

30 015 39392

**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 325H  
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 325H**  
**API 3001539392**  
**24S 30E Sec 22**  
**Eddy County, New Mexico**

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake Unit 325H was drilled in 2011 as a horizontal producer to a measured depth of 14441 in the Delaware formation. The well is producing from perforations from 8157'-14384'. By mid-year 2017 the well has produced 148 kBO, and as of Aug 27, 2017 it was testing 32 bopd, 242 kcf, and 403 bwpd on ESP. This well is expected to recover approximately 455 kBOE from the current completion. The 325H cost \$7.35M 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 325H is expected to have a lifetime undiscounted cashflow of approximately \$8.4M and bring > 10% rate of return. **It is commercial.**

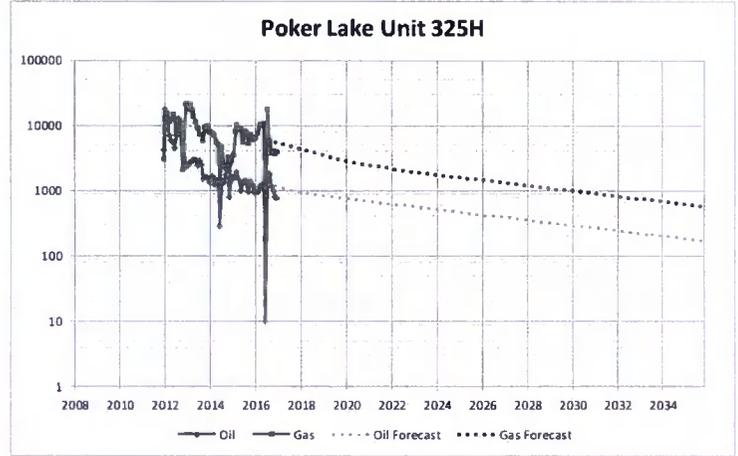
Trent Boneau  
Reservoir Engineering Advisor  
Delaware Basin Subsurface Team

Well Name: Poker Lake Unit 325H  
 API Number: 3001539392  
 Formation: Delaware  
 Actual CAPEX, \$K: 7352.459  
 First Production Date: 2/1/2012  
 First Forecast Date: 1/1/2017  
 Cum Oil to Date (kbo): 140.222  
 Cum Wet Gas to Date (McF): 338.665  
 Water to Date (kbw): 1075.919  
 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  
 WI %: 100  
 NRI %: 83.60937  
 OPX/mo Yr 1-3: 10000  
 OPX/mo Yr 4+: 5000  
 OPX/water (\$/bbl): 0.75  
 CAPEX, \$k: 7352.459

COMMERCIAL

TOTAL NCF 0% DISCOUNT: 8,372 KS  
 TOTAL NCF 5% DISCOUNT: 5,671 KS

EUR Oil: 297012 bo  
 EUR Wet Gas: 950692 kcf  
 EUR BOE: 455,460



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 Opcost	Local Taxes	Net Oper Income	Total Capital	BTax CFlow	Discounted Cash Flow
		BO	kcf	kcf	gals	\$/BO	\$/kcf	\$/gal	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
HISTORICAL	2012	95571	109544	65726	575106	94.10	2.75	0.73	8577.7	7172	570.0	561.67	6040	7352.459	-1312	-1312
HISTORICAL	2013	31570	147593	88556	774863	97.90	3.73	0.76	3522.9	2945	301.7	223.04	2421	0	2421	2305
HISTORICAL	2014	16742	64996	38998	341229	93.30	4.39	0.72	1743.6	1458	216.3	109.41	1132	0	1132	1027
HISTORICAL	2015	16519	78739	47243	413380	49.00	2.63	0.38	956.0	799	155.1	59.94	584	0	584	505
HISTORICAL	2016	12991	89325	53595	468956	43.00	2.52	0.33	738.5	617	134.8	45.39	437	0	437	360
FORECAST	2017	12802	60792	36475	319158	46.07	2.70	0.36	702.8	588	133.7	43.77	410	0	410	321
FORECAST	2018	10989	48634	29180	255326	49.37	2.89	0.38	635.6	531	123.2	39.59	369	0	369	275
FORECAST	2019	9683	38907	23344	204261	52.90	3.10	0.41	587.3	491	115.7	36.64	339	0	339	241
FORECAST	2020	8736	32470	19482	170470	56.68	3.32	0.44	558.6	467	110.3	34.89	322	0	322	218
FORECAST	2021	7950	28574	17144	150013	60.73	3.56	0.47	541.1	452	105.7	33.77	313	0	313	202
FORECAST	2022	7234	25145	15087	132012	65.08	3.81	0.50	524.1	438	101.6	32.70	304	0	304	187
FORECAST	2023	6583	22463	13478	117933	69.73	4.09	0.54	509.3	426	97.9	31.75	296	0	296	173
FORECAST	2024	5991	20442	12265	107319	74.71	4.38	0.58	496.6	415	94.5	30.91	290	0	290	161
FORECAST	2025	5452	18602	11161	97660	80.06	4.51	0.62	482.5	403	91.4	30.09	282	0	282	150
FORECAST	2026	4961	16928	10157	88871	81.58	4.61	0.63	447.6	374	88.5	27.89	258	0	258	130
FORECAST	2027	4514	15404	9243	80872	83.13	4.71	0.64	415.1	347	86.0	25.85	235	0	235	113
FORECAST	2028	4108	14018	8411	73594	84.71	4.81	0.66	385.0	322	83.6	23.96	214	0	214	98
FORECAST	2029	3738	12756	7654	66970	86.32	4.92	0.67	357.1	299	81.5	22.21	195	0	195	85
FORECAST	2030	3402	11608	6965	60943	88.00	5.00	0.68	331.2	277	79.6	20.60	177	0	177	73
REMAINDER		27475	93752	56251	492200				2952	2469	1178	185	1106	0	1107	359
<b>TOTAL</b>		<b>297012</b>	<b>950692</b>	<b>570415</b>	<b>4991135</b>				<b>25465</b>	<b>21291</b>	<b>3949</b>	<b>1619</b>	<b>15724</b>	<b>7352</b>	<b>8372</b>	<b>5671</b>

DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240

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

DISTRICT III  
1000 Rio Brazos 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

Form C-102  
Revised July 18, 2010

Submit one copy to appropriate  
District Office

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Final Location Plat

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-015-39392</b>	Pool Code <b>96046</b>	Pool Name <b>Poker Lake, NW (Delaware)</b>
Property Code <b>306402</b>	Property Name <b>POKER LAKE UNIT</b>	Well Number <b>325H</b>
OGRID No. <b>260737</b>	Operator Name <b>BOPCO, L.P.</b>	Elevation <b>3361'</b>

Surface Location

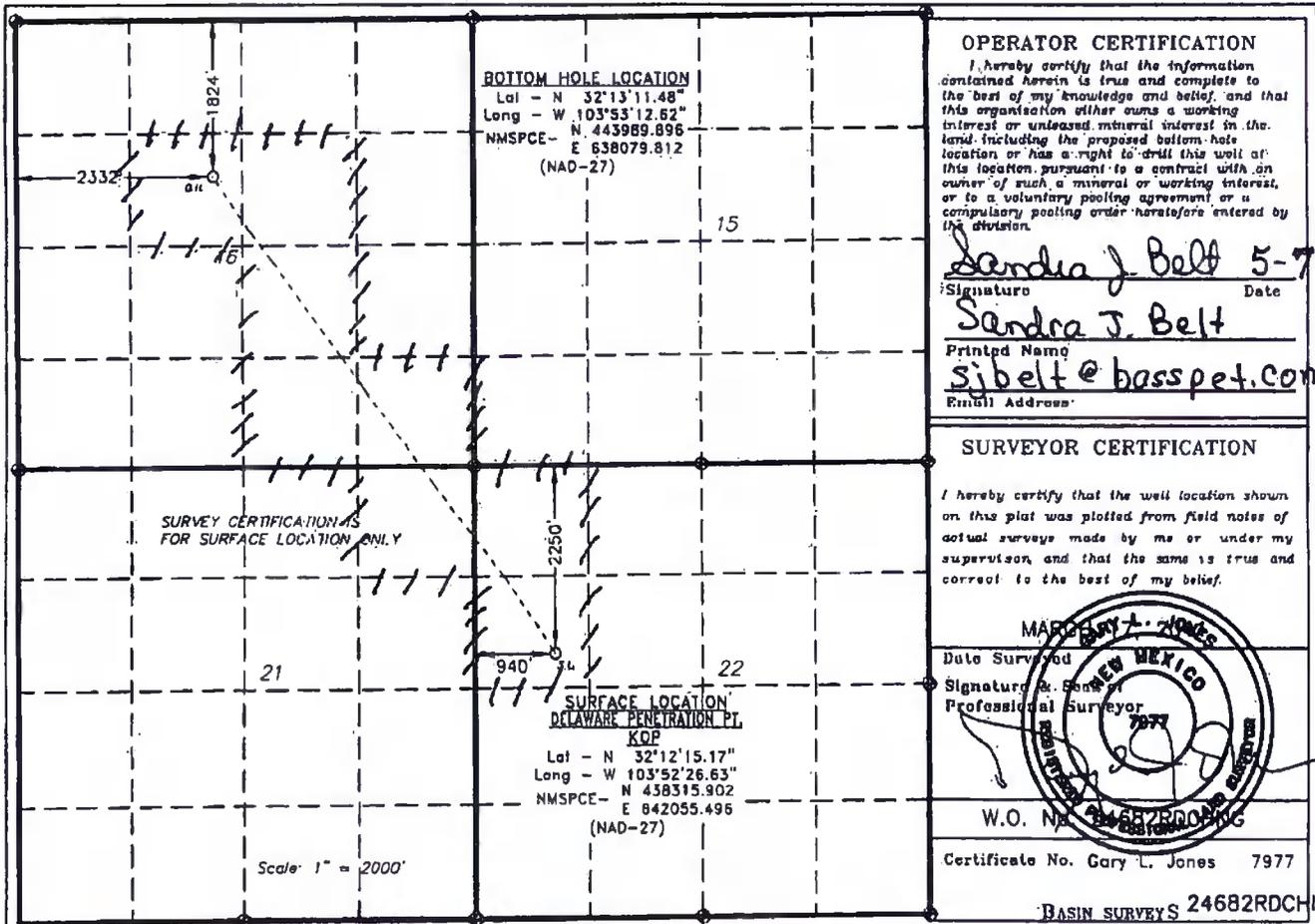
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>E</b>	<b>22</b>	<b>24 S</b>	<b>30 E</b>		<b>2250</b>	<b>NORTH</b>	<b>940</b>	<b>WEST</b>	<b>EDDY</b>

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
<b>GF</b>	<b>16</b>	<b>24 S</b>	<b>30 E</b>		<b>1824</b>	<b>NORTH</b>	<b>2332</b>	<b>WEST</b>	<b>EDDY</b>

Dedicated Acres <b>320</b>	Joint or Infill	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



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.

Sandra J. Belt 5-7-12  
Signature Date  
Sandra J. Belt  
Printed Name  
sjbelt@basspet.com  
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.

MAR 20 2012  
Date Surveyed  
Signature of Gary L. Jones  
Professional Surveyor 7977  
W.O. No. 24682RDC  
Certificate No. Gary L. Jones 7977

# OCD-ARTESIA

Form 3160-4  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RECEIVED**

**MAY 22 2012**

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

## WELL COMPLETION OR RECOMPLETION REPORT - ARTESIA

Lease Serial No.  
**NMLC068431**

1a. Type of Well:  Oil Well     Gas Well     Dry     Other  
 b. Type of Completion:  New Well     Work Over     Deepen     Plug Back     Diff. Resrv.,  
 Other: CORRECTED REPORT

2. Name of Operator: **BOPCO, L.P.**

3. Address: **P O Box 2760 Midland Tx 79702**    3a. Phone No. (include area code): **(432)683-2277**

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
 At surface: **SWNW; UL E; 2250 FNL 940' FWL; N 32.121517; 103.522663**

At top prod. interval reported below  
 At total depth: **SWSE; UL E; 1824' FNL 2332' FWL; 9:24S; 30E; N 32.131148 W 103.531262**

14. Date Spudded: **12/02/2011**    15. Date T.D. Reached: **01/14/2012**    16. Date Completed: **02/17/2012 \***  
 D & A     Ready to Prod.

18. Total Depth: MD **14,441**    19. Plug Back T.D.: MD **MD**  
 TVD **7,548**    TVD **TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
**PE/TDL/D/CN/GR; Caliper; PE/AIT/M-CFL/GR; SBGR/CCL; CNGR/CCL; GR DIRECTIONAL ROP**

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
17-1/2	13-3/8 H40	48.0	0	1,295		1,000 CC	298	Circulate	
12-1/4	9-5/8 J55	40.0	0	3,920		1,275 CC	378	Circulate	
8-3/4	7 N80	26.0	0	8,074		400 TL/Halc	179	2,905	
6-1/8	4-1/2 HCP	10 11.6	7,986	14,391					

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	7,120							

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Delaware	3900	6058	8,157 - 14,384	Frac	Ports	Producing
B)						
C)						
D)						

Depth Interval	Amount and Type of Material
8,157 - 14,384	119,433 gals 25# Linear Gel; 1,304,382 gals Viking 2500; 2,429,455 lbs. Ottawa 340855 lbs. SiberProp

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
2/22/12	3/1/12	24	→	667	520	1,824	39.3	0.8285	Wood Group TD 1750 pump
Choke Size	Tbg. Press. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
W/O	350	350	→	667	520	1,824	780	P.O.W.	

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. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

**ACCEPTED FOR RECORD**

**MAY 20 2012**

*[Signature]*

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

\* (See instructions and spaces for additional data on page 2)

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	Fbg. 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	Fbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status
			→					

29. Disposition of Gas (Solid, 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
Bell Canyon	3930	4776	Sandstone	Rustler	720
Cherry Canyon	4776	6013	Sandstone	Salado	1099
* Lo Cherry Canyon	6013	6058	Sandstone	Base/Salt	3687
Brushy Canyon	6058	N.R.	Sandstone	Lamar	3900
				Bell Canyon	3930
				Cherry Canyon	4776
				Lo Cherry Canyon	6013
				Brushy Canyon	6058

32. Additional remarks (include plugging procedure):  
 2-7/8" EUE 8rd 6.5 ppf L-80 tubing

RECEIVED  
 2012 MAY -9 PM 12:43  
 BUREAU OF LAND MGMT  
 CARLSBAD FIELD OFFICE

33. Indicate which items have been attached by placing a check in the appropriate boxes:

Electrical/Mechanical Logs (1 full set req'd.)     
  Geologic Report     
  DST Report     
  Directional Survey  
 Sundry Notice for plugging and cement verification     
  Core Analysis     
  Other.

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) Sandra J. Belt ext. 7379 Title Sr. Regulatory Clerk

Signature Sandra J. Belt Date 05/08/2012