

30-015-42112



RECEIVED OGD

2017 AUG 11 A 11: 23 August 10, 2017

XTO Energy Inc.  
810 Houston Street  
Fort Worth, TX 76102-6298  
(817) 870-2800  
(817) 885-6616 Fax

**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 457H  
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,

A handwritten signature in blue ink, appearing to read 'Allen Armstrong', with a long horizontal flourish extending to the right.

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: \_\_\_\_\_



Date: August 7, 2017

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: POKER LAKE UNIT 457H**  
**API 3001542112**  
**25S 30E Sec 27**  
**Eddy County, New Mexico**

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake 457H was drilled in 2014 as a horizontal producer to a measured depth of 17,019' in the Delaware formation. Since late 2014, the well has been producing from an interval from 7915'-TD. By mid-year 2017 the well has produced 221 kBO, and as of August 1, 2017 it was testing 107 bopd, 437 kcf/d, and 420 bwpd on submersible pump. This well is expected to recover approximately 858 kBOE from the current completion. The 457H cost \$9.327M 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. Commodity 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 457H has already paid out and has a large positive valuation. It is a commercial well and should be incorporated into a participating area.

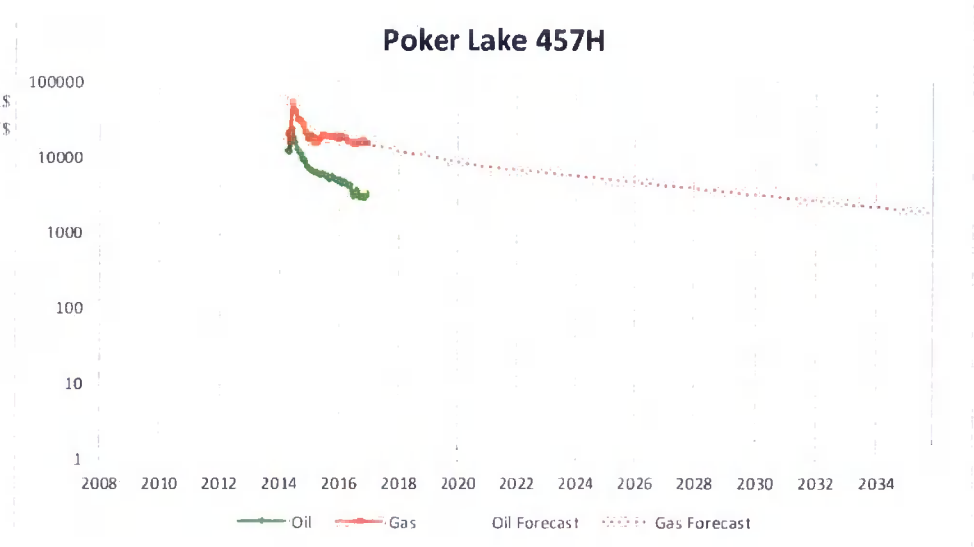
Trent Boneau  
Reservoir Engineering Advisor  
Delaware Basin Subsurface Team

**WORKSHEET FOR COMMERCIAL DETERMINATION FOR FEDERAL UNITS**

Well Name: Poker Lake 457H  
 API Number: 3001542112  
 Formation: Delaware  
 Actual CAPEX, K\$: 9326.8  
 First Production Date: 6/1/2014  
 First Forecast Date: 1/1/2017  
 Cum Oil to Date (kbo): 221.145  
 Cum Wet Gas to Date (McF): 670.07  
 Water to Date (kbcw): 688.245  
 Assumed Shrink: 0.6  
 NGL Yield Assumed: 125  
 Well Price %: 0.9  
 HH Hub Price %: 0.82  
 NGL Price %: 0.8  
 Tax Gas: 8.19  
 Tax Oil: 7.09  
 WTI %: 100  
 NRI %: 84.5  
 OPN/mo Yr 1-3: 10000  
 OPN/mo Yr 4+: 5000  
 OPN/water (\$/bbl): 0.75  
 CAPEX, K\$: 9326.8

**COMMERCIAL**

TOTAL NCF 0% DISCOUNT: 18051 K\$  
 TOTAL NCF 5% DISCOUNT: 11027 K\$  
 EUR Oil: 511147 bo  
 EUR Gas: 2082691 kcf



**ECONOMICS MODULE**

		Oil	Wet Gas	Dry Gas	NGL				Total Gross		Total	Local	Net Oper	Total	BTax	Discounted
	Date	Volume	Volume	Volume	Volume, gals	Oil Price	Gas Price	NGL Price	Revenue	Net Revenue	Op cost	Taxes	Income	Capital	C Flow	Cash Flow
		BO	kcf	kcf	gal	\$/BO	\$/kcf	\$/gal	\$/B	\$/B	\$/B	\$/B	\$/B	\$/B	\$/B	\$/B
HISTORICAL	2014	94866	218018	130811	1144595	93.30	4.39	0.63	9013.5	7616	281.4	580.88	6754	9326.8	-2573	-2573
HISTORICAL	2015	73396	219478	131687	1152260	49.00	2.63	0.33	3825.7	3233	291.3	245.77	2696	0	2696	2567
HISTORICAL	2016	46726	201908	121145	1060017	43.00	2.52	0.29	2304.8	1948	229.1	145.68	1573	0	1573	1427
FORECAST	2017	34990	164618	98771	864246	46.07	2.70	0.31	1884.7	1593	141.7	118.30	1333	0	1333	1151
FORECAST	2018	28774	137155	82293	720063	49.37	2.89	0.33	1665.7	1408	127.2	104.15	1176	0	1176	968
FORECAST	2019	24458	116582	69949	612054	52.90	3.10	0.36	1517.1	1282	117.1	94.58	1070	0	1070	839
FORECAST	2020	21328	99094	59457	520246	56.68	3.32	0.38	1409.2	1191	109.8	87.72	993	0	993	741
FORECAST	2021	19195	86842	52105	455921	60.73	3.56	0.41	1350.8	1141	104.8	84.00	953	0	953	677
FORECAST	2022	17275	79026	47416	414888	65.08	3.81	0.44	1305.9	1103	100.3	80.96	922	0	922	624
FORECAST	2023	15548	71914	43148	377548	69.73	4.09	0.47	1262.5	1067	96.3	78.05	892	0	892	575
FORECAST	2024	13993	65442	39265	343569	74.71	4.38	0.50	1220.5	1031	92.7	75.25	863	0	863	530
FORECAST	2025	12594	59552	35731	312648	80.06	4.51	0.54	1174.7	993	89.4	72.55	831	0	831	486
REMAINDER		108005	563062	337837	2956073				11886	10044	1992	730	7322	0	7322	3015
<b>TOTAL</b>		<b>511147</b>	<b>2082691</b>	<b>1249614</b>	<b>10934126</b>				<b>39821</b>	<b>33649</b>	<b>3773</b>	<b>2498</b>	<b>27378</b>	<b>9327</b>	<b>18051</b>	<b>11027</b>

## DISTRICT I

1625 N. French Dr., Hobbs, NM 88240  
Phone (505) 393-6101 Fax (505) 393-0750

## DISTRICT II

911 S. First St., Artesia, NM 88210  
Phone (505) 745-1003 Fax (505) 745-0720

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 834-6178 Fax (505) 894-0170

## DISTRICT IV

1225 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 478-3400 Fax (505) 478-3402State of New Mexico  
Energy, Minerals and Natural Resources DepartmentForm C-102  
Revised August 1, 2011Submit one copy to appropriate  
District Office

## OIL CONSERVATION DIVISION

1225 South St. Francis Dr.  
Santa Fe, New Mexico 87505

## WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT  
As Amended

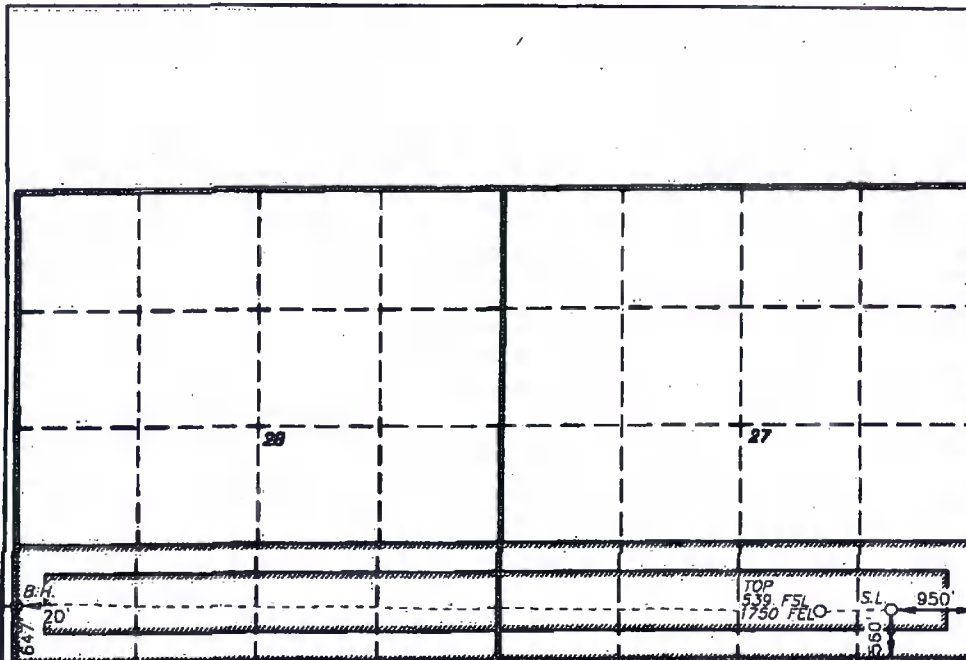
API Number <b>30-015-42112</b>	Pool Code <b>96620</b>	Pool Name <b>CORRAL CANYON, DELAWARE, S.</b>
Property Code <b>306402</b>	Property Name <b>POKER LAKE UNIT</b>	Well Number <b>457H</b>
GRID No. <b>260737</b>	Operator Name <b>BOPCO, L.P.</b>	Elevation <b>3272</b>

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/NORTH LINE	FEET from the	East/EAST LINE	County
<b>P</b>	<b>27</b>	<b>25 S</b>	<b>30 E</b>		<b>560</b>	<b>SOUTH</b>	<b>950</b>	<b>EAST</b>	<b>EDDY</b>

## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/NORTH LINE	FEET from the	East/EAST LINE	County
<b>M</b>	<b>28</b>	<b>25 S</b>	<b>30 E</b>		<b>660</b>	<b>SOUTH</b>	<b>10</b>	<b>WEST</b>	<b>EDDY</b>
Dedicated Acres <b>320</b>	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

**BOTTOM HOLE LOCATION**  
Lat - N 32°05'43.50"  
Long - W 103°53'39.23"  
NMSPC- N 398712.5  
E 635979.3  
(NAD-27)

**SURFACE LOCATION**  
Lat - N 32°05'42.93"  
Long - W 103°51'46.93"  
NMSPC- N 398697.0  
E 645639.7  
(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.

Signature: *Tracie J Cherry* Date: **06/20/14**

Printed Name

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.

SEP 22 2013

Date Surveyed

Signature of Professional Surveyor

Certificate No. **7977**  
Surveyor's Name **Tracie J Cherry**

0' 1000' 2000' 3500' 4000'  
SCALE: 1" = 2000'  
WO Num.: 29944

## 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. NMNM05039A	
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 457H	
3a. Phone No. (include area code) Ph: 432-221-7379		9. API Well No. 30-015-42112-00-S1	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface SESE 560FSL 950FEL 32.054293 N Lat. 103.514693 W Lon. At top prod interval reported below Sec 27 T25S R30E Mer NMP At total depth Sec 28 T25S R30E Mer NMP SWSW 647FSL 20FWL		10. Field and Pool, or Exploratory POKER LAKE DELAWARE	
14. Date Spudded 03/07/2014		11. Sec., T., R., M., or Block and Survey or Area Sec 27 T25S R30E Mer NMP	
15. Date T.D. Reached 04/06/2014		12. County or Parish EDDY	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 06/03/2014		13. State NM	
17. Elevations (DF, KB, RT, GL)* 3272 GL			
18. Total Depth: MD 17019 TVD 7367		20. Depth Bridge Plug Set: MD TVD	
19. Plug Back T.D.: MD TVD		21. Type Electric & Other Mechanical Logs Run (Submit copy of each) RCBL	
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 J-55	54.5	0	987		1150		0	
12.250	9.625 N-80	40.0	0	3879		1300		0	
8.750	7.000 HCP-110	26.0	0	7915	4997	640		2685	
6.125	4.500 HCP-110	11.6	7787	17004					

## 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	7450							

## 25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BRUSHY CANYON	7450	17019	8153 TO 16951			OH COMPLETION SYSTEM
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
8153 TO 16951	FRAC DOWN CSG USING TOTAL 49874 BBLs FLUID, 2844368# 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
06/05/2014	06/15/2014	24	→	592.0	1006.0	2032.0	41.9		
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→	592	1006	2032	1699	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 #251218 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

RECLAMATION  
DUE 12-3-14RECEIVED  
JUL 14 2014



## 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	973	1300	ANHYDRITE	RUSTLER	973
SALADO	1300	3811	SALT	SALADO	1300
BELL CANYON	3910	4817	SANDSTONE	BASE OF SALT	3806
CHERRY CANYON	4817	6040	SANDSTONE	LAMAR	3888
BRUSHY CANYON	6040		SANDSTONE (BOTTOM NOT LOGGED)	BELL CANYON	3910
				CHERRY CANYON	4817
				BRUSHY CANYON	6040

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

This is a revised and resubmitted form. Original submitted 06/20/2014, EC250323

No open hole or mud logs run on this well.

\*\*\*\*\*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 #251218 Verified by the BLM Well Information System.  
For BOPCO LP, sent to the Carlsbad  
Committed to AFMSS for processing by DUNCAN WHITLOCK on 07/01/2014 (14DW0128SE)

Name (please print) TRACIE J CHERRY

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 06/30/2014

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 \*\* REVISED \*\***