

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

May 1, 2018

**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 393H  
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,



Blake Hueske  
(817) 885-6609  
Blake\_Hueske@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: April 22, 2018

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: POKER LAKE UNIT 393H**  
**API 3001540951**  
**24S 31E Sec 19**  
**Eddy County, New Mexico**

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake Unit 393H was drilled in 2013 as a horizontal producer to a measured depth of 13,572' in the Delaware. The well is producing from perforations from 8311'-TD. By early 2018 the well has produced 202 kBO, and as of April 2018 was testing 49 bopd, 312 kcf/d, and 277 bwpd. This well is expected to recover approximately 510 kBOE from the current completion. The 393H cost \$5.80M 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 393H is expected to have a lifetime undiscounted cashflow of approximately \$11.4M and bring > 10% rate of return. **It is commercial.**

Trent Boneau  
Reservoir Engineering Advisor  
Delaware Basin Subsurface Team

Well Name: Poker Lake 393H  
 API Number: 3001540951  
 Formation: Delaware  
 Actual CAPEX, K\$: 5804  
 First Production Date: 5/1/2013  
 First Forecast Date: 1/1/2018  
 Cum Oil to Date (kbo): 201.964  
 Cum Wet Gas to Date (Mcf): 726.473  
 Water to Date (kbw): 948.511  
 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 %: 84.5  
 OPX/mo Yr 1-3: 10000  
 OPX/mo Yr 4+: 5000  
 OPX/water (\$/bbl): 0.75  
 CAPEX, K\$: 5804

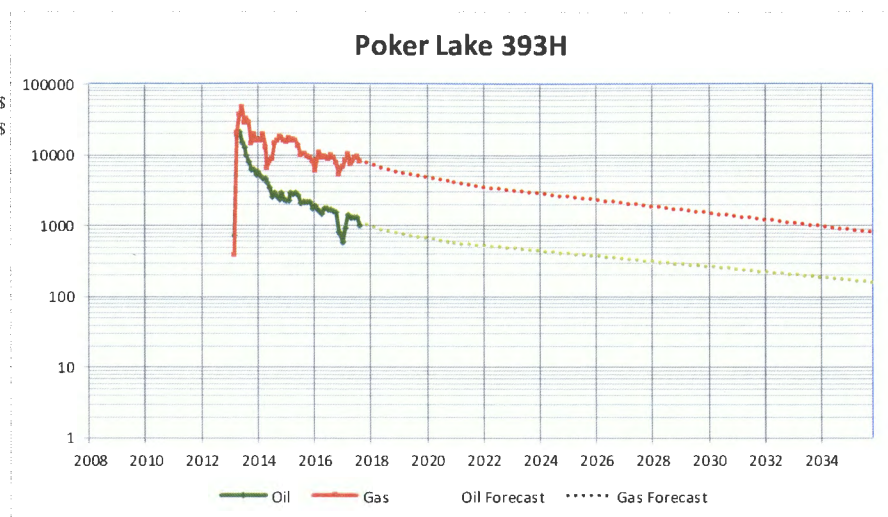
## COMMERCIAL

TOTAL NCF 0% DISCOUNT  
 TOTAL NCF 5% DISCOUNT

EUR Oil: 293205 bo  
 EUR Gas: 1299304 kcf

509756.13

### ECONOMICS MODULE



	Date	Oil Volume BO	Wet Gas Volume kcf	Dry Gas Volume kcf	NGL Volume, gals	Oil Price \$/BO	Gas Price \$/kcf	NGL Price \$/gal	Total Gross Revenue M\$	Net Revenue M\$	Total Opeost M\$	Local Taxes M\$	Net Oper Income M\$	Total Capital M\$	BTax CFlow M\$	Discounted Cash Flow 5%
HISTORICAL	2013	92243	206765	124059	1085516	97.90	3.73	0.71	9122.0	7708	374.9	594.12	6739	5804	935	935
HISTORICAL	2014	48959	170348	102209	894327	93.30	4.39	0.67	4961.9	4193	292.4	315.62	3585	0	3585	3414
HISTORICAL	2015	29475	165452	99271	868623	49.00	2.63	0.35	1760.2	1487	223.8	110.61	1153	0	1153	1046
HISTORICAL	2016	20568	105260	63156	552615	43.00	2.52	0.31	1064.0	899	132.4	66.87	700	0	700	604
HISTORICAL	2017	10719	78648	47189	412902	46.07	2.70	0.33	659.1	557	97.8	40.51	419	0	419	344
FORECAST	2018	10497	80472	48283	422477	49.37	2.89	0.36	701.7	593	97.0	42.83	453	0	453	355
FORECAST	2019	8632	63769	38261	334785	52.90	3.10	0.38	610.7	516	90.4	37.20	388	0	388	290
FORECAST	2020	7337	54203	32522	284568	56.68	3.32	0.41	556.2	470	85.8	33.75	350	0	350	249
FORECAST	2021	6462	46073	27644	241882	60.73	3.56	0.44	518.9	438	82.8	31.45	324	0	324	219
FORECAST	2022	5945	40176	24106	210924	65.08	3.81	0.47	503.0	425	80.9	30.49	314	0	314	202
FORECAST	2023	5469	36158	21695	189831	69.73	4.09	0.50	492.5	416	79.3	29.82	307	0	307	189
FORECAST	2024	5032	32543	19526	170848	74.71	4.38	0.54	482.3	408	77.7	29.16	301	0	301	176
FORECAST	2025	4629	29288	17573	153763	80.06	4.51	0.58	469.8	397	76.3	28.53	292	0	292	163
REMAINDER		37237	190149	114090	998284				4205	3553	1391	259	1903	0	1903	714
<b>TOTAL</b>		<b>293205</b>	<b>1299304</b>	<b>779583</b>	<b>6821347</b>				<b>26107</b>	<b>22060</b>	<b>3183</b>	<b>1650</b>	<b>17227</b>	<b>5804</b>	<b>11423</b>	<b>8901</b>

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
OCD Artesia

AUG 07 2013

INMOCD ARTESIA

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NMNM0157566	
b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. 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 393H	
3. Address P O BOX 2760 MIDLAND, TX 79702		9. API Well No. 30-015-40951	
3a. Phone No. (include area code) Ph: 432-221-7379		10. Field and Pool, or Exploratory POKER LAKE; DELAWARE, SW	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* Sec 19 T24S R31E Mer At surface NENE 55FNL 435FEL Sec 20 T24S R31E Mer At top prod interval reported below NWNW 496FNL 9FWL Sec 20 T24S R31E Mer At total depth SWSE 1105FSL 1644FEL		11. Sec., T., R., M., or Block and Survey or Area Sec 19 T24S R31E Mer	
14. Date Spudded 03/08/2013		15. Date T.D. Reached 04/02/2013	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 05/28/2013		17. Elevations (DF, KB, RT, GL)*	
18. Total Depth: MD 13572 TVD 8127		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) CNL	
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> 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	48.0	0	965		820	232	0	0
12.250	9.625 J55	40.0	0	4282		2300	691	0	0
8.750	7.000 HCL80	26.0	0	8311	5029	830	338	0	0
6.125	4.500 HCP110	11.6	8219	13563					

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	7578							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) L. BRUSHY CANYON	7885	13577	8381 TO 13563			OPEN HOLE COMPLETION SYST
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
8381 TO 13563	FRAC USING 2316137 GAL TOTAL FLUID, 216373# PROPANT ACROSS 17 STAGES

RECLAMATION

DUE 8-28-13

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
05/31/2013	06/12/2013	24	→	796.0	839.0	1466.0			ELECTRIC PUMP-SUB-SURFACE
Choke Size	Thg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→	796	839	1466	1054	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
			→						AUG 4 2013
Choke Size	Thg. 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 #211658 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

## 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. 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	Thg. 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	575
				SALADO	950
				B. SALT	4058
				LAMAR	4273
				BELL CANYON	7295
				CHERRY CANYON	5138
				L. CHERRY CANYON	6478
				BRUSHY CANYON	6492

## 32. Additional remarks (include plugging procedure):

\*\*\*PLEASE HOLD COMPLETION CONFIDENTIAL\*\*\*

Cement not circulated on 9 5/8 csg. Volume shown includes 600 sx (141 bbls) bullheaded to bring cmt to surf.

## 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 #211658 Verified by the BLM Well Information System.  
For BOPCO LP, sent to the Carlsbad  
Committed to AFMSS for processing by KURT SIMMONS on 07/02/2013 ()

Name(please print) TRACIE J CHERRY

Title REGULATORY ANALYST

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

Date 06/25/2013

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.

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

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1020 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

RECEIVED

AUG 07 2013

Form C-102  
Revised July 16, 2010

Submit one copy to appropriate  
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☒ AMENDED REPORT  
"As Drilled"

API Number <b>30-015-40951</b>	Pool Code <b>96047</b>	Pool Name <b>Poker Lake; Delaware, SW</b>
Property Code <b>306402</b>	Property Name <b>POKER LAKE UNIT</b>	Well Number <b>393H</b>
ODRID No. <b>260737</b>	Operator Name <b>BOPCO, L.P.</b>	Elevation <b>3495'</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
A	19	24 S	31 E		55	NORTH	435	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
O	20	24 S	31 E		1105	SOUTH	1644	EAST	EDDY

Dedicated Acres <b>240</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

<p><b>SURFACE LOCATION</b> Lat - N 32°12'35.23" Long - W 103°48'33.59" NMSPC- N 440435.17 E 662067.35 (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 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.</p> <p><i>Tracie J Cherry</i> 06-25-13 Signature Date 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>Date Surveyed Signature of Professional Surveyor Certificate No. Gary L. Jones 7977</p>
	<p><b>Basin Surveys</b> 26960</p>
	<p><b>Basin Surveys</b> 26960</p>