

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

September 29, 2017

RECEIVED OGD

2017 OCT 10 P 2:51

**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

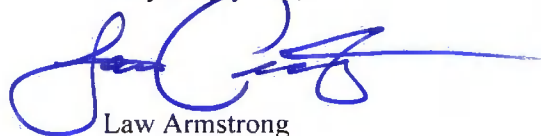
Re: Commercial Determination  
 Poker Lake Unit 348H  
 Wolfcamp Formation  
 Eddy County, New Mexico

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 Non-Commercial well in the Wolfcamp 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 348H**  
**API 3001538669**  
**25S 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 348H was originally drilled to be a vertical SWD well in 2013 but was subsequently abandoned due to mechanical issues, and sidetracked into a horizontal Wolfcamp producer. It was sidetracked to a total measured depth of 20217'. It was only partially completed from 19057' to 20198' due to casing integrity issues. By mid-year 2017 the well has produced 18 kBO and is currently shut-in waiting on repairs. This well is expected to recover approximately 93 kBOE from the current completion. The 348H cost \$11.23M 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 348H is expected to have a negative lifetime cashflow of approximately \$9.0M. **It is non-commercial.**

Trent Boneau  
Reservoir Engineering Advisor  
Delaware Basin Subsurface Team

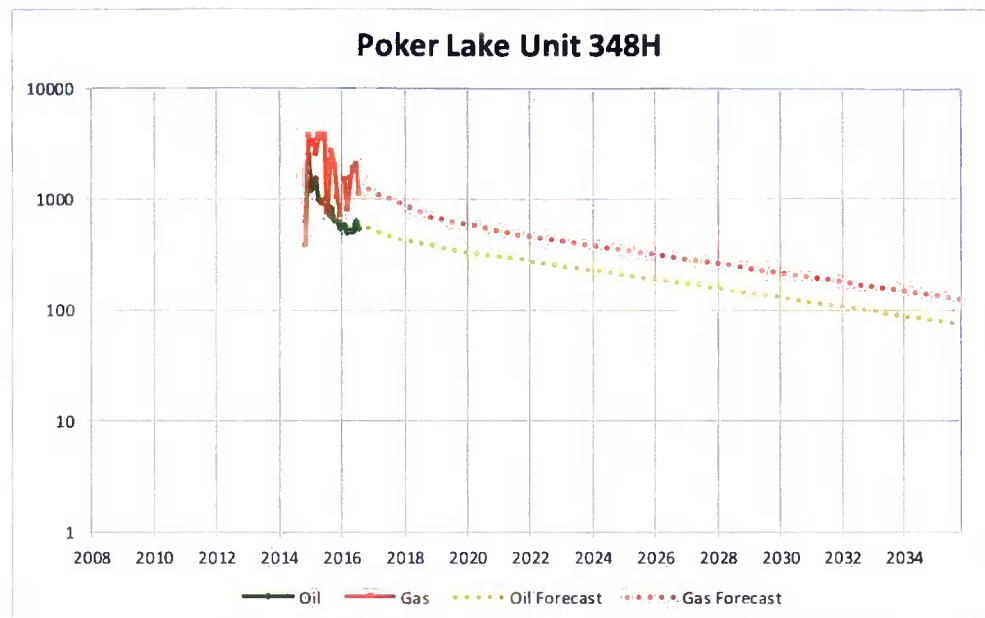
Well Name	Poker Lake Unit 348H
API Number	3001538669
Formation	Wolfcamp
Actual CAPEX, \$k	11228.6
First Production Date	1/1/2015
First Forecast Date	1/1/2017
Cum Oil to Date (kbo)	18
Cum Wet Gas to Date (Mcf)	42
Water to Date (kbw)	42
Assumed Shrink	0.6
NGL Yield Assumed	125
WTI Price %	0.9
HHub Price %	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 (\$/bbl)	0.75
CAPEX, \$k	11228.6

## NON-COMMERCIAL

TOTAL NCF 0% DISCOUNT -9,340 K\$  
TOTAL NCF 5% DISCOUNT -9,776 K\$

EUR Oil 70694 bo  
EUR Wet Gas 136020 kcf  
EUR BOE 93,364

### ECONOMICS MODULE



	Date	Oil Volume	Wet Gas Volume	Dry Gas Volume	NGL Volume,	Oil Price	Gas Price	NGL Price	Total Gross Revenue	Net Revenue	Total Opco	Local Taxes	Net Oper Income	Total Capital	BTax CFlow	Discounted Cash Flow 5%
		BO	kcf	kcf	gal	\$ BO	\$ kcf	\$ gal	MS	MS	MS	MS	MS	MS	MS	MS
HISTORICAL	2015	13111	31532	18919	165543	49.00	2.63	0.31	659.9	577	33.6	44.14	500	11228.6	-10729	-10729
HISTORICAL	2016	4429	10608	6365	55692	43.00	2.52	0.27	196.6	172	128.0	13.12	31	0	31	29
FORECAST	2017	5838	12770	7662	67042	46.07	2.70	0.29	274.6	240	130.5	18.34	91	0	91	83
FORECAST	2018	4905	9577	5746	50282	49.37	2.89	0.31	244.1	214	68.8	16.33	128	0	128	111
FORECAST	2019	4299	7708	4625	40467	52.90	3.10	0.33	227.2	199	67.7	15.22	116	0	116	95
FORECAST	2020	3873	6783	4070	35611	56.68	3.32	0.36	218.8	191	67.0	14.65	110	0	110	86
FORECAST	2021	3524	5969	3581	31337	60.73	3.56	0.38	212.7	186	66.3	14.23	106	0	106	79
FORECAST	2022	3207	5332	3199	27995	65.08	3.81	0.41	207.0	181	65.8	13.85	102	0	102	72
FORECAST	2023	2918	4853	2912	25476	69.73	4.09	0.44	201.8	177	65.3	13.49	98	0	98	66
FORECAST	2024	2656	4416	2649	23183	74.71	4.38	0.47	196.8	172	64.8	13.14	94	0	94	61
FORECAST	2025	2417	4018	2411	21096	80.06	4.51	0.50	191.5	168	64.4	12.80	90	0	90	56
FORECAST	2026	2199	3657	2194	19198	81.58	4.61	0.51	177.6	155	64.0	11.87	80	0	80	47
FORECAST	2027	2001	3328	1997	17470	83.13	4.71	0.52	164.8	144	63.6	11.01	70	0	70	39
FORECAST	2028	1821	3028	1817	15898	84.71	4.81	0.53	152.8	134	63.3	10.20	60	0	60	32
FORECAST	2029	1657	2756	1653	14467	86.32	4.92	0.54	141.7	124	63.0	9.46	52	0	52	26
FORECAST	2030	1508	2508	1505	13165	88.00	5.00	0.55	131.4	115	62.7	8.77	44	0	44	21
FORECAST	2031	1372	2282	1369	11980	89.58	5.02	0.56	121.7	106	62.5	8.13	36	0	36	16
FORECAST	2032	1249	2077	1246	10902	91.20	5.04	0.57	112.7	99	62.2	7.53	29	0	29	13
FORECAST	2033	1136	1890	1134	9921	92.84	5.05	0.58	104.3	91	62.0	6.97	22	0	22	9
REMAINDER		6573	10930	6558	57384				642	562	552	43	-33	0	31	12
<b>TOTAL</b>		<b>70694</b>	<b>136020</b>	<b>81612</b>	<b>714106</b>				<b>4581</b>	<b>4008</b>	<b>1877</b>	<b>306</b>	<b>1824</b>	<b>11229</b>	<b>-9340</b>	<b>-9776</b>

DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240  
Phone (505) 333-8161 Fax (505) 333-0720

DISTRICT II  
811 S. First St., Artesia, NM 88210  
Phone (505) 748-1253 Fax (505) 334-8170

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-6178 Fax (505) 334-8170

DISTRICT IV  
1820 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 478-3460 Fax (505) 478-3460

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT  
Revised acreage

API Number 30-015-38669	Pool Code: 98122	Well Name WC-015 G-08 S2530030 Wolfcamp
Property Code 306402	POKER LAKE UNIT	
ODRID No. 260737	Operator Name BOPCO, L.P.	Well Number 348H
		Elevation 3321'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	3	25 S	30 E		814	SOUTH	1630	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
N	1	25 S	30 E		660	SOUTH	2336	WEST	EDDY

Dedicated Acres 1280	Joint or Infill 320	Consolidation Code	Order No.
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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><b>SURFACE LOCATION</b> Lot - N 32°09'15.40" Long - W 103°51'54.03" NMSPC - N 420264.309 E 644935.227 (NAD-27)</p>	<p><b>BOTTOM HOLE LOCATION</b> Lot - N 32°09'14.69" Long - W 103°50'05.65" NMSPC - N 420133.2 E 654253.0 (NAD-27)</p>	<p><b>OPERATOR CERTIFICATION</b> 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>Signature: <i>Tracie J Cherry</i> Date: 02/19/15</p> <p>Tracie J Cherry Printed Name tjcherry@basspet.com Email Address</p>
<p><b>SURVEYOR CERTIFICATION</b> 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>ALL RIGHTS RESERVED</p> <p>Date Surveyed: _____ Signature of Professional Surveyor: _____</p> <p>Certificate Number: 7977 Babin Surveyors</p> <p>0' 1500' 3000' 4500' 6000' SCALE: 1" = 3000' WO Num.: 25011</p>		



**NM OIL CONSERVATION**  
ARTESIA DISTRICT

Form 3160-4  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JUN 05 2015  
Artesia

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

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

**RECEIVED**

5. Lease Serial No.  
NMLC061616A

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 348H

9. API Well No.  
30-015-38669

10. Field and Pool, or Exploratory  
CORRAL CANYON; WOLFCAMP

11. Sec., T., R., M., or Block and Survey  
or Area Sec 3 T25S R30E Mer NMP

12. County or Parish  
EDDY

13. State  
NM

17. Elevations (DF, KB, RT, GL)\*  
3321 GL

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

2. Name of Operator  
BOPCO LP

Contact: TRACIE 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)\*

At surface Sec 3 T25S R30E Mer NMP  
SWSE 8145FSL 1630FEL  
At top prod interval reported below Sec 3 T25S R30E Mer NMP  
SWSE 697FSL 1366FEL  
At total depth Sec 1 T25S R30E Mer NMP  
SESW 660FSL 2336FWL

14. Date Spudded  
12/22/2012

15. Date T.D. Reached  
10/15/2014

16. Date Completed  
☐ D & A ☒ Ready to Prod.  
01/23/2015

18. Total Depth: MD  
TVD 20260  
11685

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)  
HRLA/MICRO CFL/HNGS,CAL, CNL,HOSTILE GR, RCBL/GR

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
18.125	16.000 J55	84.0		1354		650	197	0	
14.750	13.375 HCN80	68.0		3953		1315	425	0	
8.500	7.000 HCP110	25.0		11655		415	124	5600	
12.250	9.625 HCP110	53.5		11689	5505	2510	844		
6.125	4.500 HCP110	13.5	11605	20214		950	208	11605	

**24. Tubing Record**

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

**25. Producing Intervals**

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WOLFCAMP	11196	20260	19057 TO 20198	0.420	120	OPEN
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
10468 TO 10464	CMT SQZ 9-5/8" CASING W/1050 SX CMT
8855 TO 8866	MILL WINDOW IN 9-5/8" CSG
19057 TO 20198	FRAC USING TOTAL 38,649 BBLs FLUID, 929,240# PROPANT
8907 TO 8741	CMT SQZ HOLE IN 7" CSG W/400 SX CMT

**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 MCF
01/23/2015	02/12/2015	24	→	94.0	90.0	246.0	49.8	0.73	
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
	500		→				957	POW	

**ACCEPTED FOR RECORD**

FLOWS FROM WELL

JUN 18 2015

D. Ham

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

**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 MCF
			→						
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 #291726 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

## 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. Hwg. 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. Hwg. 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	3980	4843	SANDSTONE	RUSTLER	962
CHERRY CANYON	4843	6110	SANDSTONE	SALADO/T. SALT	1230
BRUSHY CANYON	6110	7737	SANDSTONE	B. SALT	3738
UPPER AVALON	7951	8294	SHALE, SLTSTN	BELL CANYON	3980
1ST BONE SPRING SND	9435	9142	SANDSTONE, VARYING SLTSTN	CHERRY CANYON	4843
2ND BONE SPRING SND	9435	9670	SANDSTONE	BRUSHY CANYON	6110
3RD BONE SPRING SND	10630	11039	SANDSTONE	1ST BS SAND	8673
WOLFCAMP	11039		SHALE, SILSTN, SNDSTN, CARB	WOLFCAMP	11039

32. Additional remarks (include plugging procedure):  
\*\*\*CONFIDENTIAL COMPLETION\*\*\*

Well originally spud 12/22/12, drilled to 11,689', csg set. Well then plugged back to 8,900' and TA'd due to mechanical issues.

Well reentered 09/09/2014 and sidetracked by milling a window in 9-5/8" csg.

Currently flowing up 4-1/2" tieback string. Production tbq and ESP will be run when work

## 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 #291726 Verified by the BLM Well Information System.

For BOPCO LP, sent to the Carlsbad

Committed to AFMSS for processing by DEBORAH HAM on 06/11/2015 ()

Name(please print) TRACIE CHERRY

Title REGULATORY ANALYST

Signature \_\_\_\_\_ (Electronic Submission)

Date 02/13/2015

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 \*\***

**Additional data for transaction #291726 that would not fit on the form**

**32. Additional remarks, continued**

can be done safely.