

30-015-41039

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

RECEIVED OGD
2017 SEP -7 P 3: 19

September 6, 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 331H
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: September 5, 2017

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: POKER LAKE UNIT 331H**
API 3001541039
24S 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 331H was drilled in 2013 as a horizontal producer to a measured depth of 14,425' in the Delaware. The well is producing from perforations from 8043'-14332'. By mid-year 2017 the well has produced 159 kBO, and as of Sept 2, 2017 it was testing 43bopd, 435 kcf/d, and 781 bwpd on ESP. This well is expected to recover approximately 552 kBOE from the current completion. The 331H cost \$7.05M 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.

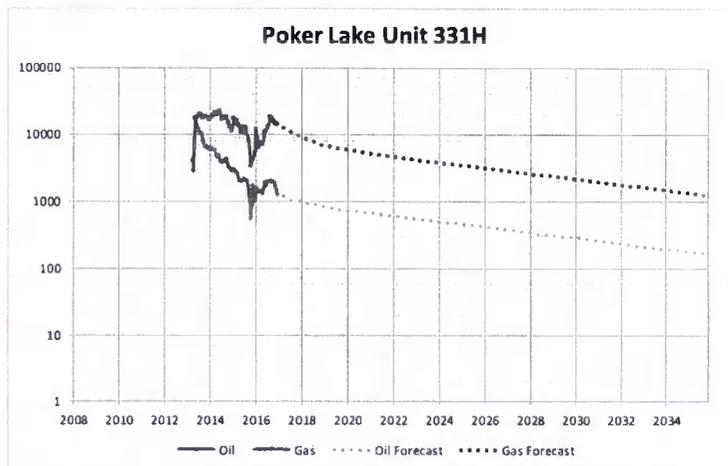
The Poker Lake 331H is expected to have a lifetime undiscounted cashflow of approximately \$11.1M and bring > 10% rate of return. **It is commercial.**

Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

Well Name **Poker Lake Unit 331H**
 API Number **3001541039**
 Formation **Delaware**
 Actual CAPEX, \$K **7053.171**
 First Production Date **6/1/2013**
 First Forecast Date **1/1/2017**
 Cum Oil to Date (kbo) **159**
 Cum Wet Gas to Date (McF) **541**
 Water to Date (kbw) **1099**
 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 (\$/bbt) **0.75**
 CAPEX, \$k **7053.171**

COMMERCIAL

TOTAL NCF 0% DISCOUNT **11,147 KS**
 TOTAL NCF 5% DISCOUNT **7,827 KS**
 EUR Oil **293391 bo**
 EUR Wet Gas **1551908 kcf**
 EUR BOE **552,043**



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 OpCost	Local Taxes	Net Oper Income	Total Capital	BTax C/Flow	Discounted Cash Flow
		BO	kcf	kcf	gal	\$/BO	\$/kcf	\$/gal	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
HISTORICAL	2013	69001	114491	68695	601078	97.90	3.73	0.71	6630.3	5802	417.4	449.52	4935	7053.171	-2119	-2119
HISTORICAL	2014	60133	219867	131920	1154302	93.30	4.39	0.67	6147.5	5379	431.5	404.14	4543	0	4543	4327
HISTORICAL	2015	27171	142927	85756	750367	49.00	2.63	0.35	1596.0	1396	260.7	104.13	1032	0	1032	936
HISTORICAL	2016	20284	126946	76168	666467	43.00	2.52	0.31	1108.2	970	165.1	71.45	733	0	733	633
FORECAST	2017	13928	143416	86049	752932	46.07	2.70	0.33	968.8	848	132.1	60.43	655	0	655	530
FORECAST	2018	11242	100391	60235	527052	49.37	2.89	0.36	793.0	694	118.2	49.65	526	0	526	412
FORECAST	2019	9581	77688	46613	407862	52.90	3.10	0.38	699.5	612	109.6	43.86	459	0	459	342
FORECAST	2020	8567	68365	41019	358918	56.68	3.32	0.41	666.5	583	104.4	41.66	437	0	437	311
FORECAST	2021	7796	60162	36097	315848	60.73	3.56	0.44	642.5	562	100.4	40.10	422	0	422	285
FORECAST	2022	7094	53745	32247	282163	65.08	3.81	0.47	622.6	545	96.7	38.78	409	0	409	264
FORECAST	2023	6456	48908	29345	256768	69.73	4.09	0.50	607.1	531	93.4	37.69	400	0	400	246
FORECAST	2024	5875	44506	26704	233659	74.71	4.38	0.54	591.9	518	90.4	36.63	391	0	391	229
FORECAST	2025	5346	40501	24301	212630	80.06	4.51	0.58	573.6	502	87.7	35.62	379	0	379	211
FORECAST	2026	4865	36856	22113	193493	81.58	4.61	0.59	532.1	466	85.2	33.80	347	0	347	184
FORECAST	2027	4427	33539	20123	176079	83.13	4.71	0.60	493.6	432	82.9	30.58	318	0	318	161
FORECAST	2028	4029	30520	18312	160232	84.71	4.81	0.61	458.0	401	80.9	28.34	292	0	292	140
FORECAST	2029	3666	27773	16664	145811	86.32	4.92	0.62	424.9	372	79.0	26.26	267	0	267	122
FORECAST	2030	3336	25274	15164	132688	88.00	5.00	0.64	394.0	345	77.3	24.34	243	0	243	106
FORECAST	2031	3036	22999	13800	120746	89.58	5.02	0.65	364.1	319	75.7	22.54	220	0	220	92
REMAINDER		17560	133034	79820	698426				2244	1963	631	140	1192	0	1192	406
TOTAL		293391	1551908	931145	8147518				26558	23238	3320	1719	18200	7053	11147	7827

RECEIVED

JUL 19 2013

DISTRICT I
1626 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. El Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

NMOC D ARTESIA

Form C-102
Revised July 16, 2010
Submit one copy to appropriate District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT
As Drilled

API Number 30-015-41039	Pool Code 47545	Pool Name Nash Draw; Del/BS (Avalon Snd)
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 331H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3448'

Surface Location

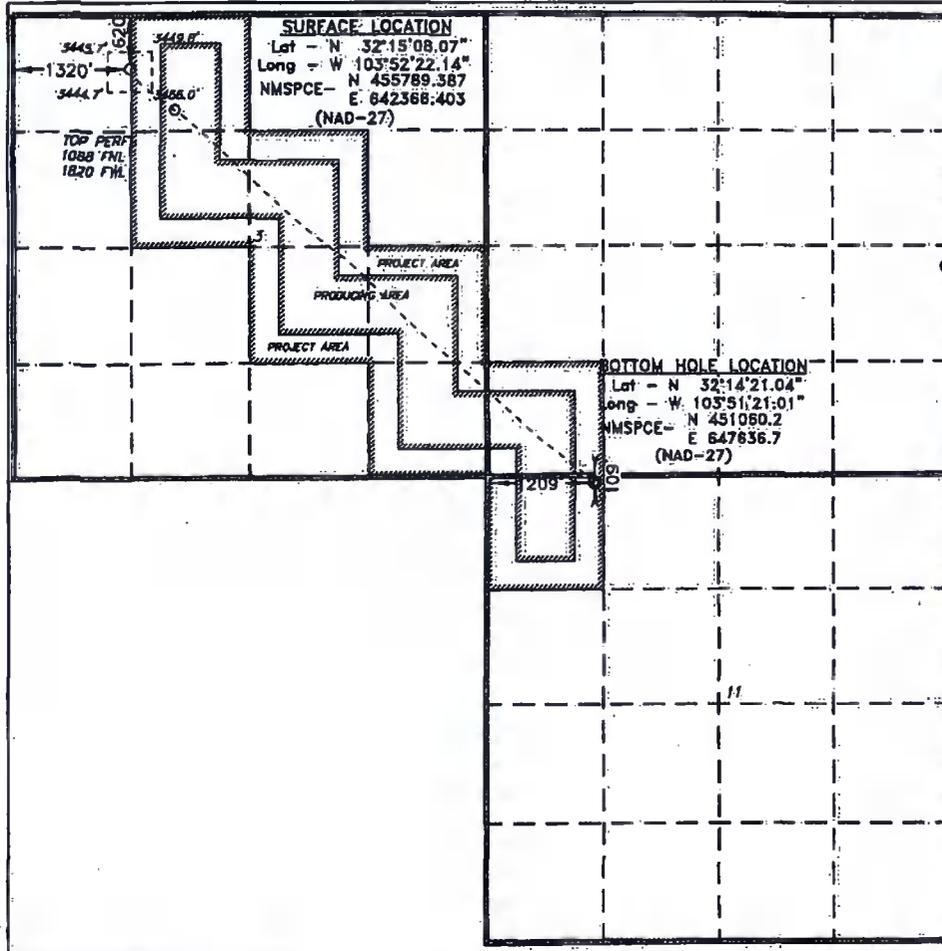
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	3	24 S	30 E		620	NORTH	1320	WEST	EDDY

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
D	11	24 S	30 E		109	NORTH	1209	WEST	EDDY

Dedicated Acres 320.49	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 undivided 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.

Tracie J Cherry 07-18-13
Signature Date

Tracie J Cherry
Printed Name
tjcherry@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.

Date Surveyed: 07-18-13
Signature: Gary L. Jones
Professional Surveyor

Certificate No. Gary L. Jones 7977
BASIN SURVEYS 26011

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.)
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
				RUSTLER	404
				SALADO	700
				BASE OF SALT	3800
				LAMAR	3918
				BELL CANYON	3985
				CHERRY CANYON	4878
				BRUSHY CANYON	6184

32. Additional remarks (include plugging procedure):
*****PLEASE HOLD INFORMATION 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 #214139 Verified by the BLM Well Information System.
For BOPCO LP, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 07/23/2013 (13KMS6806SE)

Name (please print) TRACIE J CHERRY Title REGULATORY ANALYST

Signature _____ (Electronic Submission) Date 07/18/2013

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 ****

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

5. Lease Serial No. NMLC068905

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No. 891000303X

8. Lease Name and Well No. POKER LAKE UNIT 331H

9. API Well No. 30-015-41039-00-S1

10. Field and Pool, or Exploratory NASH DRAW DEL/BS

11. Sec., T., R., M., or Block and Survey or Area Sec 3 T24S R30E Mer NMP

12. County or Parish EDDY 13. State NM

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

14. Date Spudded 04/09/2013 15. Date T.D. Reached 05/05/2013 16. Date Completed 06/23/2013
 D & A Ready to Prod.

18. Total Depth: MD 14425 TVD 7785 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 POROSITY RESISTIVITY 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 J-55	61.0	0	719		540		0	
12.250	9.625 J-55	40.0	0	3906		1210		0	
8.750	7.000 HCL-80	26.0	0	7964	4993	850		0	
6.125	4.500 HCP-110	11.6	7888	14425					

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	7016							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BRUSHY CANYON	6184	14425	8043 TO 14332			OPEN FRAC PORTS
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
8043 TO 14332	FRAC USING 45670 BBLs FLUID, 2263863# PROPANT ACROSS 21 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
06/25/2013	07/04/2013	24	→	576.0	567.0	1675.0	42.0		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	
	SI		→	576	567	1675	984	FLOW	

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
			→						JUL 27, 2013
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
	SI		→						

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #214139 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** BLM REVISED **

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

ACCEPTED FOR RECORD

RECEIVED

JUL 31 2013

NMOCD ARTESIA

RECLAMATION

DUE 12-23-13