

30-015-42574



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 456H  
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 456H**  
**API 3001542574**  
**25S 30E Sec 22**  
**Eddy County, New Mexico**

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake 456H was drilled in 2014 as a horizontal producer to a measured depth of 14,181' in the Delaware formation. Since mid-year 2016, the well has been producing from an interval from 7931-14181'. By mid-year 2017 the well has produced 81 kBO, and as of August 6, 2017 it was testing 555 bopd, 1393 kcf/d, and 2778 bwpd on submersible pump. This well is expected to recover approximately 842 kBOE from the current completion. The 456H cost \$5.306M 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 456H is already close to achieving payout 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**

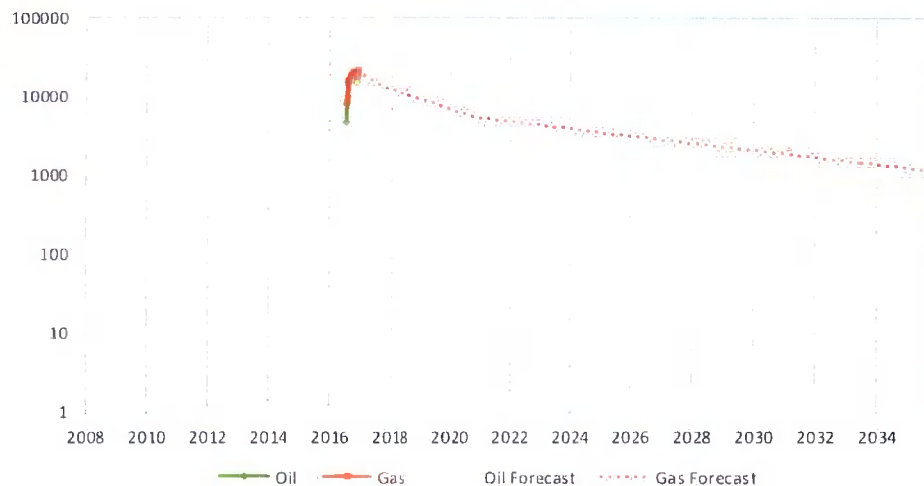
Well Name                      Poker Lake 456H  
API Number                    3001542574  
Formation                     Delaware  
Actual CAPEX, K\$            5306.4  
First Production Date       9/1/2016  
First Forecast Date          1/1/2017  
Cum Oil to Date (kbo)       81.268  
Cum Wet Gas to Date (McF)   100.51  
Water to Date (kbw)        567.106  
Assumed Shrink              0.6  
NGL Yield Assumed          125  
WTI Price %                  0.9  
H Hub Price %                0.82  
NGL Price %                  0.8  
Tax Gas                        8.19  
Tax Oil                          7.09  
W1 %                            100  
NRI %                            84.5  
O/PX/mo Yr 1-3              10000  
O/PX/mo Yr 4+               5000  
O/PX/water (\$/bbl)          0.75  
CAPEX, K\$                    5306.4

**COMMERCIAL**

TOTAL NCF 0% DISCOUNT      21789 K\$  
TOTAL NCF 5% DISCOUNT      13176 K\$

EUR Oil            647493 bo  
EUR Gas           1166712 kcf

**Poker Lake 456H**



**ECONOMICS MODULE**

	Date	Oil Volume BO	Wet Gas Volume kcf	Dry Gas Volume kcf	NGL Volume, gals gal	Oil Price \$/BO	Gas Price \$/kcf	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	2016	49646	61893	37136	324938	43.00	2.52	0.25	2063.8	1744	349.8	134.93	1259	5306.4	-4047	-4047
FORECAST	2017	118649	201557	120934	1058176	46.07	2.70	0.27	5417.1	4577	741.0	351.55	3485	0	3485	3319
FORECAST	2018	67760	132976	79786	698126	49.37	2.89	0.29	3362.1	2841	474.6	217.08	2149	0	2149	1949
FORECAST	2019	47432	99732	59839	523594	52.90	3.10	0.31	2540.6	2147	308.2	163.47	1675	0	1675	1447
FORECAST	2020	37077	74799	44880	392696	56.68	3.32	0.33	2118.4	1790	254.0	136.29	1400	0	1400	1152
FORECAST	2021	33370	60808	36485	319244	60.73	3.56	0.36	2021.7	1708	234.6	130.32	1343	0	1343	1053
FORECAST	2022	30033	54727	32836	287319	65.08	3.81	0.38	1949.6	1647	217.2	125.54	1305	0	1305	974
FORECAST	2023	27029	49255	29553	258587	69.73	4.09	0.41	1880.1	1589	201.5	120.94	1266	0	1266	900
FORECAST	2024	24326	44329	26598	232729	74.71	4.38	0.44	1813.1	1532	187.3	116.52	1228	0	1228	831
FORECAST	2025	21894	39896	23938	209456	80.06	4.51	0.47	1744.9	1474	174.6	112.27	1188	0	1188	766
REMAINDER		190278	346738	208043	1820373				17566	14843	2916	1131	10797	0	10797	4834
<b>TOTAL</b>		<b>647493</b>	<b>1166712</b>	<b>700027</b>	<b>6125238</b>				<b>42477</b>	<b>35893</b>	<b>6059</b>	<b>2739</b>	<b>27095</b>	<b>5306</b>	<b>21789</b>	<b>13176</b>

# NM OIL CONSERVATION ARTESIA DISTRICT

SEP 08 2016

**DISTRICT I**  
16100 N. French Dr., Hobbs, NM 88240  
Phone (505) 333-6161 Fax (505) 333-0722

**DISTRICT II**  
811 S. First St., Artesia, NM 88210  
Phone (505) 745-1255 Fax (505) 745-0722

**DISTRICT III**  
1090 Rio Brazos Rd., Artesia, NM 87410  
Phone (505) 334-6170 Fax (505) 334-6170

**DISTRICT IV**  
1225 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 478-5455 Fax (505) 478-5452

State of New Mexico  
Energy, Minerals and Natural Resources Department

**RECEIVED**  
**OIL CONSERVATION DIVISION**  
1225 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

## WELL LOCATION AND ACREAGE DEDICATION PLAT

**AMENDED REPORT**  
**"As Drilled"**

API Number 30-015-42574		Pool Code 96047	Pool Name Poker Lake; Delaware, SW
Property Code 306402	Property Name POKER LAKE UNIT		Well Number 456H
OGRIID No. 260737	Operator Name BOPCO, L.P.		Elevation 3300

### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/EAST LINE	County
J	22	25 S	30 E		1930	SOUTH	1670	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/EAST LINE	County
I	23	25 S	30 E		1935	SOUTH	150	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
200			

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

N: 408739.7 E: 641238.6 (NAD-27)

N: 408771.9 E: 643899.9 (NAD-27)

N: 408810.9 E: 646560.7 (NAD-27)

N: 408817.9 E: 649226.8 (NAD-27)

N: 408825.0 E: 651892.8 (NAD-27)

N: 403415.5 E: 641279.2 (NAD-27)

N: 403481.4 E: 646582.4 (NAD-27)

N: 403500.0 E: 651899.1 (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 released 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: \_\_\_\_\_

Printed Name: Tracie J Cherry

Email Address: tjcherry@basspet.com

**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.

FEBRUARY 11 2014

Date Surveyed: \_\_\_\_\_

Signature of Professional Surveyor: *[Signature]*

Certified Surveyor: *[Signature]* 7977

Scale: 1" = 2000'

WO Num.: 30052

**SURFACE LOCATION**

Lat - N 32°06'49.21"

Long - W 103°51'55.13"

NMSPCE- N 405390.9

E 644904.7

(NAD-27)

**TOP PERE**

Lat - N 32°06'49.09"

Long - W 103°51'45.94"

NMSPCE- N 405381.2

E 645695.0

(NAD-27)

**PROPOSED BOTTOM HOLE LOCATION**

Lat - N 32°06'49.34"

Long - W 103°50'35.58"

NMSPCE- N 405434.4

E 651746.6

(NAD-27)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOC CONSERVATION  
NM Oil Conservation  
N.M. DISTRICT  
OCT 31 2016

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other

1b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.  
Other: \_\_\_\_\_

2. Name of Operator  
BOPCO LP Contact: TRACIE J CHERRY  
E-Mail: tjcherry@basspet.com

3. Address P O BOX 2760  
MIDLAND, TX 79702 3a. Phone No. (include area code)  
Ph: 432-683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
Sec 22 T25S R30E Mer NMP  
At surface NWSE 1930FSL 1670FEL  
At top prod interval reported below NESE 1910FSL 880FEL  
Sec 23 T25S R30E Mer NMP  
At total depth NESE 1935FSL 150FEL

5. Lease Serial No.  
NMLC063873

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.  
NMNM71016X

8. Lease Name and Well No.  
POKER LAKE UNIT 456H

9. API Well No.  
30-015-42574

10. Field and Pool, or Exploratory  
POKER LAKE; DELAWARE, SW

11. Sec., T., R., M., or Block and Survey  
or Area Sec 22 T25S R30E Mer NMP

12. County or Parish  
EDDY 13. State  
NM

14. Date Spudded  
11/13/2014 15. Date T.D. Reached  
12/03/2014 16. Date Completed  
☐ D & A ☒ Ready to Prod.  
07/22/2016

17. Elevations (DF, KB, RT, GL)\*  
3300 GL

18. Total Depth: MD  
TVD 14181  
7794 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)  
RCBL 22. Was well cored? ☒ No ☐ Yes (Submit analysis)  
Was DST run? ☒ No ☐ Yes (Submit analysis)  
Directional Survey? ☐ No ☒ 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	54.0		1337		1000	297		
12.250	9.625 J55	40.0		3877		1250	398		
8.750	7.000 P110	26.0		7931	4299	700	242	2368	
6.125	4.500 HCP110	11.6	7838	14170					

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	7019							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BRUSHY CANYON	6032		8106 TO 14181			OH COMPLETION SYSTEM
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
8106 TO 14181	FRAC DOWN CSG USING TOTAL 55804 BBLs FLUID, 2851437# PROPANT

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
08/26/2016	08/30/2016	24	→	56.0	165.0	2910.0			ELECTRIC DRUMS SURFACE
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→				2946	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 #349813 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

Reclamation due: 02/26/2017



**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	Thg. Press. Flow. 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	Thg. Press. Flow. 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
BELL CANYON CHERRY CANYON BRUSHY CANYON	3960 4868 6032	4868 6032	SANDSTONE SANDSTONE SANDSTONE	RUSTLER SALADO/T. SALT B. SALT LAMAR BELL CANYON CHERRY CANYON L. CHERRY CANYON BRUSHY CANYON	1073 1545 3715 3921 3960 4868 5974 6032

**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 #349813 Verified by the BLM Well Information System.  
For BOPCO LP, sent to the Carlsbad

Name (please print) TRACIE J CHERRY

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 09/01/2016

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.

**\*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\***