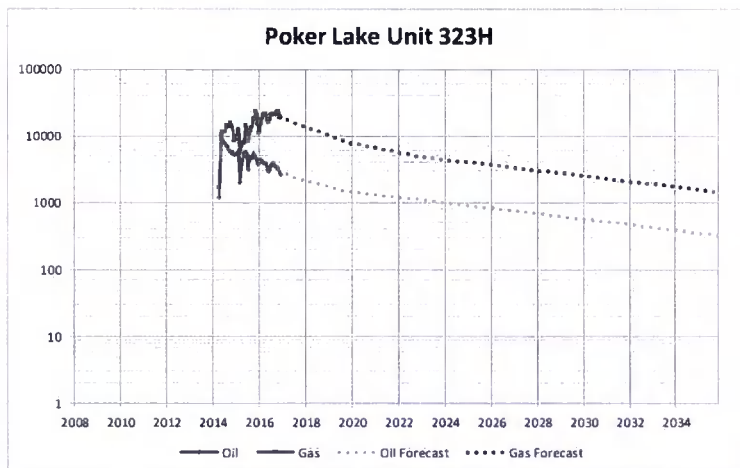
Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

Well Name Poker Lake Unit 323H
API Number 3001542009
Formation Delaware
Actual CAPEX, \$K 9092.09
First Production Date 6/1/2014
First Forecast Date 1/1/2017
Cum Oil to Date (kbo) 154,901
Cum Wet Gas to Date (McF) 477,846
Water to Date (kbw) 1658.442
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 % 85.11875
OPX/mo Yr 1-3 10000
OPX/mo Yr 4+ 5000
OPX/water (\$/bbl) 0.75
CAPEX, \$K 9092.09

COMMERCIAL

TOTAL NCF 0% DISCOUNT 9,525 KS
TOTAL NCF 5% DISCOUNT 4,027 KS

EUR Oil 404150 bo
EUR Wet Gas 1725069 kcf
EUR BOE 691,661



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 Oprost	Local Taxes	Net Oper Income	Total Capital	BTax CFlow	Discounted Cash Flow 5%
		BO	kcf	kcf	gal	\$/BO	\$/kcf	\$/gal	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
HISTORICAL	2014	46412	78624	47174	412776	93.30	4.39	0.63	4275.0	3639	432.7	279.71	2926	9092.09	-6166	-6166
HISTORICAL	2015	57888	129787	77872	681382	49.00	2.63	0.33	2901.1	2469	584.8	189.24	1695	0	1695	1615
HISTORICAL	2016	44834	228004	136802	1197021	43.00	2.52	0.29	2295.7	1954	480.0	145.13	1329	0	1329	1205
FORECAST	2017	31046	200520	120312	1052729	46.07	2.70	0.31	1815.7	1546	309.3	112.96	1123	0	1123	970
FORECAST	2018	23962	150390	90234	789547	49.37	2.89	0.33	1489.3	1268	252.4	92.43	923	0	923	759
FORECAST	2019	19264	112792	67675	592160	52.90	3.10	0.36	1258.4	1071	214.7	78.13	778	0	778	610
FORECAST	2020	16953	89381	53628	469248	56.68	3.32	0.38	1154.6	983	196.1	71.89	715	0	715	533
FORECAST	2021	15428	75974	45584	398861	60.73	3.56	0.41	1107.1	942	183.9	69.02	689	0	689	490
FORECAST	2022	14039	64578	38747	339032	65.08	3.81	0.44	1062.6	904	172.7	66.34	665	0	665	450
FORECAST	2023	12776	56593	33956	297113	69.73	4.09	0.47	1027.4	875	162.6	64.14	648	0	648	418
FORECAST	2024	11626	51500	30900	270373	74.71	4.38	0.50	1001.8	853	153.4	62.42	637	0	637	391
FORECAST	2025	10580	46865	28119	246039	80.06	4.51	0.54	972.6	828	145.0	60.75	622	0	622	364
FORECAST	2026	9627	42647	25588	223896	81.58	4.61	0.55	902.2	768	137.3	56.30	574	0	574	320
FORECAST	2027	8761	38809	23285	203745	83.13	4.71	0.56	836.9	712	130.3	52.18	530	0	530	281
FORECAST	2028	7972	35316	21190	185408	84.71	4.81	0.57	776.3	661	124.0	48.36	488	0	488	247
FORECAST	2029	7255	32137	19282	168721	86.32	4.92	0.58	720.0	613	118.3	44.83	450	0	450	216
FORECAST	2030	6602	29245	17547	153536	88.00	5.00	0.59	667.8	568	113.0	41.57	414	0	414	190
REMAINDER		59125	261909	157145	1375021				6675	5682	1855	418	3409	0	3409	1134
TOTAL		404150	1725069	1035041	9056610				30939	26335	5765	1953	18617	9092	9525	4027

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240
Phone (505) 393-6101 Fax: (505) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 749-1283 Fax: (505) 749-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 534-6176 Fax: (505) 534-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3400 Fax: (505) 476-3462

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 August 1, 2011

Submit one copy to appropriate District Office

RECEIVED

AMENDED REPORT
"As Drilled"

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-42009	Pool Code 47545	Pool Name Nash Draw, Delaware/Bone Spring (Av. Snd)
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 323H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3302'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
B	8	24 S	30 E		105	NORTH	1740	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
H	16	24 S	30 E		1694	NORTH	345	EAST	EDDY

Dedicated Acres 400	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>N: 451040.1 E: 630368.5 NAD 27</p> <p>SURFACE LOCATION Lat - N 32°14'20.67" Long - W 103°53'59.98" NMSPC - N 450964.5 E 633983.8 (NAD-27)</p> <p>3329.0' S.L. TOP - 644' FNL 1201' FEL</p> <p>N: 451083.8 E: 635722.5 NAD 27</p> <p>N: 448440.4 E: 635733.5 NAD 27</p> <p>N: 445749.7 E: 630393.0 NAD 27</p> <p>N: 445774.8 E: 633087.1 NAD 27</p> <p>N: 445794.4 E: 635742.7 NAD 27</p> <p>N: 445814.3 E: 638420.8 NAD 27</p> <p>N: 445829.5 E: 641100.0 NAD 27</p> <p>N: 443157.8 E: 635751.9 NAD 27</p> <p>N: 440514.9 E: 635758.2 NAD 27</p> <p>N: 440552.2 E: 641105.7 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 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.</p> <p><i>Tracie J Cherry</i> 07/08/14 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>OCTOBER 25, 2013 Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p> <p>0' 1000' 2000' 3000' 4000' SCALE: 1" = 2000' WO Num.: 29642</p>
---	---

NM OIL CONSERVATION

ARTESIA DISTRICT

OCD Artesia
SEP 18 2014

Form 3160-4
(August 2007)

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

RECEIVED

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. NMLC068430	
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	
3. Address P O BOX 2760 MIDLAND, TX 79702		8. Lease Name and Well No. POKER LAKE UNIT 323H	
3a. Phone No. (include area code) Ph: 432-221-7379		9. API Well No. 30-015-42009-00-S1	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface Sec 8 T24S R30E Mer NMP NWNE 105FNL 1740FEL At top prod interval reported below Sec 8 T24S R30E Mer NMP NENE 644FNL 1201FEL At total depth Sec 16 T24S R30E Mer NMP SENE 1694FNL 345FEL		10. Field and Pool, or Exploratory NASH DRAW	
14. Date Spudded 04/12/2014		15. Date T.D. Reached 05/08/2014	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 06/12/2014		17. Elevations (DF, KB, RT, GL)* 3302 GL	

18. Total Depth: MD TVD 16710 7532	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 RESISTIVITY POROSITY		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 J55	54.5	0	751		1550	427	0	
12.250	9.625 N80	40.0	0	3655		1410	435	0	
8.750	7.000 HCP-110	26.0	0	7647	5000	610	252		
6.125	4.500 HCP-110	11.6	7407	16695					

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	6845							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BRUSHY CANYON	7226	16710	7831 TO 16710			OH COMPLETION SYSTEM
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
7831 TO 16710	FRAC DOWN CSG USING TOTAL OF 112162 BBLS FLUID, 1991006# PROPANT ACROSS 28 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
06/19/2014	06/30/2014	24	→	251.0	422.0	2048.0			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	
			→	251	422	2048		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 #251972 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

RECLAMATION
DIR 12-12-14

ACCEPTED FOR RECORD

SEP 16 2014

AB

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	320	630	ANHYDRITE	RUSTLER	320
SALADO	630	3170	SALT	BASE OF SALT	3170
BELL CANYON	3653	4580	SANDSTONE	LAMAR	3645
CHERRY CANYON	4580	5804	SANDSTONE	BELL CANYON	3653
BRUSHY CANYON	5804		SANDSTONE (BTM NOT REACHED)	CHERRY CANYON	4580
				BRUSHY CANYON	5804

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 #251972 Verified by the BLM Well Information System.

For BOPCO LP, sent to the Carlsbad

Committed to AFMS for processing by DUNCAN WHITLOCK on 07/09/2014 (14DW014SE)

Name (please print) TRACIE J CHERRY

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 07/08/2014

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 ****