

30 015 42667

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

RECEIVED OOD

2017 OCT 11 P 2:23

October 9, 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

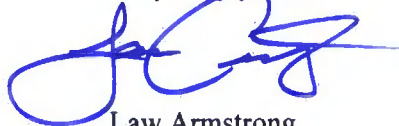
Re: Commercial Determination
Poker Lake Unit CVX JV BS No. 34H
Bone Spring Formation
Eddy County, New Mexico

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 Bone Spring 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: October 2, 2017

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: PLU CVX JV BS #034H**
API 3001542667
25S 31E Sec 20
Eddy County, New Mexico

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The PLU CVX JV BS #34H was drilled in 2014 as a horizontal producer to a measured depth of 17853' in the 2nd Bone Spring Sand. The well is producing from perforations from 10054'-17853'. By mid-year 2017 the well has produced 186 kBO and as of Oct 1, 2017 was testing 197 bopd, 480 kcfd, and 433 bwpd on gas lift. This well is expected to recover approximately 828 kBOE from the current completion. The 34H cost \$9.61M 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 PLU CVX JV BS #34H is expected to have a lifetime undiscounted cashflow of approximately \$16.9M and bring > 10% rate of return. **It is commercial.**

Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

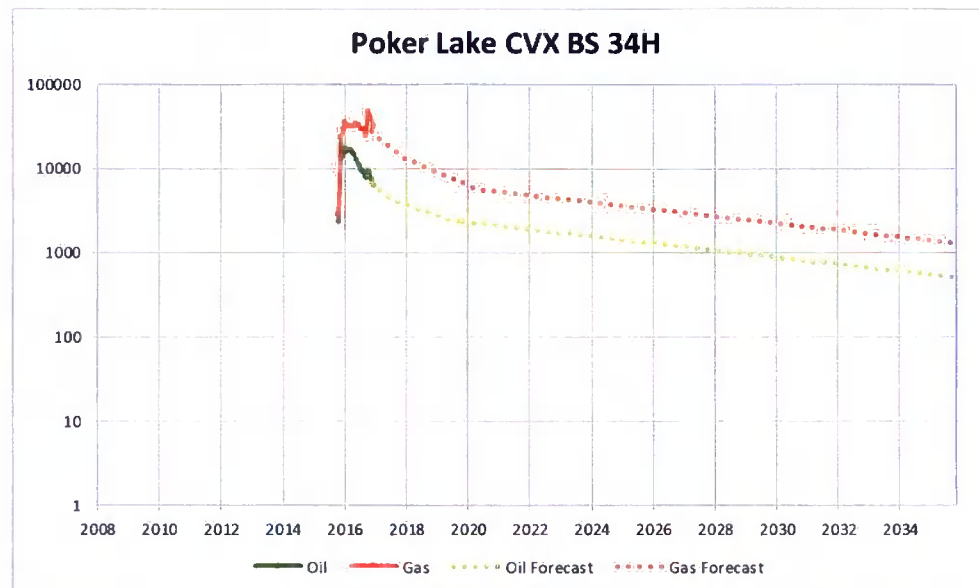
Well Name Poker Lake CVX BS 34H
API Number 3001542667
Formation Bone Spring
Actual CAPEX, \$K 9611.535
First Production Date 12/1/2015
First Forecast Date 1/1/2017
Cum Oil to Date (kbo) 169.691
Cum Wet Gas to Date (McF) 446.769
Water to Date (kbw) 333.835
Assumed Shrink 0.6
NGL Yield Assumed 125
WTI Price % 0.9
HHub Price % 0.82
NGL Price % 0.8
Tax Gas 8.19
Tax Oil 7.09
WT % 100
NRI % 85.79294
OPX/mo Yr 1-3 10000
OPX/mo Yr 4+ 5000
OPX/water (\$/bbl) 0.75
ECON CAPEX, \$K 9611.535

COMMERCIAL

TOTAL NCF 0% DISCOUNT 16,867 K\$
TOTAL NCF 5% DISCOUNT 8,305 K\$

EUR Oil 567881 bo
EUR Wet Gas 1563646 kecf
EUR BOE 828,488

ECONOMICS MODULE



	Date	Oil Volume <i>BO</i>	Wet Gas Volume <i>kecf</i>	Dry Gas Volume <i>kecf</i>	NGL Volume, gals <i>gal</i>	Oil Price <i>\$ BO</i>	Gas Price <i>\$ kecf</i>	NGL Price <i>\$ gal</i>	Total Gross Revenue <i>M\$</i>	Net Revenue <i>M\$</i>	Total OpCost <i>M\$</i>	Local Taxes <i>M\$</i>	Net Oper Income <i>M\$</i>	Total Capital <i>M\$</i>	BTax CFlow <i>M\$</i>	Discounted Cash Flow 5% <i>M\$</i>
HISTORICAL	2015	2305	2818	1691	14795	49.00	2.63	0.31	109.0	93	123.4	7.25	-37	9611.535	-9649	-9649
HISTORICAL	2016	153253	374306	224584	1965107	43.00	2.52	0.27	6820.9	5852	346.1	446.17	5060	0	5060	4819
FORECAST	2017	60466	240532	144319	1262791	46.07	2.70	0.29	3120.1	2677	209.2	200.07	2268	0	2268	2057
FORECAST	2018	40471	138294	82976	726041	49.37	2.89	0.31	2175.7	1867	119.7	140.05	1607	0	1607	1388
FORECAST	2019	30575	96805	58083	508229	52.90	3.10	0.33	1738.8	1492	105.1	112.03	1275	0	1275	1049
FORECAST	2020	26450	69459	41675	364660	56.68	3.32	0.36	1567.0	1344	99.0	101.52	1144	0	1144	896
FORECAST	2021	24070	60697	36418	318660	60.73	3.56	0.38	1519.5	1304	95.5	98.43	1110	0	1110	828
FORECAST	2022	21903	55234	33141	289980	65.08	3.81	0.41	1481.6	1271	92.3	95.84	1083	0	1083	770
FORECAST	2023	19932	50263	30158	263882	69.73	4.09	0.44	1444.7	1239	89.4	93.33	1057	0	1057	715
FORECAST	2024	18138	45740	27444	240133	74.71	4.38	0.47	1408.6	1209	86.8	90.89	1031	0	1031	664
FORECAST	2025	16506	41623	24974	218521	80.06	4.51	0.50	1369.8	1175	84.4	88.52	1002	0	1002	615
FORECAST	2026	15020	37877	22726	198854	81.58	4.61	0.51	1270.4	1090	82.2	82.06	926	0	926	541
REMAINDER		138792	349998	209999	1837490				13513	11593	1765	874	8955	0	8955	3612
TOTAL		567881	1563646	938188	8209141				37539	32206	3298	2430	26478	9612	16867	8305

DISTRICT I

1000 N. French Dr., NM 88240
Phone: (505) 333-6101 Fax: (505) 333-0720

DISTRICT II

811 S. First St., Artesia, NM 88210
Phone: (505) 718-1200 Fax: (505) 741-0700

DISTRICT III

1000 N. Brown, Aztec, NM 87410
Phone: (505) 334-6170 Fax: (505) 334-6170

DISTRICT IV

1220 N. N. Francis Dr., Santa Fe, NM 87506
Phone: (505) 170-3480 Fax: (505) 170-3480

NM OIL CONSERVATION
State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis
Santa Fe, New Mexico 87506

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 30-015-42667	Pool Code 97913	Pool Name WILDCAT G-06	S2530020 B.S.
Property Code 313213	Property Name POKER LAKE UNIT CVX JV BS		Well Number 034H
GRID No. 260737	Operator Name BOPCO, L.P.		Elevation 3377'

Surface Location

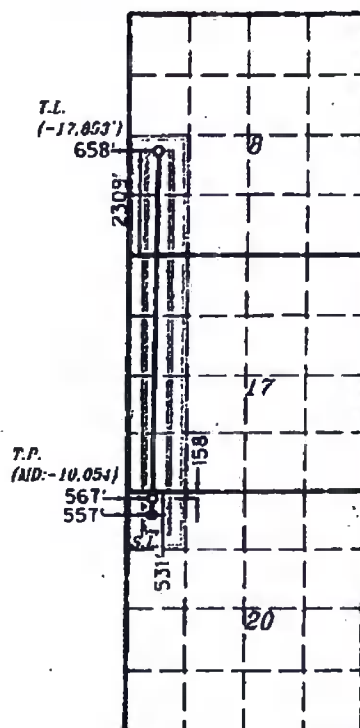
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	25 S	31 E		531	NORTH	557	WEST	EDDY

Bottom Hole 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
L	8	25 S	31 E		2309	SOUTH	658	WEST	EDDY

Dedicated Acre	Joint or Infill	Consolidation Code	Order No.
280			

**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**

**TERMINUS LOCATION**

Lat - N 32°08'38.32"
Long - W 103°48'21.75"
NAD83 - N 408723.4
E 663333.2
QUAD-27

TOP PERFORATION

Lat - N 32°07'21.36"
Long - W 103°48'21.00"
NAD83 - N 408723.4
E 663333.2
QUAD-27

SURFACE HOLE LOCATION

Lat - N 32°07'17.67"
Long - W 103°48'21.15"
NAD83 - N 408723.4
E 663333.2
QUAD-27

SCALE 1"=4000'

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 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

Printed Name
ljcherry@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 knowledge.

DATE **DECEMBER 12, 2013**

Date Surveyed

Signature of Professional Surveyor

Professional Surveyor

VASILEIOS KALOGIROU
CERTIFICATE No. 22501

01-03-2014
HALF ASSOCIATES, INC. 29711-R018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMNM CONSERVATION

ARTESIA DISTRICT

Artesia
MAY 27 2016

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

RECEIVED

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other		5. Lease Serial No. NMNM030458	
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resv. Other		6. If Indian, Allottee or Tribe Name	
2. Name of Operator BOPCO LP		7. Unit or CA Agreement Name and No. 891000303X	
Contact: TRACIE J CHERRY E-Mail: tjcherry@basspet.com		8. Lease Name and Well No. POKER LAKE UNIT CVX JV BS 034H	
3. Address P O BOX 2760 MIDLAND, TX 79702		9. API Well No. 30-015-42667-00-S1	
3a. Phone No. (include area code) Ph: 432-683-2277		10. Field and Pool, or Exploratory UNDESIGNATED	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* Sec 20 T25S R31E Mer NMP At surface NWNW 531FNL 557FWL 32.071767 N Lat, 103.482315 W Lon Sec 20 T25S R31E Mer NMP At top prod interval reported below NWNW 158FNL 567FWL Sec 8 T25S R31E Mer NMP At total depth NWSW 2309FSL 658FWL		11. Sec., T., R., M., or Block and Survey or Area Sec 20, T25S R31E Mer NMP	
14. Date Spudded 11/27/2014		15. Date T.D. Reached 01/15/2015	
16. Date Completed ☐ D & A ☒ Ready to Prod. 12/14/2015		17. Elevations (DF, KB, RT, GL)* 3377 GL	
18. Total Depth: MD 17853 TVD 10033		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. (H/L)	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	1084		1170	331	0	
12.250	9.625 J-55	40.0	0	4192		1550	501	0	
7.875	5.500 HCP-110	17.0	0	17853	5048	2525	714	3800	

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	9300	9300						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BONE SPRING 2ND	10054	17822	10054 TO 17822		1048	OPEN
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
10054 TO 17822	FRAC INTERVAL USING TOTAL 162,870 BBLs FLUID, 11,766,228# PROPANT ACROSS 27 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
12/23/2015	01/05/2016	24	→	385.0	572.0	892.0			FLows FROM WELL
Choke Size	Tbg. Press. Pwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→	385	572	892	1486	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. Pwg. 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 #327911 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

RECLAMATION DUE:
JUN 14 2016

MAY 20 2016
DAVID R. GLASS
PETROLEUM ENGINEER

ACCEPTED FOR RECORD
/S/ DAVID R. GLASS

CP

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity (Conn. API)	Gas Gravity	Production Method
Choke Size	Thg. Press. Flow. SI	Cap. 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 (Conn. API)	Gas Gravity	Production Method
Choke Size	Thg. Press. Flow. SI	Cap. 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.)
SOLO

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	4190	5077	SANDSTONE	RUSTLER	748
CHERRY CANYON	5077	6425	SANDSTONE	SALADO	1076
BRUSHY CANYON	6425	8097	SANDSTONE	BASE OF SALT	3951
BONE SPRING 2ND	10054	17822	SANDSTONE/LIMESTONE	BELL CANYON	4190
				CHERRY CANYON	5077
				BRUSHY CANYON	6425
				BONE SPRING	8097
				AVALON SAND	8350

32. Additional remarks (include plugging procedure):

CONFIDENTIAL COMPLETION

Tapered hole drilled. 8.75 to 10,666, 7.875 to TD

Circ red dye to surface on 1st stage cmt for 5.5, no cmt.

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 #327911 Verified by the BLM Well Information System.

For BOPCO LP, sent to the Carlshad

Committed to AFMSS for processing by JENNIFER SANCHEZ on 05/20/2016 (16JAS1550SE)

Name (please print) TRACIE J CHERRY

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 01/06/2016

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.

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****