

INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

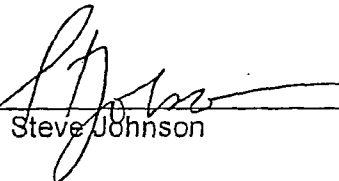
April 6, 2009

TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: STEVE F. JOHNSON
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #300H
NASH DRAW (DEL/BS/AV) FIELD
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU300HCD.DOC

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #300H was drilled in 2009 to a total depth of 11,890' and was completed in the Delaware. The well is producing from perforations 7,824-11,821'. On test 10/29/2009 the well pumped at the rate of 691 BOPD, 401 MCFPD, and 935 BWPD. This well is expected to recover approximately 227.659 MBOE from the current completion.

The most recent price file from Fort Worth was utilized and the oil price was adjusted by - \$3.80/BO. An operating cost of \$9,000/mo plus \$.57/mcf transportation expense was also incorporated in this evaluation. The Poker Lake Unit #300H will be a commercial well and should be incorporated into a participating area.

RSD
RSD/cdp



Steve Johnson

cc: Ross Sutton
George Hillis
Brad Glasscock

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL Poker Lake Unit # 300H FORMATION DELAWARE
 LOCATION I UNIT, 2460 FEET FROM NORTH LINE & 2310 FEET FROM EAST LINE
 SECTION 27 TOWNSHIP 24S, RANGE 30E, COUNTY Eddy, NEW MEXICO
 SPUD DATE 7/15/2009 COMPLETION DATE 10/13/2009 INITIAL PRODUCTION 10/13/2009
 PERFORATIONS 7824-11821
 BHL: 1537' FSL & 400' FEL SEC 21 T24S R30E
 STIMULATION:

ACID _____

 FRACTURE See Attached

POTENTIAL (10/29/2009): 691 BOPD, 401 MCFPD, 935 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>280</u>	<u> </u>
Porosity (Φ), %	<u>13%</u>	<u> </u>
Water saturation (Sw), %	<u>33%</u>	<u> </u>
Net Thickness (H), ft.	<u>40</u>	<u> </u>
Temperature (T), Fahrenheit	<u>120</u>	<u> </u>
Bottom Hole pressure (P), psia	<u>3,364</u>	<u> </u>
Recovery factor (RF), %	<u>15%</u>	<u> </u>
Recoverable Oil, Bbls *(See eq. below)	<u>756,052</u>	<u> </u>

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B_o = 1.50

Continued

Poker Lake Unit # 300H

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 2/28/2010 53,428 BBL Oil 86,323 MCF GasINITIAL RATE (qi) 650ECONOMIC LIMIT (ql) 4HYPERBOLIC DECLINE RATE, dy n = 1.001, d = 99.9%/yrREMAINING OIL (Q) = 158,364ULTIMATE RECOVERABLE OIL (BO) 211,792

(Attach plat showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$2,862,581 (to the depth of formation completed)COMPLETION COST \$2,582,317GROSS TOTAL COST \$5,444,898

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	48.551	2842.0	311.3	-2993.6
2	27.649	2166.8	298.9	1738.5
3	15.687	1328.4	224.9	978.9
4	10.764	921.8	189.0	618.7
5	8.170	702.5	169.7	428.3
6	6.599	569.6	158.0	315.1
7	5.537	481.1	150.1	241.3
8	4.782	418.2	144.6	189.9
9	4.188	369.3	140.2	151.4
10	3.734	332.5	137.0	123.1
REMAINDER	29.971	2667.4	1689.1	493.6
TOTAL	165.632	12799.6	3612.7	2285.1

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date: 4/6/2010

Lior: 1000390

3:26:03PM

Project Name: Exp of RESERVEPROP

Partner: 99999

Case Type: LEASE CASE

Archive Set: CURRENT

Cum Oil (Mbbbl): 0.00

Cum Gas (MMcf): 0.00

As Of Date: 01/01/2009

Discount Rate (%): 5.00

1000390/POKER LAKE UNIT/300H/DEL

Lease Name: 1000390/POKER LAKE UNIT/300H/DEL

Reserv Cat.: Proved Producing

Field: NASH DRAW (DEL, BS, AV)

Operator: BOPCO

Reservoir: DEL, BS, AV

Co., State: EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded Sales

Year	Gross Wet Production		Gross Dry Gas & NGL				
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
2009	48.551	74.189	30.269	0.000	41.026	25.577	0.000
2010	27.649	71.762	29.279	286.214	23.363	24.741	241.851
2011	15.687	43.500	17.748	208.799	13.256	14.997	176.435
2012	10.764	29.788	12.153	142.980	9.095	10.270	120.818
2013	8.170	22.207	9.060	106.591	6.903	7.656	90.070
2014	6.599	17.553	7.162	84.254	5.576	6.052	71.194
2015	5.537	14.404	5.877	69.141	4.679	4.966	58.424
2016	4.782	12.177	4.968	58.448	4.040	4.198	49.388
2017	4.188	10.450	4.264	50.160	3.539	3.603	42.385
2018	3.734	9.141	3.730	43.877	3.155	3.151	37.076

Rem	29.971	67.009	27.340	321.643	25.325	23.102	271.788
Total	165.630	372.179	151.849	1,372.107	139.957	128.312	1,159.430
Ult.	165.630	372.179					

Year	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2009	66.86	3.87	0.00	2,743.01	99.00	0.00	2,842.01
2010	79.65	4.74	0.78	1,860.82	117.32	188.64	2,166.78
2011	83.54	5.56	0.78	1,107.43	83.39	137.62	1,328.44
2012	84.22	5.99	0.78	766.00	61.54	94.24	921.78
2013	84.64	6.26	0.78	584.30	47.95	70.25	702.50
2014	85.08	6.55	0.78	474.47	39.62	55.53	569.62
2015	85.80	6.87	0.78	401.41	34.14	45.57	481.12
2016	86.48	7.21	0.78	349.40	30.26	38.52	418.18
2017	87.34	7.54	0.78	309.05	27.17	33.06	369.29
2018	88.32	7.89	0.78	278.66	24.88	28.92	332.46
Rem	89.03	8.69	0.78	2,254.72	200.71	211.99	2,667.43
Total	79.52	5.97	0.78	11,129.28	765.98	904.36	12,799.61

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
2009	228.00	5.68	5,444.90	77.58	-2,914.15	-2,914.15	-2,993.60	-2,993.60
2010	172.48	4.33	0.00	122.10	1,867.87	-1,046.28	1,738.54	-1,255.06
2011	105.65	2.66	0.00	116.55	1,103.58	57.31	978.89	-276.17
2012	73.35	1.84	0.00	113.85	732.74	790.04	618.66	342.49
2013	55.92	1.41	0.00	112.36	532.81	1,322.85	428.30	770.79
2014	45.36	1.14	0.00	111.45	411.67	1,734.53	315.11	1,085.90
2015	38.33	0.96	0.00	110.83	330.99	2,065.52	241.27	1,327.16
2016	33.33	0.84	0.00	110.39	273.62	2,339.14	189.93	1,517.09
2017	29.45	0.74	0.00	110.05	229.05	2,568.18	151.40	1,668.49
2018	26.52	0.66	0.00	109.80	195.47	2,763.66	123.05	1,791.54
Rem	212.99	5.33	0.00	1,470.77	978.32	978.32	493.55	493.55
Total	1,021.39	25.60	5,444.90	2,565.74	3,741.98	3,741.98	2,285.09	2,285.09

Major Phase:	Oil	Working Int:	1.00000000	Present Worth Profile (M\$)	
Perfs:	0 0	Revenue Int:	0.84500000	5.00%:	2,285.09
Initial Rate:	10,180.00 bbl/month	Disc. Initial Invest. (m\$):	5,444.898	9.00%:	1,475.05
Abandonment:	121.67 bbl/month	Internal ROR (%):	20.61	10.00%:	1,305.34
Initial Decline:	99.90 % year b = 1.001	ROInvestment (disc/undisc):	1.42 / 1.69	12.00%:	996.51
Bez Ratio:	0.48 Mcf/bbl	Years to Payout:	2.93	15.00%:	596.32
End Ratio:	2.07 Mcf/bbl	Abandonment Date:	07/01/2032	20.00%:	54.73
Forecast Start:	06/01/2009			30.00%:	-728.69
		Initial	1st Rev.	40.00%:	-1,277.29
		Working Interest:	1.00000000	50.00%:	-1,688.52
		Revenue Interest:	0.84500000	60.00%:	-2,011.06
			0.00000000		
			0.00000000		

Name: 1000390/POKER LAKE UNIT/300H/DEL
Phase: Oil
EUR OIL:

Field: NASH DRAW (DEL, BS, AV)
County, State: EDDY, NM
APP EUR GAS:

ECL

◇ GOR (scf/bbl)

1000

100

10

Oil (bbl/day)

1000

100

10

08 10 12 14 16 18 20 22 24 26 28 30 32 34

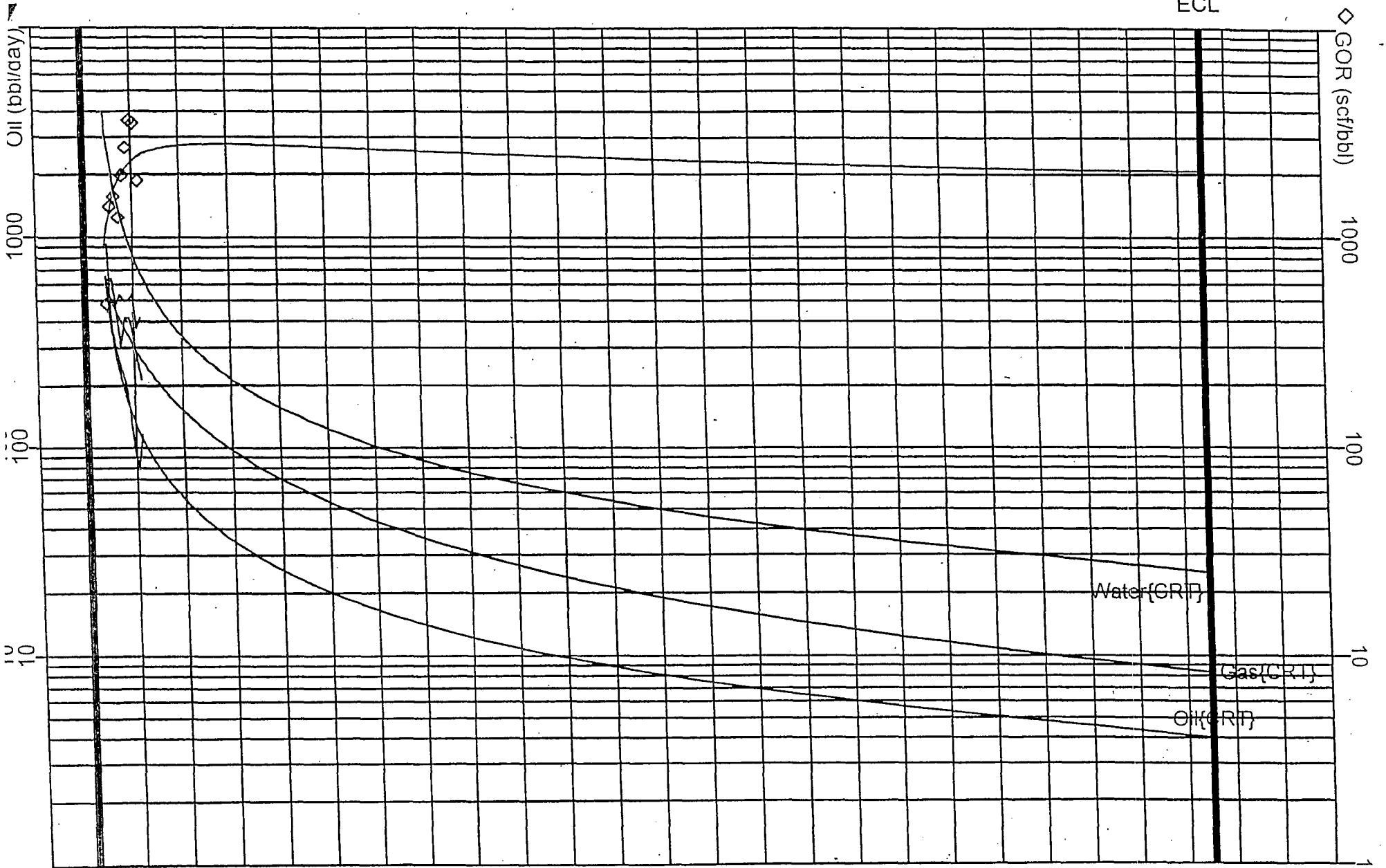
st Oil Cum: 0.00 Mbbl
EUR: 165.62 Mbbl

Hist Gas Cum: 0.00 MMcf
Gas EUR: 372.18 MMcf
Gas Rem: 372.18 MMcf

Water{CRF}

Gas{CRF}

Oil{CRF}



Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke	Thu Press	Csu	24 Hr	Oil	Gas	Water	Gas : Oil Ratio	Well Status	

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.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or 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
				T/Rustler	746'
				T/Salt	938'
				T/Delaware Mnt. Group	3878'
				T/BS Lime	7748'
				T/Avalon	7850'

32. Additional remarks (include plugging procedure):

9148'-49' Frac'd w/ 46,788 gals 25# XL Borate w/ 100,207 lbs 16/30 Brady
 9728'-29' Frac'd w/ 2016 gals 7-1/2% HCl w/ additives followed by 46,368 gals 25# XL Borate + 100,367 lbs 16/30 Brady
 9974'-75' Frac'd w/ 2814 gals 7-1/2% HCl w/ additives followed by 18,732 gals 25# XL Borate + 116,916 lbs 16/30 Brady
 10230'-32' Frac'd w/ 71,736 gals 25# XL Borate w/ 117,551 lbs 16/30 Brady Sand
 10820'-22' Frac'd w/ 2730 gals 7-1/2% HCl w/ additives followed by 74,760 gals 25# XL Borate + 109,790 lbs Brady sand
 11220'-22' Frac'd w/ 2268 gals 7-1/2% HCl w/ additives followed by 55,482 gals 25# XL Borate + 101,011 lbs 16/30 Brady
 11813'-12266' Frac'd w/ 2650 gals 7-1/2% HCl w/ additives followed by 122,010 gal 25# XL Borate + 296,496# 16/30 Brady

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

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geological 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) Valeric Truax

Title Regulatory Admin Assistant

Signature



Date 06/17/2008

Title 18 U.S.C. Section 101 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 and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I

1525 N. French Dr., Hobbs, NM 88249

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV

1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources DepartmentForm C-102
Revised October 12, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

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

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36950	Pool Code 47545	Pool Name Nash Draw (Delaware, Bone Spring, Avalon Sd)
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 300H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3352'

Surface Location

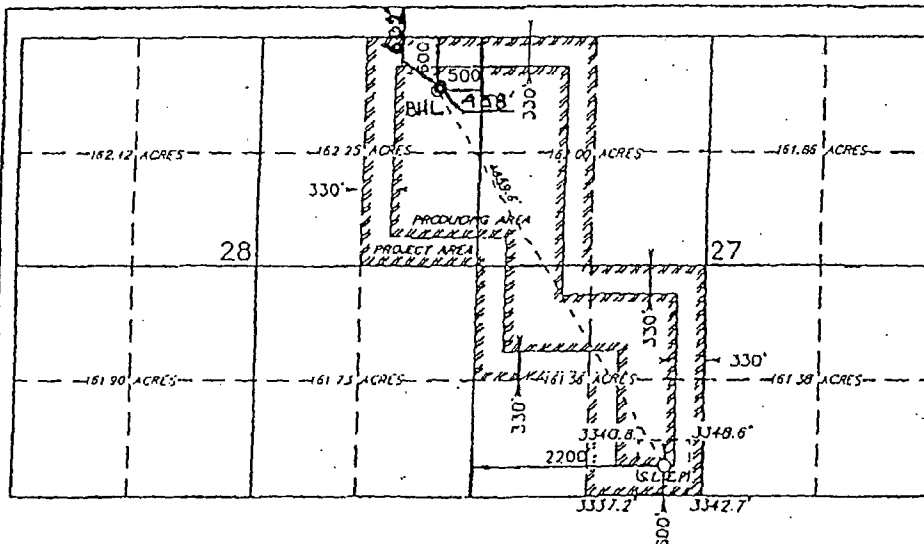
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	27	24 S	30 E		600	SOUTH	2200	WEST	EDDY

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
A	28	24 S	30 E		609	NORTH	458	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
280	N		

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



BOTTOM HOLE LOCATION
LAT - N32°11'39.21"
LONG - W103°52'43.40"
N.: 434675.944
SPC- E.: 640629.725
(NAO-27)

DELAWARE ENTRY POINT
LAT - N32°10'59.26"
LONG - W103°52'11.91"
N.: 430651.098
SPC- E.: 643353.024
(NAO-27)

SURFACE LOCATION
LAT - N32°10'59.26"
LONG - W103°52'11.91"
N.: 430651.098
SPC- E.: 643353.024
(NAO-27)

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 is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Gary E. Gerhard 1/30/09
Signature Date

Gary E. Gerhard
Printed Name

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.

JANUARY 30, 2009

Date Surveyed
Signature
Professional Surveyor

Certificate No. Gary L. Jones. 7977

PathFinder Energy Services, Inc.

Survey Report

Page 01/04

Tie-in Date: 03/21/2009
Date Completed: 04/05/2009

O, L.P.
R LAKE UNIT #300H
COUNTY, NM
& P #317

Under Office Supervisor: Francisco Sinisterra
Under Field Engineers: Matt Shipp
Hafa Donarumma

Survey Horiz. Reference: WELLHEAD
Ref Coordinates: LAT:32.10.59.2613 N LON:103.52.11.9108 W
Reference: NAD27 new mexico east Transverse Mercator
Ref GRID Coord: X: 643353.0240 Y: 430651.0980
North Aligned To: GRID NORTH
Total Magnetic Correction: 7.73° EAST TO GRID
Vertical Section Plane: 325.92
Survey Vert. Reference: 25.00' Rotary Table To Ground
Altitude: 3374.00' Ground To MSL

by Calculations by RX5 V5.11i using Minimum Curvature

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft)	Closure Dist Dir (ft) (deg)	DLS (dg/100ft)
TIE IN TO SCIENTIFIC GYRO SURVEY @ 7100' MD.								
7100.00	1.39	181.29	7097.49	0.00	-132.69	114.07 S 68.19 E	132.90@ 149.13	0.00
THE FOLLOWING ARE PATHFINDER MWD SURVEYS.								
7143.00	0.97	184.99	7140.48	43.00	-133.40	114.95 S 68.15 E	133.64@ 149.34	0.99
7179.00	0.53	299.03	7176.48	36.00	-133.49	115.18 S 67.97 E	133.74@ 149.45	3.56
7211.00	2.90	338.35	7208.46	32.00	-132.56	114.35 S 67.55 E	132.81@ 149.43	7.85
7242.00	7.03	338.96	7239.34	31.00	-129.95	111.85 S 66.58 E	130.17@ 149.24	13.32
7274.00	12.66	335.92	7270.86	32.00	-124.58	106.82 S 64.44 E	124.75@ 148.90	17.66
7305.00	19.43	333.82	7300.63	31.00	-116.12	99.08 S 60.77 E	116.24@ 148.48	21.92
7337.00	25.59	329.86	7330.18	32.00	-103.94	88.32 S 54.95 E	104.02@ 148.11	19.81
7368.00	28.93	328.35	7357.73	31.00	-89.77	76.14 S 47.65 E	89.82@ 147.96	11.00
7400.00	32.80	329.56	7385.20	32.00	-73.38	62.07 S 39.20 E	73.41@ 147.73	12.25
7431.00	36.58	330.83	7410.68	31.00	-55.79	46.76 S 30.44 E	55.80@ 146.94	12.41
7463.00	38.95	331.46	7435.98	32.00	-36.27	29.60 S 20.98 E	36.28@ 144.67	7.50
7494.00	40.01	330.28	7459.91	31.00	-16.64	12.38 S 11.39 E	16.82@ 137.40	4.19
7526.00	43.09	329.25	7483.85	32.00	4.54	5.95 N 0.70 E	5.99@ 6.67	9.86
7557.00	46.78	328.47	7505.79	31.00	26.40	24.68 N 10.63 W	26.87@ 336.70	12.03
7589.00	50.74	328.68	7526.88	32.00	50.43	45.21 N 23.17 W	50.80@ 332.86	12.39
7620.00	54.17	328.97	7545.77	31.00	74.97	66.24 N 35.89 W	75.34@ 331.55	11.09
7652.00	56.54	328.10	7563.96	32.00	101.27	88.69 N 49.63 W	101.63@ 330.77	7.74
7683.00	57.77	327.36	7580.77	31.00	127.30	110.71 N 63.54 W	127.65@ 330.15	4.45
7715.00	58.83	325.89	7597.59	32.00	154.52	133.44 N 78.52 W	154.83@ 329.53	5.12
7746.00	60.67	324.17	7613.21	31.00	181.30	155.38 N 93.87 W	181.54@ 328.86	7.63
7777.00	63.31	324.28	7627.76	31.00	208.65	177.59 N 109.87 W	208.83@ 328.26	8.52
7809.00	67.71	325.39	7641.03	32.00	237.76	201.39 N 126.63 W	237.89@ 327.84	14.11
		325.44	7651.58	31.00	266.90	225.48 N 143.02 W	267.01@ 327.61	15.49

PathFinder Energy Services, Inc.

Survey Report

PCO, L.P.
KER LAKE UNIT #300H
DY COUNTY, NM
S: H & P #317

Page 02/04

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft) (ft)		Closure Dist Dir (ft) (deg)		DLS (dg/100ft)
7872.00	77.65	326.88	7659.83	32.00	297.80	251.26 N	160.07 W	297.92@	327.50	16.37
7903.00	82.75	326.90	7665.11	31.00	328.34	276.84 N	176.75 W	328.45@	327.44	16.45
7916.00	85.21	326.81	7666.47	13.00	341.26	287.66 N	183.82 W	341.38@	327.42	18.94
7948.00	88.11	326.72	7668.34	32.00	373.20	314.38 N	201.33 W	373.32@	327.36	9.07
8011.00	90.22	327.78	7669.25	63.00	436.17	367.35 N	235.40 W	436.31@	327.35	3.75
8105.00	92.42	327.85	7667.09	94.00	530.09	446.88 N	285.46 W	530.27@	327.43	2.34
8199.00	92.77	327.12	7662.83	94.00	623.96	526.07 N	335.93 W	624.18@	327.44	0.86
8294.00	88.90	325.83	7661.45	95.00	718.92	605.24 N	388.38 W	719.14@	327.31	4.29
8388.00	89.87	325.17	7662.46	94.00	812.91	682.70 N	441.62 W	813.09@	327.10	1.25
8483.00	90.31	323.72	7662.31	95.00	907.88	759.99 N	496.86 W	907.99@	326.82	1.59
8577.00	89.43	322.08	7662.52	94.00	1001.74	834.96 N	553.56 W	1001.79@	326.46	1.98
8672.00	90.75	322.24	7662.37	95.00	1096.54	909.98 N	611.84 W	1096.54@	326.08	1.40
8766.00	89.96	321.20	7661.79	94.00	1190.28	983.76 N	670.07 W	1190.29@	325.74	1.39
8861.00	90.22	322.30	7661.64	95.00	1285.03	1058.37 N	728.88 W	1285.07@	325.45	1.19
8955.00	91.10	321.71	7660.56	94.00	1378.80	1132.44 N	786.74 W	1378.91@	325.21	1.13
9049.00	89.96	323.25	7659.69	94.00	1472.62	1206.99 N	843.99 W	1472.80@	325.04	2.04
9144.00	92.15	324.21	7657.94	95.00	1567.53	1283.56 N	900.17 W	1567.75@	324.96	2.52
9238.00	91.89	327.34	7654.62	94.00	1661.46	1361.23 N	953.00 W	1661.67@	325.00	3.34
9333.00	90.75	327.53	7652.44	95.00	1756.40	1441.27 N	1004.12 W	1756.57@	325.14	1.22
9427.00	92.15	328.65	7650.06	94.00	1850.30	1521.03 N	1053.79 W	1850.41@	325.29	1.91
9522.00	92.77	328.81	7645.98	95.00	1945.10	1602.16 N	1103.06 W	1945.16@	325.45	0.67
9616.00	90.92	328.04	7642.95	94.00	2038.95	1682.20 N	1152.25 W	2038.99@	325.59	2.13
9711.00	91.45	327.93	7640.99	95.00	2133.87	1762.73 N	1202.60 W	2133.89@	325.70	0.57
9805.00	89.87	326.00	7639.91	94.00	2227.84	1841.52 N	1253.84 W	2227.85@	325.75	2.65
9837.00	89.60	325.80	7640.05	32.00	2259.84	1868.02 N	1271.78 W	2259.85@	325.75	1.05
9900.00	90.84	325.85	7639.81	63.00	2322.84	1920.14 N	1307.17 W	2322.85@	325.75	1.97

PathFinder Energy Services, Inc.

Survey Report

O, L.P.
 R LAKE UNIT #300H
 COUNTY, NM
 & P #317

Page 04/04

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets		Closure Dist Dir		DLS
						(ft)	(ft)	(ft)	(deg)	(dg/100ft)
12380.00	88.11	328.92	7643.21	25.00	4799.39	4018.13 N	2625.78 W	4800.00@	326.84	1.30
STRAIGHT-LINE PROJECTION TO BIT @ 12442' MD.										
12442.00	88.11	328.92	7645.25	62.00	4861.27	4071.20 N	2657.76 W	4861.93@	326.86	0.00

CURRENT WELLBORE DIAGRAM

LEASE: POKER LAKE UNIT WELL #: 300H HORIZONTAL
 FIELD: NASH DRAW (DELAWARE, BS, AVALON SD)
 LOCATION: SL: 600' FSL & 2200' FWL, SECTION 27, T24S, R30E
BHL: 660' FNL & 500' FEL, SECTION 28, T24S, R30E
 COUNTY: EDDY ST: NM API# 30-015-36950

****CURRENT****

SEE HORIZONTAL SKETCH

KB: 3377' est
 GL: 3352'
 SPUD DATE: 2/28/2009
 COMP DATE:

SURFACE CASING

SIZE:	13-3/8"
WT/GRD:	48# H40 STC
SET @:	704'
SX CMT:	725 SX Class C
CIRC:	Y 299 sx
TOC:	Surface
HOLE SIZE:	17-1/2"

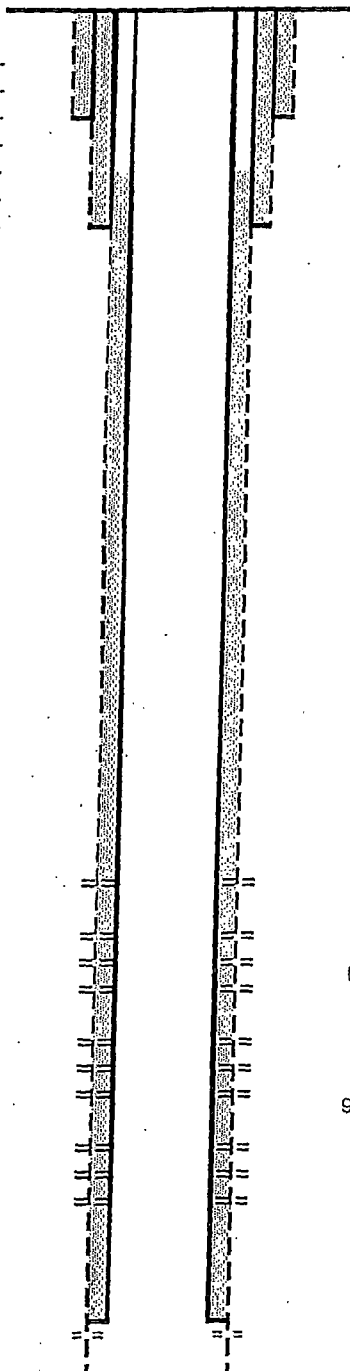
INTERMEDIATE CASING

SIZE:	9-5/8"
WT/GRD:	40# J-55
SET @:	3899'
SX CMT:	1350 50:50 Poz/C
SX CMT:	300 Class C
CIRC:	Y 596 sx
TOC:	Surface
HOLE SIZE:	12-1/4"

PRODUCTION CASING

SIZE:	5-1/2"
WT/GRD:	17# HCP-110 LT&C/ULFJ
SET @:	12292'
SX CMT:	500 50/50 POZ
SX CMT:	1240 POZ/H
CIRC:	N
TOC:	3614' TS
HOLE SIZE:	8-3/4"

TUBING DATA



704' 13-3/8" CSG

3614' TOC (TS)
3899' 9-5/8" CSG

3 1/2" 9.3# P-110 CS HyDril Liner set from 11,452'
 to TD 12,442'. Liner set on Weatherford Arrow-Pak
 at 11,442'. Liner is predrilled with 10 holes at
 12,260', 9 holes at 11,987' and 8 holes at 11,824'.
 Holes are 3/8" spiraled over two feet. CT Abrasive
 Perforations at 10877-79, 10529-31, 10088-90,
 9728-30, 9138-40, 8810-12, 8464-66, 8184-85, and
 7885-87

PBTD: _____
 TD: _____

3/26/2009
 ezg
 TEG

HORIZONTAL WELLBORE DIAGRAM

LEASE: POKER LAKE UNIT WELL #: 300H HORIZONTAL
FIELD: NASH DRAW (DELAWARE, BS, AVALON SD)
LOCATION: SL: 600' FSL & 2200' FWL, SECTION 27, T24S, R30E
BHL: 660' FNL & 500' FEL, SECTION 28, T24S, R30E
COUNTY: EDDY ST: NM API #: 30-015-36950

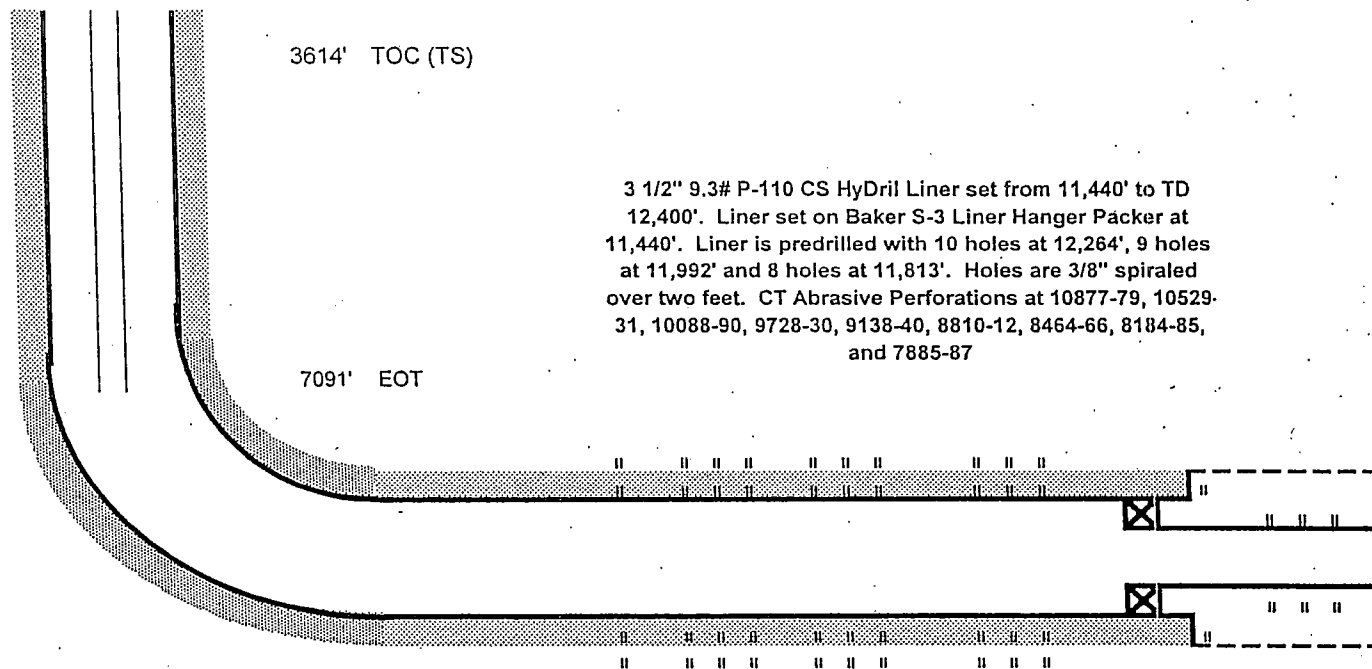
PRODUCTION CASING

SIZE:	5-1/2"	
WT/GRD:	17# HCP-110 LT&C/ULFJ	
SET @:	12292'	
SX CMT:	500	50/50 POZ
SX CMT:	1240	POZ/H
CIRC:	N	
TOC:	3614'	TS
HOLE SIZE:	8-3/4"	

TUBING DATA

(210) 2 7/8" JTS 6.5# L-80 TBG
(2) SD 650 133 STAGE WEATHERFORD ESP
INTAKE/GAS SEPARATOR, SEAL SECTION,
80 HP MOTOR, DH/SENSOR, CAVINS
DESANDER, (8) 2 7/8" 6.5# N-80 TBG,
BULL PLUG

Updated: 6/18/2009
Author: ezg
Engr: JBB



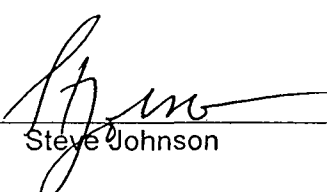
INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

April 6, 2010

TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: STEVE F. JOHNSON
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #265H
UNDESIGNATED (BONE SPRING) FIELD
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU265HCD.DOC

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #265H was drilled in 2009 to a measured depth of 14,769' and was completed in the Bone Spring formation. The well is producing from perforations 8,820-14,585'. On test 7/14/2009 the well pumped at the rate of 442 BOPD, 1,628 MCFPD, and 1,379 BWPD. This well is expected to recover approximately 514.667 MBOE from the current completion.

The most recent price file from Fort Worth was utilized and the oil price was adjusted by - \$3.80/BO. An operating cost of \$7,676/mo plus \$.57/mcf transportation expense was also incorporated in this evaluation. The Poker Lake Unit #265H will be a commercial well and should be incorporated into a participating area.



Steve Johnson

RSD/cdp

cc: Ross Sutton
George Hillis
Brad Glasscock

Continued

POKER LAKE UNIT #265H

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 2/28/2010 36,734 BBL OIL 303,436 MCFINITIAL RATE (qi) 400ECONOMIC LIMIT (ql) 2HYPERBOLIC DECLINE RATE, dy n = 1.001, d = 99.7%/yrREMAINING OIL (Q) = 119,539ULTIMATE RECOVERABLE OIL (BO) 156,273

(Attach plat showing proration unit and participating area.)

ECONOMIC

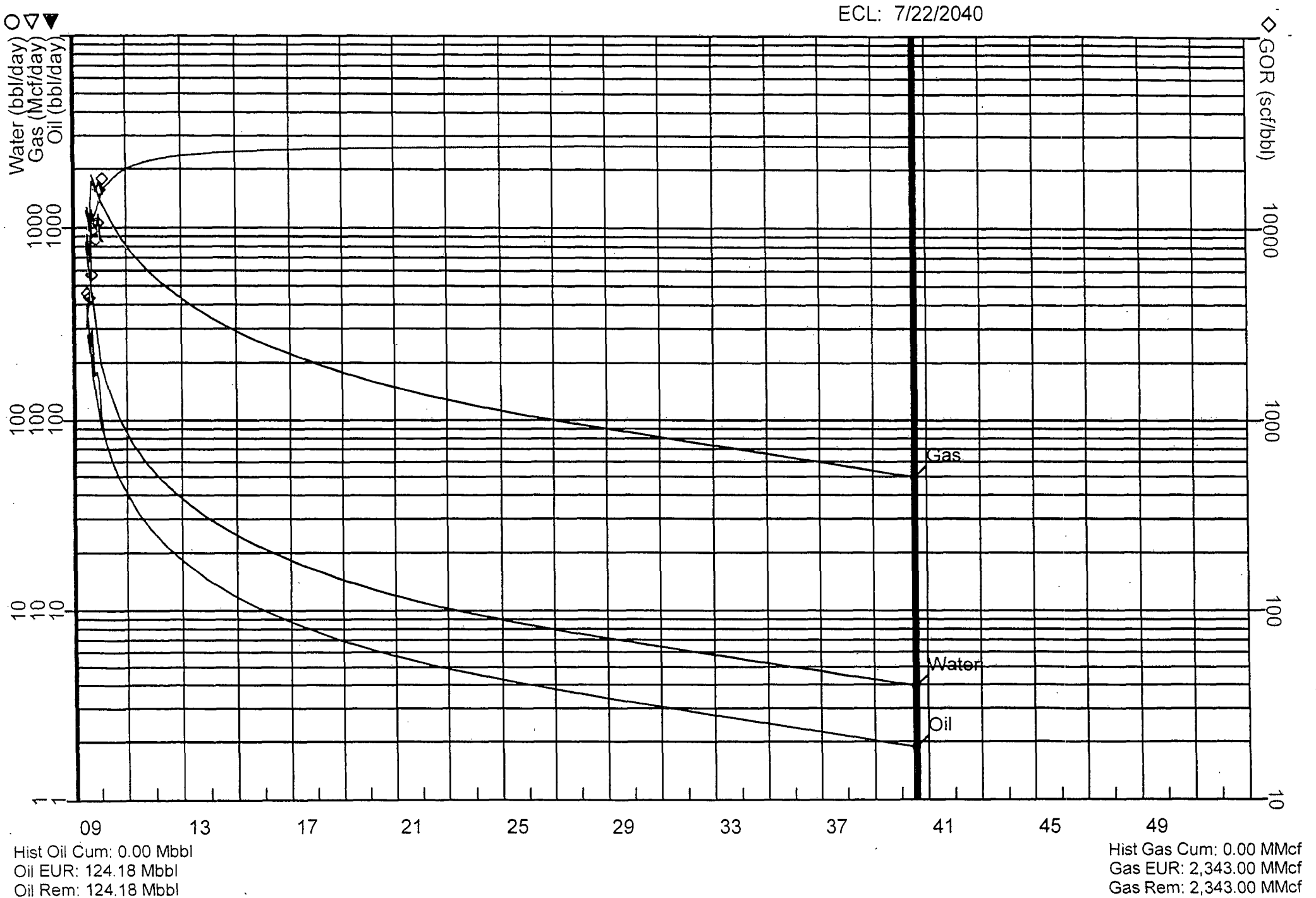
GROSS WELL COST \$2,536,072 (to the depth of formation completed)COMPLETION COST \$3,129,868GROSS TOTAL COST \$5,665,940

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	31.168	2131.3	228.8	-3830.5
2	22.471	3202.0	451.3	2561.4
3	11.371	2076.0	320.4	1556.7
4	7.726	1516.2	259.3	1061.0
5	5.835	1193.7	223.8	779.5
6	4.699	993.3	201.6	605.9
7	3.934	857.4	186.5	489.0
8	3.393	759.9	175.5	405.6
9	2.968	682.1	166.8	340.6
10	2.644	623.3	160.1	291.5
REMAINDER	27.968	6988.6	2743.9	1862.6
TOTAL	124.177	21023.6	5117.9	6123.3

WELL IS COMMERCIAL

Case Name: 1000391/POKER LAKE UNIT/265H/BON
Major Phase: Oil
APP EUR OIL:

Field: UNDESIGNATED (PONE SPRING)
County: EDDY, NM
APP EUR GAS:



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

C.P.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other		5. Lease Serial No. LC068545	
o. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr., Other _____		6. If Indian, Allottee or Tribe Name	
2. Name of Operator BOPCO, L.P.		7. Unit or CA Agreement Name and no. NMNM71016X	
3. Address P O Box 2760 Midland Tx 79702		8. Lease Name and Well No. Poker Lake Unit 265H	
3.a Phone No. (Include area code) (432)683-2277		9. API Well No. 30-015-35614	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At Surface UL M Sec. 6, T24S, R30E, 660 FWL, 660 FSL, Lat. N32.142757, Long. W103.553682 At top prod. interval reported below Same At total depth 615.46 FSL, 7342.40, FWL Sec. 5, T24S, R30E		10. Field and Pool, or Exploratory Undesignated (Bone Spring) Sec., T., R., M., on Block and Survey or Area 6:T24S:R30E	
14. Date Spudded 04/15/2009		15. Date T.D. Reached 05/27/2009	
16. Date Completed ☐ D & A ☒ Ready to Prod. 07/03/2009		17. Elevations (DF, RKB, RT, GL)* GL 3167.2	

CONFIDENTIAL

18. Total Depth: MD 14,769.00 TVD 8,373.95	19. Plug Back T.D.: MD NA TVD NA	20. Depth Bridge Plug Set: MD NA TVD NA
21. Type of Electric & Other Mechanical Logs Run (Submit copy of each) Platform Express Three Detector Litho-Density Compensated Neutron/GR Platform Express Array Induction Tool Micro-CFL/GR		22. Was well cored? ☒ No ☐ Yes (Submit analysis) Was DST run? ☒ No ☐ Yes (Submit analysis) Directional Survey? ☐ No ☒ Yes (Submit copy)

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	48		719		660 E CC		Surf	
14-1/4	9-5/8	40		3,449		1,300 CCP+		Surf	
11-3/4	7	26		8,598		245 E P+		1865 (TS)	
6-1/8	4-1/2	11.6	7720	14,616				NA L.Hanger	

24. Tubing Record

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

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Bone Spring	8190	14,585	8820 - 14,585	0.38	120	Producing
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
See Attachment	

RECEIVED

AUG 4 2009

BOPCO WTD PRODUCTION

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
7/3/09	7/14/09	24	→	442	1,628	1,379	41.7		Flowing
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
34/128	SI NA	920	→				3683	PRODUCING	

ACCEPTED FOR RECORD

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

JUL 27 2009

/s/ Myles Kristof

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	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.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or 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	330
				Salt	746
				Base/Salt	3238
				Lamar	3450
				Bell Canyon	3480
				Cherry Canyon	4320
				Lo. Cherry Canyon	5560
				Brushy Canyon	5620
				Lo. Brushy Canyon	6917
				Base S. Lime	7180
				Avalon Sand	7277

32. Additional remarks (include plugging procedure):

Continuation from item 31: Formation (Log) Markers:

Base Avalon Sand 7318

Bone Spring I 8190

ALL DEPTHS ARE MEASURED DEPTHS UNLESS OTHERWISE STATED.

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

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geological 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. 149 Title Regulatory ClerkSignature Sandra J. Belt Date 07/17/2009

Under 18 U.S.C. Section 101 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 and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Attachment to Form 3160-4
Item 27
Frac and Depth Interval
7/16/09

Page 1 of 2

06/24/2009

- Stage 1 Frac perf @ 14585' w/30 bbls 30# linear, 1386 bbls XL Borate w/ 148,602 lbs 16/30 Ottawa sand.
- Stage 2 Frac perf @ 14298 w/134 bbls SW, 30 bbls 30 lb linear, 1346 bbls Borate w/ 145,626 lbs 16/30 Ottawa sand.
- Stage 3 Frac perf @ 13972' w/165 bbls SW, 64 bbls 30 lb linear, 1398 bbls XL Borate w/ 149,058 lbs 16/30 Ottawa sand.
- Stage 4 Frac perf @ 13,645 w/105 bbls SW, 98 bbls 30 lb linear, 1351 bbls XL Borate w/ 147024 lbs 16/30 Ottawa sand.

06/25/2009

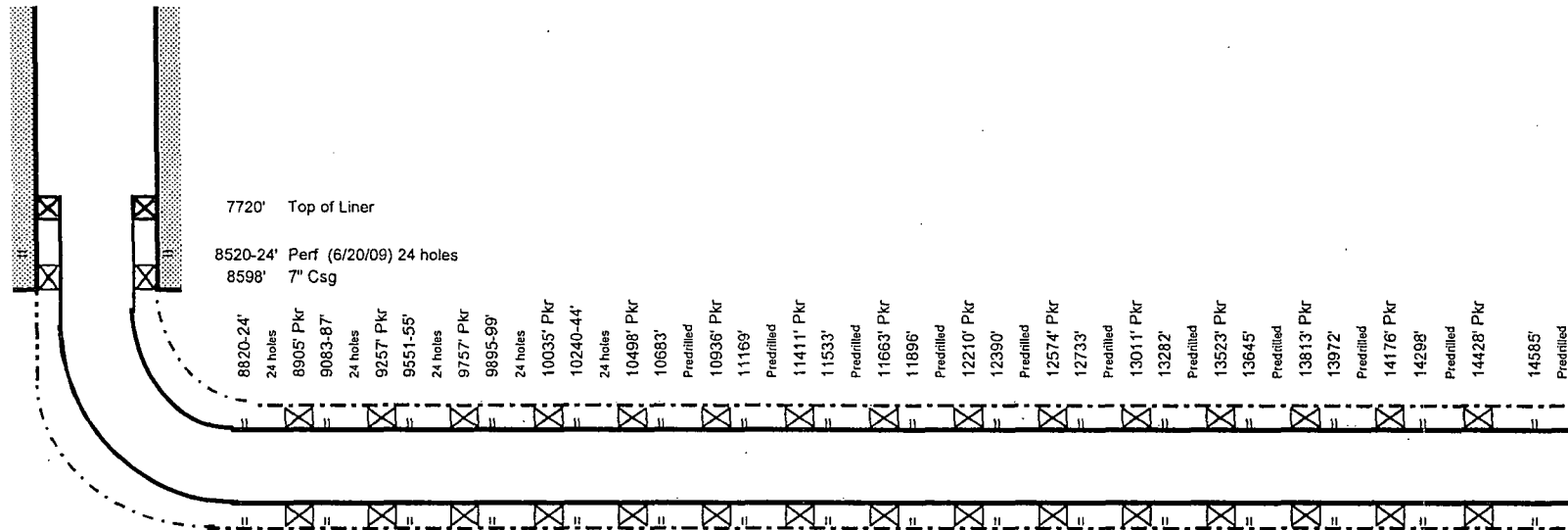
Clean out post stage 5 screen out.

06/26/2009

- Stage 5 Frac perf @ 13282 w/91 bbls 30# linear, 1061 bbls 30# XL borate w/ 88370 lbs 16/30 Ottawa sand.
- Stage 6 Frac perf @ 12,733' w/265 bbls SW, 146 bbls 30 # linear, 1437 bbls 30 lb XL borate w/ 149445 16/30 Ottawa sand.
- Stage 7 Frac perf @ 12,390 w/12 SW, 82 bbls 30# linear, 1479 bbls 30# XL borate w/ 153784 lbs 16/30 Ottawa sand.
- Stage 8 Frac perf @ 11896' W/66 bbls SW, 157 bbls 30# linear, 1418 bbls 30# XL Borate w/158825 lbs 16/30 Ottawa sand.
- Stage 9 Frac perf @ 11533 w/40 bbls 15% HCl, 138 SW, 131 bbls 30 # linear, 1419 bbls 30# XL borate w/153096 lbs 16/30 Ottawa sand.
- Stage 10 Frac perf @ 11169' w/38 bbls 15% HCl, 119 SW, 108 bbls 30 # linear, 1380 bbls 30 lb.XL borate w/ 151496 16/30 Ottawa sand.
- Stage 11 Frac perf @ 10683' w/14 bbls 15% HCl, 130 bbls SW, 114 bbls 30# linear, 1830 bbls 30# XL borate w/ 162534 lbs 16/30 Ottawa sand.
- Stage 12 Frac perfs @ 10240'-244' w/ 67 bbls SW, 48 bbls 15% HCL, 140 bbls SW, 146 bbls 30# linear, 1448 bbls 30# XL borate w/ 158200 lbs Ottawa sand.
- Stage 13 Frac perfs @ 9895'-99' w/73 bbls SW, 50 bbls 15% HCl, 182 bbls SW, 40 bbls 30# linear, 1171 bbls 30# XL borate w/ 157680 lbs Ottawa sand.
- Stage 14 Frac perfs @ 9551'-55' w/77 SW, 64 bbls 15% HCl, 98 bbls SW, 74 bbls 30# linear, 1160 bbls 30# XL borate w/ 157,320 lbs 16/30 Ottawa sand.

	Stage 15	Frac perfs @ 9083'-87' w/114 bbls SW, 50 bbls 15% HCl, 60 bbls SW, 176 bbls 30# linear, 942 bbls 30# XL borate w/ 100,640 lbs Ottawa sand.
	Stage 16	Frac perfs @ 8820'-24' w/182 SW, 55 bbls 15% HCl, 57 bbls SW, 103 bbls 30# linear, 915 bbls 30# XL borate w/ 150300 lbs Ottawa sand.
06/27/2009	Stage 17	Frac perfs @ 8520-24 w/81 SW, 55 bbls 120 BBLs 15% HCL, 164 bbls SW, 32 bbls 30# linear, 1277 bbls 30# XL borate w/ 86120 lbs 16/30 Ottawa sand.

LEASE: POKER LAKE UNIT WELL #: 265H HORIZONTAL
 FIELD: UNDESIGNATED (BONE SPRING)
 LOCATION: SL: 660' FSL & 660' FWL, SECTION 6, T24S, R30E
BHL: 660' FSL & 1980' FWL
 COUNTY: EDDY ST: NM API #: 30-015-35614



LINER
 SIZE: 4 1/2"
 WT/GRD: 11.6# N-80
 SET @: 14616'
 HOLE SIZE: 8-3/4"

TUBING DATA

Updated: 6/30/2009
 Author: ezg
 Engr: JBB

LEASE: POKER LAKE UNIT WELL #: 265H HORIZONTAL
 FIELD: UNDESIGNATED (BONE SPRING)
 LOCATION: SL: 660' FSL & 660' FWL, SECTION 6, T24S, R30E
 BHL: 660' FSL & 1980' FWL
 COUNTY: EDDY ST: NM API# 30-015-35614

****CURRENT****

SEE HORIZONTAL SKETCH

KB: 3192.2'
 GL: 3167.2'
 SPUD DATE: 4/15/2009
 COMP DATE:

SURFACE CASING

SIZE: 13-3/8"
 WT/GRD: 48# H40
 SET @: 719'
 SX CMT: 320 sx Econocem
 SX CMT: 340 sx Clas 'C'
 CIRC: Y 275 sx
 TOC: Surface
 HOLE SIZE: 17-1/2"

719' 13-3/8" CSG

1865 TOC (TS)
 3489' 9-5/8" 40# CSG

INTERMEDIATE CASING

SIZE: 9-5/8"
 WT/GRD: 40# J-55
 SET @: 3449'
 SX CMT: 1000 Econocem
 SX CMT: 300 Cemex Prem
 CIRC: Y 223 sx
 TOC: Surface
 HOLE SIZE: 12-1/4"

2ND INTERMEDIATE CASING

SIZE: 7"
 WT/GRD: 26# P-110
 SET @: 8598'
 SX CMT: 700 sx Econocem
 SX CMT: 175 sx Prem +
 CIRC: N
 TOC: 1865'
 HOLE SIZE: 8-3/4"

8598' 7" 26# CSG

LINER

SIZE: 4 1/2"
 WT/GRD: 11.6# N-80
 SET @: 14616'
 HOLE SIZE: 8-3/4"

TUBING DATA

SEE HORIZONTAL SECTION DETAIL

14616' 4-1/2" 11.6# CSG

PBTD:

TD: 14769'

Updated: 6/16/2009

Author: ezg

Engr: JBB

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
11 Grand Avenue, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
1220 St. Francis Dr., Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35614		Pool Code	Pool Name Undesignated (Bone Spring)
Property Code 306402	Property Name POKER LAKE UNIT		Well Number 265H
OGRID No. 260737	Operator Name BOPCO, L.P.		Elevation 3166'

Surface Location

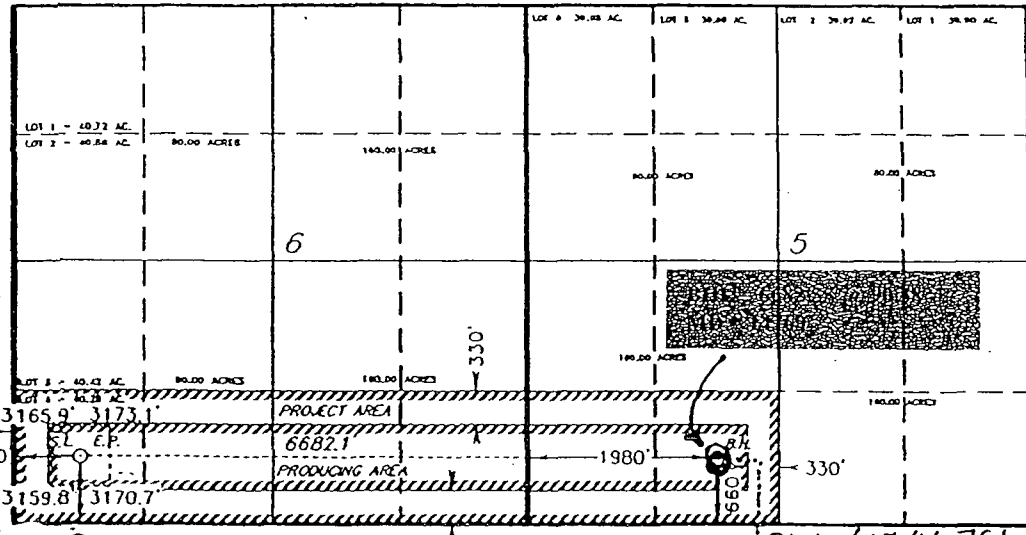
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 4	6	24 S	30 E		660	SOUTH	660	WEST	EDDY

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
M	5	24 S	30 E		660	SOUTH	1980	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
240			

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 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 _____ Date _____ Printed Name _____
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. MAY 1 2009 Date Surveyed _____ Signature _____ Professional Surveyor		
SURFACE LOCATION Lot - N 32°14'27.87" Long - W 103°55'36.82" NWSPE- N 451659.664 E 625663.524 (NAD-27)	DELAWARE ENTRY POINT Lot - N 32°14'27.87" Long - W 103°55'36.82" NWSPE- N 451659.664 E 625663.524 (NAD-27)	BOTTOM HOLE LOCATION Lot - N 32°14'28.24" Long - W 103°54'19.02" NWSPE- N 451722.226 E 632345.573 (NAD-27)

INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

April 5, 2010

TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: STEVE F. JOHNSON
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #263H
UNDESIGNATED (BONE SPRING) FIELD
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU263HCD.DOC

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #263H was drilled in 2008 to a measured depth of 12,292' and was completed in the Bone Spring formation. The well is producing from perforations 8,488-12,302'. On test 3/04/2009 the well pumped at the rate of 321 BOPD, 601 MCFPD, and 1,197 BWPD. This well is expected to recover approximately 329.884 MBOE from the current completion.

The most recent price file from Fort Worth was utilized and the oil price was adjusted by - \$3.80/BO. An operating cost of \$9,000/mo plus \$.57/mcf transportation expense was also incorporated in this evaluation. The Poker Lake Unit #263H will be a commercial well and should be incorporated into a participating area.



Steve Johnson

 RSD/cdp

cc: Ross Sutton
George Hillis
Brad Glasscock

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL POKER LAKE UNIT #263H FORMATION Bone Spring
 LOCATION LOT 2 UNIT, 1894 FEET FROM NORTH LINE & 674 FEET FROM WEST LINE
 SECTION 6 TOWNSHIP 24S RANGE 30E COUNTY Eddy, NEW MEXICO
 SPUD DATE 10/15/2008 COMPLETION DATE 3/2/2009 INITIAL PRODUCTION 3/2/2009
 PERFORATIONS 8488-12302

* BHL 2320' FNL 365' FEL SEC 6, T24S R30E
 STIMULATION:

ACID _____

FRACTURE *SEE: Completion report attached

POTENTIAL (3/4/2009): 321 BOPD, 601 MCFPD, 1197 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE	
Area (A) proration unit size, acres	<u>160</u>		
Porosity (Φ), %	<u>20%</u>		
Water saturation (Sw), %	<u>36%</u>		
Net Thickness (H), ft.	<u>153</u>		
Temperature (T), Fahrenheit	<u>120</u>		
Bottom Hole pressure (P), psia	<u>3,649</u>		
Recovery factor (RF), %	<u>15%</u>		
Recoverable Oil, Bbls *(See eq. below)	<u>2,390,547</u>		

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/Bo) (RF)$

Bo = 1.50

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 2/28/2010 38,532 BBL OIL 167,680 MCFINITIAL RATE (qi) 201ECONOMIC LIMIT (qi) 8HYPERBOLIC DECLINE RATE, dy n = .9, d = 63.12%/yrREMAINING OIL (Q) = 157,110ULTIMATE RECOVERABLE OIL (BO) 195,642

(Attach plot showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$3,033,234 (to the depth of formation completed)COMPLETION COST \$2,433,324GROSS TOTAL COST \$5,466,558

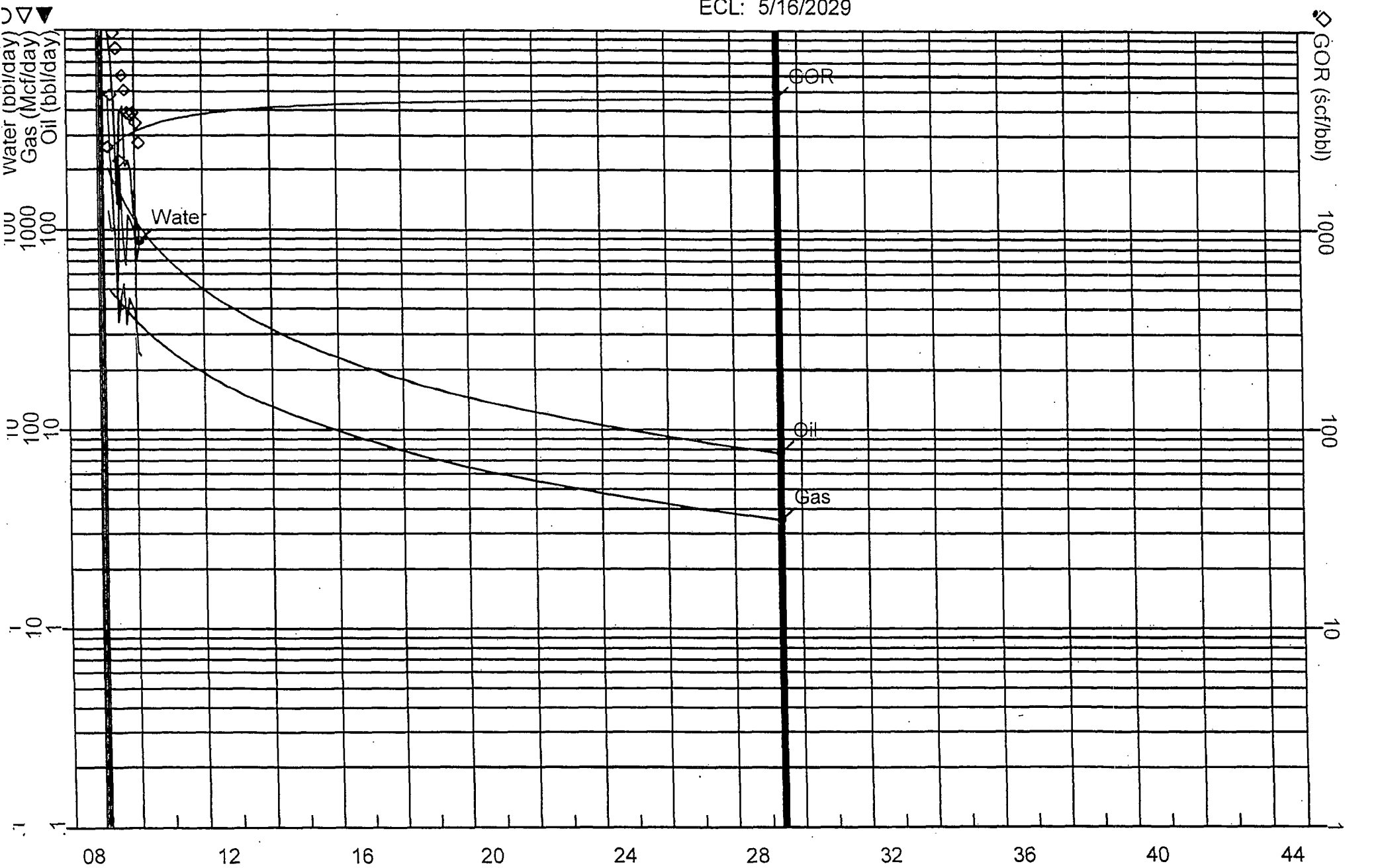
YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO	0			
1	33.918	1914.2	269.6	-3864.8
2	30.107	2489.2	336.3	2001.1
3	21.403	1928.6	285.1	1456.9
4	16.073	1486.9	245.1	1048.1
5	12.750	1200.2	218.9	788.6
6	10.553	1008.8	201.4	617.9
7	8.979	873.2	188.9	498.7
8	7.819	772.5	179.6	411.5
9	6.880	691.1	172.1	343.1
10	6.149	628.5	166.2	290.9
REMAINDER	41.012	4309.1	1519.6	1400.8
TOTAL	195.643	17302.3	3782.7	4992.7

WELL IS COMMERCIAL

CONTROL: 1000
APP EUR OIL: 200.000

Field: UNDESIGNATED (BONE SPRING)
IDCODE: C JBSPK.263
APP EUR GAS: 801.975

ECL: 5/16/2029



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other			5. Lease Serial No. NMLC068545		
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Rcvr., Other _____			6. If Indian, Allottee or Tribe Name		
2. Name of Operator BOPCO, L.P.			7. Unit or CA Agreement Name and no. NMNM71016X		
3. Address P.O. Box 2760 Midland TX 79702			8. Lease Name and Well No. Poker Lake Unit 263H		
3.a. Phone No. (Include area code) (432)683-2277			9. API Well No. 30-015-35115		
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At Surface UL 2, 1905' FNL, 660' FWL, LAT N 32.248556, LONG W 103.927611 At top prod. interval reported below SAME At total depth UL H, 2320' FNL, 365' FEL			10. Field and Pool, or Exploratory Undesignated (Bone Spring)		
14. Date Spudded 10/15/2009			15. Date T.D. Reached 12/12/2008		
16. Date Completed ☐ D & A ☒ Ready to Prod. 03/02/2009			17. Elevations (DF, RKB, RT, GL)* 3216' GL		
18. Total Depth: MD 12,292' TVD 8,370'			19. Plug Back T.D.: MD 12,292' TVD 8,370'		
20. Depth Bridge Plug Set: MD TVD			21. Type of Electric & Other Mechanical Logs Run (Submit copy of each) HLA-CFL-GR; LDT-CNL-GR		
22. Was well cored? ☒ No ☐ Yes (Submit analysis) Was DST run? ☒ No ☐ Yes (Submit analysis) Directional Survey? ☐ No ☒ Yes (Submit copy)			12. County or Parish Eddy		
			13. State NM		

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 Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17-1/2"	13-3/8"	48#	0'	736' TVD		740 SXS		0' CIRC	
12-1/4"	9-5/8"	36#	0'	3489' TVD		1650 SXS		0' TOPOUT	
8-3/4"	5-1/2"	17#	0'	12,292'		1465 SXS		3400' TS	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	7645'	NA						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) First Bone Spring Sand	8244'	9165'	8488'-11921'	0.380"	60	PRODUCING
B)			12292'-12302'		OH	PRODUCING
C)						
D)						

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

Depth Interval	Amount and Type of Material
12292'-12302' OH	Frac'd w/ 40,570 gals BFrac 25 w/ 100,222 lbs 20/40 Super I.C.
11077'-11922'	Acidize w/ 12,000 gals 7-1/2% NEFE HCl acid.
11077'-11922'	Frac'd w/ 123,892 gals BFrac 25 w/ 300,344 lbs 20/40 SLC.
9940'-10681'	Acidize w/ 12,000 7-1/2% NEFE HCl acid. (see 2nd pg for remaining details)

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
03/02/09	03/04/09	24	→	321	601	1197			FLOWING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
22/64"	800	600	→				1872.27	PRODUCING	

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

1628 N. Fremont Dr., Hobbs, NM 88240

1301 W. Grand Avenue, Artoeda, RM 88210

1000 Bio Braxos Rd., Artec, NM 87410

1220 St. Francis Dr., Santa Fe, NM 87506

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 October 12, 2006

Submitt to Appropriate District Office

State Lease - 4 Copies

Per Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35115	Pool Code NA	Pool Name UNDESIGNATED (BONE SPRING)
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 263H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3216'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 2	6	24 S	30 E		1894	NORTH	674	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
H	6	24 S	30 E		2320	NORTH	365	EAST	EDDY
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			
160		N							

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

BONE SPRING ENTRY POINT
 LAT - N32°14'54.05"
 LONG - W103°55'34.08"
 N.: 454305.713
 SPC- E.: 625889.020
 (NAD-27)

LOT 1
 40.72 ACRES

LOT 2
 40.58 ACRES

LOT 3
 40.42 ACRES

LOT 4
 40.28 ACRES

SURFACE LOCATION
 LAT - N32°14'55.06"
 LONG - W103°55'36.74"
 N.: 454406.525
 SPC- E.: 625660.148
 (NAD-27)

BOTTOM LOCATION
 LAT - N32°14'51.00"
 LONG - W103°54'47.55"
 N.: 453972.168
 SPC- E.: 629886.334
 (NAD-27)

PROJECT AREA
 160.00 ACRES

PRODUCING AREA
 80.00 ACRES

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: *Gary E. Gerhard*
 Date: 10/28/08
 Printed Name: Gary E. Gerhard

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: OCTOBER 24, 2008
 Signature: *Gary L. Jones*
 Professional Surveyor
 Certificate No. Gary L. Jones 7977

HORIZONTAL WELL BORE DIAGRAM

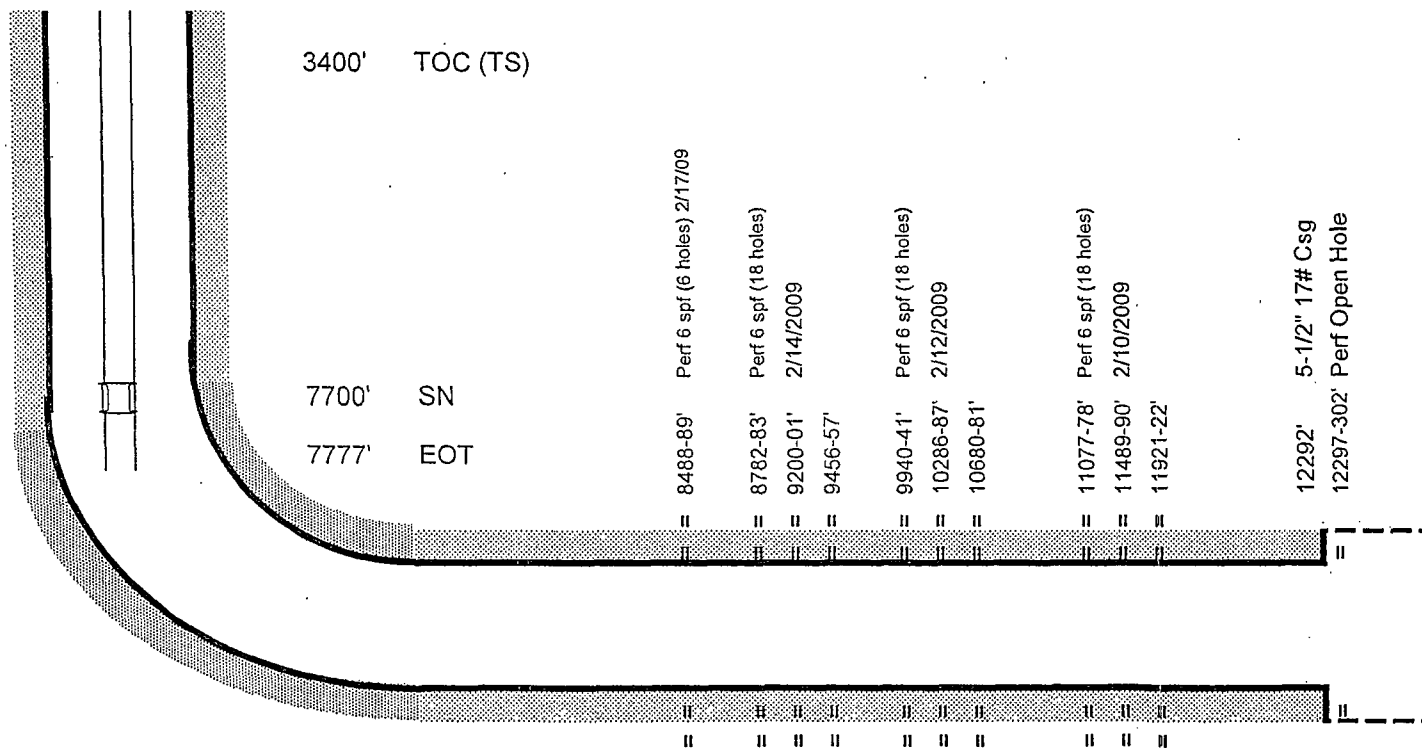
LEASE: POKER LAKE UNIT WELL #: 263H HORIZONTAL
FIELD: NASH DRAW (DELAWARE)
LOCATION: SL: 1894' FNL & 674' FWL, SECTION 6, T24S, R30E
BHL: 2260' FNL & 405' FEL
COUNTY: EDDY ST: NM API #: 30-015-35115

PRODUCTION CASING

SIZE: 5-1/2"
WT/GRD: 17# HCP-110 LT&C/ULFJ
SET @: 12292'
SX CMT: 815 Halco Tuned Light
SX CMT: 650 SoluCem
CIRC: N
TOC: 3400' TS
HOLE SIZE: 8-3/4"

TUBING DATA

(238) JTS 2 7/8" 6.5# N-80 TBG
SN @ 7699.92'
(4) STAGE FLCT PUMPS
INTAKE/GAS SEPARATOR
SEAL UNIT, MOTOR & SENSOR @ 7777.22'



Updated: 7/15/2009
Author: ezg
Engr: JBB

CURRENT WELLBORE DIAGRAM

LEASE: POKER LAKE UNIT **WELL #:** 263H **HORIZONTAL**
FIELD: NASH DRAW (DELAWARE, BS, AVALON SD)
LOCATION: SL: 1894' FNL & 674' FWL, SECTION 6, T24S, R30E
BHL: 2260' FNL & 405' FEL
COUNTY: EDDY **ST:** NM **API#** 30-015-35115

****CURRENT****

SEE HORIZONTAL SKETCH

KB: 3235.5'
GL: 3216.3'
SPUD DATE: 10/15/2008
COMP DATE: 2/17/2009

SURFACE CASING

SIZE: 13-3/8"
WT/GRD: 48# H40
SET @: 736'
SX CMT: 400 Econocem
SX CMT: 340 Halcem
CIRC: Y 164 sx
TOC: Surface
HOLE SIZE: 17-1/2"

736' 13-3/8" CSG
 3400' TOC (TS)
 3489' 9-5/8" 36# CSG 12-1/4" HOLE

INTERMEDIATE CASING

SIZE: 9-5/8"
WT/GRD: 36# K-55
SET @: 3489'
SX CMT: 1300 Econocem
SX CMT: 350 Halcem
CIRC: Y 490 sx
TOC: Surface
HOLE SIZE: 12-1/4"

PRODUCTION CASING

SIZE: 5-1/2"
WT/GRD: 17# HCP-110 LT&C/ULFJ
SET @: 12292'
SX CMT: 815 Halco Tuned Light
SX CMT: 650 SoluCem
CIRC: N
TOC: 3400' TS
HOLE SIZE: 8-3/4"

TUBING DATA

(238) JTS 2 7/8" 6.5# N-80 TBG
 SN @ 7699.92'
 (4) STAGE FLCT PUMPS
 INTAKE/GAS SEPARATOR
 SEAL UNIT, MOTOR & SENSOR @ 7777.22'

8488-89' Perf 6 spf (6 holes) 2/17/09

8782-83' Perf 6 spf (18 holes)
 9200-01' 2/14/2009
 9456-57'

9940-41' Perf 6 spf (18 holes)
 10286-87' 2/12/2009
 10680-81

11077-78' Perf 6 spf (18 holes)
 11489-90' 2/10/2009
 11921-22'

SEE HORIZONTAL SECTION DETAIL

12292' 5-1/2" 17# HCP-110
 12297-302' Perf Open Hole

PBTD: 12199'
TD: 12292'

2/24/2009
 ezg
 TEG

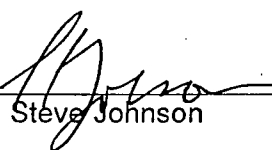
INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

April 7, 2010

TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: STEVE F. JOHNSON
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #274
PIERCE CROSSING (BONE SPRING) FIELD
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU274BCD.DOC

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #274 was drilled in 2008 to a total depth of 9288' and was completed in the Delaware and Bone Spring. The well is producing from Bone Spring perforations 7616-9160'. On test 8/18/2008 the well pumped at the rate of 243 BOPD, 652 MCFPD, and 293 BWPD. This well is expected to recover approximately 54.015 MBOE from the current completion.

The most recent price file from Fort Worth was utilized and the oil price was adjusted by - \$3.80/BO. An operating cost of \$3,383/mo plus \$.57/mcf transportation expense was also incorporated in this evaluation. **The Poker Lake Unit #274 will not be a commercial well and should not be incorporated into a participating area.**


Steve Johnson

RSD/cdp

cc: Ross Sutton
George Hillis
Brad Glasscock

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL _____ POKER LAKE UNIT # 274 _____ FORMATION _____ BONE SPRING _____
 LOCATION _____ O _____ UNIT, _____ 360 _____ FEET FROM SOUTH LINE & _____ 2310 _____ FEET FROM EAST LINE
 SECTION _____ 12 _____ TOWNSHIP _____ 24S _____ RANGE _____ 29E _____ COUNTY _____ Eddy _____ NEW MEXICO
 SPUD DATE _____ 6/4/2008 _____ COMPLETION DATE _____ 8/8/2008 _____ INITIAL PRODUCTION _____ 8/8/2008 _____
 PERFORATIONS _____ 7616-9160' _____

STIMULATION:

ACID _____

FRACTURE _____ 7316-7666' Acidize w/ 3000 gal a5% NEFE HCL
 8121-8303' Frac w/ 133023 gal PW & 12010# 14/30 Liteprop
 8909-9160' Frac w/ 146035 gal PW & 19820# 14/30 Liteprop

POTENTIAL _____ (8/18/2008): 243 BOPD, 652 MCFPD, 293 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	40	
Porosity (Φ), %	11%	
Water saturation (Sw), %	60%	
Net Thickness (H), ft.	61	
Temperature (T), Fahrenheit	120	
Bottom Hole pressure (P), psia	3,275	
Recovery factor (RF), %	15%	
Recoverable Oil, Bbls *(See eq. below)	83,290	

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B_o = 1.50

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 2/28/2010 11,661 BBL Oil 90,478 MCF GasINITIAL RATE (qi) 91ECONOMIC LIMIT (qi) 2HYPERBOLIC DECLINE RATE, dy n = 0.9, d = 97.8%/yrREMAINING OIL (Q) = 6,628ULTIMATE RECOVERABLE OIL (BO) 18,289

(Attach plat showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$1,900,303 (to the depth of formation completed)

COMPLETION COST _____

GROSS TOTAL COST \$1,900,303

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	8.009	967.6	41.9	-1067.8
2	3.203	187.6	26.1	117.9
3	2.412	345.4	17.5	236.6
4	1.593	277.4	11.9	174.6
5	1.172	212.1	8.9	119.5
6	0.918	169.6	2.5	84.8
7	0.754	141.6	0.0	62.5
8	0.228	43.8	0.0	18.0
9	0.000	0.0	0.0	0.0
10	0.000	0.0	0.0	0.0
REMAINDER	0.000	0.0	0.0	0.0
TOTAL	18.289	2345.120	108.710	-253.870

WELL IS NOT COMMERCIAL

ECONOMIC PROJECTION

Date : 4/7/2010

Lior: 1000387

3:19:16PM

Field Name : Exp of RESERVEPROP

As Of Date : 01/01/2008

Lease Name : 1000387/POKER LAKE UNIT/274/BON

Number : 99999

Discount Rate (%) : 5.00

Reserv Cat : Proved Producing

Case Type : LEASE CASE

Field : PIERCE CROSSING (BONE SPRING, EA)

Archive Set : CURRENT

1000387/POKER LAKE UNIT/274/BON

Operator : BOPCO

Cum Oil (Mbbbl) : 0.00

Reservoir : BONE SPRING

Cum Gas (MMcf) : 0.00

Co., State : EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
2008	8.009	67.344	34.554	0.000	6.768	29.198	0.000
2009	3.203	20.817	10.681	0.000	2.707	9.026	0.000
2010	2.412	37.273	19.125	153.808	2.038	16.161	129.968
2011	1.593	29.810	15.295	131.163	1.346	12.925	110.833
2012	1.172	22.430	11.509	98.691	0.990	9.725	83.394
2013	0.918	17.718	9.091	77.960	0.776	7.682	65.876
2014	0.754	14.566	7.474	64.089	0.637	6.315	54.155
2015	0.228	4.399	2.257	19.356	0.193	1.907	16.356

Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	18.289	214.357	109.987	545.067	15.454	92.939	460.582
Ult.	18.289	214.357					

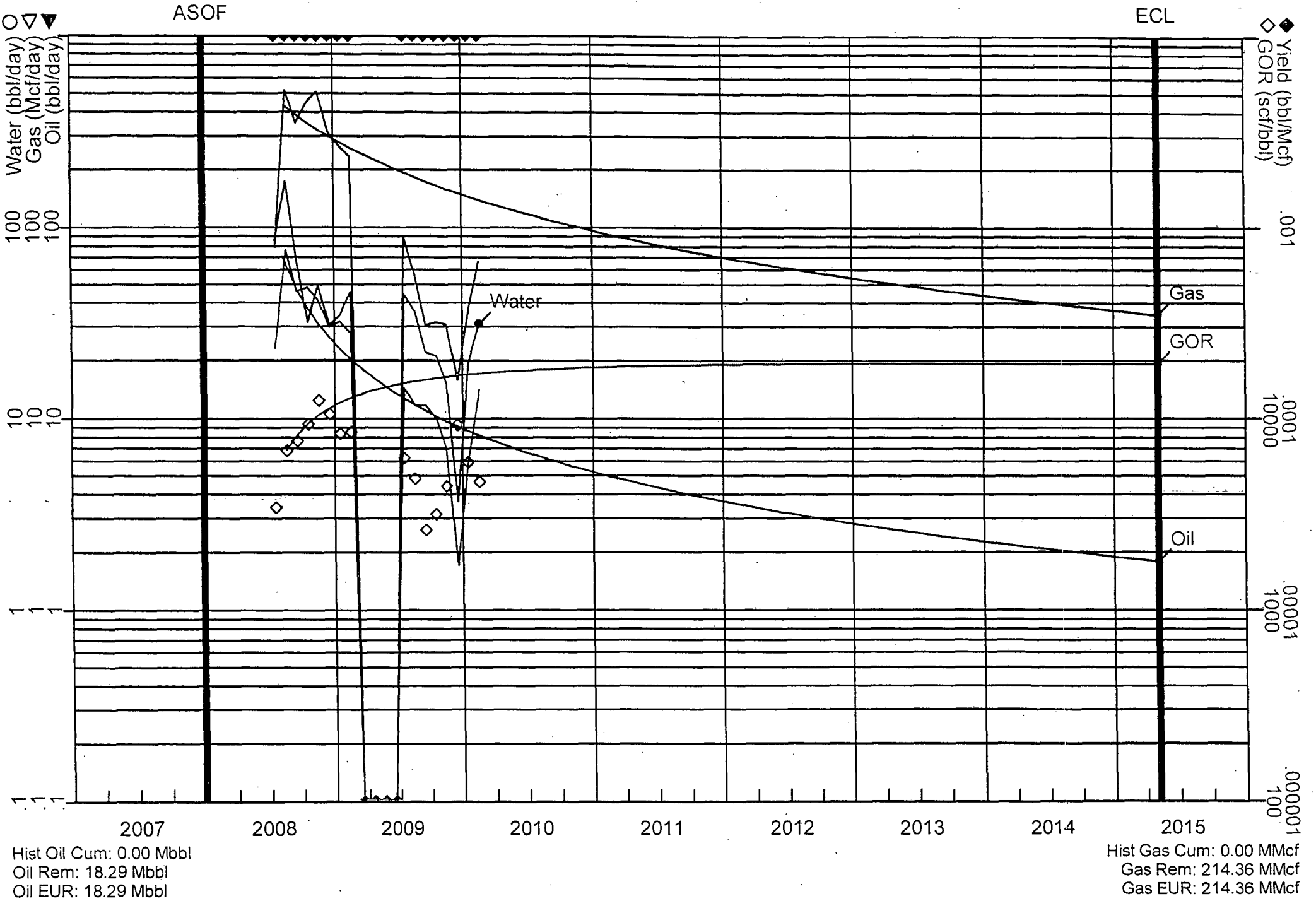
Year	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2008	107.09	8.32	0.00	724.74	242.87	0.00	967.61
2009	51.06	5.48	0.00	138.20	49.44	0.00	187.64
2010	79.68	5.05	0.78	162.40	81.64	101.37	345.41
2011	83.55	6.07	0.78	112.47	78.50	86.45	277.43
2012	84.22	6.54	0.78	83.42	63.62	65.05	212.08
2013	84.64	6.84	0.78	65.68	52.53	51.38	169.59
2014	85.09	7.15	0.78	54.18	45.14	42.24	141.56
2015	85.54	7.64	0.78	16.48	14.56	12.76	43.80

Rem	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	87.84	6.76	0.78	1,357.57	628.30	359.25	2,345.12

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
2008	70.57	1.72	1,900.30	32.00	-1,036.99	-1,036.99	-1,067.80	-1,067.80
2009	15.42	0.38	0.00	45.74	126.10	-910.88	117.94	-949.86
2010	27.39	0.69	0.00	49.81	267.53	-643.35	236.63	-713.23
2011	22.06	0.55	0.00	47.96	206.85	-436.51	174.64	-538.59
2012	16.90	0.42	0.00	46.14	148.61	-287.89	119.48	-419.11
2013	13.54	0.34	0.00	44.97	110.74	-177.16	84.77	-334.34
2014	11.32	0.28	0.00	44.20	85.77	-91.39	62.52	-271.82
2015	3.51	0.09	0.00	14.74	25.47	-65.92	17.95	-253.87

Rem	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	180.71	4.47	1,900.30	325.56	-65.92	-65.92	-253.87	-253.87

Major Phase :	Oil	Working Int :	1.00000000	Present Worth Profile (M\$)	
Perfs :	0 0	Revenue Int :	0.84500000		
Initial Rate :	2,366.00 bbl/month	Disc. Initial Invest. (m\$) :	1,900.303	5.00% :	-253.87
Abandonment :	54.39 bbl/month	Internal ROR (%) :	>1000.0	9.00% :	-376.76
Decline :	98.67 % year b = 0.900	ROI Investment (disc/undisc) :	0.87 / 0.97	10.00% :	-404.38
Break ratio :	6.80 Mcf/bbl	Years to Payout :	0.00	12.00% :	-456.39
End Ratio :	19.31 Mcf/bbl	Abandonment Date :	05/04/2015	15.00% :	-527.16
Forecast Start :	08/01/2008			20.00% :	-628.96
		Initial	1st Rev.	30.00% :	-787.60
		Working Interest :	1.00000000	40.00% :	-905.36
		Revenue Interest :	0.84500000	50.00% :	-996.31
		Rev. Date :		60.00% :	-1,068.81



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 20075. Lease Serial No.
NMNM 05912

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.

NMNM 71016X

8. Lease Name and Well No.

POKER LAKE UNIT 274

9. API Well No.

30-015-35138

10. Field and Pool, or Exploratory

PIERCE CROSS. (BONE SPRING)

11. Sec., T., R., M., on Block and
Survey or Area SEC 12, T24S, R29E

12. County or Parish

EDDY

13. State

NM

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

3110'

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
BEPCO, L.P.3. Address
P.O. BOX 2760 MIDLAND TX 79702-27603.a Phone No. (Include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface UL O, 360' FSL, 2310' FEL LAT N32.225806, LONG W103.936972

At top prod. interval reported below SAME

At total depth SAME

14. Date Spudded

06/04/2008

15. Date T.D. Reached

07/08/2008

16. Date Completed

☐ D & A ☒ Ready to Prod.

08/08/2008

18. Total Depth: MD 9288'
TVD19. Plug Back T.D.: MD 9199'
TVD20. Depth Bridge Plug Set: MD
TVD21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR-CLN-LDT; GR-AIT22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☐ Yes (Submit copy)

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
12-1/4"	8-5/8"	32#	0'	802'		650 SXS		0' TOP OUT	
7-7/8"	7"	23#	0'	3342'		722 SXS		920 TS	
						73 SXS PERF & SQZ.		0' CIRC.	
6-1/8"	4-1/2"	11.6#	0	9288'		575 SXS		2842' CALC.	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	8520' SN	7467' TAC						

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BONE SPRINGS	8122'	9160'	7616-7666'	0.380	50	PRODUCING
B)			8121-8303'	0.380	25	PRODUCING
C)			8908-9160'	0.380	20	PRODUCING
D)						

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

Depth Interval	Amount and Type of Material
7316-7666'	ACIDIZE W/ 3000 GALS 15% NEFE HCL
8121-8303'	FRACTURED FORMATION W/ 133023 GALS PW & 12010 #'S 14/30 LITEPROP
8908-9160'	FRACTURED FORMATION W/ 146035 GALS PW & 19820 #'S 14/30 LITEPROP

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
08/09/08	08/18/08	24	→	243	652	293	41.5		PUMPING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
22/64"	300	220	→				2383	PRODUCING	

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

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.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or 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
				T/SALT	622'
				B/SALT	3106'
				LAMAR	3320'
				BELL CANYON	3348'
				CHERRY CANYON	4196'
				BRUSHY CANYON	5463'
				LO. BRUSHY CANYON	6816'
				BONE SPRING LIME	7074'
				AVALON SAND	7174'
				FIRST BONE SPRING SAND	8089'
				SECOND BONE SPRING SAND	9002'

32. Additional remarks (include plugging procedure):

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

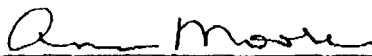
- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geological Report
 ☐ DST Report
 ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
☒ Other Inclination Report

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) ANN MOORE

Title PRODUCTION CLERK

Signature



Date

08/26/2008

Title 18 U.S.C. Section 101 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 and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Ed., Aztec, NM 87410

DISTRICT IV

1220 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

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35138	Pool Code 96473	Pool Name PIERCE CROSSING (BONE SPRING) EAST
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 274
OGRID No. 001801	Operator Name BEPCO, L.P.	Elevation 3110'

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	12	24 S	29 E		360	SOUTH	2310	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

Dedicated Acres 40	Joint or Infill N	Consolidation Code	Order No.
-----------------------	----------------------	--------------------	-----------

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

159.56 ACRES	159.56 ACRES	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 released 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. <u>William R. Dannels</u> Signature Date 8/7/06 <u>W.R. Dannels</u> Printed Name
159.76 ACRES	159.76 ACRES	
LAKE - N32°13'32.9" E BONE - N103°58'13.1" (NAD-83) 3105.9' 3114.5' 2310' 3106.5' 3109.7'		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 May 02, 2006 Signature <u>[Signature]</u> Professional Surveyor 7977 Certificate No. <u>July L. Jones</u> 7977 BASIN SURVEYS

CURRENT WELLBORE DIAGRAM

LEASE: POKER LAKE UNIT **WELL #:** 274
FIELD: NASH DRAW (DELAWARE, BS, AVALON SD)
LOCATION: 360' FSL & 2310' FEL, SECTION 12, T24S, R29E
COUNTY: EDDY **ST:** NM **API#** 30-015-35138

KB:	3128' (est)
GL:	3110'
SPUD DATE:	6/4/2008
COMP DATE:	8/2/2008

SURFACE CASING

SIZE: 8-5/8"
WT/GRD: 32# J-55
SET @: 802'
SX CMT: 425 sx Class C
CIRC: Yes by Top Out (225 sx)
TOC: Surface 1 sx
HOLE SIZE: 12 1/4"

INTERMEDIATE CASING

SIZE: 7"
WT/GRD: 23# K-55
Depth: 3342'
STAGE 1: 722 sx 50/50 POZC
CIRC: N
TOC: 920' (TS)
STAGE 2: 73 sx 50/50 POZC
CIRC: Y 7 sx
TOC: Surface
HOLE SIZE: 7-7/8"

PRODUCTION CASING

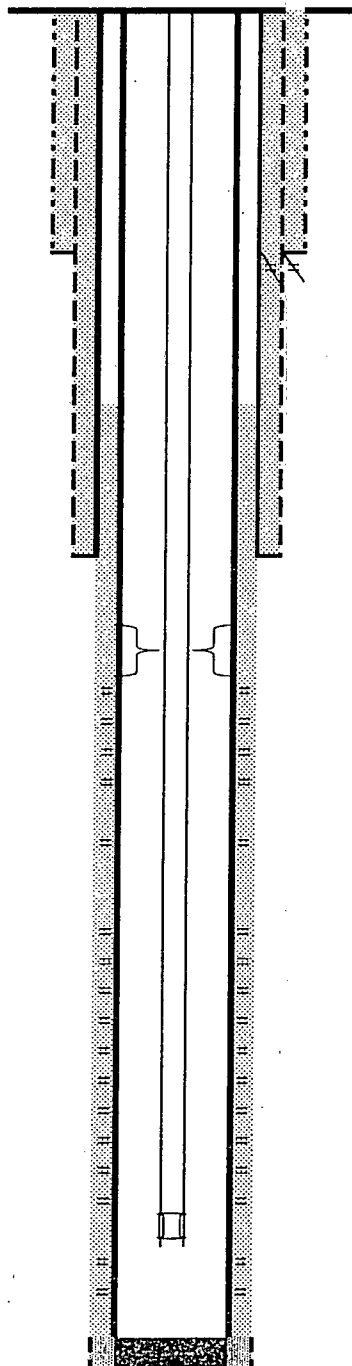
SIZE: 4-1/2"
WT/GRD: 11.6# P110
Depth: 9287'
STAGE 1: 575 sx Lite Crete
CIRC: N
TOC: 2842 (est)
HOLE SIZE: 6 1/8"

TUBING DATA

270 jts 2 3/8" EUE 8RD 4.7# J-55
 TAC @ 6469.52'
 SN @ 8496.69'
 EOT @ 8564.93'

RODS & PUMP

1 pol rod 16' liner, 1 pony, 8425' 7/8 x 25 EL Pony rod:
 1 lift sub, 1 2" X 1 1/2" X 24' RHBM-HVR-TS pmp



X: 664052.981'
 Y: 446206.747
 Lat: 32° 13' 32.9" N
 Long: 103° 56' 13.1" W

802' 8-5/8" CSG
 870' Perf & Sqz

2842' TOC (est)

3342' 7" CSG

6470' TAC
 6571-76' Perf LBC 'T' 5 holes, 1 jspf, 0° phsg 3/10/09
 6673-78' Perf LBC 'U' 15 holes, 1 jspf, 0° phasing 3/10/09
 6740-45'
 6793-98'

6915-35' Perf LBC 'W' 20 holes, 1 jspf, 0° phsg 3/4/09

7616-21' Perf 1st Bone Springs 10 holes, 1 jspf,
 7623-28' 0° phasing 8/2/08

7640-50'
 7653-58' Perf 1st Bone Springs 10 holes, 1 jspf,
 7661-66' 0° phasing 8/2/08

8121-26'
 8161-66' Perf "Bone Springs" 25 holes, 1 jspf, 0°
 8219-24' phasing 8/2/08

8244-49'
 8298-03'

8497' SN/EOT 8565'
 8908-18' Perf BSprgs 10 holes, 1 jspf, 0° phsg 7/30/08
 9150-60' Perf BSprgs 10 holes, 1 jspf, 0° phsg 7/30/08

9286' Float Shoe (Csg detail)

PBTD: 9199' (FC)
TD: 9294'
9288'

Driller's
Logger's

Updated: 7/14/2009
 Author: ezg
 Engr: JBB



INTER-OFFICE MEMORANDUM

TO: Frank McCreight
FROM: Bryce Bezant
DATE: 7/19/2012
RE: Commercial Determination
PLU Big Sinks 25 Federal #1H
Poker Lake Unit (Bone Spring) Field
Eddy County, New Mexico

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Big Sinks 25 Federal #1 was drilled in 2011 to a total depth of 14,037' laterally completed in the Bone Spring reservoir. The well is producing from perforations 9,632'-14,000'. On test 9/30/2011 the well flowed at the rate of 159 BOPD, 118 MCFD, and 2372 BWPD. This well has an expected recovery of approximately 423 MBOE (6:1 mcf/bbl) from the current completion.

The most recent strip price file was utilized, adjusting for current area differentials. Plant yields are 3.2 gpm with a gas sales fraction of 50.4%. An initial operating cost of \$30,000/month for twelve months, then \$15,000/month until the economic limit. Water expense of \$1.00/bbl was also incorporated in this evaluation. The Big Sinks 25 Federal #1 will be a commercial well and should be incorporated into a participating area.


Bryce Bezant

RBB/tah

Cc: Ross Sutton
George Hillis
Andy Morrison
Steve Johnson

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL _____ PLU Big Sinks 25 Federal #1 _____ FORMATION _____ BONE SPRING _____
 LOCATION B P UNIT, 350 FEET FROM SOUTH LINE & 1980 FEET FROM EAST LINE
 SECTION 25 TOWNSHIP 24S RANGE 30E COUNTY Eddy NEW MEXICO
 SPUD DATE 6/6/2011 COMPLETION DATE 9/30/2011 INITIAL PRODUCTION 10/4/2011
 PERFORATIONS 9632-14000
 BHL: 429' FNL & 2257' FEL SEC 25 T24S R30E

STIMULATION:

ACID _____

FRACTURE See Attached _____

POTENTIAL (40816): 159 BOPD, 118 MCFPD, 2372 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	160	
Porosity (Φ), %	9%	
Water saturation (S_w), %	31%	
Net Thickness (H), ft.	93	
Temperature (T), Fahrenheit	137	
Bottom Hole pressure (P), psia	4,174	
Recovery factor (RF), %	68%	
Recoverable gas, BCF *(See eq. below)	8.1	

*Sometimes unable to match performance due to volumetric uncertainty and limited drainage in unconventional reservoirs.

Formula = $(7758) (A) (h) (\phi) (1-S_w)(RF)/B_{gi}$

$B_{gi} = 0.59$

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 3/31/2012 40,900 BBL Oil 95,517 MCF GasINITIAL RATE (qi) 720ECONOMIC LIMIT (qi) 3HYPERBOLIC DECLINE RATE, dy n = 1.3, d = 82.99%/yrREMAINING MCF (Q) = 972,840ULTIMATE RECOVERABLE MCF 972,962

(Attach plat showing proration unit and participating area.)

ECONOMICGROSS WELL COST \$4,748,960 (to the depth of formation completed)COMPLETION COST \$2,852,640GROSS TOTAL COST \$7,601,600

YEAR	GROSS MCF MMCF	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	42.024	1864.0	29.7	-5777.9
2	153.429	3792.4	1029.9	2672.2
3	83.316	1753.0	425.0	1216.3
4	60.243	1267.7	357.3	792.8
5	48.052	1003.1	320.5	565.3
6	40.475	840.9	297.9	427.7
7	35.026	725.2	281.8	332.2
8	31.081	644.4	270.4	266.5
9	28.028	583.0	261.8	217.7
10	25.656	535.6	255.1	180.8
REMAINDER	425.515	9051.3	11663.0	476.1
TOTAL	972.845	22060.4	15192.5	1369.4

WELL IS COMMERCIAL

ECONOMIC PROJECTION

7/20/2012

Lior: 1004605

12:58:25PM

ect Name : Exp of WTD NASI Bankers & Reserves
ner : All cases
Type : LEASE CASE
ive Set : BRYCE

As Of Date : 10/01/2011
Discount Rate (%) : 5.00

Lease Name : 1004605/PLU BIG SINKS 25 FED/1H/BO
Reserv Cat : Proved Producing

1004605/PLU BIG SINKS 25 FED/1H/BON

Field : PLU-CHK
Operator : Chesapeake
Reservoir : 1ST BONE SPRING SHALE
Co., State : Eddy, NM

Risk: 0.000 Inherited/ 0.000 Compounded
Sales

Oil (Mbbbl) : 0.16
Gas (MMcf) : 0.12

	Gross Wet Production		Gross Dry Gas & NGL				
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
1	22.604	42.024	21.264	133.216	19.778	18.606	116.564
2	43.219	153.429	77.635	486.371	37.817	67.931	425.574
3	20.829	83.316	42.158	264.112	18.225	36.888	231.098
4	15.061	60.243	30.483	190.969	13.178	26.672	167.098
5	12.013	48.052	24.314	152.324	10.511	21.275	133.283
6	10.119	40.475	20.481	128.307	8.854	17.921	112.269
7	8.756	35.026	17.723	111.032	7.662	15.508	97.153
8	7.770	31.081	15.727	98.525	6.799	13.761	86.210
9	7.007	28.028	14.182	88.850	6.131	12.410	77.744
0	6.414	25.656	12.982	81.328	5.612	11.359	71.162

106.379	425.515	215.311	1,348.882	93.081	188.397	1,180.272
260.171	972.844	492.259	3,083.916	227.649	430.727	2,698.427
260.330	972.962					

	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
1	87.43	3.44	0.61	1,729.32	64.00	70.64	1,863.96
2	88.96	2.51	0.61	3,364.32	170.18	257.90	3,792.40
3	81.66	3.38	0.61	1,488.22	124.74	140.05	1,753.01
4	80.88	3.77	0.61	1,065.83	100.56	101.26	1,267.65
5	79.70	3.97	0.61	837.74	84.54	80.77	1,003.06
6	78.90	4.14	0.61	698.62	74.20	68.03	840.85
7	78.26	4.30	0.61	599.62	66.70	58.87	725.20
8	78.04	4.47	0.61	530.59	61.58	52.24	644.41
9	77.93	4.68	0.61	477.80	58.04	47.11	582.95
0	77.86	4.89	0.61	436.94	55.51	43.12	535.57
1	77.83	5.80	0.61	7,244.06	1,091.99	715.24	9,051.29
al	81.15	4.53	0.61	18,473.06	1,952.04	1,635.25	22,060.35

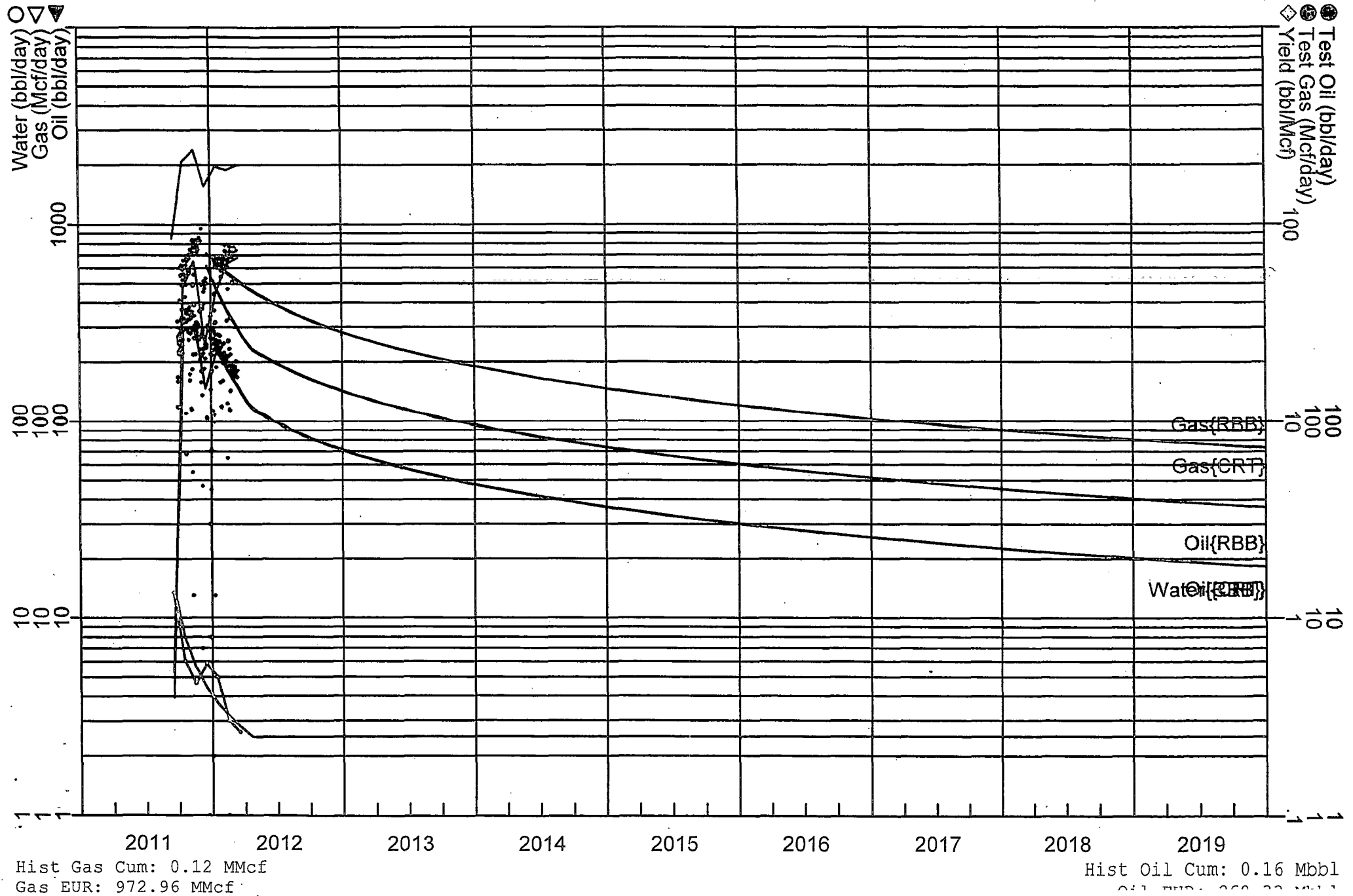
	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
	10.50	7.62	7,601.60	11.61	-5,767.37	-5,767.37	-5,777.86	-5,777.86
	252.47	189.62	0.00	587.85	2,762.46	-3,004.91	2,672.16	-3,105.70
	115.73	87.65	0.00	221.66	1,327.97	-1,676.94	1,216.25	-1,889.45
	83.80	63.38	0.00	210.12	910.34	-766.59	792.77	-1,096.68
	66.32	50.15	0.00	204.03	682.56	-84.04	565.26	-531.42
	55.61	42.04	0.00	200.24	542.96	458.92	427.65	-103.77
	47.98	36.26	0.00	197.51	443.45	902.37	332.18	228.40
	42.66	32.22	0.00	195.54	373.99	1,276.36	266.46	494.86
	38.63	29.15	0.00	194.01	321.16	1,597.52	217.65	712.52
	35.53	26.78	0.00	192.83	280.44	1,877.96	180.78	893.30
	603.04	452.56	0.00	10,607.35	-2,611.67	-2,611.67	476.11	476.11
	1,352.26	1,017.44	7,601.60	12,822.75	-733.71	-733.71	1,369.41	1,369.41

Phase :	Gas	Working Int :	1.00000000	Present Worth Profile (M\$)	
Rate :	0 0	Revenue Int :	0.87500000	5.00% :	1,369.41
monment :	7,764.00 Mcf/month	Disc. Initial Invest. (m\$) :	7,598.479	9.00% :	688.99
Decline :	98.52 Mcf/month	Internal ROR (%) :	13.00	10.00% :	506.38
Ratio :	82.99 % year b = 1.300	ROInvestment (disc/undisc) :	1.18 / 0.90	12.00% :	160.81
Ratio :	0.58 bbl/Mcf	Years to Payout :	4.40	15.00% :	-298.17
Ratio :	0.25 bbl/Mcf	Abandonment Date :	10/04/2078	20.00% :	-920.48
ast Start :	12/01/2011			30.00% :	-1,806.59
		Initial	1st Rev.	40.00% :	-2,418.16
		Working Interest : 1.00000000	1.00000000	50.00% :	-2,874.98
		Revenue Interest : 0.87500000	0.87500000	60.00% :	-3,234.32
		Rev. Date :	10/01/2011		

1004605/PLU BIG SINKS 25 FED/1H/BON
Reservoir: 1ST BONE SPRING SHALE
APP EUR OIL:

avk 09-2011: can't
assign proved due to
proximity to existing
producers

FIELD_ONLY: PLU-CHK
CONTROL: 1004605
APP EUR GAS:



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other		6 If Indian, Allottee or Tribe Name	
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff Resvr. Other		7. Unit or CA Agreement Name and No. NMNM71016X	
2. Name of Operator CHESAPEAKE OPERATING INC E-Mail: lyndee.songer@chk.com		8. Lease Name and Well No. PLU BIG SINKS 25 FEDERAL 1H	
3. Address OKLAHOMA CITY, OK 73154-0496		9. API Well No 30-015-39018-00-S1	
3a. Phone No (include area code) Ph. 405-935-2411		10. Field and Pool, or Exploratory UNKNOWN	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface Sec 25 T24S R30E Mer NMP SWSE 100FSL 2240FEL At top prod interval reported below Sec 25 T24S R30E Mer NMP At total depth NWNE 350FNL 2240FEL		11. Sec., T, R, M, or Block and Survey or Area Sec 25 T24S R30E Mer NMP	
14. Date Spudded 06/06/2011		15. Date T.D. Reached 07/05/2011	
16. Date Completed ☐ D & A ☒ Ready to Prod. 09/30/2011		17. Elevations (DF, KB, RT, GL)* 3451 GL	
18. Total Depth MD 14037 TVD 9446		19. Plug Back T.D. MD 14010 TVD 9419	
20. Depth Bridge Plug Set: MD TVD		21. Type Electric & Other Mechanical Logs Run (Submit copy of each) 3451 GL	
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 Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17.500	13.375 H-40	48.0	0	571		700		0	
11.000	8.625 J-55	32.0	0	4192		1730			
7.875	5.500 L-80	20.0	0	14037		1920			

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) BONE SPRING	9632	14000	9632 TO 14000			OPEN BS
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
9632 TO 14000	50,000 GAL 15% HCL ACID, 100,942 BOW, 4,783,510 # OF SAND

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
10/04/2011	09/30/2011	24	→	159.0	118.0	2372.0			Production Method
Choke Size	Tbg Press Flwg	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
64/64	SI		→	159	118	2372		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
10/04/2011	09/30/2011	24	→	159.0	118.0	2372.0			Production Method
Choke Size	Tbg Press Flwg	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
64/64	SI		→	159	118	2372		POW	

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

ELECTRONIC SUBMISSION #12215 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

ACCEPTED FOR RECORD

NOV 4 2011

BUREAU OF LAND MANAGEMENT

Production Method

CARLSBAD FIELD OFFICE

Flows from Well

RECLAMATION

DUE 3-30-12

Accepted for record

DEC 02 2011 NMOC

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
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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
			1						

Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate 	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status
---------------	-------------------------	--------------	--	------------	------------	--------------	------------------	-------------

[illegible]

30. Summary of Porous Zones (Include Aquifers)	31. Formation (Log) Markers
--	-----------------------------

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.

30. Summary of Porous Zones (Include Aquifers)	31. Formation (Log) Markers
--	-----------------------------

Formation	Top	Bottom	Descriptions, Contents, etc	Name	Top
					Meas. Depth
				RUSTLER	621
				BASE OF SALT	4186
				BELL CANYON	4214
				CHERRY CANYON	5096
				BRUSHY CANYON	6341
				FIRST BONE SPRING SAND	8993

32 Additional remarks (include plugging procedure)

REVISÉ SUBMISSION. REVISED SIZE HOLE FOR THE SURFACE & INTERMEDIATE CASING. ALL OTHER INFORMATION IS THE SAME.

(CHK PN 636499)

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 #122215 Verified by the BLM Well Information System.
For CHESAPEAKE OPERATING INC, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 11/04/2011 (12KMS0254SE)

Name (please print) LYNDEE SONGER Title REGULATORY COMPLIANCE ANALYST

Name (please print) LYNDEE SONGER Title REGULATORY COMPLIANCE ANALYST

Signature (Electronic Submission) Date 11/04/2011

Signature (Electronic Submission) Date 11/04/2011

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 ****

DISTRICT I
1425 N. Fifth St., Hobbs, NM 88240

DISTRICT II
1401 W. Grand Avenue, Artesia, NM 88210

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

DISTRICT IV
1120 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 15, 2000

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

API Number 30-015-39018	Pool Code 97814	Pool Name Wildcat; Bone Spring
Property Code 38620	Property Name PLU BIG SINKS "25" FEDERAL	Well Number 1H
OOBID No. 147179	Operator Name CHESAPEAKE OPERATING CO.	Elevation 3451'

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	25	24 S	30 E		100	SOUTH	2240	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
B	25	24 S	30 E		429	NORTH	2257	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			NSL-6357

**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**

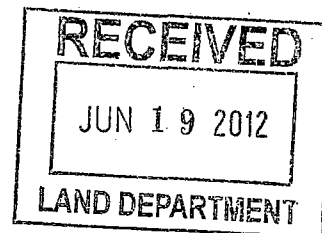
Actual Bottom Hole Location Project Area Producing Area PENETRATION POINT & SURFACE LOCATION Lat -- N 32.181885618 Long -- W 103.632941531 NMSPEC -- H 430257.442 E 696146.887 (HAB-B3)	429' 2257' 3453.2' 3450.6' 3450.2' 3451.8' 2240'	OPERATOR CERTIFICATION I hereby certify that the information contained 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. <i>Bryan Arrant</i> 11/02/2011 Signature Date Bryan Arrant Printed Name 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. GARY L. JONES Date Surveyed Signature & Seal of Registered Surveyor W.C. REGISTRATION NO. 10 Certificate No. Gary L. Jones 7977 BASIN SURVEYS
--	---	--

AS DRILLED LAND PLAT

INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

June 12, 2012

TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: STEVE F. JOHNSON
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #343H
POKER LAKE (DELAWARE) SOUTHWEST
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU343HCD.DOC



Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #343H was drilled in 2011 to a total depth of 15,303' and was completed in the Delaware reservoir. The well is producing from perforations 8,152-15,246'. On test 11/13/2011 the well pumped at the rate of 571 BOPD, 214 MCFPD, and 1,916 BWPD. This well is expected to recover approximately 549.827 MBOE from the current completion.

The most recent price file from Fort Worth was utilized and the oil price was adjusted by - \$5.10/BO and a shrinkage factor of 51.9% on the gas plus a price adjustment of -2.44%. An operating cost of \$50,000/mo for 6 months, the \$30,000/mo for 12 months, and \$15,000/mo until ECL; plus a \$.46/bbl water expense was also incorporated in this evaluation. The Poker Lake Unit #343H will be a commercial well and should be incorporated into a participating area.

MLL/cdp

cc: Ross Sutton
George Hillis
Andy Morrison

Steve Johnson

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL Poker Lake Unit # 343H FORMATION DELAWARE
 LOCATION P UNIT, 550 FEET FROM SOUTH LINE & 365 FEET FROM EAST LINE
 SECTION 22 TOWNSHIP 24S RANGE 30E COUNTY Eddy NEW MEXICO
 SPUD DATE 8/17/2011 COMPLETION DATE 11/2/2011 INITIAL PRODUCTION 11/7/2011
 PERFORATIONS 8152'-15,245'
 BHL: 240' FSL & 240' FEL SEC 26 T24S R30E

STIMULATION:

ACID _____

 FRACTURE See Attached

POTENTIAL (11/13/2011): 571 BOPD, 214 MCFPD, 1916 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>560</u>	
Porosity (Φ), %	<u>13%</u>	
Water saturation (S_w), %	<u>55%</u>	
Net Thickness (H), ft	<u>38</u>	
Temperature (T), Fahrenheit	<u>135</u>	
Bottom Hole pressure (P), psia	<u>3,505</u>	
Recovery factor (RF), %	<u>15%</u>	
Recoverable Oil, Bbls *(See eq. below)	<u>966M</u>	

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

$B_o = 1.50$

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 4/30/2012 31,971 BBL Oil 88,496 MCF GasINITIAL RATE (qi) 419ECONOMIC LIMIT (qi) 4HYPERBOLIC DECLINE RATE, dy n = 1, d = 69.8%/yrREMAINING OIL (Q) = 409,982ULTIMATE RECOVERABLE OIL (BO) 441,953

(Attach plat showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$3,931,038 (to the depth of formation completed)COMPLETION COST \$3,651,812GROSS TOTAL COST \$7,582,850

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	22.537	1776.1	294.6	-6110.2
2	84.117	6836.6	1217.0	5442.5
3	51.775	4102.5	693.4	3134.1
4	36.767	2959.8	506.5	2145.4
5	28.534	2307.2	434.7	1557.3
6	23.381	1901.0	389.8	1195.2
7	19.716	1613.8	358.0	944.6
8	17.084	1409.8	152.7	768.8
9	15.073	1254.7	318.1	637.5
10	13.521	1135.4	304.8	537.7
REMAINDER	129.448	11099.5	5056.8	2894.6
TOTAL	441.953	36396.3	9909.1	13147.4

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 6/12/2012

Lior: 1000398

4:19:01PM

Project Name : Exp of WTD CORP

As Of Date : 11/01/2011

Lease Name : 1000398/POKER LAKE UNIT/343H/DEL

Partner : All cases

Discount Rate (%) : 5.00

Reserv Cat : Proved Producing

Case Type : LEASE CASE

1000398/POKER LAKE UNIT/343H/DEL

Field : POKER LAKE (DELAWARE) SOUTHWI

Archive Set : CURRENT

Operator : BOPCO

Cum Oil (Mbbbl) : 0.00

Reservoir : DELAWARE

Cum Gas (MMcf) : 0.00

Co., State : EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
2011	22.537	16.907	8.132	65.937	18.247	6.584	53.386
2012	84.117	195.134	93.859	761.021	68.105	75.992	616.155
2013	51.775	137.585	66.179	536.583	41.919	53.581	434.440
2014	36.767	105.220	50.611	410.360	29.768	40.977	332.245
2015	28.534	85.223	40.992	332.370	23.102	33.189	269.101
2016	23.381	71.810	34.541	280.059	18.930	27.966	226.748
2017	19.716	61.759	29.706	240.858	15.963	24.051	195.009
2018	17.084	54.301	26.119	211.774	13.832	21.147	171.461
2019	15.073	48.453	23.306	188.965	12.204	18.869	152.994
2020	13.521	43.857	21.095	171.042	10.947	17.080	138.483

Rem	129.448	426.999	205.386	1,665.295	104.807	166.290	1,348.294
Total	441.953	1,247.247	599.926	4,864.264	357.824	485.726	3,938.316
Ult.	441.953	1,247.247					

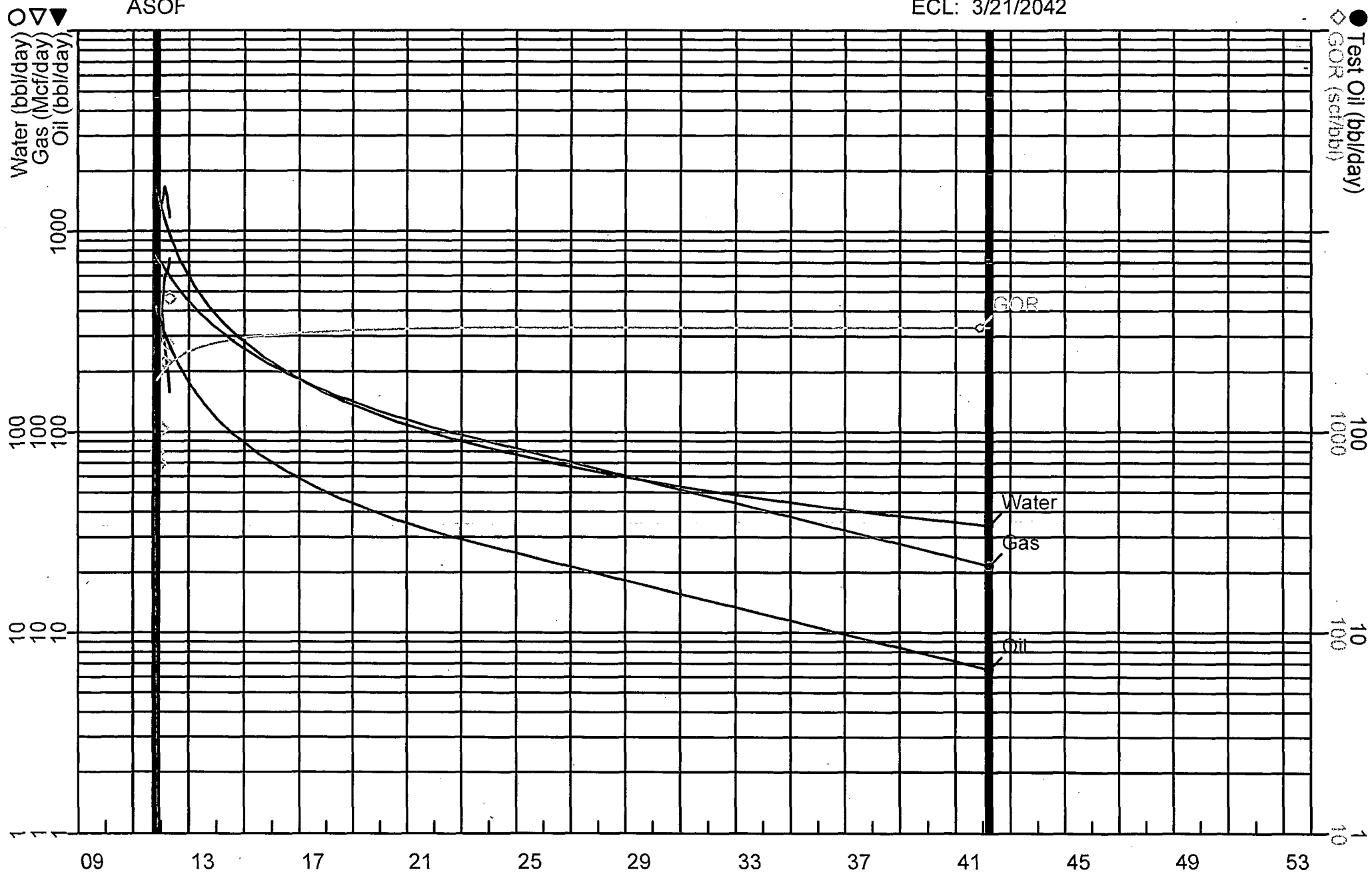
Year	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2011	92.76	3.71	1.11	1,692.49	24.41	59.20	1,776.11
2012	87.37	2.67	1.11	5,950.18	203.06	683.32	6,836.56
2013	81.74	3.63	1.11	3,426.36	194.33	481.79	4,102.49
2014	81.43	4.08	1.11	2,424.09	167.27	368.46	2,959.82
2015	80.74	4.33	1.11	1,865.20	143.55	298.43	2,307.18
2016	80.42	4.54	1.11	1,522.47	127.03	251.46	1,900.95
2017	80.38	4.76	1.11	1,283.12	114.43	216.27	1,613.81
2018	80.56	4.98	1.11	1,114.34	105.32	190.15	1,409.81
2019	80.85	5.21	1.11	986.67	98.38	169.67	1,254.73
2020	81.17	5.46	1.11	888.57	93.21	153.58	1,135.37
Rem	81.44	6.43	1.11	8,535.46	1,068.78	1,495.26	11,099.50
Total	82.97	4.82	1.11	29,688.96	2,339.78	4,367.60	36,396.34

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
2011	143.71	3.54	7,582.85	147.31	-6,101.30	-6,101.30	-6,110.18	-6,110.18
2012	557.70	13.55	0.00	645.79	5,619.52	-481.78	5,442.47	-667.71
2013	335.82	8.12	0.00	349.50	3,409.06	2,927.28	3,134.14	2,466.43
2014	242.67	5.85	0.00	258.00	2,453.31	5,380.59	2,145.36	4,611.79
2015	189.35	4.56	0.00	240.75	1,872.52	7,253.10	1,557.26	6,169.05
2016	156.13	3.76	0.00	229.93	1,511.14	8,764.24	1,195.19	7,364.24
2017	132.62	3.19	0.00	222.21	1,255.80	10,020.04	944.63	8,308.87
2018	115.91	2.79	0.00	216.64	1,074.47	11,094.51	768.78	9,077.65
2019	103.20	2.48	0.00	212.38	936.67	12,031.18	637.47	9,715.12
2020	93.42	2.24	0.00	209.09	830.62	12,861.80	537.68	10,252.81
Rem	914.45	21.93	0.00	4,120.43	6,042.68	6,042.68	2,894.63	2,894.63
Total	2,984.98	72.02	7,582.85	6,852.01	18,904.48	18,904.48	13,147.43	13,147.43

Major Phase :	Oil	Working Int :	1.00000000	Present Worth Profile (M\$)	
Perfs :	0 0	Revenue Int :	0.80964282		
Initial Rate :	12,457.00 bbl/month	Disc. Initial Invest. (m\$) :	7,582.846	5.00% :	13,147.43
Abandonment :	198.40 bbl/month	Internal ROR (%) :	57.59	9.00% :	10,229.41
Initial Decline :	69.82 % year b = 1.000	ROI Investment (disc/undisc) :	2.73 / 3.49	10.00% :	9,644.66
Beq Ratio :	0.79 Mcf/bbl	Years to Payout :	1.30	12.00% :	8,604.01
End Ratio :	3.30 Mcf/bbl	Abandonment Date :	03/21/2042	15.00% :	7,299.72
Forecast Start :	11/01/2011			20.00% :	5,610.23
		Initial	1st Rev.	30.00% :	3,305.05
		Working Interest :	1.00000000	40.00% :	1,774.13
		Revenue Interest :	0.80964282	50.00% :	664.23
		Rev. Date :		60.00% :	-186.70

ASOF

ECL: 3/21/2042



Hist Oil Cum: 0.00 Mbbl

Oil EUR: 441.95 Mbbl

Oil Rem: 441.95 Mbbl

Hist Gas Cum: 0.00 MMcf

Gas EUR: 1,247.25 MMcf

Gas Rem: 1,247.25 MMcf

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

QCD-ARTESIA

RECEIVED

DEC 27 2011

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

NMOCD ARTESIA

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other						5. Lease Serial No. NMLC 068430	
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr., Other: _____						6. If Indian, Allottee or Tribe Name	
2. Name of Operator BOPCO, L.P.						7. Unit or CA Agreement Name and No. NM NM 71016	
3. Address P O Box 2760 Midland Tx 79702						8. Lease Name and Well No. Poker Lake Unit 343H	
3a. Phone No. (include area code) (432)683-2277						9. API Well No. 30-015-38667	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface SESF,ULP 550'FSL 365' FEL LAT.N32.197514 LONG. W103.860989 At top prod. interval reported below At total depth ULP Sec. 26;24S;30E 240'FSL 240' FEL						10. Field and Pool or Exploratory Nash Draw, Delaware/BS-(AVA-SD-)	
						11. Sec., T., R., M., on Block and Survey or Area 22;24S;R30E Poker Lake SW (Delaware)	
						12. County or Parish EDDY	
						13. State NM Per OCD	
14. Date Spudded 08/17/2011						15. Date T.D. Reached 10/04/2011	
16. Date Completed 11/02/2011 ☐ D & A ☒ Ready to Prod.						17. Elevations (DF, RKB, RT, GL)* 3395 GL	
18. Total Depth: MD 15,303 TVD 7,834			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) LD/CN/GR; CL; ML;AR/M-CFL/GR;						22. Was well cored? ☒ No ☐ Yes (Submit analysis) Was DST run? ☒ No ☐ Yes (Submit report) Directional Survey? ☐ No ☒ Yes (Submit copy)	
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)
17-1/2	13-3/8 J55	54.5	0	1,230		1200 PC	359
12-1/4	9-5/8 H40	40.0	0	3,995		1400 ECONO	433
8-3/4	7" N80	26.0	0	8,064	4419	670 ECONO	420
6-1/8	4-1/2 HCP	11.6	7,992	15,253			
24. Tubing Record							
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)
2-7/8	7,186						
25. Producing Intervals							
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status	
A) DELAWARE	3953	6134	8,152-15,246	Frac Ports		Producing	
B)							
C)							
D)							
27. Acid, Fracture, Treatment, Cement Squeeze, etc.							
Depth Interval		Amount and Type of Material					
8,152-15,245		169,485#'s 25# Linear; 1,586,241 gals 25# Silverstim R21; 2,396,497#'s 16/30 Ottawa; 373,653 #'s 16/30 Super LC					
RECLAMATION DUE 5-2-12							
CONFIDENTIAL							
28. Production - Interval A							
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API
11-07-11	11-13	24	→	571	214	1916	43.6
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio
W/O	450	400	→	571	214	1916	375
						Well Status	Production Method
						Producing	Wood Group TD 1750 Sub Pump
28a. Production - Interval B							
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API
			→				
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio
			→				
						Well Status	Production Method

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

ACCEPTED FOR RECORD
DEC 23 2011
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	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 (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.

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Bell Canyon	4010	4900		Rustler	940
Cherry Canyon	4900	6178		Salt	1338
Brushy Canyon	6178	NR		Base/Salt	3740
				Lamar	3953
				Bell Canyon	4010
				Cherry Canyon	4900
				Lo Cherry Canyon	6134
				Brushy Canyon	6178

32. Additional remarks (include plugging procedure):

To be held confidential for the maximum period of time.

RECEIVED

DEC 15 PM 3:57

BUREAU OF LAND MANAGEMENT
CAPSBAO 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. Bell ext. 7379

Title Sr. Regulatory Clerk

Signature Sandra J. Bell

Date 12/13/2011

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.

(Continued on page 3)

(Form 3160-4, page 2)

DISTRICT I
1625 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 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

API Number 30-015-38667	Pool Code 47545	Pool Name Nash Draw; Delaware/BS(Avalon Sd.)
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 343H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3393'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	22	24 S	30 E		550	SOUTH	365	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
P	26	24 S	30 E		240	SOUTH	240	EAST	EDDY

Dedicated Acres 560	Joint or Infill	Consolidation Code	Order No.
-------------------------------	-----------------	--------------------	-----------

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

SURFACE LOCATION Lat - N 32°11'51.05" Long - W 103°51'39.56" NMSPC- N 435896.698 E 646110.118 (NAD-27) PROPOSED BOTTOM HOLE LOCATION Lat - N 32°10'55.79" Long - W 103°50'35.79" NMSPC- N 430336.80 E 651614.93 (NAD-27)	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. <u>Sandra J. Belt</u> 12-13-11 Signature Date <u>Sandra J. Belt</u> Printed Name <u>Sjbelt@basspe-1.com</u> 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. DECEMBER 13 2010 Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS 23828
--	---

Well Name: POKER LAKE UNIT #343H

Well ID: 30-015-38667

Field: Poker Lake SW (Delaware)

Sect: 22 Town: 24S Rng: 30E County: Eddy State: New Mexico

Surface Location: 550' FSL & 365' FEL

Horizontal - Original Hole, 6/12/2012 4:01:28 PM		Well Information	
MO (ftKB)	Vertical schematic (actual)	Orig KB Elev (ft)	Gr Elev (ft)
21.0		3,418.40	3,395.50
62.0		KB-Grd (ft)	22.90
1,230.0		Spud Date	8/17/2011
3,999.0		On Production Date	10/22/2011
6,081.0		PBTD (All) (ftKB)	
6,082.0		Wellbores	
6,086.0		Wellbore Name: Original Hole	
6,100.0		Kick Off Depth (ftKB):	
6,020.0		Size (in)	Act Top (ftKB)
6,042.0		17 1/2	82.0
6,042.0		12 1/4	1,230.0
6,052.0		8 3/4	3,999.0
6,057.0		6 1/8	8,189.0
6,057.0			15,355.0
6,057.0		Schematic Annotations	
6,057.0		Type	Depth (ftKB)
6,057.0		Annotation	
6,057.0		Casing Strings	
6,057.0		Csg Des	Wellbore
6,057.0		Conductor	Original Hole
6,057.0		Surface	Original Hole
6,057.0		Intermediate 1	Original Hole
6,057.0		Intermediate 2	Original Hole
6,057.0		Liner	Original Hole
6,057.0		OD (in)	Wt (lb/ft)
6,057.0		20	90.00
6,057.0		13 3/8	54.50
6,057.0		9 5/8	40.00
6,057.0		7	26.00
6,057.0		4 1/2	11.60
6,057.0		Grade	Top Thread
6,057.0		F-25	ST&C
6,057.0		J-55	LT&C
6,057.0		N-80	LT&C
6,057.0		HCP-110	LT&C
6,057.0		Set @ (ftKB)	
6,057.0		97.00	
6,057.0		1,230.00	
6,057.0		3,995.00	
6,057.0		8,064.00	
6,057.0		15,253.00	
6,057.0		Perforations	
6,057.0		Perf Date	Top (ftKB)
6,057.0		8/13/2011	8,152.0
6,057.0		8/13/2011	8,424.0
6,057.0		10/12/2011	8,781.0
6,057.0		10/12/2011	9,093.0
6,057.0		10/12/2011	9,448.0
6,057.0		10/12/2011	9,802.0
6,057.0		10/12/2011	10,158.0
6,057.0		10/12/2011	10,474.0
6,057.0		10/12/2011	10,830.0
6,057.0		10/12/2011	11,185.0
6,057.0		10/12/2011	11,542.0
6,057.0		10/12/2011	11,855.0
6,057.0		10/11/2011	12,211.0
6,057.0		10/11/2011	12,565.0
6,057.0		10/11/2011	12,920.0
6,057.0		10/11/2011	13,236.0
6,057.0		10/11/2011	13,592.0
6,057.0		10/11/2011	13,948.0
6,057.0		10/11/2011	14,261.0
6,057.0		10/11/2011	14,617.0
6,057.0		10/11/2011	14,931.0
6,057.0		10/11/2011	15,245.0
6,057.0		Zone	Current Status
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (8,152.0 - 8,153.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (8,424.0 - 8,425.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (8,781.0 - 8,782.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (9,093.0 - 9,094.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (9,448.0 - 9,449.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (9,802.0 - 9,803.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (10,158.0 - 10,159.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (10,474.0 - 10,475.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (10,830.0 - 10,831.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (11,185.0 - 11,186.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (11,542.0 - 11,543.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (11,855.0 - 11,856.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (12,211.0 - 12,212.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (12,565.0 - 12,566.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (12,920.0 - 12,921.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (13,236.0 - 13,237.0)
6,057.0		Lwr Brushy Canyon Y, Original Hole	Sleeve - Open (13,592.0 - 13,593

**Schematic - Production**

Well Name: POKER LAKE UNIT #343H

Field: Poker Lake SW (Delaware)

BOPCO, L.P. - West Texas

Well ID: 30-015-38667

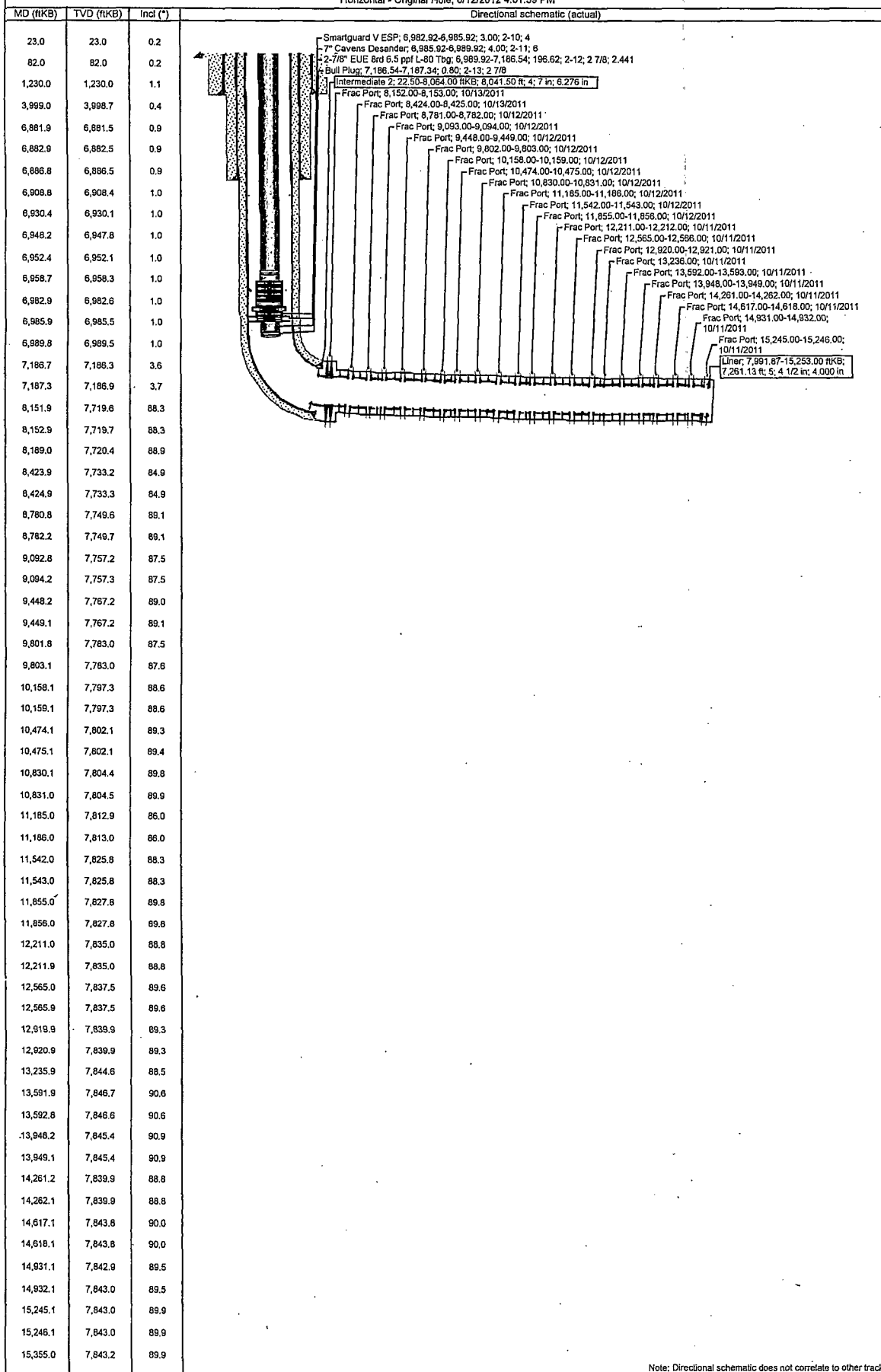
Sect: 22 Town: 24S Rng: 30E Eddy Co., State: New Mexico

Blk: Survey:

Most Recent Job

Job Category	Primary Job Type	Secondary Job Type	Job Start Date	Job End Date
Maintenance	Sub Pump	Pump Repair	12/28/2011	12/30/2011

Horizontal - Original Hole, 6/12/2012 4:01:39 PM



Note: Directional schematic does not correlate to other tracks.

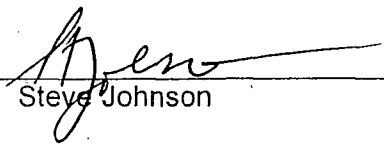
INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

April 7, 2010

TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: STEVE F. JOHNSON
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #276
UNDESIGNATED (BONE SPRING) FIELD
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU276BCD.DOC

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #276 was drilled in 2008 to a total depth of 9280' and was completed in the Delaware and Bone Spring. The well is producing from Bone Spring perforations 8127-9147'. On test 5/24/2008 the well pumped at the rate of 100 BOPD, 612 MCFPD, and 527 BWPD. This well is expected to recover approximately 43.15 MBOE from the current completion.

The most recent price file from Fort Worth was utilized and the oil price was adjusted by - \$3.80/BO. An operating cost of \$3,522/mo plus \$.57/mcf transportation expense was also incorporated in this evaluation. **The Poker Lake Unit #276 will not be a commercial well and should not be incorporated into a participating area.**



Steve Johnson

RSD/cdp

cc: Ross Sutton
George Hillis
Brad Glasscock

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL _____ POKER LAKE UNIT # 276 _____ FORMATION _____ BONE SPRING _____
 LOCATION _____ G _____ UNIT, _____ 1980 _____ FEET FROM NORTH LINE & _____ 1980 _____ FEET FROM EAST LINE
 SECTION _____ 13 _____ TOWNSHIP _____ 24S _____ RANGE _____ 29E _____ COUNTY _____ Eddy _____, NEW MEXICO
 SPUD DATE _____ 3/30/2008 _____ COMPLETION DATE _____ 5/15/2008 _____ INITIAL PRODUCTION _____ 5/15/2008 _____
 PERFORATIONS _____ 8127-9147' _____

STIMULATION:

ACID _____

 FRACTURE _____ 8127-8238' Frac w/ 135652 gal PW & 14134# 14/30 Liteprop
 _____ 8820-9147' Frac w/ 161348 gal PW & 8193# 14/30 Liteprop

POTENTIAL _____ (05/24/2008): 100 BOPD, 612 MCFPD, 527 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	40	
Porosity (Φ), %	9%	
Water saturation (Sw), %	47%	
Net Thickness (H), ft.	32	
Temperature (T), Fahrenheit	120	
Bottom Hole pressure (P), psia	3,494	
Recovery factor (RF), %	15%	
Recoverable Oil, Bbls *(See eq. below)	47,400	

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758)(A)(H)(\Phi)(1-S_w)(1/Bo)(RF)$

Bo = 1.50

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO	<u>2/28/2010</u>	<u>48,813</u>	MCF Gas	<u>10,559</u>	BBL Oil
INITIAL RATE (qi)	<u>90</u>				
ECONOMIC LIMIT (ql)	<u>2</u>				
HYPERBOLIC DECLINE RATE, dy	<u>n = 0.9, d = 97.8%/yr</u>				
REMAINING OIL (Q) =	<u>10,264</u>				
ULTIMATE RECOVERABLE OIL (BO)	<u>20,823</u>				

(Attach plot showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$1,691,100 (to the depth of formation completed)

COMPLETION COST _____

GROSS TOTAL COST \$1,691,100

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	7.905	768.0	55.9	-1269.6
2	2.186	169.3	63.6	97.2
3	3.317	350.5	77.8	241.4
4	2.319	268.5	68.9	168.5
5	1.709	204.9	62.6	114.4
6	1.341	164.3	58.6	80.9
7	1.101	137.6	56.0	59.5
8	0.932	118.9	0.0	45.0
9	0.014	1.9	0.9	0.7
10	0.000	0.0	0.0	0.0
REMAINDER	0.000	0.0	0.0	0.0
TOTAL	20.824	2183.6	498.2	-462.2

WELL IS NOT COMMERCIAL

ECONOMIC PROJECTION

Date : 4/7/2010

Lior: 1000386

11:08:11AM

Field Name : Exp of RESERVEPROP

As Of Date : 01/01/2008

Lease Name : 1000386/POKER LAKE UNIT/276/BON

Parameter : 99999

Discount Rate (%) : 5.00

Reserv Cat : Proved Producing

Case Type : LEASE CASE

Field : PIERCE CROSSING (BONE SPRING, EA

Archive Set : CURRENT

1000386/POKER LAKE UNIT/276/BON

Operator : BOPCO

Cum Oil (Mbbbl) : 0.00

Reservoir : BONE SPRING

Cum Gas (MMcf) : 0.00

Co., State : EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
2008	7.905	14.609	7.496	0.000	6.680	6.334	0.000
2009	2.186	28.279	14.510	0.000	1.847	12.261	0.000
2010	3.317	27.747	14.237	96.018	2.802	12.030	81.136
2011	2.319	18.927	9.711	83.277	1.959	8.206	70.369
2012	1.709	14.508	7.444	63.836	1.444	6.290	53.941
2013	1.341	11.660	5.983	51.303	1.133	5.055	43.351
2014	1.101	9.737	4.996	42.842	0.930	4.222	36.201
2015	0.932	8.339	4.279	36.692	0.787	3.616	31.005
2016	0.014	0.127	0.065	0.561	0.012	0.055	0.474

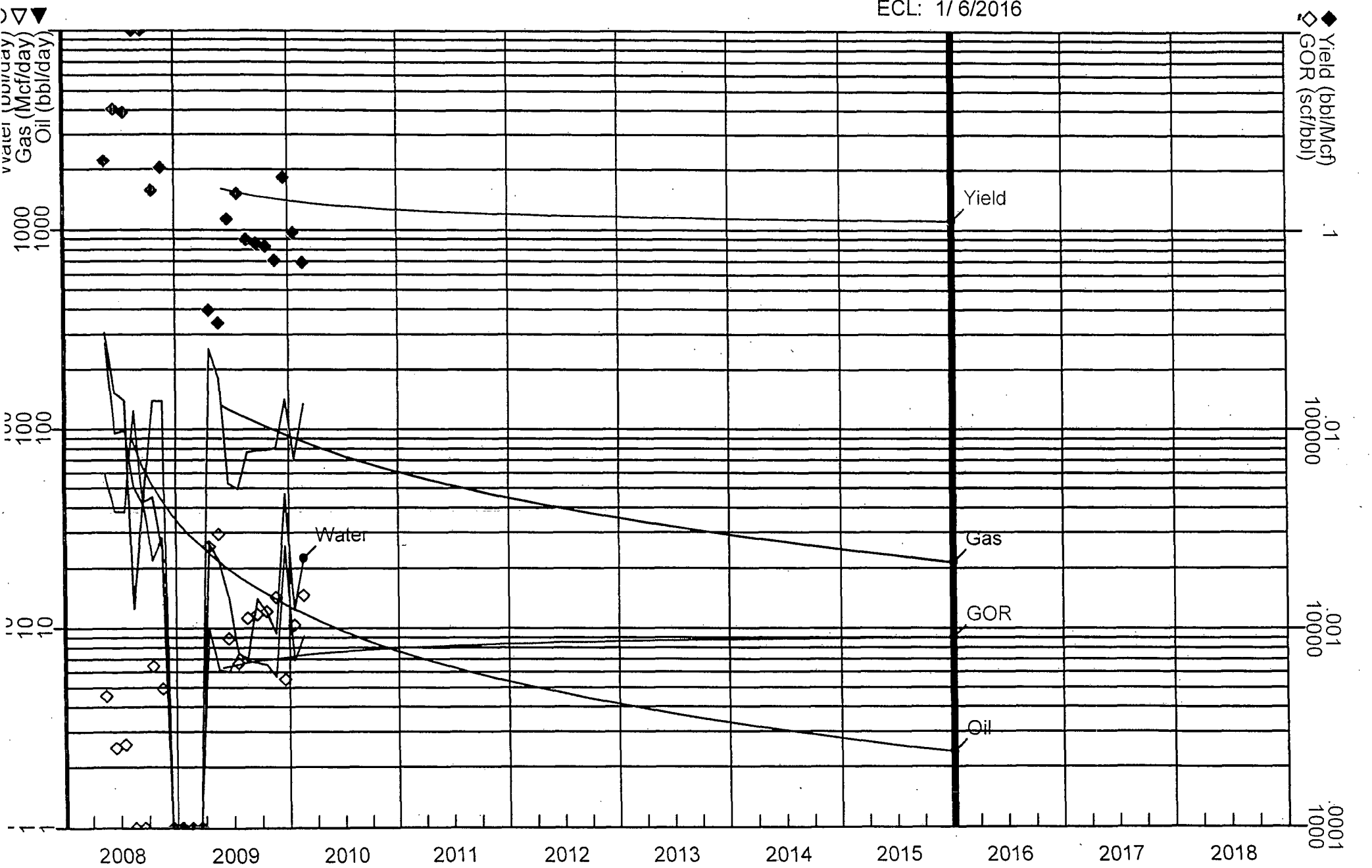
Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	20.823	133.933	68.721	374.530	17.595	58.069	316.478
Ult.	20.823	133.933					

Year	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2008	107.09	8.32	0.00	715.33	52.69	0.00	768.02
2009	64.47	4.09	0.00	119.09	50.17	0.00	169.26
2010	80.05	5.22	0.78	224.35	62.83	63.29	350.46
2011	83.55	6.07	0.78	163.71	49.85	54.89	268.45
2012	84.22	6.54	0.78	121.64	41.15	42.07	204.86
2013	84.64	6.84	0.78	95.88	34.56	33.81	164.26
2014	85.09	7.15	0.78	79.15	30.17	28.24	137.57
2015	85.80	7.50	0.78	67.54	27.14	24.18	118.85
2016	86.21	8.30	0.78	1.05	0.46	0.37	1.88
Rem	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	90.24	6.01	0.78	1,587.75	349.01	246.85	2,183.61

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
2008	36.41	0.91	1,961.00	18.55	-1,248.84	-1,248.84	-1,269.60	-1,269.60
2009	13.96	0.34	0.00	49.25	105.72	-1,143.13	97.15	-1,172.45
2010	27.97	0.70	0.00	49.12	272.66	-870.46	241.35	-931.11
2011	21.38	0.54	0.00	46.94	199.59	-670.87	168.52	-762.59
2012	16.34	0.41	0.00	45.85	142.26	-528.61	114.37	-648.22
2013	13.12	0.33	0.00	45.15	105.66	-422.95	80.88	-567.34
2014	11.00	0.28	0.00	44.67	81.62	-341.33	59.50	-507.84
2015	9.51	0.24	0.00	44.32	64.78	-276.55	44.97	-462.87
2016	0.15	0.00	0.00	0.71	1.01	-275.54	0.68	-462.19
Rem	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	149.84	3.74	1,961.00	344.57	-275.54	-275.54	-462.19	-462.19

Major Phase :	Oil	Working Int :	1.00000000	Present Worth Profile (M\$)	
Perfs :	0 0	Revenue Int :	0.84500000		
Initial Rate :	3.468.00 bbl/month	Disc. Initial Invest. (m\$) :	1.961.000	5.00% :	-462.19
Abandonment :	71.78 bbl/month	Internal ROR (%) :	>1000.0	9.00% :	-582.25
Decline :	97.87 % year b = 0.900	ROI Investment (disc/undisc) :	0.77 / 0.86	10.00% :	-609.01
Break Ratio :	0.41 Mcf/bbl	Years to Payout :	0.00	12.00% :	-659.15
End Ratio :	9.00 Mcf/bbl	Abandonment Date :	01/06/2016	15.00% :	-726.86
Forecast Start :	08/01/2008			20.00% :	-823.15
		Initial	1st Rev.	30.00% :	-970.40
		Working Interest :	0.00000000	40.00% :	-1,077.30
		Revenue Interest :	0.84500000	50.00% :	-1,158.33
		Rev. Date :		60.00% :	-1,221.93

ECL: 1/6/2016



list Oil Cum: 0.00 Mbbl
Oil Rem: 20.82 Mbbl
Oil EUR: 20.82 Mbbl

Hist Gas Cum: 0.00 MMcf
Gas Rem: 133.93 MMcf
Gas EUR: 133.93 MMcf

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
NMNM 05912

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.
NMNM 71016X

8. Lease Name and Well No.

POKER LAKE UNIT 276

9. API Well No.

30-015-35137

10. Field and Pool, or Exploratory

UNDESIGNATED (BONE SPRING)

11. Sec., T., R., M., on Block and

Survey or Area SEC 13, T24S, R29

12. County or Parish

EDDY

13. State

NM

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

3100'

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Otherb. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,

Other

2. Name of Operator

BEP CO, L.P.

3. Address

P.O. BOX 2760 MIDLAND TX 79702-2760

3.a Phone No. (Include area code)

(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface UL G, 1980' FNL, 1980' FEL LAT N32.219389, LONG W103.935917

At top prod. interval reported below SAME

At total depth SAME

14. Date Spudded

03/30/2008

15. Date T.D. Reached

04/17/2008

16. Date Completed

☐ D & A ☒ Ready to Prod.

05/15/2008

18. Total Depth: MD 9280'
TVD19. Plug Back T.D.: MD 9184'
TVD20. Depth Bridge Plug Set: MD
TVD21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR-CLN-LDT; GR-AIT22. Was well cored? ☒ No ☐ Yes (Submit analysis)Was DST run? ☒ No ☐ Yes (Submit analysis)Directional Survey? ☒ No ☐ Yes (Submit copy)

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
12-1/4"	8-5/8"	32#	0'	537"		500 sxs		0' CIRC.	
7-7/8"	5-1/2"	17#	0'	7390'	5014'	600 sxs stg. 1		5014'	
						1380 sxs stg. 2		CIRC.	
								0' CIRC.	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	8530' SN	7948' TAC						

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BONE SPRINGS	8122'	9160'	8127-8238'	0.38	20	PRODUCING
B)			8820-9147'	0.38	20	PRODUCING
C)						
D)						

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

Depth Interval	Amount and Type of Material
8127'-8238'	FRACTURED FORMATION W/ 135652 GALS PW & 14134 #'S 14/30 LITEPROP
8820-9147'	FRACTURED FORMATION W/ 161348 GALS PW & 8193 #'S 14/30 LITEPROP

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
05/15/08	05/24/08	24	→	100	612	527			PUMPING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
24/64"	SI 250	350	→				6120	PRODUCING	

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

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.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or 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	284'
				T/SALT	548'
				B/SALT	3092'
				LAMAR	3301'
				CHERRY CANYON	4207'
				LO. CHERRY CANYON	5416'
				BRUSHY CANYON	5456'
				LO. BRUSHY CANYON	6818'
				BONE SPRING LIME	7070'
				AVALON SAND	7165'
				FIRST BONE SPRING SAND	8077'

32. Additional remarks (include plugging procedure):

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

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

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) ANN MOORE

Title PRODUCTION CLERK

Signature

Ann Moore

Date 06/12/2008

Title 18 U.S.C. Section 101 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 and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I

1626 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87506

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35137	Pool Code NA	Pool Name Undesignated (Bone Spring)
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 276
OGRID No. 001801	Operator Name BEPCO, L.P.	Elevation 3100'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	13	24 S	29 E		1980	NORTH	1980	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

Dedicated Acres 40	Joint or Infill N	Consolidation Code	Order No.
-----------------------	----------------------	--------------------	-----------

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

159.47 ACRES	159.65 ACRES		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. <i>William R. Dannels</i> Signature 8/7/06 Date W.R. Dannels Printed Name
159.65 ACRES	159.79 ACRES		
LAT - N32°13'09.8" LONG - W103°56'09.3" (NAD-83)		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. APR 20, 2006 Date Surveyed Signature & Seal of Professional Surveyor No. 6425 Certificate No. Gary L. Jones 7977	

CURRENT WELLBORE DIAGRAM

LEASE: POKER LAKE UNIT **WELL #:** 276
FIELD: UNDESIGNATED (BONE SPRING)
LOCATION: 1980' FNL & 1980' FEL, SECTION 13, T24S, R29E
COUNTY: EDDY **ST:** NM **API#** 30-015-35137

KB:	3120.6'
GL:	3101.14'
SPUD DATE:	3/30/2008
COMP DATE:	5/7/2008

X: 623086.44
Y: 443647.72
Lat: 32° 12' 20.2" N
Long: 103° 55' 34.7" W

SURFACE CASING

SIZE: 8-5/8"
WT/GRD: 32# J-55
SET @: 536'
SX CMT: 500 sx
CIRC: Yes
TOC: Surface 259 sx
HOLE SIZE: 12 1/4"

PRODUCTION CASING

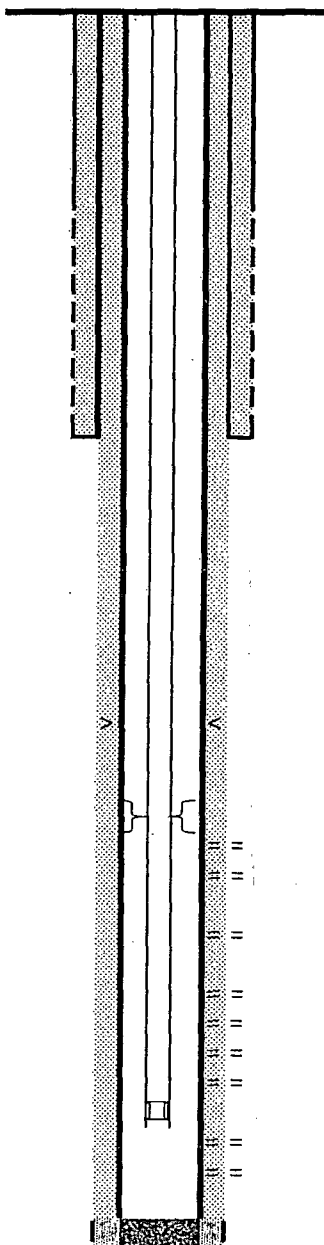
SIZE: 5-1/2"
WT/GRD: 17# J55 6017'
 17# N80 9279'
Depth: 9279'
STAGE 1: 600 sx
CIRC: Y 99 sx
TOC: 5014'
STAGE 2: 1380 sx
CIRC: Y 288 sx
TOC: Surface
HOLE SIZE: 7-7/8"

TUBING DATA (PER STRIPPINGS)

184 jts 2 7/8" EUE 8 RD J-55, 1 TAC @ 5811'
 88 jts 2 7/8" J-55 tbg, SN @ 8583.21',
 4' tbg SUB w/ BP&C, EOT 8588.61'

RODS & PUMP

26' POL ROD 16' LINER, 2' PONY ROD,
 1750' 1" WEATHERFORD KD SS RODS
 2900' 7/8" WEATHERFORD KD SS RODS
 3600' 3/4" WEATHERFORD KD SS RODS
 250' 1" WEATHERFORD KD SS RODS
 1' LIFT SUB
 2 1/2" X 1 1/2" X 24' RHBM-HVR-TS pmp #Y-7453



536' 8-5/8" CSG

5014' DV Tool

5811 TAC
 5965-70' JRU 13 Sand 5 holes (12/02/08)
 6025-40' JRU 13 Sand 15 holes (12/02/08)

6918-28' LBC "W" 20 holes (11/26/08)

8127-32'
 8173-78'
 8200-05'
 8233-38' } 1st BS Perfs 1 SPF (5/10/08)

8583' MSN / EOT 8588'
 8820-30' } 2nd BS Perfs 20 holes (5/7/08)
 9137-47'

9279'

PBTD: 9230'

TD: 9280'

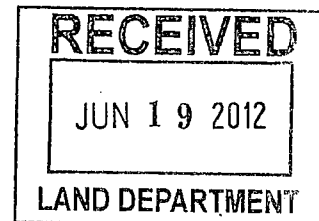
Float Shoe (Csg detail)

Updated: 3/12/2009
 Author: eaz
 Engr: JBB

INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

June 13, 2012

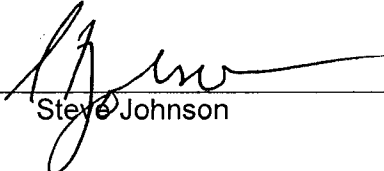
TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: STEVE F. JOHNSON
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #330H
POKER LAKE (DELAWARE) SOUTHWEST
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU330HCD.DOC



Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #330H was drilled in 2011 to a total depth of 14,430' and was completed in the Delaware reservoir. The well is producing from perforations 9,257-14,372'. On test 2/8/2012 the well pumped at the rate of 887 BOPD, 734 MCFPD, and 1,713 BWPD. This well is expected to recover approximately 438.549 MBOE from the current completion.

The most recent price file from Fort Worth was utilized and the oil price was adjusted by - \$5.10/BO and a shrinkage factor of 48% on the gas plus a price adjustment of -2.44% . An operating cost of \$50,000/mo for 6 months, the \$30,000/mo for 12 months, and \$15,000/mo until ECL; plus a \$.46/bbl water expense was also incorporated in this evaluation. The Poker Lake Unit #330H will be a commercial well and should be incorporated into a participating area.

MLL/cdp 


Steve Johnson

cc: Ross Sutton
George Hillis
Andy Morrison

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL: Poker Lake Unit # 330H FORMATION DELAWARE
 LOCATION D UNIT, 130 FEET FROM NORTH LINE & 710 FEET FROM WEST LINE
 SECTION 13 TOWNSHIP 24S RANGE 30E COUNTY Eddy NEW MEXICO
 SPUD DATE 11/6/2011 COMPLETION DATE 1/25/2012 INITIAL PRODUCTION 1/29/2012
 PERFORATIONS 9,257'-14,372'
 BHL: 335' FNL & 1430' FWL SEC 11 T24S R30E

STIMULATION:

ACID _____

 FRACTURE See Attached

POTENTIAL (2/8/2012): 887 BOPD, 734 MCFPD, 1713 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>240</u>	_____
Porosity (Φ), %	<u>13%</u>	_____
Water saturation (S_w), %	<u>55%</u>	_____
Net Thickness (H), ft.	<u>38</u>	_____
Temperature (T), Fahrenheit	<u>135</u>	_____
Bottom Hole pressure (P), psia	<u>3,364</u>	_____
Recovery factor (RF), %	<u>15%</u>	_____
Recoverable Oil, Bbls *(See eq. below)	<u>413,904</u>	_____

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

$B_o = 1.50$

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 4/30/2012 47,978 BBL Oil 56,184 MCF GasINITIAL RATE (qi) 739ECONOMIC LIMIT (ql) 5HYPERBOLIC DECLINE RATE, dy n = 1, d = 98.8%/yrREMAINING OIL (Q) = 226,198ULTIMATE RECOVERABLE OIL (BO) 274,176

(Attach plat showing proration unit and participating area.)

ECONOMICGROSS WELL COST \$3,091,800 (to the depth of formation completed)COMPLETION COST \$5,621,390GROSS TOTAL COST \$8,713,190

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	<u>96.065</u>	<u>7997.9</u>	<u>1330.2</u>	<u>656.1</u>
2	<u>35.978</u>	<u>3184.8</u>	<u>643.7</u>	<u>2357.2</u>
3	<u>22.341</u>	<u>2069.3</u>	<u>425.2</u>	<u>1450.3</u>
4	<u>16.248</u>	<u>1536.4</u>	<u>363.0</u>	<u>984.3</u>
5	<u>12.808</u>	<u>1230.8</u>	<u>326.8</u>	<u>721.1</u>
6	<u>10.526</u>	<u>1026.0</u>	<u>302.4</u>	<u>549.0</u>
7	<u>8.954</u>	<u>885.1</u>	<u>285.5</u>	<u>432.7</u>
8	<u>7.792</u>	<u>780.6</u>	<u>272.9</u>	<u>348.5</u>
9	<u>6.915</u>	<u>701.6</u>	<u>263.4</u>	<u>286.1</u>
10	<u>6.185</u>	<u>634.9</u>	<u>255.3</u>	<u>235.7</u>
REMAINDER	<u>48.679</u>	<u>5117.6</u>	<u>3099.9</u>	<u>1002.5</u>
TOTAL	<u>272.491</u>	<u>25164.9</u>	<u>7568.3</u>	<u>9023.3</u>

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 6/13/2012

Lior: 1000399

3:44:28PM

Project Name : Exp of WTD CORP

As Of Date : 01/01/2012

Lease Name : 1000399/POKER LAKE UNIT/330H/DEL

Partner : All cases

Discount Rate (%) : 5.00

Reserv Cat. : Proved Producing

Case Type : LEASE CASE

1000399/POKER LAKE UNIT/330H/DEL

Field : POKER LAKE (DELAWARE) SOUTHW

Archive Set : CURRENT

Operator : BOPCO

Cum Oil (Mbbbl) : 0.00

Reservoir : DELAWARE

Cum Gas (MMcf) : 0.00

Co., State : EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded

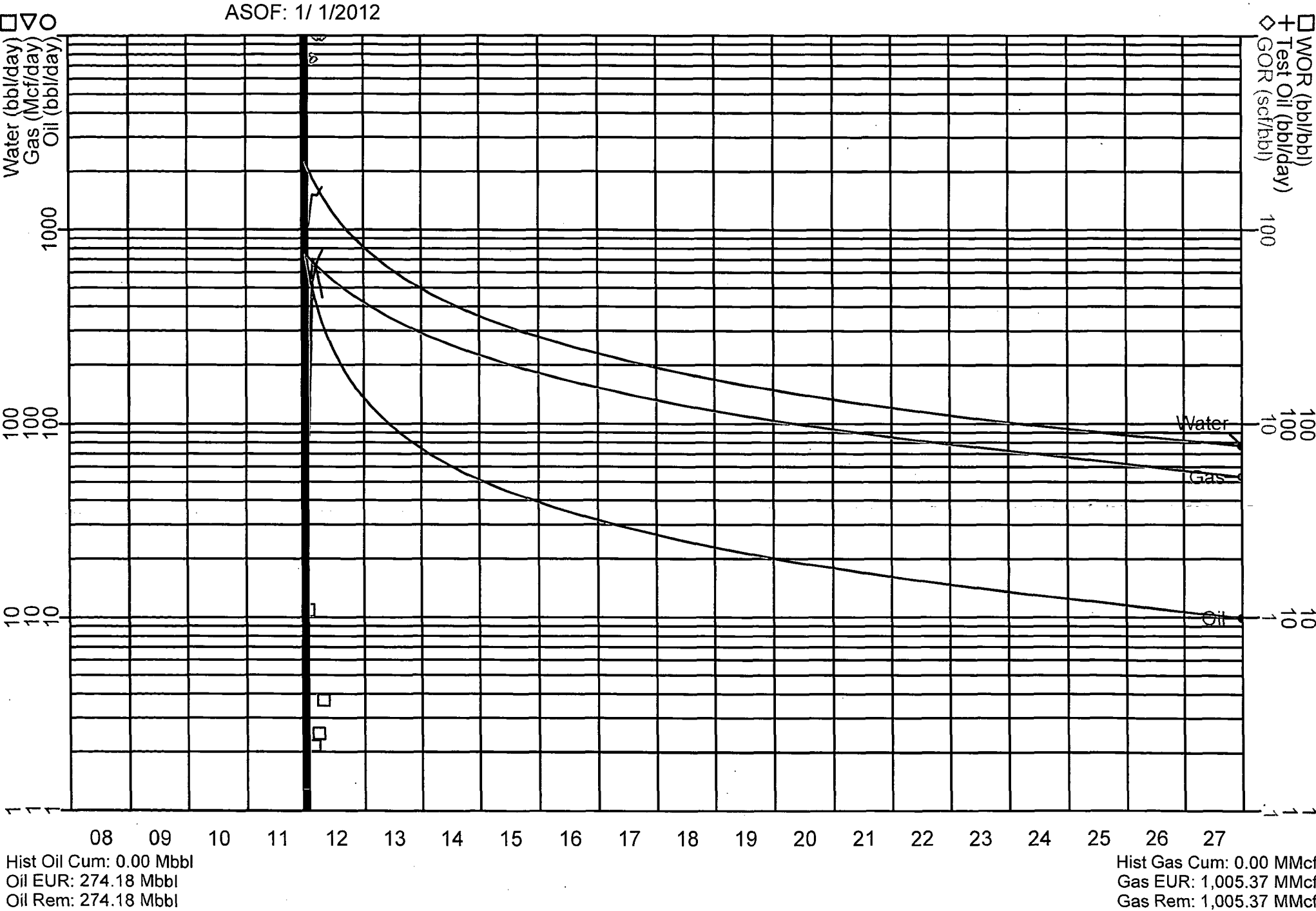
Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
2012	96.065	177.403	92.249	509.118	81.175	77.951	430.205
2013	35.978	126.687	65.877	532.086	30.402	55.666	449.613
2014	22.341	92.835	48.274	389.907	18.878	40.792	329.472
2015	16.248	73.316	38.124	307.926	13.729	32.215	260.197
2016	12.808	60.750	31.590	255.150	10.823	26.694	215.602
2017	10.526	51.627	26.846	216.833	8.894	22.685	183.224
2018	8.954	44.990	23.395	188.956	7.566	19.768	159.668
2019	7.792	39.867	20.731	167.440	6.584	17.517	141.487
2020	6.915	35.886	18.661	150.720	5.843	15.768	127.359
2021	6.185	32.467	16.883	136.359	5.226	14.266	115.224

Rem	48.679	260.529	135.475	1,094.220	41.134	114.476	924.616
Total	272.490	996.354	518.104	3,948.715	230.254	437.798	3,336.664
Ult.	272.490	996.354					

Year	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2012	90.13	2.62	1.11	7,316.61	204.14	477.10	7,997.86
2013	81.72	3.62	1.11	2,484.38	201.78	498.62	3,184.78
2014	81.44	4.08	1.11	1,537.43	166.51	365.38	2,069.32
2015	80.74	4.33	1.11	1,108.48	139.33	288.56	1,536.37
2016	80.43	4.54	1.11	870.41	121.25	239.10	1,230.76
2017	80.38	4.76	1.11	714.90	107.93	203.20	1,026.03
2018	80.56	4.98	1.11	609.56	98.46	177.07	885.09
2019	80.85	5.21	1.11	532.33	91.34	156.91	780.58
2020	81.17	5.46	1.11	474.28	86.06	141.24	701.57
2021	81.44	5.72	1.11	425.63	81.53	127.78	634.94
Rem	81.44	6.48	1.11	3,349.93	742.24	1,025.40	5,117.56
Total	84.36	4.66	1.11	19,423.93	2,040.56	3,700.36	25,164.86

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
2012	648.63	15.89	5,866.62	664.71	802.01	802.01	656.09	656.09
2013	262.10	6.28	0.00	375.30	2,541.10	3,343.11	2,357.24	3,013.33
2014	170.92	4.07	0.00	250.22	1,644.11	4,987.22	1,450.29	4,463.62
2015	127.16	3.02	0.00	232.77	1,173.42	6,160.64	984.27	5,447.88
2016	102.01	2.42	0.00	222.39	903.94	7,064.58	721.07	6,168.95
2017	85.12	2.02	0.00	215.27	723.61	7,788.20	548.96	6,717.90
2018	73.49	1.74	0.00	210.27	599.59	8,387.79	432.65	7,150.55
2019	64.85	1.53	0.00	206.51	507.68	8,895.47	348.45	7,499.00
2020	58.32	1.38	0.00	203.65	438.23	9,333.70	286.09	7,785.09
2021	52.81	1.25	0.00	201.24	379.65	9,713.34	235.74	8,020.83
Rem	426.30	10.05	0.00	2,663.54	2,017.66	2,017.66	1,002.47	1,002.47
Total	2,071.72	49.65	5,866.62	5,445.85	11,731.01	11,731.01	9,023.30	9,023.30

Major Phase :	Oil	Working Int :	1.00000000	Present Worth Profile (M\$)
Perfs :	0 0	Revenue Int :	0.84500000	
Initial Rate :	1,500.00 bbl/month	Disc. Initial Invest. (m\$) :	5,866.623	5.00% : 9,023.30
Abandonment :	163.04 bbl/month	Internal ROR (%) :	80.54	9.00% : 7,509.45
Initial Decline :	98.89 % year b = 1.001	ROI Investment (disc/undisc) :	2.54 / 3.00	10.00% : 7,192.40
Bce Ratio :	0.77 Mcf/bbl	Years to Payout :	0.78	12.00% : 6,615.85
End Ratio :	5.36 Mcf/bbl	Abandonment Date :	10/24/2035	15.00% : 5,869.85
Forecast Start :	01/01/2012			20.00% : 4,862.10
		Initial	1st Rev.	30.00% : 3,404.00
		Working Interest : 1.00000000	0.00000000	40.00% : 2,375.16
		Revenue Interest : 0.84500000	0.00000000	50.00% : 1,593.48
		Rev. Date :		60.00% : 970.20



RECEIVED

OPERATOR'S COPY

MAR 14 2012

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BOPCO WTD PRODUCTION

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 20103-14-12
Dist. Via Email
Copy to Fortis
File1a. 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, 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 NWNW; UL D; 130' FNL; 710' FWL; Lat N32.238610; Lon W103.840147

At top prod. interval reported below

At total depth NENW; UL C; 335' FNL 1430' FWL; Sec 11; 24S; 30E

14. Date Spudded

11/06/2011

15. Date T.D. Reached

12/09/2011

16. Date Completed

01/25/2012

☐ D & A ☒ Ready to Prod.

18. Total Depth: MD 14,430

TVD 7,828.98

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)

CN/GR; SB/GR/CCL

22. Was well cored? ☒ No ☐ Yes (Submit analysis)Was DST run? ☒ No ☐ Yes (Submit report)Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17 1/2	13 3/8 H40	48.0	0	819		625 CLC	201	Circulated	
12 1/4	9 5/8 J55	40.0	0	4,135		1,360 CLC	488	Circulated	
8 3/4	7 N80	26.0	0	9,174		625 TL/HC	227	3,668' CBL	
6 1/8	4 1/2 HCP	11.6	9,086'	14,380					

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 7/8"	7,144'							

25. Producing Intervals

Formation	Top	Bottom	Perforation Interval	Size	No. Holes	Perf. Status
A) Delaware	4,095'	6,348'	9,257'- 14,373'	Frac Ports		Producing
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
9,257' - 14,372'	112,032 gals. 25# Linear Gel; 2,157,704 lbs. 16/30 Ottawa; 278,658 lbs. Atlas Prem. CRC;
	1,134,168 gals 25# Delta Frac

RECLAMATION
DUE 7-25-12

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
1/29/12	2/8/12	24	→	877	734	1713	44.0	0.806	Wood Group ESP TD 1750 BHA
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
48/64	540	450	→	877	734	1,656	837	POW	ACCEPTED FOR RECORD

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
			→						MAR 10 2012
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 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	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 (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	4119	5034	Sandstone	Rustler	439
Cherry Canyon	5034	6348	Sandstone	Salt	795
Brushy Canyon	6348	N.R.	Not Reached	Base Salt	3873
				Lamar	4095
				Bell Canyon	4119
				Cherry Canyon	5034
				Lo. Cherry Canyon	6294
				Brushy Canyon	6348

32. Additional remarks (include plugging procedure):

All depths are measured depths. 2-7/8" EUE 8rd 6.5 ppf L-80 tubing.

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. 149

Title Sr. Regulatory Clerk

Signature Sandra J. Belt

Date 02/29/2012

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.

(Continued on page 3)

(Form 3160-4, page 2)

DISTRICT I
1625 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
1820 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

Form C-102
Revised July 16, 2010

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-39253	Pool Code 96046	Pool Name Poker Lake, NW (Delaware)
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 330H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3487'

Surface Location

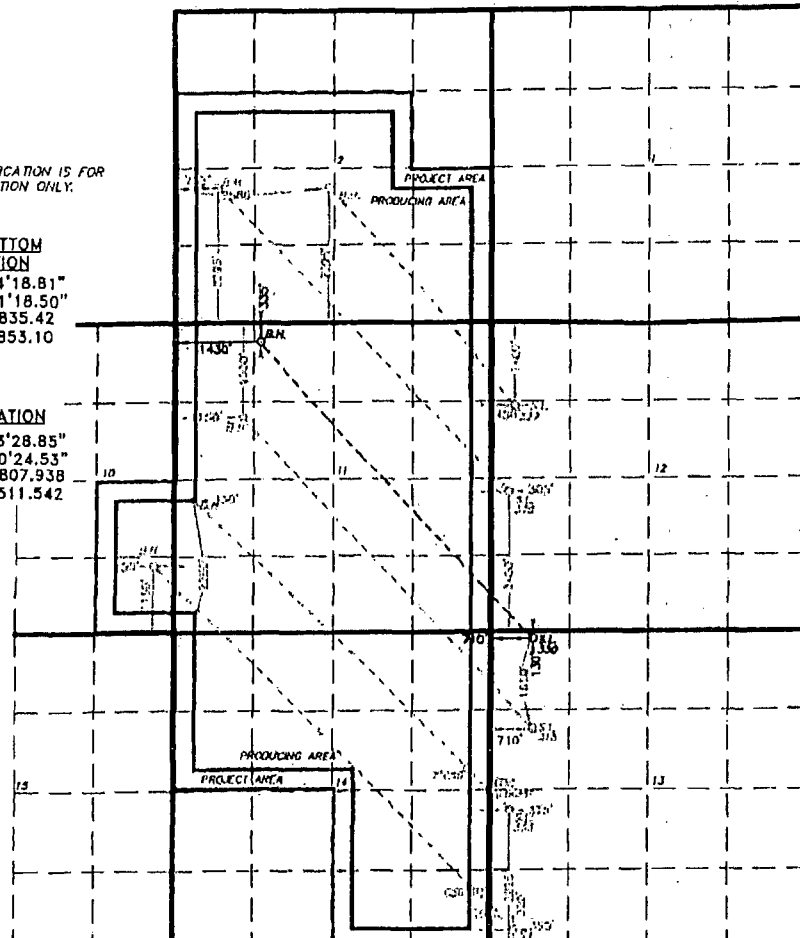
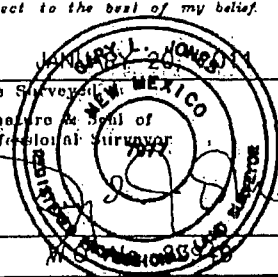
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	13	24 S	30 E		130	NORTH	710	WEST	EDDY

Bottom Hole Location If Different From Surface

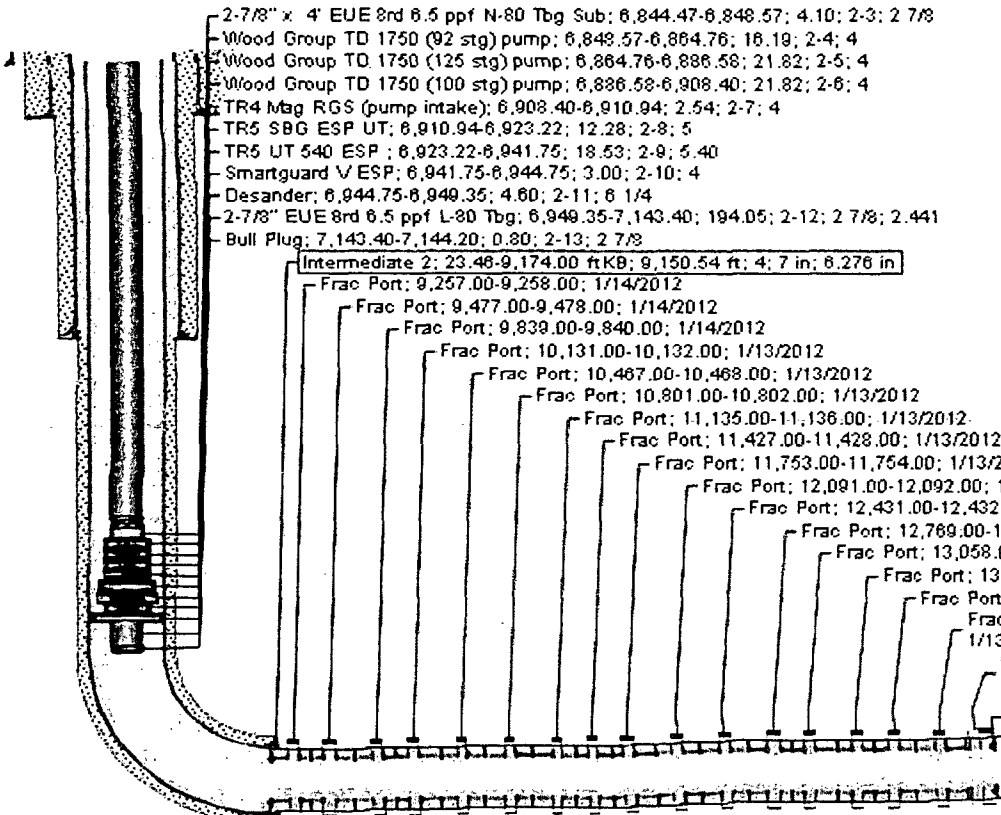
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	11	24 S	30 E		335	NORTH	1430	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
240			

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

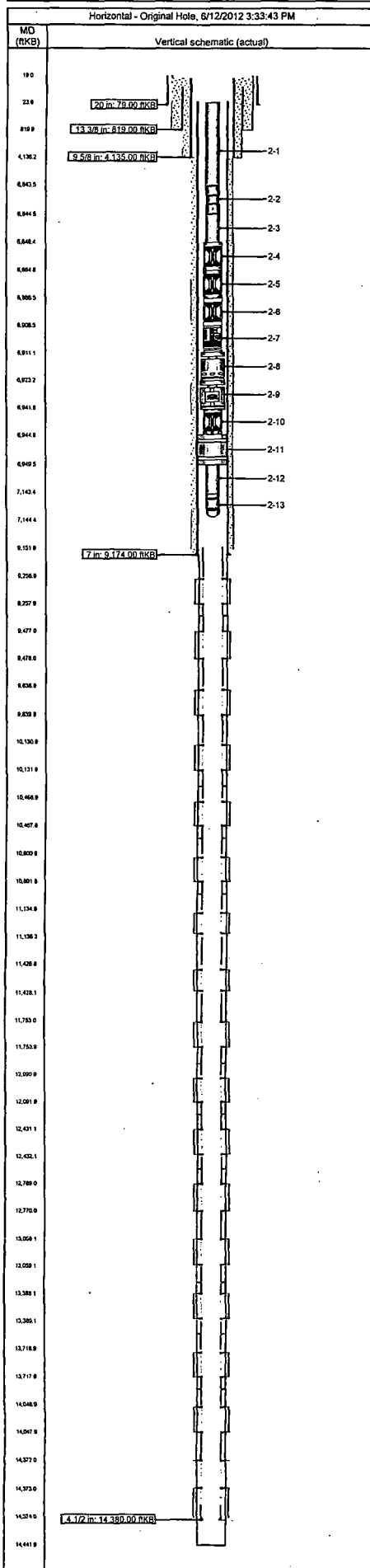
SURVEY CERTIFICATION IS FOR SURFACE LOCATION ONLY. PROPOSED BOTTOM HOLE LOCATION Lot - N 32°14'18.81" Long - W 103°51'18.50" NMSPCE- N 450835.42 E 647853.10 (NAD-27) SURFACE LOCATION Lot - N 32°13'28.85" Long - W 103°50'24.53" NMSPCE- N 445807.938 E 652511.542 (NAD-27)		OPERATOR CERTIFICATION I hereby 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 2-29-12 Signature Date Sandra J. Belt Printed Name gibeltebasspet.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: 2-29-12 Signature of Gary L. Jones Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS 23946
--	--	---

Horizontal - Original Hole, 6/12/2012 3:33:43 PM

MD (ftKB)	TVD (ftKB)	Incl (°)	Directional schematic (actual)
19.0	19.1	1.1	 2-7/8" x 4' EUE 8rd 6.5 ppf N-80 Tbg Sub; 6,844.47-6,848.57; 4.10; 2-3; 2 7/8 Wood Group TD 1750 (92 stg) pump; 6,848.57-6,884.76; 18.19; 2-4; 4 Wood Group TD 1750 (125 stg) pump; 6,884.76-6,886.58; 21.82; 2-5; 4 Wood Group TD 1750 (100 stg) pump; 6,886.58-6,908.40; 21.82; 2-6; 4 TR4 Mag RGS (pump intake); 6,908.40-6,910.94; 2.54; 2-7; 4 TR5 SBG ESP UT; 6,910.94-6,923.22; 12.28; 2-8; 5 TR5 UT 540 ESP; 6,923.22-6,941.75; 18.53; 2-9; 5.40 Smartguard V ESP; 6,941.75-6,944.75; 3.00; 2-10; 4 Desander; 6,944.75-6,949.35; 4.60; 2-11; 6 1/4 2-7/8" EUE 8rd 6.5 ppf L-80 Tbg; 6,949.35-7,143.40; 194.05; 2-12; 2 7/8; 2.441 Bull Plug; 7,143.40-7,144.20; 0.80; 2-13; 2 7/8 Intermediate 2; 23.48-9,174.00 ftKB; 9,150.54 ft; 4; 7 in; 6.276 in Frac Port; 9,257.00-9,258.00; 1/14/2012 Frac Port; 9,477.00-9,478.00; 1/14/2012 Frac Port; 9,839.00-9,840.00; 1/14/2012 Frac Port; 10,131.00-10,132.00; 1/13/2012 Frac Port; 10,467.00-10,468.00; 1/13/2012 Frac Port; 10,801.00-10,802.00; 1/13/2012 Frac Port; 11,135.00-11,136.00; 1/13/2012 Frac Port; 11,427.00-11,428.00; 1/13/2012 Frac Port; 11,753.00-11,754.00; 1/13/2012 Frac Port; 12,091.00-12,092.00; 1/13/2012 Frac Port; 12,431.00-12,432.00; 1/13/2012 Frac Port; 12,769.00-12,770.00; 1/13/2012 Frac Port; 13,058.00-13,059.00; 1/13/2012 Frac Port; 13,388.00-13,389.00; 1/13/2012 Frac Port; 13,717.00-13,718.00; 1/13/2012 Frac Port; 14,047.00-14,048.00; 1/13/2012 Frac Port; 14,372.00-14,373.00; 1/6/2012 Uner; 9,088.10-14,380.00 ftKB; 5,293.90 ft; 5; 4 1/2 in; 4.000 in
23.6	23.7	1.1	
819.9	819.8	1.1	
4,136.2	4,135.9	0.9	
6,843.5	6,843.1	0.3	
6,844.5	6,844.1	0.3	
6,848.4	6,848.1	0.3	
6,864.8	6,864.5	0.3	
6,886.5	6,886.1	0.4	
6,908.5	6,908.1	0.4	
6,911.1	6,910.7	0.4	
6,923.2	6,922.9	0.5	
6,941.6	6,941.2	0.5	
6,944.9	6,944.5	0.5	
6,949.5	6,949.1	0.5	

Note: Directional schematic does not correlate to other tracks.

Surface Location: PLU #330H



Well Information						
Orig KB Elev (ft)	Gf Elev (ft)	KB-Grd (ft)	Spud Date	On Production Date	PBTD (All) (ftKB)	
3,510.50	3,487.00	23.50	11/6/2011			
Wellbores						
Wellbore Name: Original Hole			Kick Off Depth (ftKB):			
Size (in)	Act Top (ftKB)		Act Btm (ftKB)			
17 1/2	19.0		820.0			
12 1/4	820.0		4,136.0			
8 3/4	4,136.0		9,152.0			
6 1/8	9,152.0		14,442.0			
Schematic Annotations						
Type	Depth (ftKB)	Annotation				
Casing Strings						
Csg Des	Wellbore	OD (in)	Wt (lb/ft)	Grade	Top Thread	Set @ (ftKB)
Conductor	Original Hole	20	90.00	F-25		79.00
Surface	Original Hole	13 3/8	48.00	H-40	ST&C	819.00
Intermediate 1	Original Hole	9 5/8	40.00	J-55	LT&C	4,135.00
Intermediate 2	Original Hole	7	26.00	N-80	LT&C	9,174.00
Liner	Original Hole	4 1/2	11.60	HCP-110	LT&C	14,380.00
Performances						
Perf Date	Top (ftKB)	Btm (ftKB)	Zone	Current Status		
1/14/2012	9,257.0	9,258.0	Delaware, Original Hole	Sleeve - Open (9,257.0 - 9,258.0)		
1/14/2012	9,477.0	9,478.0	Delaware, Original Hole	Sleeve - Open (9,477.0 - 9,478.0)		
1/14/2012	9,839.0	9,840.0	Delaware, Original Hole	Sleeve - Open (9,839.0 - 9,840.0)		
1/13/2012	10,131.0	10,132.0	Delaware, Original Hole	Sleeve - Open (10,131.0 - 10,132.0)		
1/13/2012	10,467.0	10,468.0	Delaware, Original Hole	Sleeve - Open (10,467.0 - 10,468.0)		
1/13/2012	10,801.0	10,802.0	Delaware, Original Hole	Sleeve - Open (10,801.0 - 10,802.0)		
1/13/2012	11,135.0	11,136.0	Delaware, Original Hole	Sleeve - Open (11,135.0 - 11,136.0)		
1/13/2012	11,427.0	11,428.0	Delaware, Original Hole	Sleeve - Open (11,427.0 - 11,428.0)		
1/13/2012	11,753.0	11,754.0	Delaware, Original Hole	Sleeve - Open (11,753.0 - 11,754.0)		
1/13/2012	12,091.0	12,092.0	Delaware, Original Hole	Sleeve - Open (12,091.0 - 12,092.0)		
1/13/2012	12,431.0	12,432.0	Delaware, Original Hole	Sleeve - Open (12,431.0 - 12,432.0)		
1/13/2012	12,769.0	12,770.0	Delaware, Original Hole	Sleeve - Open (12,769.0 - 12,770.0)		
1/13/2012	13,058.0	13,059.0	Delaware, Original Hole	Sleeve - Open (13,058.0 - 13,059.0)		
1/13/2012	13,388.0	13,389.0	Delaware, Original Hole	Sleeve - Open (13,388.0 - 13,389.0)		
1/13/2012	13,717.0	13,718.0	Delaware, Original Hole	Sleeve - Open (13,717.0 - 13,718.0)		
1/13/2012	14,047.0	14,048.0	Delaware, Original Hole	Sleeve - Open (14,047.0 - 14,048.0)		
1/6/2012	14,372.0	14,373.0	Delaware, Original Hole	Sleeve - Open (14,372.0 - 14,373.0)		
Tubing Strings						
Tubing Description		Run Date	String Length (ft)	Set Depth (ftKB)		
Tubing - Production		2/14/2012	7,120.70	7,144.20		
No.	Item Des	Jls	OD (in)	Wt (lb/ft)	Grade	Top (ftKB)
2-1	2-7/8" EUE 8rd 6.5 ppf L-80 Tbg	209	2 7/8	6.50	L-80	23.5
2-2	2-7/8" Standard Sealing Nipple	1	2 7/8			6,843.5
2-3	2-7/8" x 4" EUE 8rd 6.5 ppf N-80 Tbg Sub	1	2 7/8		N-80	6,844.5
2-4	Wood Group TD 1750 (92 stg) pump	1	4			6,848.6
2-5	Wood Group TD 1750 (125 stg) pump	1	4			6,854.8
2-6	Wood Group TD 1750 (100 stg) pump	1	4			6,886.6
2-7	TR4 Mag RGS (pump intake)	1	4			6,908.4
2-8	TR5 SBG ESP UT	1	5			6,910.9
2-9	TR5 UT 540 ESP	1	5.4			6,923.2
2-10	Smartguard V ESP	1	4			6,941.8
2-11	Desander	1	6 1/4			6,944.8
2-12	2-7/8" EUE 8rd 6.5 ppf L-80 Tbg	6	2 7/8	6.50	L-80	6,949.4
2-13	Bull Plug	1	2 7/8			7,143.4
Cement						
Surface Casing Cement, 11/8/2011						
String: Surface, 819.00ftKB						
Cement Evaluation Results: Circulated 82 bbls of cement back to surface.						
Stage Number	Stage Top (ftKB)	Stage Bottom (ftKB)	Vol Cement Ret (bbl)	Top Measurement Method		
1	21.0	819.0	82.0	Circulated</		

INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

May 24, 2012

TO: FORT WORTH, FILES

FOR: FRANK McCREIGHT

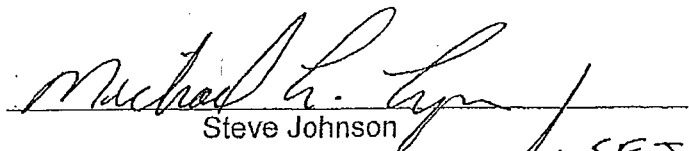
FROM: STEVE F. JOHNSON

RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #293H
NASH DRAW (DEL/BS/AV SD) FIELD
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU293HCD.DOC

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #293H was drilled in 2010 to a total depth of 13,190' lateral 1 and 13,365' lateral 2 and was completed in the Delaware reservoir. The well is producing from perforations 8,177-13,183' on lateral 1 and 7,166-13,122' on lateral 2. On test 7/19/2011 the well pumped at the rate of 967 BOPD, 798 MCFPD, and 2,156 BWPD. This well is expected to recover approximately 554.265 MBOE from the current completion.

The most recent price file from Fort Worth was utilized and the oil price was adjusted by - \$5.10/BO and a shrinkage factor of 51.9% on the gas. An operating cost of \$18,000/mo plus \$.46/bbl water expense was also incorporated in this evaluation. The Poker Lake Unit #293H will be a commercial well and should be incorporated into a participating area.


MLL/cdp


Steve Johnson
for SFS

cc: Ross Sutton
George Hillis
Andy Morrison

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL Poker Lake Unit # 293H FORMATION DELAWARE
 LOCATION B UNIT, 810 FEET FROM NORTH LINE & 1980 FEET FROM EAST LINE
 SECTION 21 TOWNSHIP 24S RANGE 30E COUNTY Eddy NEW MEXICO
 SPUD DATE 9/10/2010 COMPLETION DATE 7/1/2011 INITIAL PRODUCTION 7/3/2011
 PERFORATIONS 8177-13183' L1 7166-13112' L2
 BHL: L1 65' FSL & 1946' FWL SEC 22 T24S R30E L2 944' FNL & 52' FWL SEC 16 T24S R30E

STIMULATION:

ACID _____

 FRACTURE See Attached

POTENTIAL (7/19/2011): 967 BOPD, 798 MCFPD, 2156 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>400</u>	_____
Porosity (Φ), %	<u>13%</u>	_____
Water saturation (Sw), %	<u>38%</u>	_____
Net Thickness (H), ft.	<u>50</u>	_____
Temperature (T), Fahrenheit	<u>135</u>	_____
Bottom Hole pressure (P), psia	<u>3,364</u>	_____
Recovery factor (RF), %	<u>15%</u>	_____
Recoverable Oil, Bbls *(See eq. below)	<u>1.2M</u>	_____

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B_o = 1.50

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 3/31/2012 121,286 BBL Oil 164,765 MCF GasINITIAL RATE (qi) 856ECONOMIC LIMIT (qi) 8HYPERBOLIC DECLINE RATE, dy n = 1, d = 96%/yrREMAINING OIL (Q) = 270,427ULTIMATE RECOVERABLE OIL (BO) 391,713

(Attach plat showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$8,638,106 (to the depth of formation completed)COMPLETION COST \$5,150,714GROSS TOTAL COST \$13,788,820

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	<u>93.078</u>	<u>89.7</u>	<u>266.8</u>	<u>-7363.8</u>
2	<u>80.201</u>	<u>230.3</u>	<u>453.5</u>	<u>6016.5</u>
3	<u>42.596</u>	<u>127.8</u>	<u>282.2</u>	<u>2845.1</u>
4	<u>29.524</u>	<u>88.6</u>	<u>226.3</u>	<u>1749.1</u>
5	<u>22.620</u>	<u>67.9</u>	<u>196.1</u>	<u>1188.0</u>
6	<u>18.388</u>	<u>55.2</u>	<u>177.7</u>	<u>867.8</u>
7	<u>15.421</u>	<u>46.3</u>	<u>165.4</u>	<u>656.8</u>
8	<u>13.309</u>	<u>39.9</u>	<u>152.7</u>	<u>511.9</u>
9	<u>11.707</u>	<u>35.1</u>	<u>149.7</u>	<u>405.1</u>
10	<u>10.476</u>	<u>31.4</u>	<u>144.5</u>	<u>325.9</u>
REMAINDER	<u>54.394</u>	<u>163.2</u>	<u>3159.1</u>	<u>1033.0</u>
TOTAL	<u>391.714</u>	<u>975.3</u>	<u>8525.8</u>	<u>8235.4</u>

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 5/24/2012

Lior: 1000397

3:18:36PM

Project Name : Exp of WTD CORP

As Of Date : 07/01/2011

Lease Name : 1000397/POKER LAKE UNIT/293H/DEL

Partner : All cases

Discount Rate (%) : 5.00

Reserv Cat : Proved Producing

Case Type : LEASE CASE

Field : NASH DRAW (DEL, BS, AV)

Archive Set : CURRENT

1000397/POKER LAKE UNIT/293H/DEL

Operator : BOPCO

Cum Oil (Mbbbl) : 0.00

Reservoir : DEL, BS, AV

Cum Gas (MMcf) : 0.00

Co., State : EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
2011	93.078	89.743	43.166	349.998	78.639	36.470	295.705
2012	80.201	230.267	110.759	898.042	67.760	93.577	758.735
2013	42.596	127.787	61.465	498.368	35.988	51.931	421.059
2014	29.524	88.571	42.603	345.428	24.944	35.994	291.844
2015	22.620	67.861	32.641	264.656	19.111	27.578	223.602
2016	18.388	55.163	26.533	215.135	15.535	22.417	181.763
2017	15.421	46.263	22.253	180.427	13.029	18.801	152.438
2018	13.309	39.928	19.205	155.719	11.245	16.226	131.563
2019	11.707	35.121	16.893	136.972	9.891	14.273	115.724
2020	10.476	31.428	15.117	122.569	8.851	12.772	103.556

Rem	54.394	163.181	78.490	787.419	45.956	66.314	665.272
Total	391.713	975.313	469.125	3,954.733	330.949	396.353	3,341.261
Jlt.	391.713	975.313					

Year	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2011	86.26	4.09	1.11	6,783.18	149.00	327.94	7,260.12
2012	92.23	2.93	1.11	6,249.32	273.95	841.44	7,364.71
2013	87.33	3.94	1.11	3,142.67	204.48	466.96	3,814.11
2014	84.43	4.30	1.11	2,106.11	154.76	323.66	2,584.53
2015	82.11	4.51	1.11	1,569.26	124.46	247.97	1,941.69
2016	81.19	4.72	1.11	1,261.34	105.80	201.57	1,568.72
2017	80.95	4.92	1.11	1,054.64	92.55	169.05	1,316.25
2018	80.90	5.11	1.11	909.75	82.98	145.90	1,138.63
2019	80.77	5.32	1.11	798.90	75.94	128.34	1,003.18
2020	80.66	5.55	1.11	713.89	70.93	114.84	899.66
Rem	80.59	6.38	1.11	3,703.59	423.07	737.79	4,864.45
Total	85.49	4.44	1.11	28,292.66	1,757.93	3,705.46	33,756.05

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
2011	588.54	14.46	13,788.82	150.00	-7,281.71	-7,281.71	-7,363.84	-7,363.84
2012	602.07	14.58	0.00	436.10	6,311.96	-969.75	6,016.45	-1,347.39
2013	312.56	7.55	0.00	348.98	3,145.02	2,175.27	2,845.13	1,497.75
2014	211.98	5.11	0.00	333.95	2,033.48	4,208.76	1,749.08	3,246.83
2015	159.36	3.84	0.00	326.01	1,452.48	5,661.23	1,188.03	4,434.86
2016	128.80	3.10	0.00	321.15	1,115.67	6,776.91	867.82	5,302.69
2017	108.10	2.60	0.00	317.73	887.81	7,664.71	656.78	5,959.46
2018	93.54	2.25	0.00	315.31	727.54	8,392.25	511.94	6,471.40
2019	82.43	1.98	0.00	313.46	605.31	8,997.56	405.14	6,876.55
2020	73.94	1.78	0.00	312.05	511.89	9,509.45	325.89	7,202.44
Rem	401.06	9.60	0.00	2,521.84	1,931.95	1,931.95	1,033.01	1,033.01
Total	2,762.39	66.86	13,788.82	5,696.59	11,441.40	11,441.40	8,235.45	8,235.45

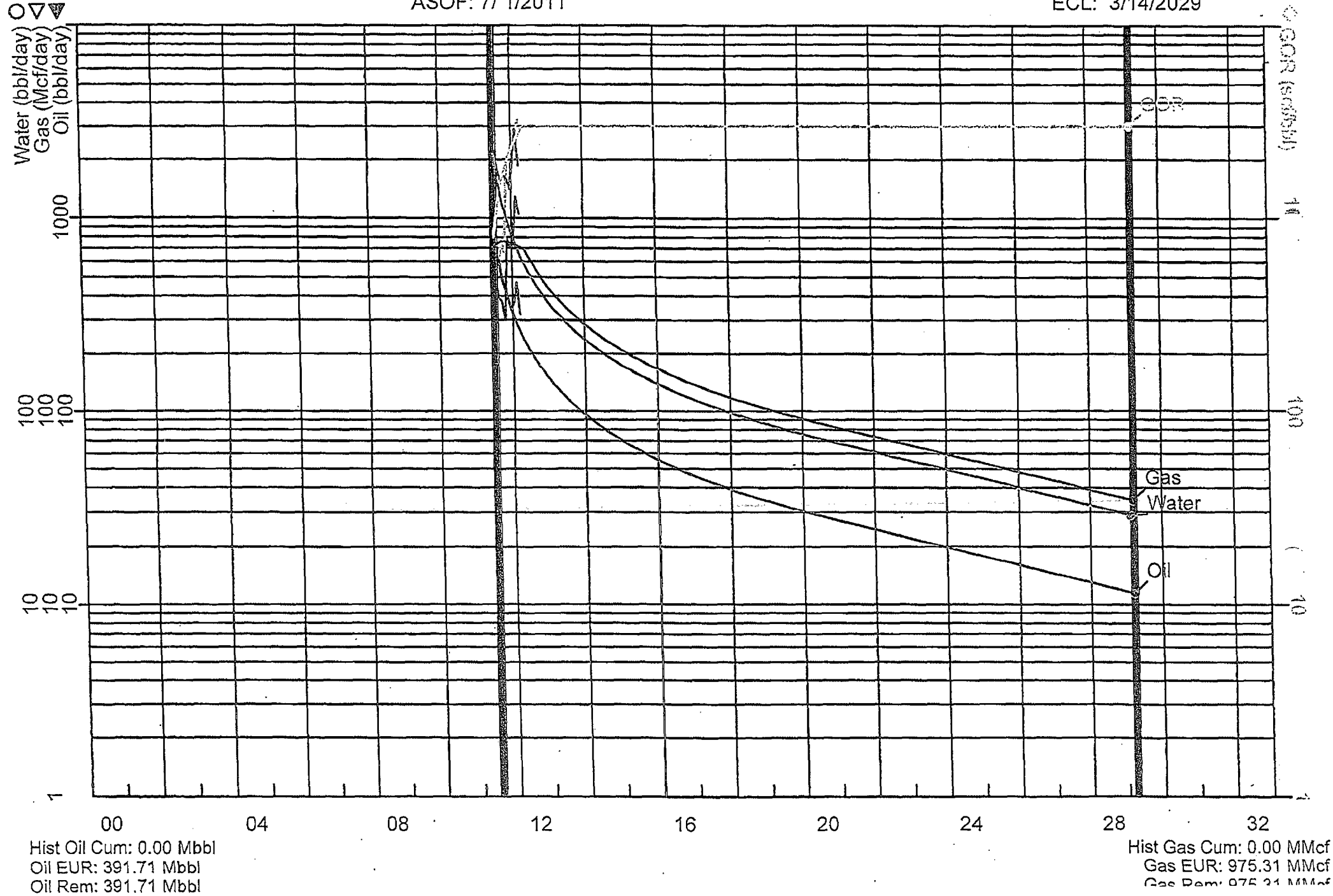
Major Phase :	Oil	Working Int :	-1.00000000	Present Worth Profile (M\$)
Refs :	0 0	Revenue Int :	0.84487635	5.00% : 8,235.45
Initial Rate :	22,950.00 bbl/month	Disc. Initial Invest. (m\$) :	13,788.823	9.00% : 6,316.57
Abandonment :	347.96 bbl/month	Internal ROR (%) :	33.65	10.00% : 5,902.09
Initial Decline :	96.00 % year b = 1.001	ROI Investment (disc/undisc) :	1.60 / 1.83	12.00% : 5,136.88
Seg Ratio :	0.66 Mcf/bbl	Years to Payout :	1.77	15.00% : 4,124.62
End Ratio :	3.00 Mcf/bbl	Abandonment Date :	03/14/2029	20.00% : 2,718.21
Forecast Start :	07/01/2011			30.00% : 609.85
		Initial	1st Rev.	40.00% : -922.19
		Working Interest : 1.00000000	0.00000000	50.00% : -2,105.41
		Revenue Interest : 0.84487635	0.00000000	60.00% : -3,057.98
		Rev. Date :		

Major Phase: Oil
APP EUR OIL:

FIELD ONLY: NASH DRAW
CONTROL: 1000397
APP EUR GAS:

ASOF: 7/ 1/2011

ECL: 3/14/2029



RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Operator Copy

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010BOPCO W/O PRODUCTION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG1a. 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, L.P.3. Address
P O Box 2760 Midland Tx 797023a. Phone No. (include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface NWNE; UL B; Sec. 21, T24S, R30E; 810' FNL 1980' FEL

At top prod. interval reported below

At total depth Lateral 1: UL N; Sec. 22, 24S, 30E 65' FSL 1946' FWL; Lateral 2 See Remarks

14. Date Spudded
09/01/201015. Date T.D. Reached
11/03/201016. Date Completed 07/01/2011
☐ D & A ☐ Ready to Prod.17. Elevations (DF, RKB, RT, GL)*
KB: 3360.2 DF: 3359.018. Total Depth: MD See Remarks
TVD See Remarks19. Plug Back T.D.: MD
TVD20. Depth Bridge Plug Set: MD
TVD21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Caliper; PE Array Ind. Tool M-CFL/GR; PETreeDet.
LDCOMP N/GR; PE Array Ind. TMCFL/GR22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
26	20 J55	20		1104		3500 CLC	660	0	
17 1/2	9 5/8 J55	40		3859		3525 CLC	1161	0	
8 3/4	7 N80	26		8089		460 RSSM	266	0	
6 1/8	4 1/2		7,914	13,190	Lat 1				
6 1/8	4 1/2		6,911	13,365	Lat 2				

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) Delaware	3838	6020	8,177 - 13,183			Lateral 1; Producing /S
B) Delaware	3838	6020	7,166 - 13,112			Lateral 2: Producing 2S
C)						
D)						

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

Depth Interval	Amount and Type of Material
8,177 - 13,183	Lateral #1: All frac ports: 105,000 gals 25# Linear; 787,303 gals YF125ST; 1,748,344 lbs. Ottawa Sand
7,166 - 13,112	Lateral #2: Perfs 7166-7782; Frac Ports 8076-13112: 92,913 gals 25# Linear; 916,093 gals 25# R21 Silverstim; 1,919,623 lbs Ottawa Sand

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
7/3/11	7/19/11	24	→	967	798	2,156	38.4	0.8328	Sub-Pump Wood Group TD 1750 ES Pump
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
W/O	300	1,100	→	967	798	2,156	825	Producing	

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. 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 page 2)

CONFIDENTIAL

RECLAMATION
DUE 2-1-12

ACCEPTED FOR RECORD

SEP 17 2011

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	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 (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	3886	4692	Sandstone	Rustler	735
Cherry Canyon	4692	6020	Sandstone	Salt	1104
Brushy Canyon	6020	Not Reached	Sandstone	Base/Salt	3625
				Lamar	3838
				Bell Canyon	3886
				Cherry Canyon	4692
				Lo Cherry Canyon	5963
				Brushy Canyon	6020

32. Additional remarks (include plugging procedure):

Item 4: At Total Depth; Lat 2: UL D; Sec. 16, 24S, 30E; 944' FNL 52' FWL

Item 18: Lateral #1: MD 13,240, TVD 7,638

Lateral #2: MD 13,419 TVD 7,502

CONFIDENTIAL

BOPCO requests confidentiality for the maximum time allowed.

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. 149

Title Sr. Regulatory Clerk

Signature

Sandra J. Belt

Date 09/07/2011

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.

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

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other b. Type of Completion: ☐ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resrv., Other: _____						5. Lease Serial No. NMLC068431			
2. Name of Operator BOPCO, L.P.						6. If Indian, Allottee or Tribe Name 			
3. Address P O Box 2760 Midland Tx 79702				3a. Phone No. (include area code) (432)683-2277		7. Unit or CA Agreement Name and No. NMNM71016X			
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface NWNE; UL B; Sec. 21, T24S, R30E; 810' FNL 1980' FEL At top prod. interval reported below At total depth Lateral 1: UL N; Sec. 22, 24S, 30E 65' FSL 1946' FWL; Lateral 2 See Remarks						8. Lease Name and Well No. Poker Lake Unit 293H			
14. Date Spudded 09/01/2010						15. Date T.D. Reached 11/03/2010			
16. Date Completed 07/01/2011 ☐ D & A ☐ Ready to Prod.						9. API Well No. 30-015-38112			
18. Total Depth: MD See Remarks TVD See Remarks						19. Plug Back T.D.: MD TVD			
20. Depth Bridge Plug Set: MD TVD						17. Elevations (DF, RKB, RT, GL)* KB: 3360.2 DF: 3359.0			
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) Caliper; PE Array Ind. Tool M-CFL/GR; PETHreeDet. LDComp N/GR; PE Array Ind. TMCF/GR						22. Was well cored? ☒ No ☐ Yes (Submit analysis) Was DST run? ☒ No ☐ Yes (Submit report) Directional Survey? ☐ No ☒ Yes (Submit copy)			
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
26	20 J55	20		1104		3500 CLC	660	0	
17 1/2	9 5/8 J55	40		3859		3525 CLC	1161	0	
8 3/4	7 N80	26		8089		460 RSSM	266	0	
6 1/8	4 1/2		7,914	13,190	Lat 1				
6 1/8	4 1/2		6,911	13,365	Lat 2				
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	Perforation Record		Size	No. Holes	Perf. Status	
A) Delaware		3838	6020	8,177 - 13,183				Lateral 1; Producing	
B) Delaware		3838	6020	7,166 - 13,112				Lateral 2; Producing	
C)									
D)									
27. Acid, Fracture, Treatment, Cement Squeeze, etc.									
Depth Interval		Amount and Type of Material							
8,177 - 13,183		Lateral #1: All frac ports: 105,000 gals 25# Linear; 787,303 gals YF125ST; 1,748,344 lbs. Ottawa Sand							
7,166 - 13,112		Lateral #2: Perfs 7166-7782; Frac Ports 8076-13112: 92,913 gals 25# Linear; 916,093 gals 25# R21 Silverstim; 1,919,623 lbs Ottawa Sand							
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
7/3/11	7/19/11	24	→	967	798	2,156	38.4	0.8328	Sub-Pump Wood Group TD 1750 ES Pump
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
W/O	300	1,100	→	967	798	2,156	825	Producing	
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. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

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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 (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
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Brushy Canyon	6020	Not Reached	Sandstone	Base/Salt	3625
				Lamar	3838
				Bell Canyon	3886
				Cherry Canyon	4692
				Lo Cherry Canyon	5963
				Brushy Canyon	6020

32. Additional remarks (include plugging procedure):

Item 4: At Total Depth: Lat 2: UL D; Sec. 16, 24S, 30E; 944' FNL 52' FWL

Item 18: Lateral #1: MD 13,240, TVD 7,638

Lateral #2: MD 13,419 TVD 7,502

CONFIDENTIAL

BOPCO requests confidentiality for the maximum time allowed.

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. 149

Title Sr. Regulatory Clerk

Signature Sandra J. Belt

Date 09/07/2011

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.

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

DISTRICT II
1901 W. Grand Avenue, Artesia, NM 88210

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

DISTRICT IV
1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-38112	Pool Code 47545	Pool Name Nash Draw; Delaware/BS (Avalon Sd)
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 293 2H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3343'

Surface Location

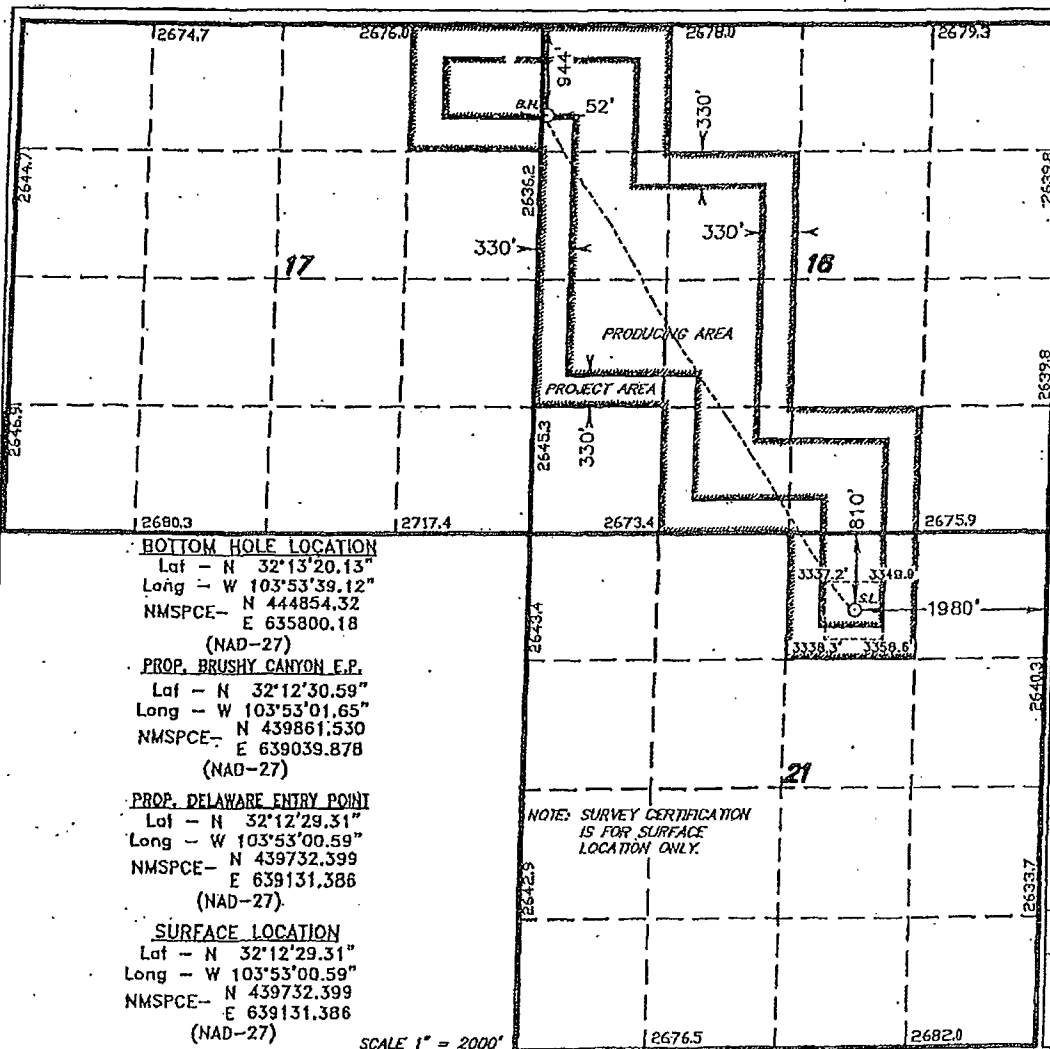
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	21	24 S	30 E		810	NORTH	1980	EAST	EDDY

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
D	16	24 S	30 E		944	NORTH	52	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
360			

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 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 9-7-11
Signature Date

Sandra J. Belt
Printed Name

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.

JULY 1, 2009
Date Surveyed
Signature of Gary L. Jones
Professional Surveyor

W.O. [Signature]
Certificate No. Gary L. Jones 7977

DISTRICT IV
1220 St. Francis Dr., Santa Fe, NM 87505

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

State Lease - 4 Copies
 Fee Lease - 3 Copies

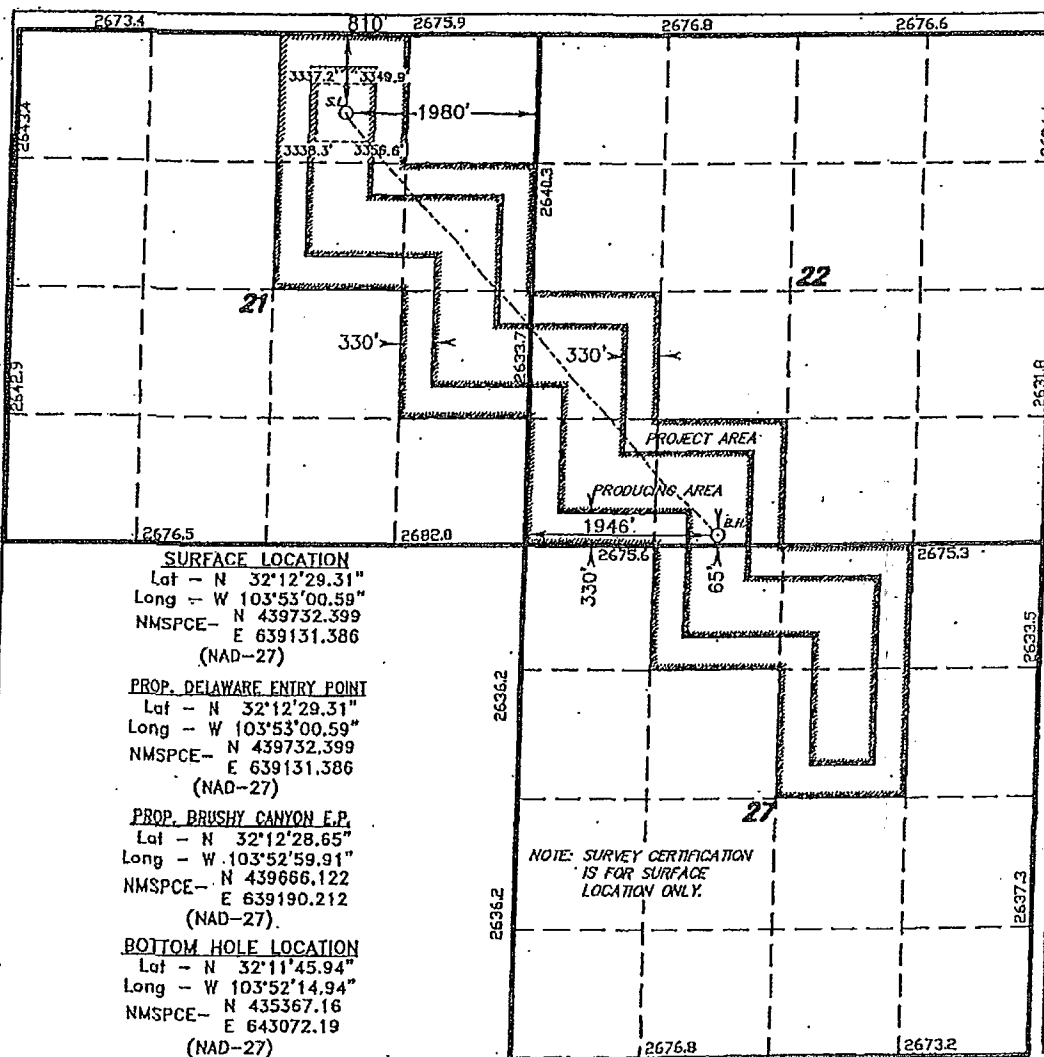
☐ AMENDED REPORT

API Number	Pool Code	Pool Name
30-015-38112	47545	Nash Draw; Delaware/BS (Avalon sd.)
Property Code	Property Name	Well Number
306402	POKER LAKE UNIT	293 1H
OGRI# No.	Operator Name	Elevation
260737	BOPCO, L.P.	3343'

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	21	24 S	30 E		810	NORTH	1980	EAST	EDDY

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	22	24 S	30 E		65	SOUTH	1946	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
400			



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 Sandra J. Belt Date 9-7-11

Sandra J. Belt
Printed Name

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.

JULY 7 1969
Date Surveyed JULY 1, 1968
Signature & Seal of MEXICO
Professional Surveyor
1977
RECEIVED
JULY 10 1969
W.C.

Certificate No. Gary L. Jones 7977

BASIN SURVEYS REV 9-2-2010

INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

April 18, 2011

TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: STEVE F. JOHNSON
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #308H
POKER LAKE, SW (DELAWARE)
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU308HCD.DOC

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #3082H was drilled in 2010 to a total depth of 14,700' and was completed in the Delaware. The well is producing from perforations 8,888-13,834'. On test 10/15/2010 the well pumped at the rate of 1023 BOPD, 983 MCFPD, and 2175 BWPD. This well is expected to recover approximately 477.868 MBOE from the current completion.

The most recent price file from Fort Worth was utilized and the oil price was adjusted by - \$2.80/BO. An operating cost of \$8,500/mo plus \$.58/mcf transportation and \$1.00/bbl water expense was also incorporated in this evaluation. The Poker Lake Unit #308H will be a commercial well and should be incorporated into a participating area.

Steve Johnson

MLL/cdp

cc: Ross Sutton
George Hillis
Brad Glasscock

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL Poker Lake Unit # 308H FORMATION DELAWARE
 LOCATION UNIT, 1800 FEET FROM SOUTH LINE & 330 FEET FROM EAST LINE
 SECTION 26 TOWNSHIP 24S RANGE 30E COUNTY Eddy NEW MEXICO
 SPUD DATE 5/24/2010 COMPLETION DATE 10/6/2010 INITIAL PRODUCTION 10/15/2010
 PERFORATIONS 8888-13834
 BHL: 1966' FSL & 318' FWL SEC 23 T24S R30E
 STIMULATION:

ACID _____

 FRACTURE 117.214 Gals 25# linear; 1,224,331 gal WF125ST; 4,340# 20/40 Bauxite; 1,974,861# 16/30 Ottawa;
809,826# Ottawa w/ propanet. 22 Stages

POTENTIAL (10/15/2010): 1023 BOPD, 983 MCFPD, 2175 BWPD
 (Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>400</u>	<u> </u>
Porosity (Φ), %	<u>12%</u>	<u> </u>
Water saturation (S_w), %	<u>35%</u>	<u> </u>
Net Thickness (H), ft.	<u>50</u>	<u> </u>
Temperature (T), Fahrenheit	<u>120</u>	<u> </u>
Bottom Hole pressure (P), psia	<u>3,821</u>	<u> </u>
Recovery factor (RF), %	<u>15%</u>	<u> </u>
Recoverable Oil, Bbls *(See eq. below)	<u>1,198,145</u>	<u> </u>

*Sometimes unable to match performance due to volumetric uncertainty.
 horizontal well
 Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

$B_o = 1.50$

Continued

Poker Lake Unit # 308H

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO	<u>2/28/2011</u>	<u>85,485</u>	BBL Oil	<u>126,550</u>	MCF Gas
INITIAL RATE (qi)		<u>713</u>			
ECONOMIC LIMIT (qi)		<u>5</u>			
HYPERBOLIC DECLINE RATE, dy		<u>n = .822, d = 90.88%/yr</u>			
REMAINING OIL (Q) =		<u>276,380</u>			
ULTIMATE RECOVERABLE OIL (BO)		<u>361,865</u>			

(Attach plot showing proration unit and participating area.)

ECONOMICSGROSS WELL COST \$3,936,210 (to the depth of formation completed)COMPLETION COST \$4,008,158GROSS TOTAL COST \$7,944,368

<u>YEAR</u>	<u>GROSS OIL MBBLS</u>	<u>BFIT NET INCOME (\$M)</u>	<u>OPERATING COST (\$M) INCL SEV & AD VAL TAX</u>	<u>5% NET BFIT DISCOUNTED CASH FLOW</u>
ZERO				
1	<u>59.973</u>	<u>4386.4</u>	<u>350.7</u>	<u>-3971.3</u>
2	<u>101.403</u>	<u>9177.7</u>	<u>1133.2</u>	<u>7695.6</u>
3	<u>45.383</u>	<u>4341.7</u>	<u>617.5</u>	<u>3385.4</u>
4	<u>28.230</u>	<u>2640.4</u>	<u>435.1</u>	<u>1905.3</u>
5	<u>20.158</u>	<u>1865.8</u>	<u>347.8</u>	<u>1247.1</u>
6	<u>15.499</u>	<u>1437.3</u>	<u>297.3</u>	<u>890.6</u>
7	<u>12.522</u>	<u>1174.3</u>	<u>265.1</u>	<u>675.6</u>
8	<u>10.397</u>	<u>989.0</u>	<u>152.7</u>	<u>528.1</u>
9	<u>8.869</u>	<u>857.8</u>	<u>224.7</u>	<u>425.5</u>
10	<u>7.706</u>	<u>759.7</u>	<u>211.7</u>	<u>350.4</u>
REMAINDER	<u>51.724</u>	<u>5694.3</u>	<u>2294.5</u>	<u>1680.6</u>
TOTAL	361.864	33324.4	6419.3	14812.8

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date: 4/18/2011

Lior: 1000394

2:47:20PM

Project Name: Exp of RESERVEPROP

As Of Date: 08/01/2010

Lease Name: 1000394/POKER LAKE UNIT/308H/DEL

Parameter: All cases main

Discount Rate (%): 5.00

Reserv Cat.: Proved Producing

Case Type: LEASE CASE

Field: POKER LAKE (DELAWARE) SOUTHW

Archive Set: CURRENT

1000394/POKER LAKE UNIT/308H/DEL

Operator: BOPCO

Cum Oil (Mbbbl): 0.00

Reservoir: DELAWARE

Cum Gas (MMcf): 0.00

Co., State: EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded Sales

Year	Gross Wet Production		Gross Dry Gas & NGL				
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
2010	59.973	79.119	46.680	276.125	49.538	38.558	228.080
2011	101.403	153.017	90.280	534.028	83.759	74.571	441.107
2012	45.383	67.516	39.834	235.631	37.487	32.903	194.631
2013	28.230	45.183	26.658	157.687	23.318	22.019	130.250
2014	20.158	34.687	20.465	121.058	16.651	16.904	99.994
2015	15.499	28.667	16.914	100.049	12.802	13.971	82.641
2016	12.522	24.896	14.689	86.887	10.343	12.133	71.769
2017	10.397	22.218	13.108	77.540	8.588	10.828	64.048
2018	8.869	20.368	12.017	71.085	7.326	9.926	58.716
2019	7.706	19.019	11.221	66.378	6.366	9.269	54.828

Rem	51.724	201.332	118.786	702.648	42.724	98.117	580.388
Total	361.865	696.022	410.653	2,429.118	298.901	339.200	2,006.451
Ult	361.865	696.022					

Year	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2010	80.95	3.84	1.00	4,010.09	148.21	228.08	4,386.37
	100.42	4.36	1.00	8,411.32	325.27	441.11	9,177.70
	106.24	5.00	1.00	3,982.44	164.60	194.63	4,341.67
2013	102.55	5.40	1.00	2,391.28	118.84	130.25	2,640.37
2014	100.22	5.75	1.00	1,668.72	97.13	99.99	1,865.84
2015	99.12	6.13	1.00	1,268.93	85.68	82.64	1,437.25
2016	98.97	6.50	1.00	1,023.69	78.88	71.77	1,174.34
2017	99.07	6.85	1.00	850.78	74.18	64.05	989.01
2018	99.35	7.18	1.00	727.82	71.25	58.72	857.78
2019	99.84	7.48	1.00	635.55	69.34	54.83	759.71
Rem	100.28	8.45	1.00	4,284.52	829.43	580.39	5,694.34
Total	97.88	6.08	1.00	29,255.14	2,062.79	2,006.45	33,324.38

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
2010	193.66	5.77	7,944.37	151.29	-3,908.72	-3,908.72	-3,971.25	-3,971.25
2011	623.00	18.36	0.00	491.87	8,044.47	4,135.75	7,695.59	3,724.34
2012	295.84	8.68	0.00	312.97	3,724.18	7,859.93	3,385.35	7,109.69
2013	179.27	5.28	0.00	250.52	2,205.30	10,065.23	1,905.34	9,015.03
2014	126.27	3.73	0.00	217.83	1,518.01	11,583.24	1,247.08	10,262.11
2015	96.98	2.87	0.00	197.45	1,139.94	12,723.18	890.57	11,152.68
2016	79.04	2.35	0.00	183.70	909.25	13,632.43	675.56	11,828.24
2017	66.40	1.98	0.00	173.29	747.34	14,379.77	528.10	12,356.33
2018	57.44	1.72	0.00	165.55	633.08	15,012.85	425.51	12,781.84
2019	50.74	1.52	0.00	159.44	548.01	15,560.86	350.35	13,132.20
Rem	371.70	11.39	0.00	1,911.41	3,399.84	3,399.84	1,680.56	1,680.56
Total	2,140.34	63.65	7,944.37	4,215.32	18,960.70	18,960.70	14,812.75	14,812.75

Major Phase:	Oil	Working Int:	1.00000000	Present Worth Profile (M\$)
Perfs:	0	Revenue Int:	0.82600000	0.00%: 18,960.70
Initial Rate:	20,880.00 bbl/month	Disc. Initial Invest. (m\$):	7,944.368	5.00%: 14,812.75
Abandonment:	137.61 bbl/month	Internal ROR (%):	86.40	10.00%: 12,016.43
Decline:	90.88 % year b = 0.822	ROI Investment (disc/undisc):	2.86 / 3.39	15.00%: 9,980.98
Ratio:	1.00 Mcf/bbl	Years to Payout:	0.80	20.00%: 8,409.31
Err Ratio:	6.93 Mcf/bbl	Abandonment Date:	10/30/2033	30.00%: 6,084.78
Forecast Start:	10/01/2010			40.00%: 4,398.93
		Initial	1st Rev.	50.00%: 3,091.19
		Working Interest: 1.00000000	0.00000000	60.00%: 2,033.31
		Revenue Interest: 0.82600000	0.00000000	100.00%: -804.62
		Rev. Date:		

INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

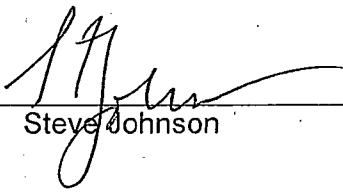
April 8, 2011

TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: STEVE F. JOHNSON
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #199
POKER LAKE (MORROW)
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU199CD.DOC

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #199 was drilled in 2009 to a depth of 16,755' and plugged back to 15,400' and was completed in the Morrow. The well is now producing from perforations 15,170-15,205'. On test 11/14/2009 the well flowed at the rate of 0 BOPD, 1017 MCFPD, and 0 BWPD. This well is expected to recover approximately 2.1 BCF from the current completion.

Historical pricing was utilized and the oil price was adjusted by -\$3.38/BO. An operating cost of \$2,606/mo. plus \$.19 gas processing fee was also incorporated in this evaluation. The Poker Lake Unit #199 will be a commercial well and should be incorporated into a participating area.

cdp *mm*



Steve Johnson

cc: Ross Sutton
George Hillis
Brad Glasscock

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL _____ Poker Lake Unit #199 _____ FORMATION _____ MORROW _____
 LOCATION _____ N _____ UNIT, _____ 1000 FEET FROM SOUTH LINE & _____ 1685 FEET FROM WEST LINE.
 SECTION _____ 28 TOWNSHIP _____ 24S RANGE _____ 31E COUNTY _____ Eddy _____ NEW MEXICO
 SPUD DATE _____ 1/8/2009 COMPLETION DATE _____ 5/30/2009 INITIAL PRODUCTION _____ 10/26/2009
 PERFORATIONS _____ 15170-15205' _____

STIMULATION:

ACID _____

 FRACTURE No Stimulation _____

POTENTIAL _____ (11/14/2009): 0 BOPD, 1017 MCFPD, 0 BWPD _____

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>320</u>	_____
Porosity (Φ), %	<u>9%</u>	_____
Water saturation (S_w), %	<u>20%</u>	_____
Net Thickness (H), ft.	<u>28</u>	_____
Temperature (T), Fahrenheit	<u>157</u>	_____
Bottom Hole pressure (P), psia	<u>6,523</u>	_____
Recovery factor (RF), %	<u>75%</u>	_____
Recoverable gas, BCF *(See eq. below)	<u>4</u>	_____

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (h) (por) (1-S_w)(RF)/B_{gi}$

B_{gi} = 0.61 RB/MCF

Continued

Poker Lake Unit #199

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 2/28/2011 1,767,757 MCF Gas 0 BBL OilINITIAL RATE (qi) 6,660ECONOMIC LIMIT (ql) 9HYPERBOLIC DECLINE RATE, dy n = 1.7, d = 99.9%/yrREMAINING OIL (Q) = 4,574,358ULTIMATE RECOVERABLE OIL (BO) 6,342,115

(Attach plat showing proration unit and participating area.)

ECONOMICS

GROSS WELL COST \$3,092,805 (to the depth of formation completed)COMPLETION COST \$1,530,435GROSS TOTAL COST \$4,623,240

YEAR	GROSS GAS MMCF	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	42.882	176.5	29.7	-4478.0
2	1628.618	7732.7	949.3	6534.3
3	348.457	1745.6	235.3	1389.8
4	67.842	339.9	71.0	235.6
5	11.494	57.6	30.6	22.6
6				
7				
8				
9				
10				
REMAINDER				
TOTAL	2099.293	10052.3	1315.9	3704.3

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date: 4/8/2011

Lior: 1000392

3:18:12PM

Project Name: Exp of RESERVEPROP

As Of Date: 10/01/2009

Lease Name: 1000392/POKER LAKE UNIT/199/MOR

Partner: All cases main

Discount Rate (%): 5.00

Reserv Cat: Proved Producing

Case Type: LEASE CASE

Field: POKER LAKE (MORROW)

Archive Set: CURRENT

1000392/POKER LAKE UNIT/199/MOR

Operator: BOPCO

Cum Oil (Mbbbl): 0.00

Reservoir: MORROW

Cum Gas (MMcf): 0.00

Co., State: EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded Sales

Year	Gross Wet Production		Gross Dry Gas & NGL				
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
2009	0.000	42.882	42.882	0.000	0.000	37.307	0.000
2010	0.000	1,628.618	1,628.618	0.000	0.000	1,416.898	0.000
2011	0.000	348.457	348.457	0.000	0.000	303.157	0.000
2012	0.000	67.842	67.842	0.000	0.000	59.023	0.000
2013	0.000	11.494	11.494	0.000	0.000	9.999	0.000

Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	0.000	2,099.293	2,099.293	0.000	0.000	1,826.384	0.000
Ult.	0.000	2,099.293					

Year	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2009	0.00	4.73	0.00	0.00	176.51	0.00	176.51
2010	0.00	5.46	0.00	0.00	7,732.70	0.00	7,732.70
2011	0.00	5.76	0.00	0.00	1,745.60	0.00	1,745.60
2012	0.00	5.76	0.00	0.00	339.86	0.00	339.86
2013	0.00	5.76	0.00	0.00	57.58	0.00	57.58

Rem	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	5.50	0.00	0.00	10,052.25	0.00	10,052.25

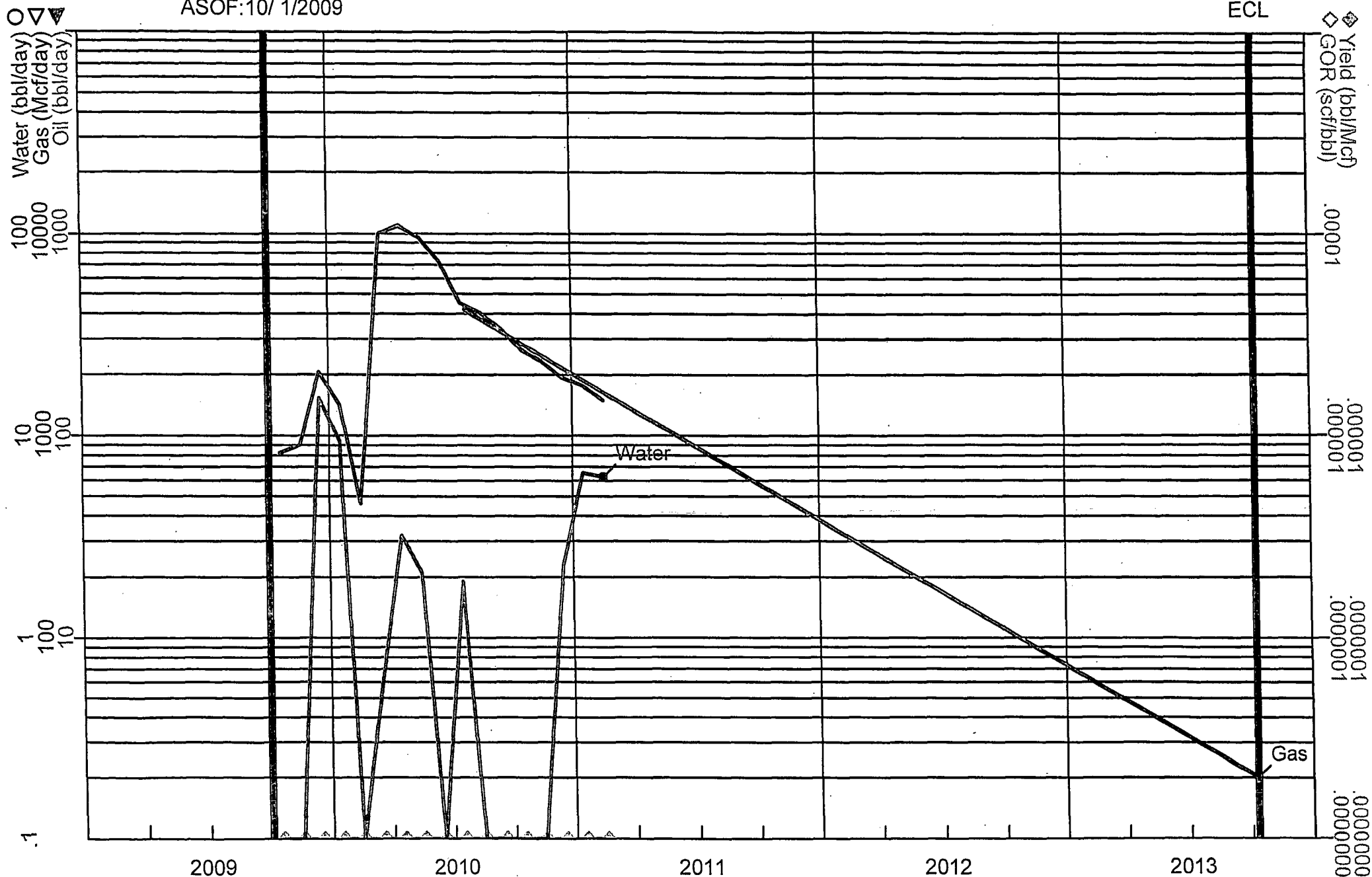
Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
2009	14.46	0.35	4,623.24	14.91	-4,476.45	-4,476.45	-4,477.99	-4,477.99
2010	633.31	15.47	0.00	300.48	6,783.44	2,307.00	6,534.33	2,056.33
2011	142.97	3.49	0.00	88.87	1,510.28	3,817.27	1,389.81	3,446.14
2012	27.83	0.68	0.00	42.49	268.86	4,086.13	235.56	3,681.70
2013	4.72	0.12	0.00	25.77	26.97	4,113.11	22.61	3,704.31

Rem	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	823.28	20.10	4,623.24	472.52	4,113.11	4,113.11	3,704.31	3,704.31

Major Phase:	Gas	Working Int:	1.00000000	Present Worth Profile (M\$)	
Perfs:	0 0	Revenue Int:	0.87000000		
Initial Rate:	130,694.00 Mcf/month	Disc. Initial Invest. (m\$):	4,623.240	0.00%:	4,113.11
Abandonment:	608.33 Mcf/month	Internal ROR (%):	72.56	5.00%:	3,704.31
Initial Decline:	80.95 % year b = 0.000	ROI Investment (disc/undisc):	1.80 / 1.89	10.00%:	3,320.13
Beg Ratio:	0.00 bbl/Mcf	Years to Payout:	0.77	15.00%:	2,958.69
End Ratio:	0.00 bbl/Mcf	Abandonment Date:	10/09/2013	20.00%:	2,618.28
Forecast Start:	07/01/2010			30.00%:	1,994.45
		Initial		40.00%:	1,437.81
		1st Rev.		50.00%:	939.33
		2nd Rev.		60.00%:	491.44
		Working Interest:	1.00000000	100.00%:	-908.00
		Revenue Interest:	0.87000000		
		Rev. Date:			

ASOF:10/ 1/2009

ECL



Hist Gas Cum: 0.00 MMcf

Gas EUR: 2,099.29 MMcf

Gas Rem: 2,099.29 MMcf

Hist Oil Cum: 0.00 Mmbbl

Oil EUR: 0.00 Mmbbl

Oil Rem: 0.00 Mmbbl

District I
1625 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 & Natural Resources

Form C-104
Revised Feb. 26, 2007

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
5 Copies:

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address BOPCO, L.P. P O Box 2760 Midland, Tx 79702		² OGRID Number 082967
⁴ API Number 30 -015-36506		⁵ Pool Name Poker Lake (Morrow)
⁷ Property Code 306402		⁹ Well Number 199
⁶ Pool Code 82960		⁸ Property Name Poker Lake Unit
³ Reason for Filing Code/ Effective Date NW		

II. ¹⁰ Surface Location

U1 or lot no.	Section	Township	Range	Lot.Idn	Feet from the	North/South Line	Feet from the	East/West line	County
N	28	T24S	R31E		1,000'	South	1,685'	West	Eddy

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Lse Code F	¹³ Producing Method Code P	¹⁴ Gas Connection Date 10/26/2009	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
241472	Southern Union Gas Services, LTD 301 Commerce Ste. 700 Ft. Worth TX 76102	G

IV. Well Completion Data

²¹ Spud Date 01/08/2009	²² Ready Date 10/26/2009	²³ TD 16,755	²⁴ PBTD 15,400	²⁵ Perforations 15,170 - 15,205	²⁶ DHC, MC
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
26"	20"	958'	1,785		
17-1/2	13-38"	4,345'	3,275		
12-1/4"	9 5/8"	12,550'	1,000		
8-1/2"	7-5/8"	12,189 - 14,630	525		

V. Well Test Data

³¹ Date New Oil 10/26/2009	³² Gas Delivery Date 10/26/2009	³³ Test Date 11/14/2009	³⁴ Test Length 24 hrs.	³⁵ Tbg. Pressure 3,425	³⁶ Csg. Pressure 1,175
³⁷ Choke Size 8/64"	³⁸ Oil 0	³⁹ Water 0	⁴⁰ Gas 1017 MCF	⁴¹ Test Method Pumping	

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Sandra J. Belt*

Printed name: **Sandra J. Belt** ext. 149

Title: **Regulatory Clerk**

E-mail Address: **sjbelt@basspet.com**

Date: **11/18/2009** Phone: **(432)683-2277**

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 20075. Lease Serial No.
NM 0522A

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.
NMMN 71016X

8. Lease Name and Well No.

Poker Lake Unit #199

9. API Well No.

30-015-36506

10. Field and Pool, or Exploratory
Poker Lake (Morrow)11. Sec., T., R., M., on Block and
Survey or Area 28; T24S; R31E12. County or Parish
Eddy13. State
NM

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

KB: 3492.7' GL: 3459.5

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

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 ULN; 1,000' FSL; 1685' FWL; Sec. 28; T24S; R31E

At top prod. interval reported below

At total depth

14. Date Spudded

01/08/2009

15. Date T.D. Reached

05/30/2009

16. Date Completed

☐ D & A ☐ Ready to Prod.

NA Well is S.I.

18. Total Depth: MD 16,755
TVD19. Plug Back T.D.: MD 15,400
TVD20. Depth Bridge Plug Set: MD 15,400
TVD21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
Platform Express Hi-Res Laterolog Array/Micro-CFL Final Composite
Platform Express Neutron/Density Final composite22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☐ Yes (Submit copy)

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
26	20	94#		958		1,785 HLC		Surf	
17-1/2	13-3/8	72#		4,345		3,275 H&C		Surf	
12-1/4	9-5/8	53.5#		12,550		1,000 ECOH		4,139	
8-1/2	7-5/8	39#	12,189	14,630		525 PH		12,189	
6-1/2	5-1/2	23#		11,992		225 PBH2		None (see	
6-1/2	4-1/2	15.1#	11,992	16,543		" "		sketch)	(4.5&5.5 Tie In)

24. Tubing Record

14,000

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

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Morrow	14,295	16,068	15,170-15185	.038	45	3JSPF
B)			15,185-15,205	.038	60	3JSPF
C)						
D)						

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

Depth Interval	Amount and Type of Material
16,546 - 16,755 OH	Spot 28 sxs of CI H cement in open hole; TOC @ 16,157.; CIBP @ 15,400
15,170 - 15,205	No stimulation

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

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

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.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or 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
			SEE ATTACHMENT	SEE ATTACHMENT	

32. Additional remarks (include plugging procedure):

5-1/2" & 4-1/2" csg. tied in & cmt'd w/225 sxs Prem H; TOC @ 14,000

All depths are measured unless otherwise stated.

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

- ☐ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geological 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. 149 Title Regulatory ClerkSignature Sandra J. Belt Date 10/07/2009

Title 18 U.S.C. Section 101 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 and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Attachment to 3160-4 Completion Report

PLU #199

30-015-36506

10/7/09

Items 30 and 31 on backside of Form 3160-4

30. Summary of Porous Zones

Bell Canyon	3,903
Cherry Canyon	4,816
Brushy Canyon	6,066
Bone Spring	8,186
1 st Bone Spring Sd.	9,130
2 nd Bone Spring Sd.	9,908
3d Bone Spring Sd	11,078
Wolfcamp	11,520
Strawn	13,612
Atoka	13,678
Morrow	14,295
Mississippian Lime	16,068
Devonian	16,539

31. Formation (Log) Markers

Rustler	577
Salt	958
Base of Salt	4,108
Lamar	4,327
Brushy Canyon	6,500
Bone Spring Lime	8,186
Avalon Sand	8,274
1 st Bone Spring Sd.	9,130
2 nd Bone Spring Sd.	9,908
3 rd Bone Spring Sd.	11,078
Wolfcamp	11,520
Atoka	13,678
Up. Morrow	14,295
Lo. Morrow	15,316

CURRENT WELLBORE DIAGRAM

LEASE: POKER LAKE UNIT WELL #: 199
 FIELD: MATADOR (DEVONIAN) PROSPECT
 LOCATION: 1000' FSL & 1685' FWL, SECTION 28, T24S, R31E
 COUNTY: EDDY ST: NM API#: 30-015-36506

SURFACE CASING

SIZE: 20"
 WT/GRD: 94# J-55 & K-55
 SET @: 958'
 SX CMT: 1035 sx Econocem HLC
750 sx Halcem C
 CIRC: Yes 583 sx
 TOC: Surface
 HOLE SIZE: 26"

KB: 3492.7'
 GL: 3459.5'
 SPUD DATE: 1/8/2009
 COMP DATE:

20" Csg

X:

Y:

Lat: 32° 11' 01.65" N
 Long: 103° 47' 08.98" W

INTERMEDIATE CASING

SIZE: 13-3/8"
 WT/GRD: 72# L-80 72# N-80
 SET @: 4248' 4345'
 SX CMT: 2200 sx Econcem H
1075 sx Halcem C
 CIRC: Yes
 TOC: Surface 637 sx
 HOLE SIZE: 17-1/2"

958'

4139'

TOC (TS)

4345'

13-3/8" Csg

8327'

DV TOOL

2ND INTERMEDIATE CASING

SIZE: 9-5/8"
 WT/GRD: 53.5# HCP110
 SET @: 12,550'
 SX CMT: 700 sx Econcem H
300 sx Versacem
 CIRC: No
 TOC: 8327' 637 sx
 SX CMT: 1400 sx Econcem H
100 sx Halcem H
 CIRC: No
 TOC: 4139'
 HOLE SIZE: 12-1/4"

11992'

5 1/2" Csg

12189'

Liner top

12550'

Float Shoe (Csg detail)

14000'

TOC

14630'

Liner Bottom

15170-85' Perf M Morrow (45 Holes) 7/28/09
 15185-205' Perf M Morrow (60 Holes) 7/28/09
 15400' CIBP

16157'

PBTD

PBTD

16543'

4-1/2" x 5-1/2" Csg

LINER

SIZE: 7 5/8"
 WT/GRD: 39# Q125
 Depth: 12189' - 14630'
 SX CMT: 525 sx Cemex/Prem H
 HOLE SIZE: 8-1/2"

PRODUCTION CASING

SIZE: 5-1/2" 4-1/2"
 WT/GRD: 23# L-80/ 15.1# L-80
 SET @: 11,992' 16,543'
 SX CMT: 225 sx Cemex Prem H
 CIRC: No
 TOC: 14000'
 HOLE SIZE: 6 1/2"

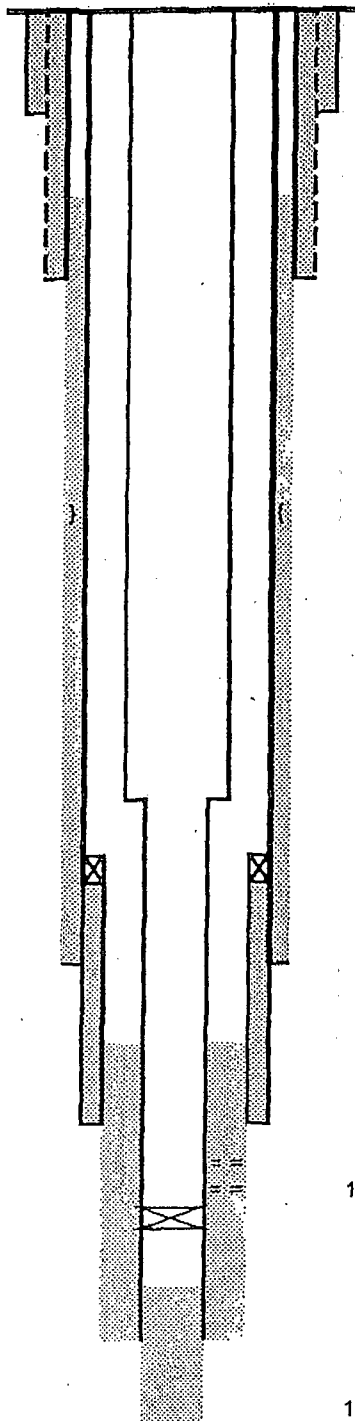
TUBING DATA

SIZE: _____
 WT/GRD: _____

16546-755' 3-3/4" Open hole

PBTD: 16157'
 TD: 16755' (Drillers TD)

Updated: 7/29/2009
 Author: ezg



DISTRICT IV
1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fed Lease - 3 Copies

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-36506		Undesignated Nash Draw (Morrow)
Property Code	Property Name	Well Number
306402	Poker Lake Unit	199
OCRD No.	Operator Name	Elevation
082967	BOPCO. L.P.	KB 3492.7

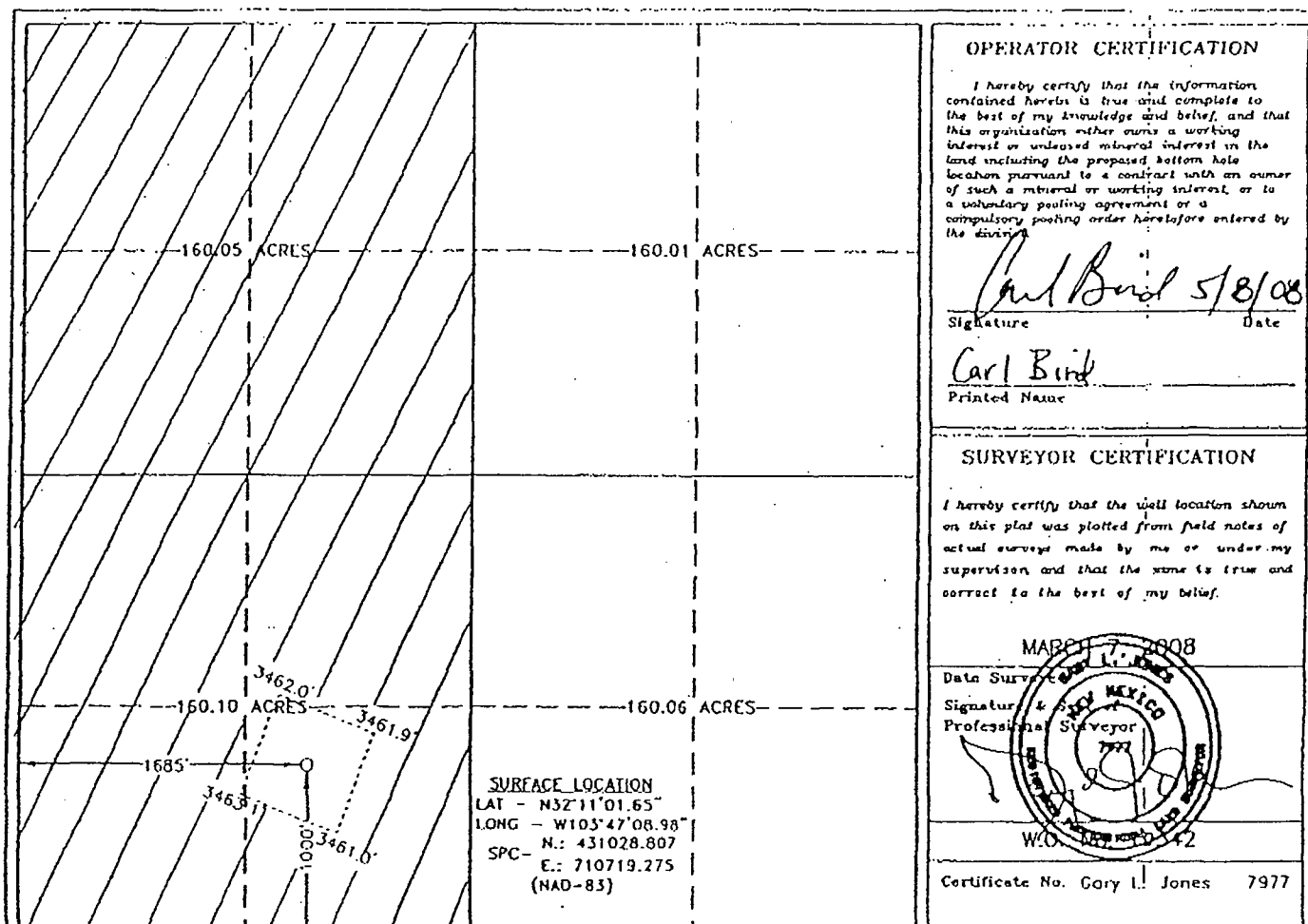
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	28	24 S	31 E		1000	SOUTH	1685	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
Dedicated Acres 320	Joint or Infill N	Consolidation Code		Order No.					

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



INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

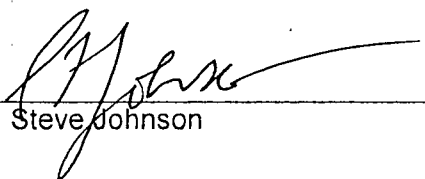
April 6, 2010

TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: STEVE F. JOHNSON
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #301H
NASH DRAW (DEL/BS/AV SD) FIELD
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU301HCD.DOC

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #301H was drilled in 2009 to a total depth of 11,890' and was completed in the Delaware. The well is producing from perforations 7,824-11,821'. On test 10/29/2009 the well pumped at the rate of 691 BOPD, 401 MCFPD, and 935 BWPD. This well is expected to recover approximately 397.582 MBOE from the current completion.

The most recent price file from Fort Worth was utilized and the oil price was adjusted by - \$3.80/BO. An operating cost of \$8,000/mo plus \$.57/mcf transportation expense was also incorporated in this evaluation. The Poker Lake Unit #301H will be a commercial well and should be incorporated into a participating area.

f28
RSD/cdp



Steve Johnson

cc: Ross Sutton
George Hillis
Brad Glasscock

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL Poker Lake Unit # 301H FORMATION DELAWARE
 LOCATION F UNIT, 2460 FEET FROM NORTH LINE & 2310 FEET FROM WEST LINE
 SECTION 27 TOWNSHIP 24S RANGE 30E COUNTY Eddy NEW MEXICO
 SPUD DATE 7/15/2009 COMPLETION DATE 10/13/2009 INITIAL PRODUCTION 10/13/2009
 PERFORATIONS 7824-11821
 BHL: 1537' FSL & 400' FEL SEC 21 T24S R30E

STIMULATION:

ACID _____

 FRACTURE See Attached

POTENTIAL (10/29/2009): 691 BOPD, 401 MCFPD, 935 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>280</u>	_____
Porosity (Φ), %	<u>13%</u>	_____
Water saturation (S_w), %	<u>38%</u>	_____
Net Thickness (H), ft.	<u>50</u>	_____
Temperature (T), Fahrenheit	<u>120</u>	_____
Bottom Hole pressure (P), psia	<u>3,364</u>	_____
Recovery factor (RF), %	<u>15%</u>	_____
Recoverable Oil, Bbls *(See eq. below)	<u>874,537</u>	_____

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

$B_o = 1.50$

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO	<u>2/28/2010</u>	<u>47,653</u>	BBL Oil	<u>60,929</u>	MCF Gas
INITIAL RATE (qi)		<u>600</u>			
ECONOMIC LIMIT (qi)		<u>3</u>			
HYPERBOLIC DECLINE RATE, dy		<u>n = 1, d = 99.1%/yr</u>			
REMAINING OIL (Q) =		<u>193,489</u>			
ULTIMATE RECOVERABLE OIL (BO)		<u>241,142</u>			

(Attach plat showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$4,088,251 (to the depth of formation completed)COMPLETION COST \$1,913,470GROSS TOTAL COST \$6,001,721

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	<u>45.660</u>	<u>2747.8</u>	<u>266.8</u>	<u>-3617.2</u>
2	<u>52.948</u>	<u>4033.2</u>	<u>453.5</u>	<u>3342.3</u>
3	<u>22.824</u>	<u>2058.6</u>	<u>282.2</u>	<u>1575.6</u>
4	<u>15.190</u>	<u>1428.9</u>	<u>226.3</u>	<u>1015.3</u>
5	<u>11.356</u>	<u>1093.7</u>	<u>196.1</u>	<u>721.5</u>
6	<u>9.091</u>	<u>891.1</u>	<u>177.7</u>	<u>546.0</u>
7	<u>7.581</u>	<u>756.0</u>	<u>165.4</u>	<u>430.5</u>
8	<u>6.518</u>	<u>659.9</u>	<u>152.7</u>	<u>349.3</u>
9	<u>5.690</u>	<u>584.8</u>	<u>149.7</u>	<u>287.6</u>
10	<u>5.060</u>	<u>528.2</u>	<u>144.5</u>	<u>241.5</u>
REMAINDER	<u>59.222</u>	<u>6354.2</u>	<u>3159.1</u>	<u>1407.2</u>
TOTAL	<u>241.140</u>	<u>21136.6</u>	<u>5377.8</u>	<u>6299.7</u>

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date: 4/6/2010

Lior: 1000393

4:13:08PM

Project Name: Exp of RESERVEPROP

As Of Date: 01/01/2009

Lease Name: 1000393/POKER LAKE UNIT/301H/DEL

Partner: 99999

Discount Rate (%): 5.00

Reserv Cat.: Proved Producing

Case Type: LEASE CASE

1000393/POKER LAKE UNIT/301H/DEL

Field: NASH DRAW (DEL, BS, AV)

Archive Set: CURRENT

Operator: BOPCO

Cum Oil (Mbbbl): 0.00

Reservoir: DEL, BS, AV

Cum Gas (MMcf): 0.00

Co., State: EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded Sales

Year	Gross Wet Production		Gross Dry Gas & NGL		Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)			
2009	45.660	49.260	20.098	89.159	37.694	16.592	73.604
2010	52.948	147.314	60.104	561.938	43.711	49.618	463.900
2011	22.824	97.599	39.820	468.474	18.842	32.873	386.742
2012	15.190	72.976	29.774	350.283	12.540	24.580	289.171
2013	11.356	57.736	23.556	277.134	9.375	19.447	228.784
2014	9.091	47.697	19.460	228.946	7.505	16.065	189.003
2015	7.581	40.530	16.536	194.542	6.258	13.651	160.602
2016	6.518	35.257	14.385	169.233	5.381	11.875	139.708
2017	5.690	30.999	12.648	148.797	4.697	10.441	122.838
2018	5.060	27.689	11.297	132.906	4.178	9.326	109.719

Rem	59.222	331.584	135.286	1,591.604	48.890	111.684	1,313.926
Total	241.142	938.641	382.966	4,213.018	199.071	316.152	3,477.996
Ult.	241.142	938.641					

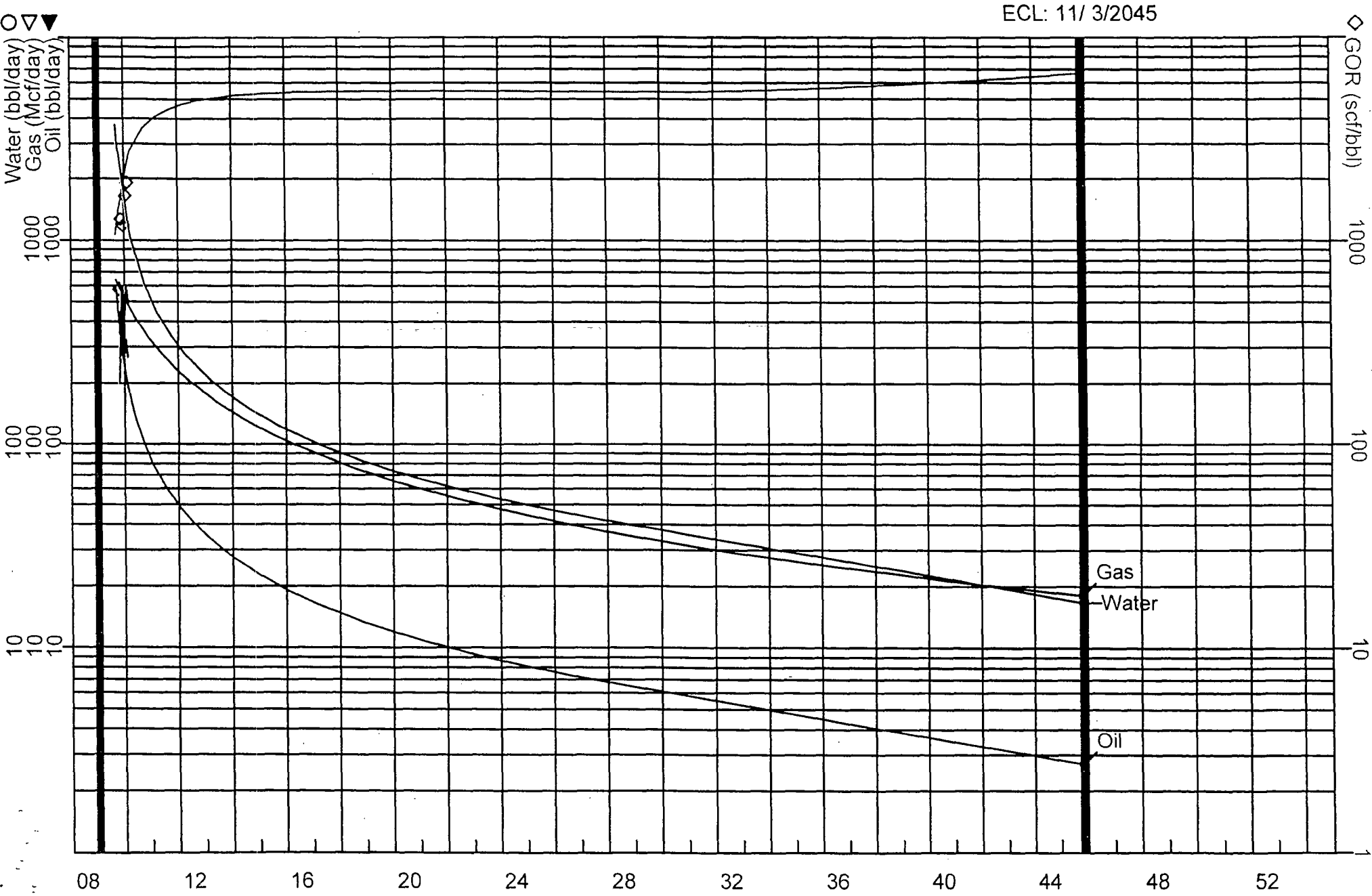
Year	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2009	70.15	3.80	0.55	2,644.33	62.97	40.48	2,747.78
2010	78.56	4.79	0.78	3,433.71	237.69	361.84	4,033.24
2011	83.54	5.56	0.78	1,574.09	182.88	301.66	2,058.63
2012	84.22	5.99	0.78	1,056.10	147.27	225.55	1,428.93
2013	84.64	6.26	0.78	793.49	121.79	178.45	1,093.73
2014	85.08	6.55	0.78	638.53	105.18	147.42	891.12
2015	85.80	6.87	0.78	536.93	93.84	125.27	756.04
2016	86.48	7.21	0.78	465.33	85.60	108.97	659.90
2017	87.34	7.54	0.78	410.26	78.75	95.81	584.81
2018	88.32	7.89	0.78	368.97	73.62	85.58	528.17
Rem	89.03	8.75	0.78	4,352.69	976.68	1,024.86	6,354.23
Total	81.75	6.85	0.78	16,274.41	2,166.27	2,695.91	21,136.59

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
2009	219.79	5.50	6,001.72	41.46	-3,520.69	-3,520.69	-3,617.20	-3,617.20
2010	321.12	8.07	0.00	124.28	3,579.77	59.08	3,342.25	-274.94
2011	163.37	4.12	0.00	114.74	1,776.40	1,835.48	1,575.61	1,300.67
2012	113.43	2.86	0.00	110.01	1,202.63	3,038.12	1,015.31	2,315.98
2013	86.84	2.19	0.00	107.08	897.61	3,935.73	721.48	3,037.46
2014	70.79	1.78	0.00	105.16	713.40	4,649.12	546.01	3,583.47
2015	60.10	1.51	0.00	103.78	590.65	5,239.78	430.50	4,013.97
2016	52.49	1.32	0.00	102.77	503.32	5,743.10	349.34	4,363.31
2017	46.55	1.17	0.00	101.95	435.15	6,178.25	287.60	4,650.91
2018	42.07	1.06	0.00	101.32	383.73	6,561.98	241.54	4,892.45
Rem	506.93	12.71	0.00	2,639.46	3,195.13	3,195.13	1,407.22	1,407.22
Total	1,683.48	42.27	6,001.72	3,652.01	9,757.11	9,757.11	6,299.67	6,299.67

Major Phase:	Oil	Working Int:	1.00000000	Present Worth Profile (M\$)	
Perfs:	0 0	Revenue Int:	0.82553570		
Initial Rate:	18,250.00 bbl/month	Disc. Initial Invest. (m\$):	6,001.721	5.00%:	6,299.67
Abandonment:	82.28 bbl/month	Internal ROR (%):	37.20	9.00%:	4,635.33
Initial Decline:	99.18 % year b = 1.000	ROI Investment (disc/undisc):	2.05 / 2.63	10.00%:	4,304.96
Bea Ratio:	1.06 Mcf/bbl	Years to Payout:	1.97	12.00%:	3,717.62
End Ratio:	6.67 Mcf/bbl	Abandonment Date:	11/03/2045	15.00%:	2,980.14
Forecast Start:	09/01/2009			20.00%:	2,017.21
		Initial	1st Rev.	30.00%:	678.69
		Working Interest:	1.00000000	40.00%:	-230.09
		Revenue Interest:	0.82553570	50.00%:	-898.91
		Rev. Date:		60.00%:	-1,416.66

Case Name: 1000393/POKER LAKE UNIT/301H/DEL
Major Phase: Oil
APP EUR OIL:

Field: NASH DRAW (DEL, BS, AN
County, State: EDDY, NI
APP EUR GAS



Hist Oil Cum: 0.00 Mbbl
Oil EUR: 241.14 Mbbl
Oil Rem: 241.14 Mbbl

Hist Gas Cum: 0.00 MMc
Gas EUR: 938.64 MMc
Gas Rem: 938.64 MMc

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

- 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, L.P.

3. Address

P O Box 2760 Midland Tx 79702

3.a Phone No. (Include area code)

(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface ULF; Sec. 27, T24S, R30E; 2460' FNL and 2310' FWL

At top prod. interval reported below

At total depth ULI; Sec. 21, T24S, R30E; 1537' FSL and 400' FEL

14. Date Spudded

07/15/2009

15. Date T.D. Reached

09/06/2009

16. Date Completed

☐ D & A ☒ Ready to Prod.
10/13/2009

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

GL: 3345' KB: 3364

18. Total Depth: MD 11,890
TVD 7,59319. Plug Back T.D.: MD 11,822
TVD 7,59320. Depth Bridge Plug Set: MD 11,822
TVD 7,593

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)

Triple Combo; Platform Express Three Detector Litho-Density/Comp/N/GR

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

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	48#		552		595 PC		Surf	
12-1/4	9-5/8	40#		908		630 HPC		Surf *	
8-3/4	7-5/8	29.7#	631	2,339		100 PC		908	
7-7/8	5-1/2	17#		11,890		2,005 Eco.H		5,740	
7-7/8	5-1/2	17#			5,740	1,150 Hal.H		Surf	

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) Delaware	3,883	11,821	SEE ATTACHMENT			
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
11,822	Baker 5-1/2 CIBP @ 11,822'
	SEE ATTACHMENT FOR FRAC TREATMENT

CONFIDENTIAL

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
10/13/09	10/29/09	24	→	691	401	935			Pumping
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
30/64"	SI 580	480	→					Producing	

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

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.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or 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	3,909			Rustler	686
Cherry Canyon	4,817			Salt	998
Brushy Canyon	6,082			Base Salt	3,582
				Lamar	3,883
				Bell Canyon	3,909
				Cherry Canyon	4,817
				Lo. Cherry Canyon	6,018
				Brushy Canyon	6,082

32. Additional remarks (include plugging procedure):

* Item #23; 9-5/8" csg TOC @ 790; brought cmt. to Surf. through top out job of 330 sxs Class C cement.

ALL DEPTHS MEASURED DEPTHS UNLESS OTHERWISE STATED.

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

- ☐ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geological 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. 149 Title Regulatory ClerkSignature Sandra J. Belt Date 11/03/2009

Title 18 U.S.C. Section 101 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 and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Attachment to 3160-4 Completion Report
PLU #301H
30-015-36924
11/03/2009

Item 26 of Form 3160-4

<u>Perforated Interval</u>	<u>Size</u>	<u>No. Holes</u>	<u>Perf. Status</u>
7824-25'	0.38	8	Producing
8164-65'	0.38	8	Producing
8500-01'	0.38	8	Producing
8836-37'	0.38	8	Producing
9172-73'	0.38	8	Producing
9508-09'	0.38	8	Producing
9844-45'	0.38	8	Producing
10,180-81	0.38	8	Producing
10,516-17'	0.38	8	Producing
10,852-53'	0.38	8	Producing
11,188-90'	0.38	12	Producing
11,523-25'	0.38	12	Producing
11,819-21'	0.38	12	Producing

**Attachment to Form 3160-4
Completion Report
Poker Lake Unit; #301H
Item 27
30-015-36924
11/03/2009**

**Acid Fracture, Treatment
Depth Interval**

Amount and Type of Material

11,188 – 11,821'	2,486 gals 15% HCL, 193,615 gals YF125 Borate-xlinked gel w/ 279,138 lbs 16/30 Ottawa sand.
10,852' – 10,853'	3,696 gals 15% HCL, 111,174 gals YF 125 Borate-xlinked gel w/ 125,478 lbs 16/30 Ottawa sand.
10,516' - 10,517'	2,856 gals 15% HCL, 79,716 gals YF125 Borate-xlinked gel w/ 120,305 lbs 16/30 Ottawa sand.
10,180' – 10,081'	3,402 gals 15% HCL, 65,814 gals YF125 Borate-xlinked gel w/67,353 lbs 16/30 Ottawa sand.
9,844' – 9,845'	3,029 gals 15% HCL, 24,236 gals 25# Linear, 46,455 gals YF125 Borate-xlinked gel w/ 128,701 lbs 16/30 Ottawa sand.
9,508' – 9,809'	3,469 gals 15% HCL, 12,304 gals 25# Linear, 55,670 gals YF125 Borate-xlinked gel w/ 127,996 lbs 16/30 Ottawa sand.
9,172' – 9,173'	3,570 gals 15% HCL, 10,332 gals 25# Linear, 56,112 gals YF125 Borate-xlinked gel w/ 126,469 lbs 16/30 Ottawa sand.
8,836' – 8,837'	3,402 gals 15% HCL, 46,888 gals YF125 Borate-xlinked gel w/ 123,171 lbs 16/30 Ottawa sand.
8,500' – 8,501'	3,194 gals 15% HCL, 13,439 gals 25# Linear, 58,127 gals YF125 Borate-xlinked gel w/ 124,137 lbs 16/30 Ottawa sand.
8,164' – 8,165'	3,146 gals 15% HCL, 11,962 gals 25# Linear, 58,098 gals YF125 Borate-xlinked gel w/ 123,934 lbs 16/30 Ottawa sand.
7,824' – 7,825'	5,166 gals 15% HCL, 9,844 gals 25# Linear, 59,540 gals YF125 Borate-xlinked gel w/ 128,918 lbs 16/30 Ottawa sand.

CURRENT WELLBORE DIAGRAM

LEASE: POKER LAKE UNIT **WELL #:** 301H **HORIZONTAL**
FIELD: NASH DRAW (DELAWARE, BS, AVALON SD)
LOCATION: SL: 2460' FNL & 2310' FWL, SECTION 27, T24S, R30E
BHL: 1537' FSL & 400' FEL, SECTION 21, T24S, R30E
COUNTY: EDDY **ST:** NM **API#** 30-015-36924

****CURRENT****

SEE HORIZONTAL SKETCH

KB:	3377' est
GL:	3352'
SPUD DATE:	7/15/2009
COMP DATE:	10/5/2009

SURFACE CASING

SIZE: 13-3/8"
WT/GRD: 48# H-40
SET @: 552'
SX CMT: 595 sx Cemex Prem+ C
CIRC: Y 176 sx
TOC: Surface
HOLE SIZE: 17-1/2"

INTERMEDIATE CASING

SIZE: 9-5/8"
WT/GRD: 40# J55
SET @: 908'
SX CMT: 250 sx Cemex Prem + C
SX CMT: 50 sx Halcem Prem + C
CIRC: N
TOC: Surface by TopOut
HOLE SIZE: 12-1/4"

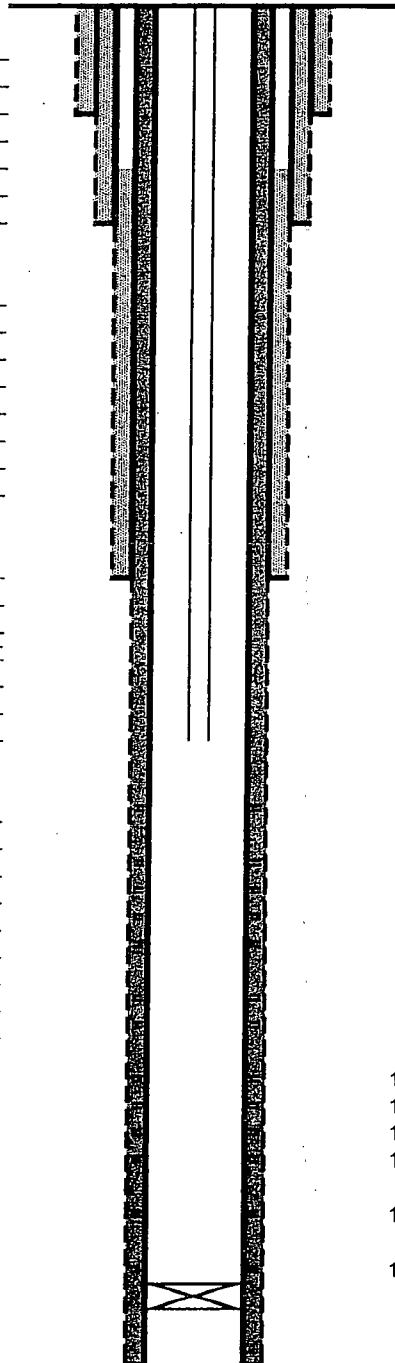
2ND INTERMEDIATE CASING

SIZE: 7-5/8"
WT/GRD: 29.7# EX-80 Expandable Csg
SET @: 2339'
SX CMT: 100 sx Tuned light PremC+
CIRC: N
TOC: _____
HOLE SIZE: 8-3/4"

PRODUCTION CASING

SIZE: 5-1/2"
WT/GRD: 17# P-110/HCP-110
SET @: 11890'
STAGE 1: 280 sx Econocem H
1725 sx Versacem H
CIRC: Y 199 sx
TOC: 5741' DV Tool
STAGE 2: 1000 sx Tuned Light
150 sx Halcem H
CIRC: Y 460 sx
TOC: Surface
HOLE SIZE: 7-7/8"

TUBING DATA



552'	13-3/8" CSG		
908'	9-5/8" CSG	TOC (TS)	
2339'	7-5/8" CSG		
7149'	EOT		
7824-25'	LBC 'Y'	Perf 8 shots)	
8164-65'		Perf (8 shots)	
8500-01'		Perf (8 shots)	
8836-37'		Perf (8 shots)	
9172-73'		Perf (8 shots)	
9508-09'		Perf (8 shots)	
9844-45'		Perf (8 shots)	
10180-81'		Perf 8 shots)	
10516-17'		Perf (8 shots)	
10852-53'		Perf (8 shots)	
11188-90'		Perf (12 shots)	
11523-25'		Perf (12 shots)	
11819-21'		Perf (12 shots)	
11822'	CIBP		
11888'	Float Collar		

PBTD: _____
TD: 11822'

Updated: 12/16/2009
 Author: ezg
 Engr: JBB

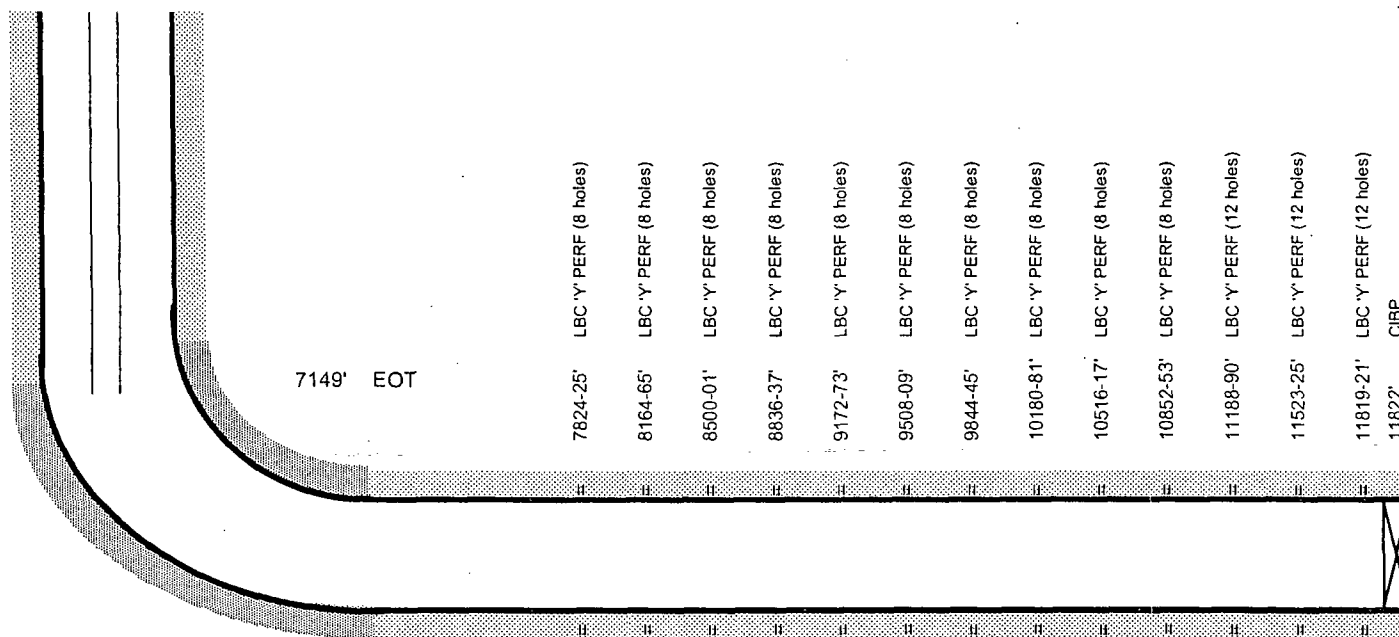
HORIZONTAL WELLBORE DIAGRAM

LEASE: POKER LAKE UNIT **WELL #:** 301H **HORIZONTAL**
FIELD: NASH DRAW (DELAWARE, BS, AVALON SD)
LOCATION: SL: 2460' FNL & 2310' FWL, SECTION 27, T24S, R30E
BHL: 1537' FSL & 400' FEL, SECTION 21, T24S, R30E
COUNTY: EDDY **ST:** NM **API #:** 30-015-36924

PRODUCTION CASING

SIZE: 5-1/2"
WT/GRD: 17# P-110/HCP-110
SET @: 11890'
STAGE 1: 280 sx Econocem H
1725 sx Versacem H
CIRC: Y 199 sx
TOC: 5741' DV Tool
STAGE 2: 1000 sx Tuned Light
150 sx Halcem H
CIRC: Y 460 sx
TOC: Surface
HOLE SIZE: 7-7/8"

TUBING DATA



Updated: 12/19/2009
 Author: ezg
 Engr: JBB

INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

June 12, 2012

TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: STEVE F. JOHNSON
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #315H
POKER LAKE (DELAWARE) SOUTHWEST
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU315HCD.DOC



Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #315H was drilled in 2011 to a total depth of 14,819' and was completed in the Delaware reservoir. The well is producing from perforations 9,148-14,762'. On test 12/7/2011 the well pumped at the rate of 583 BOPD, 349 MCFPD, and 1,656 BWPD. This well is expected to recover approximately 491.150 MBOE from the current completion.

The most recent price file from Fort Worth was utilized and the oil price was adjusted by - \$5.10/BO and a shrinkage factor of 51.9% on the gas plus a price adjustment of -2.44%. An operating cost of \$50,000/mo for 6 months, the \$30,000/mo for 12 months, and \$15,000/mo until ECL; plus a \$.46/bbl water expense was also incorporated in this evaluation. The Poker Lake Unit #315H will be a commercial well and should be incorporated into a participating area.

MLL/cdp

Steve Johnson

cc: Ross Sutton
George Hillis
Andy Morrison

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL _____ Poker Lake Unit # 315H _____ FORMATION _____ DELAWARE _____
 LOCATION _____ E _____ UNIT, _____ 1650 FEET FROM NORTH LINE & _____ 710 FEET FROM WEST LINE
 SECTION _____ 13 TOWNSHIP _____ 24S RANGE _____ 30E COUNTY _____ Eddy _____, NEW MEXICO
 SPUD DATE _____ 8/5/2011 COMPLETION DATE _____ 11/22/2011 INITIAL PRODUCTION _____ 11/25/2011
 PERFORATIONS _____ 9,148-14,762'
 BHL: 1582' FNL & 1128' FWL SEC 11 T24S R30E

STIMULATION:

ACID _____

 FRACTURE _____ See Attached _____

POTENTIAL _____ (12/7/2011): 583 BOPD, 549 MCFPD, 1656 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	280	
Porosity (Φ), %	13%	
Water saturation (S_w), %	55%	
Net Thickness (H), ft.	38	
Temperature (T), Fahrenheit	135	
Bottom Hole pressure (P), psia	3,516	
Recovery factor (RF), %	15%	
Recoverable Oil, Bbls *(See eq. below)	482,889	

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

$B_o = 1.50$

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 4/30/2012 57,840 BBL Oil 95,915 MCF GasINITIAL RATE (qi) 760ECONOMIC LIMIT (qi) 5HYPERBOLIC DECLINE RATE, dy n = 1, d = 98.5%/yrREMAINING OIL (Q) = 242,606ULTIMATE RECOVERABLE OIL (BO) 300,446

(Attach plat showing proration unit and participating area.)

ECONOMICGROSS WELL COST \$3,205,375 (to the depth of formation completed)COMPLETION COST \$5,199,709GROSS TOTAL COST \$8,405,084

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	13.708	1187.2	92.0	-7313.3
2	92.689	8074.1	1265.8	6637.5
3	38.004	3395.1	595.7	2585.9
4	23.991	2246.5	436.4	1589.9
5	17.573	1683.0	372.5	1094.5
6	13.910	1355.6	335.1	810.6
7	11.461	1134.4	309.7	622.9
8	9.768	981.2	152.7	495.1
9	8.512	867.1	278.8	402.0
10	7.562	780.6	268.8	332.7
REMAINDER	63.135	6744.6	3708.9	1535.5
TOTAL	300.313	28449.4	7955.8	8793.3

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 6/13/2012

Lior: 1000601

2:44:45PM

Project Name : Exp of WTD CORP

As Of Date : 12/01/2011

Lease Name : 1000601/POKER LAKE UNIT/315H/DEL

Partner : All cases

Discount Rate (%) : 5.00

Reserv Cat : Proved Producing

Case Type : LEASE CASE

1000601/POKER LAKE UNIT/315H/DEL

Field : POKER LAKE (DELAWARE) NORTHW

Archive Set : CURRENT

Operator : BOPCO

Cum Oil (Mbbbl) : 0.13

Reservoir : DELAWARE

Cum Gas (MMcf) : 0.01

Co., State : EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
2011	13.708	17.745	9.227	78.078	11.583	7.797	65.976
2012	92.689	205.658	106.942	904.895	78.322	90.366	764.636
2013	38.004	134.829	70.111	593.246	32.114	59.244	501.293
2014	23.991	100.660	52.343	442.905	20.272	44.230	374.255
2015	17.573	80.359	41.787	353.580	14.850	35.310	298.775
2016	13.910	67.059	34.871	295.060	11.754	29.466	249.325
2017	11.461	57.274	29.782	252.005	9.685	25.166	212.944
2018	9.768	50.096	26.050	220.423	8.254	22.012	186.257
2019	8.512	44.519	23.150	195.885	7.192	19.562	165.523
2020	7.562	40.166	20.886	176.729	6.390	17.649	149.336

Rem	63.135	345.851	179.843	1,521.746	53.349	151.967	1,285.875
Total	300.313	1,144.216	594.993	5,034.552	253.765	502.769	4,254.196
Ult.	300.446	1,144.226					

Year	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2011	93.75	3.61	1.11	1,085.93	28.12	73.17	1,187.22
2012	89.14	2.71	1.11	6,981.59	244.55	847.98	8,074.13
2013	81.72	3.63	1.11	2,624.37	214.80	555.93	3,395.11
2014	81.44	4.08	1.11	1,650.93	180.55	415.05	2,246.53
2015	80.74	4.33	1.11	1,198.93	152.72	331.34	1,682.99
2016	80.43	4.54	1.11	945.29	133.84	276.50	1,355.63
2017	80.38	4.76	1.11	778.46	119.74	236.16	1,134.35
2018	80.56	4.98	1.11	664.97	109.63	206.56	981.17
2019	80.85	5.21	1.11	581.52	102.00	183.57	867.08
2020	81.17	5.46	1.11	518.65	96.32	165.61	780.58
Rem	81.44	6.41	1.11	4,344.78	973.75	1,426.04	6,744.56
Total	84.23	4.69	1.11	21,375.43	2,356.01	4,717.91	28,449.35

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
2011	54.38	1.33	8,405.08	36.32	-7,309.89	-7,309.89	-7,313.32	-7,313.32
2012	659.02	16.00	0.00	590.81	6,808.30	-501.59	6,637.47	-675.85
2013	279.60	6.69	0.00	309.44	2,799.37	2,297.78	2,585.91	1,910.07
2014	185.70	4.42	0.00	246.28	1,810.14	4,107.92	1,589.87	3,499.94
2015	139.42	3.31	0.00	229.79	1,310.48	5,418.40	1,094.52	4,594.46
2016	112.46	2.66	0.00	219.99	1,020.51	6,438.91	810.57	5,405.03
2017	94.21	2.23	0.00	213.27	824.64	7,263.55	622.93	6,027.96
2018	81.55	1.93	0.00	208.55	689.14	7,952.69	495.14	6,523.10
2019	72.12	1.70	0.00	205.01	588.25	8,540.94	402.03	6,925.13
2020	64.96	1.53	0.00	202.30	511.78	9,052.72	332.68	7,257.81
Rem	562.40	13.24	0.00	3,133.22	3,035.71	3,035.71	1,535.48	1,535.48
Total	2,305.82	55.03	8,405.08	5,594.98	12,088.43	12,088.43	8,793.30	8,793.30

Major Phase :	Oil	Working Int :	1.00000000	Present Worth Profile (M\$)	
Perfs :	0	Revenue Int :	0.84500000		
Initial Rate :	13,708.00 bbl/month	Disc. Initial Invest. (m\$) :	8,405.084	5.00% :	8,793.30
Abandonment :	159.22 bbl/month	Internal ROR (%) :	52.44	9.00% :	6,990.58
Initial Decline :	98.50 % year b = 1.000	ROI Investment (disc/undisc) :	2.05 / 2.44	10.00% :	6,616.60
Beg Ratio :	1.68 Mcf/bbl	Years to Payout :	1.24	12.00% :	5,939.60
End Ratio :	5.50 Mcf/bbl	Abandonment Date :	04/18/2037	15.00% :	5,069.32
Forecast Start :	12/01/2011			20.00% :	3,903.23
		Initial	1st Rev.	30.00% :	2,233.35
		Working Interest :	0.00000000	40.00% :	1,065.92
		Revenue Interest :	0.84500000	50.00% :	184.58
		Rev. Date :		60.00% :	-514.58

RECEIVED

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

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

BOPCO WELLS PRODUCTION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Res.
Other: _____

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 SENW; UL E; 1650' FNL; 710' FWL; Lat N32.220506; Lon W103.840325
At top prod. interval reported below
At total depth SENW; ULE; Sec. 11; 24S; 30E; 1582' FNL 1128' FWL

5. Lease Serial No. NMLC068905

6. If Indian, Allottee or Tribe Name _____

7. Unit or CA Agreement Name and No. _____

8. Lease Name and Well No. Poker Lake Unit 315H

9. API Well No. 30-015-39166

10. Field and Pool or Exploratory Poker Lake SW (Delaware)

11. Sec., T., R., M., on Block and Survey or Area 13; T24S; R30E; Mer NMP

12. County or Parish Eddy 13. State NM

14. Date Spudded 08/05/2011 15. Date T.D. Reached 09/19/2011 16. Date Completed 11/22/2011
☐ D & A ☒ Ready to Prod.

17. Elevations (DF, RKB, RT, GL)* 3,474' GR

18. Total Depth: MD 14,819 TVD 7,770 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) CWS/AI; SCBL/GR; CN/GR

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☒ Yes (Submit copy)

CONFIDENTIAL

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	793		725 ExtChem+C	217	Circulated	
12 1/4	9 5/8 J55	40.0	0	4,139		2415 EcoCh	756	Circulated	
8 3/4	7 N80	26.0	0	9,106	4,488	1180 VerCem	198	3,330'	
6 1/8	4 1/2 HCP	11.6	9,029'	14,511					

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8"	7,165'							

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Delaware	4,150'	6,370'	9,148' - 14,762'	Frac Ports		Producing
B)						
C)						
D)						

Depth Interval	Amount and Type of Material
9,148' - 14,762'	138,154 gals. 25# Linear Gel; 1,718,975 lbs. 16/30 Ottawa; 254,320 lbs. Super LC; 1,090,579 gals 25# Delta Frac

RECLAMATION DUE 5-22-12

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
11/25/11	12/7/11	24	→	583	549	1,656	44.1	0.8058	Wood Group TD 1750 SubPump
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
W/O	880	840	→	583	549	1,656	942	POW	

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	
			→						

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

ACCEPTED FOR RECORD

JAN 7 2012

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	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 (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	4160	5010	Sandstone	Rustler	440
Cherry Canyon	5010	6300	Sandstone	Salt	800
Lo. Cherry Canyon	6300	6370	Sandstone	Base Salt	3910
Brushy Canyon	6370		Not reached	Lamar	4150
				Bell Canyon	4160
				Cherry Canyon	5010
				Lo. Cherry Canyon	6300
				Brushy Canyon	6370

32. Additional remarks (include plugging procedure):

All depths are measured depths. 2-7/8" EUE 8rd 6.5 ppf L-80 tubing.

**7" - Cement did not circulate to surface from DV tool. Legion Brumley w/BLM was notified. Wait 8-10 hours run temp. surface. TOC @ 3,315'. Was told to run cement bond log prior to completion. CBL run and TOC @ 3,330'.

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. 149Title Sr. Regulatory ClerkSignature Sandra J. BeltDate 12/29/2011

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.

1625 N. French Dr., Hobbs, NM 88240

1301 W. Grand Avenue, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

1220 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

Form C-102

Revised July 16, 2010

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
30-015-39166	96047	Poker Lake SW (Delaware)
Property Code	Property Name	Well Number
306402	POKER LAKE UNIT	315H
OGRID No.	Operator Name	Elevation
260737	BOPCO, L.P.	3474'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	13	24 S	30 E	.	1650	NORTH	710	WEST	EDDY

Bottom Hole Location If Different From Surface

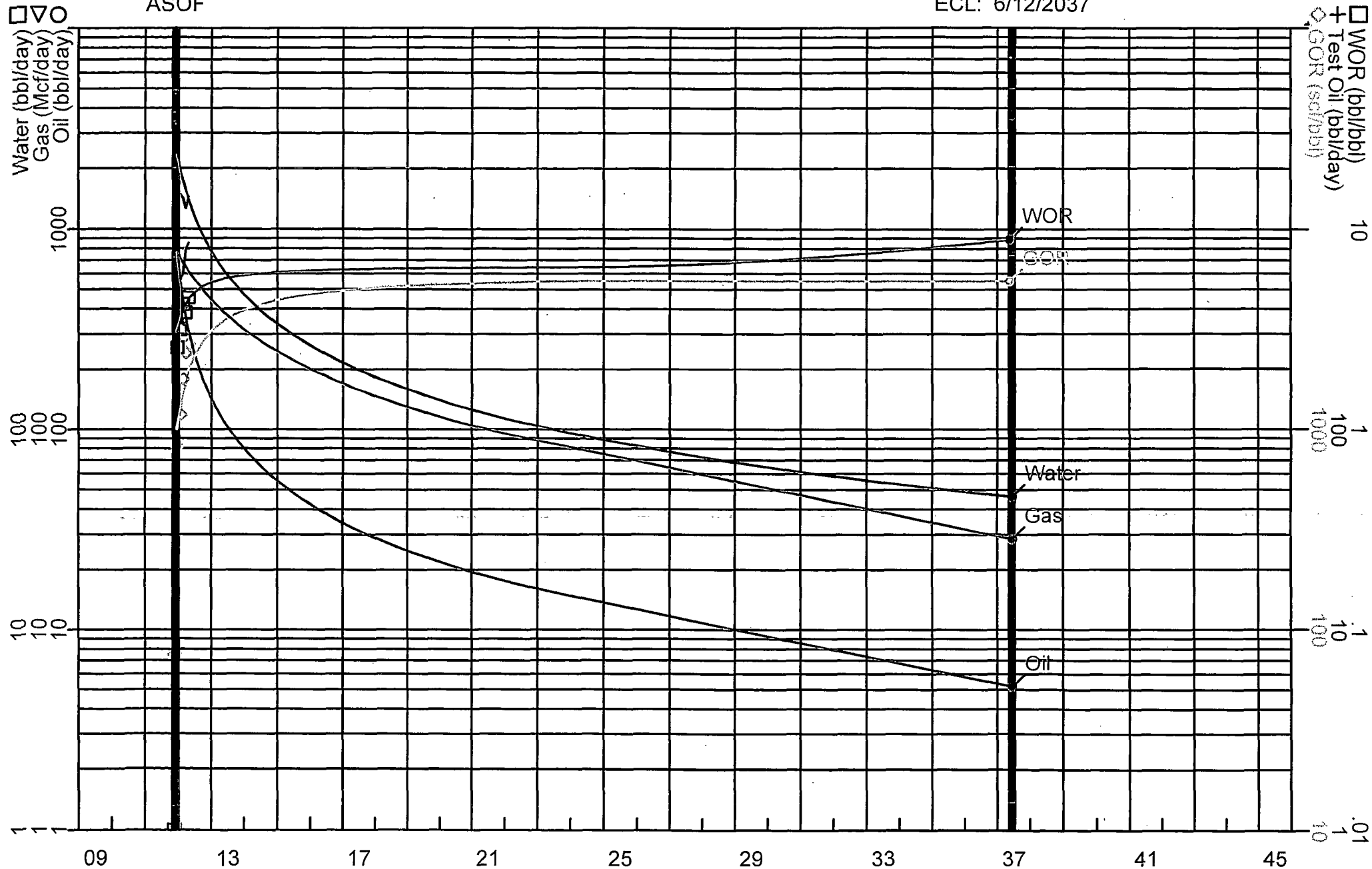
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	11	24 S	30 E		1582	NORTH	1128	WEST	EDDY

Dedicated Acres	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

ASOF

ECL: 6/12/2037



Hist Oil Cum: 0.13 Mbbbl

Oil EUR: 300.73 Mbbbl

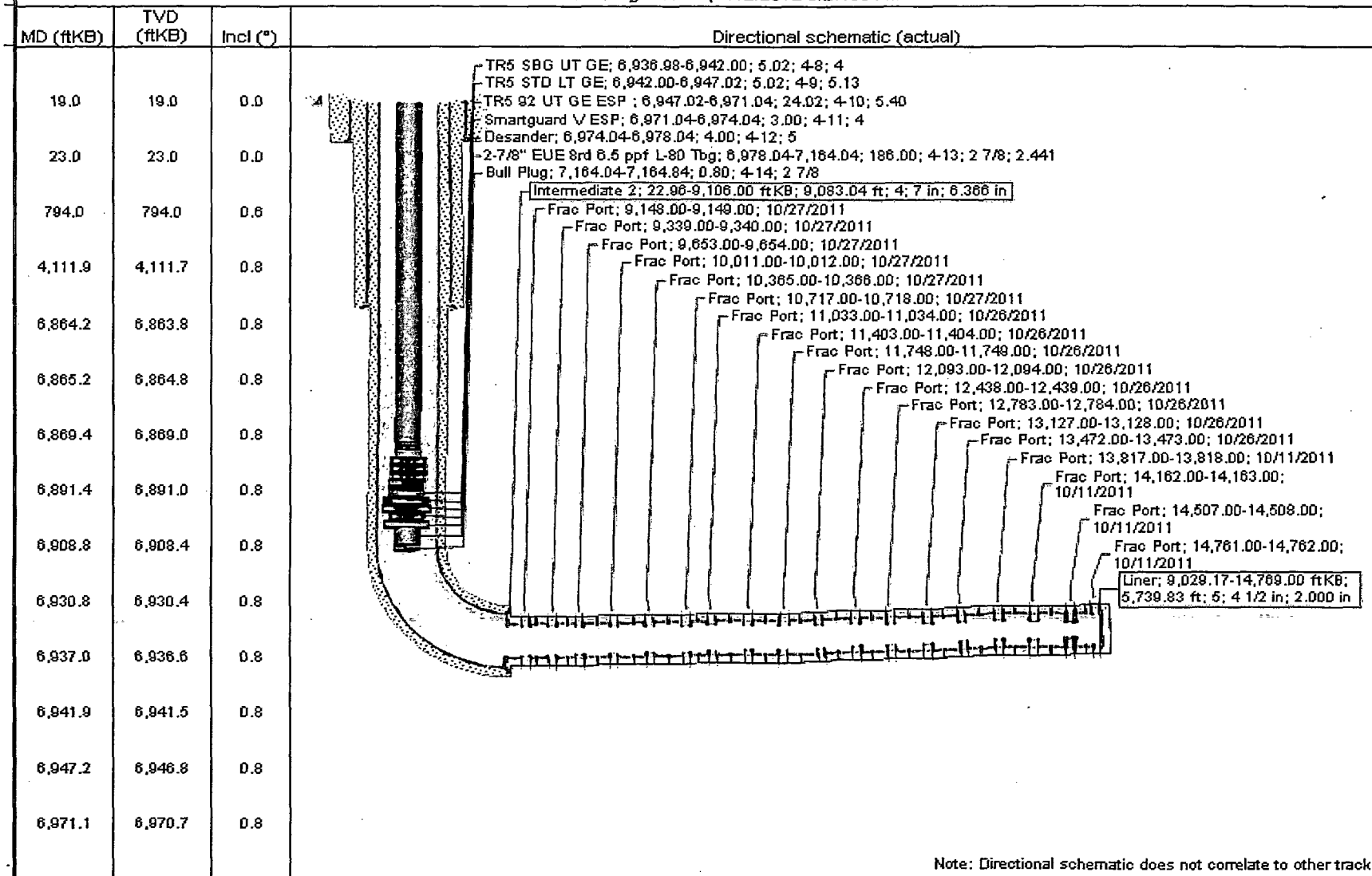
Oil Rem: 300.60 Mbbbl

Hist Gas Cum: 0.37 MMcf

Gas EUR: 1,145.80 MMcf

Gas Rem: 1,145.79 MMcf

Horizontal - Original Hole, 6/12/2012 3:27:30 PM



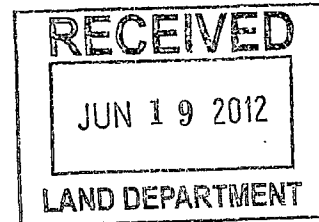
**Downhole Profile - Vertical Wells****BOPCO, L.P. - West Texas**Well Name: **POKER LAKE UNIT #315H**Well ID: **30-015-39166**Field: **Poker Lake NW (Delaware)**Sect: **13** Town: **24S** Rng: **30E** County: **Eddy** State: **New Mexico**Surface Location: **1650' FSL & 710' FWL of Sec 13, T24S, R30E**

Horizontal - Original Hole, 8/12/2012 3:27:30 PM		Well Information							
MD (ftKB)	Vertical schematic (actual)	Orig KB Elev (ft)	Gr Elev (ft)	KB-Grd (ft)	Spud Date	On Production Date	PBTD (All) (ftKB)		
		3,497.00	3,474.00	23.00	8/5/2011	11/4/2011			
		Wellbores							
		Wellbore Name: Original Hole		Kick Off Depth (ftKB):					
		Size (in)	Act Top (ftKB)		Act Blm (ftKB)				
		17 1/2	19.0		794.0				
		12 1/4	794.0		4,112.0				
		8 3/4	4,112.0		9,107.0				
		6 1/8	9,107.0		14,823.0				
		Schematic Annotations							
		Type	Depth (ftKB)		Annotation				
		Casing Strings							
		Csg Des	Wellbore	OD (in)	WT (lb/ft)	Grade	Top Thread	Set @ (ftKB)	
		Conductor	Original Hole	20	90.00	F-25		99.00	
		Surface	Original Hole	13 3/8	48.00	H-40	ST&C	793.00	
		Intermediate 1	Original Hole	9 5/8	40.00	J-55	LT&C	4,139.00	
		Intermediate 2	Original Hole	7	26.00	N-80	LT&C	9,105.00	
		Liner	Original Hole	4 1/2	11.60	HCP-110	LT&C	14,769.00	
		Perforations							
		Perf Date	Top (ftKB)	Blm (ftKB)	Zone		Current Status		
		10/27/2011	9,148.0	9,149.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (9,148.0 - 9,149.0)		
		10/27/2011	9,339.0	9,340.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (9,339.0 - 9,340.0)		
		10/27/2011	9,653.0	9,654.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (9,653.0 - 9,654.0)		
		10/27/2011	10,011.0	10,012.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (10,011.0 - 10,012.0)		
		10/27/2011	10,365.0	10,366.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (10,365.0 - 10,366.0)		
		10/27/2011	10,717.0	10,718.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (10,717.0 - 10,718.0)		
		10/26/2011	11,033.0	11,034.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (11,033.0 - 11,034.0)		
		10/26/2011	11,403.0	11,404.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (11,403.0 - 11,404.0)		
		10/26/2011	11,748.0	11,749.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (11,748.0 - 11,749.0)		
		10/26/2011	12,093.0	12,094.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (12,093.0 - 12,094.0)		
		10/26/2011	12,438.0	12,439.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (12,438.0 - 12,439.0)		
		10/26/2011	12,783.0	12,784.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (12,783.0 - 12,784.0)		
		10/26/2011	13,127.0	13,128.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (13,127.0 - 13,128.0)		
		10/26/2011	13,472.0	13,473.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (13,472.0 - 13,473.0)		
		10/11/2011	13,817.0	13,818.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (13,817.0 - 13,818.0)		
		10/11/2011	14,162.0	14,163.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (14,162.0 - 14,163.0)		
		10/11/2011	14,507.0	14,508.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (14,507.0 - 14,508.0)		
		10/11/2011	14,761.0	14,762.0	Lwr Brushy Canyon Y, Original Hole		Sleeve - Open (14,761.0 - 14,762.0)		
		Tubing Strings							
		Tubing Description		Run Date	String Length (ft)	Set Depth (ftKB)			
		No.	Item Des		Jts	OD (in)	WT (lb/ft)	Grade	Top (ftKB)
		Tubing Description		Run Date	String Length (ft)	Set Depth (ftKB)			
		Tubing - Production		12/13/2011	7,141.84	7,184.84			
		No.	Item Des		Jts	OD (in)	WT (lb/ft)	Grade	Top (ftKB)
		4-1	2-7/8" EUE Bnd 6.5 ppl L-80 Tbg		208	2 7/8	6.50	L-80	73.0
		4-2	2-7/8" Standard Sealing Nipple		1	2 7/8			6,854.2
		4-3	2-7/8" x 4" EUE Bnd 6.5 ppl N-80 Tbg Sub		1	2 7/8		N-80	6,865.2
		4-4	Wood Group TD 1750 (125 sig) pump		1	4			6,869.3
		4-5	Wood Group TD 1750 (100 sig) pump		1	4			6,891.3
		4-6	Wood Group TD 1750 (125 sig) pump		1	4			6,938.8
		4-7	TR4 Mag3 GE		1	4			6,938.8
		4-8	TR5 SSG UT GE		1	4			6,937.0
		4-9	TR5 STD LT GE		1	5.13			6,942.0
		4-10	TR5 92 UT GE ESP		1	5.4			6,947.0
		4-11	Smartguard V ESP		1	4			6,971.0
		4-12	Desander		1	5			6,974.0
		4-13	2-7/8" EUE Bnd 6.5 ppl L-80 Tbg		6	2 7/8	6.50	L-80	6,978.0
		4-14	Butt Plug		1	2 7/8			7,164.0
		Cement							
		Surface Casing Cement, 8/7/2011							
		String: Surface, 703.00ftKB							
		Cement Evaluation Results: Circulated 90 barrels/01sacks cement to surface.							
		Stage Number	Stage Top (ftKB)	Stage Bottom (ftKB)	Vol Cement Ret (bbl)	Top Measurement Method			
		1	22.0	793.0	90.0	Circulated			
		Fluid	Amount (sacks)	Class	Dens (lb/gal)	Yield (ft/sack)			
		Lead	725	C	13.70	1.58			
		Intermediate Casing Cement, 8/13/2011							
		String: Intermediate 1, 4,139.00ftKB							
		Cement Evaluation Results: Circulated 306 barrels/278sacks cement to surface.							
		Stage Number	Stage Top (ftKB)	Stage Bottom (ftKB)	Vol Cement Ret (bbl)	Top Measurement Method			
		1	19.8	4,140.0	306.0	Circulated			
		Fluid	Amount (sacks)	Class	Dens (lb/gal)	Yield (ft/sack)			
		Lead	1,990	H	12.90	1.85			
		Tail	425	C	14.80	1.33			
		Intermediate 2 Casing Cement, 8/23/2011							
		String: Intermediate 2, 9,105.00ftKB							
		Cement Evaluation Results: No cement was circulated to surface either stage. Well run temperature survey 8 hrs after second plug was bumped. Blm was notified.							
		Stage Number	Stage Top (ftKB)	Stage Bottom (ftKB)	Vol Cement Ret (bbl)	Top Measurement Method			
		1	4,491.0	9,107.0	0.0	Volume Calculations			
		Fluid	Amount (sacks)	Class	Dens (lb/gal)	Yield (ft/sack)			
		Lead	230	C	10.20	2.58			
		Tail	300	C	13.00	1.65			
		Stage Number	Stage Top (ftKB)	Stage Bottom (ftKB)	Vol Cement Ret (bbl)	Top Measurement Method			
		2	19.5	4,491.0	0.0	Volume Calculations			
		Fluid	Amount (sacks)	Class	Dens (lb/gal)	Yield (ft/sack)			
		Lead	550	C	12.00	2.01			
		Tail	100	C	14.80	1.33			
		Liner, 14,769.00 ftKB							

INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

June 11, 2012

TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: STEVE F. JOHNSON
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #342H
POKER LAKE (DELAWARE) SOUTHWEST
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU342HCD.DOC

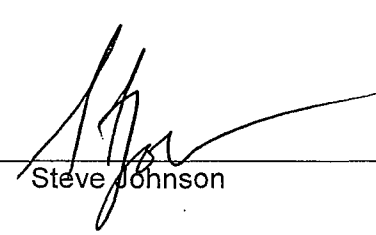


Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #342H was drilled in 2011 to a total depth of 14,965' and was completed in the Delaware reservoir. The well is producing from perforations 8,178-14,895'. On test 12/25/2011 the well pumped at the rate of 665 BOPD, 316 MCFPD, and 1,717 BWPD. This well is expected to recover approximately 594.391 MBOE from the current completion.

The most recent price file from Fort Worth was utilized and the oil price was adjusted by - \$5.10/BO and a shrinkage factor of 51.9% on the gas plus a price adjustment of -2.44% . An operating cost of \$50,000/mo for 6 months, the \$30,000/mo for 12 months, and \$15,000/mo until ECL; plus a \$.46/bbl water expense was also incorporated in this evaluation. The Poker Lake Unit #342H will be a commercial well and should be incorporated into a participating area.

MLL/cdp 

cc: Ross Sutton
George Hillis
Andy Morrison



Steve Johnson

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL _____ POKER LAKE UNIT # 342H _____ FORMATION _____ DELAWARE _____
 LOCATION _____ D _____ UNIT, _____ 1295 FEET FROM NORTH LINE & _____ 115 FEET FROM WEST LINE
 SECTION _____ 23 TOWNSHIP _____ 24S RANGE _____ 30E COUNTY _____ Eddy _____ NEW MEXICO
 SPUD DATE _____ 9/24/2011 COMPLETION DATE _____ 12/17/2011 INITIAL PRODUCTION _____ 12/18/2011
 PERFORATIONS _____ 8178'-14,895'
 BHL: 1250' FNL & 45' FEL SEC 26 T24S R30E

STIMULATION:

ACID _____

 FRACTURE _____ See Attached

POTENTIAL _____ (12/25/2011): 665 BOPD, 316 MCFPD, 1717 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	640	
Porosity (Φ), %	13%	
Water saturation (S_w), %	55%	
Net Thickness (H), ft.	38	
Temperature (T), Fahrenheit	135	
Bottom Hole pressure (P), psia	3,364	
Recovery factor (RF), %	15%	
Recoverable Oil, Bbls *(See eq. below)	1.1M	

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

$B_o = 1.50$

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 4/30/2012 65,546 BBL Oil 122,335 MCF GasINITIAL RATE (qi) 849ECONOMIC LIMIT (ql) 5HYPERBOLIC DECLINE RATE, dy n = 1, d = 97%/yrREMAINING OIL (Q) = 301,645ULTIMATE RECOVERABLE OIL (BO) 367,191

(Attach plat showing proration unit and participating area.)

ECONOMICGROSS WELL COST \$3,091,800 (to the depth of formation completed)COMPLETION COST \$5,621,390GROSS TOTAL COST \$8,713,190

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	120.476	10005.4	1504.4	-387.0
2	46.334	4067.4	714.8	3109.8
3	29.374	2694.8	486.5	1947.8
4	21.558	2019.5	410.4	1349.6
5	17.082	1626.7	365.8	1005.8
6	14.085	1361.1	335.4	779.1
7	12.010	1177.1	314.2	622.6
8	10.469	1040.0	152.7	509.0
9	9.303	935.9	286.4	424.0
10	8.330	847.8	276.2	354.9
REMAINDER	74.358	7731.1	4052.8	1753.1
TOTAL	363.379	33506.7	9045.1	11468.7

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 6/13/2012

Lior: 1000396

2:16:51PM

Project Name : Exp of WTD CORP

As Of Date : 01/01/2012

Lease Name : 1000396/POKER LAKE UNIT/342H/DEL

Partner : All cases

Discount Rate (%) : 5.00

Reserv Cat. : Proved Producing

Case Type : LEASE CASE

1000396/POKER LAKE UNIT/342H/DEL

Field : POKER LAKE (DELAWARE) SOUTHW

Archive Set : CURRENT

Operator : BOPCO

Cum Oil (Mbbbl) : 3.81

Reservoir : DELAWARE

Cum Gas (MMcf) : 4.24

Co., State : EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
2012	120.476	260.986	125.534	628.705	101.802	106.076	531.256
2013	46.334	155.041	74.575	682.179	39.153	63.016	576.441
2014	29.374	116.451	56.013	512.387	24.821	47.331	432.967
2015	21.558	93.298	44.876	410.513	18.216	37.921	346.883
2016	17.082	78.042	37.538	343.383	14.434	31.720	290.158
2017	14.085	66.766	32.115	293.772	11.902	27.137	248.238
2018	12.010	58.473	28.125	257.280	10.149	23.766	217.402
2019	10.469	52.014	25.019	228.864	8.847	21.141	193.390
2020	9.303	46.965	22.590	206.644	7.861	19.089	174.615
2021	8.330	42.596	20.489	187.425	7.039	17.313	158.374

Rem	74.239	387.711	186.489	1,705.927	62.732	157.583	1,441.509
Total	363.263	1,358.343	653.363	5,457.078	306.957	552.092	4,611.231
Ult.	367.073	1,362.580					

Year	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2012	89.73	2.65	1.11	9,134.75	281.50	589.16	10,005.42
2013	81.72	3.63	1.11	3,199.62	228.50	639.27	4,067.39
2014	81.44	4.08	1.11	2,021.40	193.21	480.16	2,694.77
2015	80.74	4.33	1.11	1,470.77	164.01	384.69	2,019.47
2016	80.43	4.54	1.11	1,160.88	144.08	321.79	1,626.74
2017	80.38	4.76	1.11	956.67	129.11	275.30	1,361.08
2018	80.56	4.98	1.11	817.61	118.37	241.10	1,177.08
2019	80.85	5.21	1.11	715.26	110.23	214.47	1,039.96
2020	81.17	5.46	1.11	638.11	104.18	193.65	935.93
2021	81.44	5.72	1.11	573.26	98.95	175.64	847.84
Rem	81.44	6.50	1.11	5,108.90	1,023.53	1,598.63	7,731.07
Total	84.04	4.70	1.11	25,797.23	2,595.66	5,113.86	33,506.76

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
2012	812.79	19.91	8,713.19	671.69	-212.16	-212.16	-385.95	-385.95
2013	334.53	8.02	0.00	372.21	3,352.64	3,140.48	3,109.81	2,723.86
2014	222.42	5.30	0.00	258.74	2,208.31	5,348.78	1,947.79	4,671.65
2015	167.04	3.97	0.00	239.38	1,609.09	6,957.87	1,349.60	6,021.25
2016	134.74	3.20	0.00	227.81	1,261.00	8,218.87	1,005.82	7,027.07
2017	112.86	2.67	0.00	219.84	1,025.72	9,244.59	778.09	7,805.16
2018	97.68	2.31	0.00	214.22	862.87	10,107.46	622.59	8,427.75
2019	86.35	2.04	0.00	210.00	741.57	10,849.03	508.95	8,936.71
2020	77.76	1.84	0.00	206.77	649.56	11,498.59	424.03	9,360.74
2021	70.48	1.66	0.00	204.05	571.64	12,070.24	354.94	9,715.68
Rem	643.63	15.18	0.00	3,393.97	3,678.28	3,678.28	1,753.07	1,753.07
Total	2,760.28	66.11	8,713.19	6,218.66	15,748.52	15,748.52	11,468.75	11,468.75

Major Phase :	Oil	Working Int :	1.00000000	Present Worth Profile (M\$)	
Perfs :	0 0	Revenue Int :	0.84500000	5.00% :	11,468.75
Initial Rate :	19,846.00 bbl/month	Disc. Initial Invest. (m\$) :	8,713.187	9.00% :	9,197.88
Abandonment :	164.56 bbl/month	Internal ROR (%) :	63.33	10.00% :	8,733.05
Initial Decline :	96.28 % year b = 1.001	ROInvestment (disc/undisc) :	2.32 / 2.81	12.00% :	7,897.01
Beq Ratio :	0.75 Mcf/bbl	Years to Payout :	1.05	15.00% :	6,832.23
End Ratio :	5.23 Mcf/bbl	Abandonment Date :	07/17/2039	20.00% :	5,422.35
Forecast Start :	12/01/2011			30.00% :	3,434.21
		Initial	1st Rev.	40.00% :	2,064.05
		Working Interest :	0.00000000	50.00% :	1,039.74
		Revenue Interest :	0.84500000	60.00% :	233.11
		Rev. Date :			

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Operator Copy

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**RECEIVED**JUN 06 2012
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.BOPCO WID PRODUCTION
SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other		5. Lease Serial No. NMNM02862
2. Name of Operator BOPCO LP		6. If Indian, Allottee or Tribe Name
3a. Address MIDLAND, TX 79702		7. If Unit or CA/Agreement, Name and/or No. 891000303X
3b. Phone No. (include area code) Ph: 432.686.2999 Ext: 149 Fx: 432.687.0329		8. Well Name and No. POKER LAKE UNIT 342H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T24S R30E NWNW 1295FNL 115FWL		9. API Well No. 30-015-38666-00-S1
		10. Field and Pool, or Exploratory POKER LAKE SW (DELAWARE)
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BOPCO, L.P. respectfully wishes to report the Pool name change from the Nash Draw, Delaware/BS (Avalon Sand) to the Poker Lake, SW (Delaware) (96047) per notice from the OCD March 8, 2012.

14. Thereby certify that the foregoing is true and correct. Electronic Submission #137300 verified by the BLM Well Information System For BOPCO LP, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 05/14/2012 (12KMS1908SE)	
Name (Printed/Typed) SANDRA J BELT	Title SR. REGULATORY CLERK
Signature (Electronic Submission)	Date 05/04/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 06/02/2012
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office Carlsbad

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.

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

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, 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 NWNW; UL D; 1295' FNL 115' FWL; Lat N32.206933; Long 103.859422

At top prod. interval reported below

At total depth NENE; UL A; Sec. 26, 24S, 30E; 1250' FNL 45' FEL

CONFIDENTIAL

14. Date Spudded 09/24/2011 15. Date T.D. Reached 11/02/2011

16. Date Completed 12/17/2011
☐ D & A ☒ Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
3455 KB

18. Total Depth: MD 14,965
TVD 7,912

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)
SBGR/CCL; CNGR/CCL

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☒ Yes (Submit copy)

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 Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17 1/2	13 3/8 J55	54.5	0	1,139		950 ExtCem+C	268	Circulate	
12 1/4	9 5/8 J55	40.0	0	4,027		1400 EcoHa	439	Circulate	
8 3/4	7 N80	26.0	0	8,077	4,497	600 Vers/Tun	223	3,1209 T.S.	
6 1/8	4 1/2 HCP	11.6	8,004	14,903					

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	7,324							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Delaware	4040	6230	8,176 - 14,895	Frac	Ports	Producing
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
8,178 - 14,895	294,711 gals 25# LinearGel; 1,560,482 gals 25# DeltaFrac R21; 1,187,671 lbs. 16/30 Ottawa; 265,951 lbs. Super LC

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
12/18/11	12/25/1		→	665	316	1717	36.4	0.8427	Wood Group TD 1750 SubPump
Choke Size	Thg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
W/O	400	300	→	665	316	1717	475	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	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 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	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 (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	4040	4970	Sandstone	Rustler	415
Cherry Canyon	4970	6190	Sandstone	Salt	800
Lwr. Ch. Canyon	6190	6230	Sandstone	Base/Salt	3800
Brushy Canyon	6230	N.R.	Sandstone	Lamar	4015
				Bell Canyon	4040
				Cherry Canyon	4970
				Lwr. Cherry Canyon	6190
				Brushy Canyon	6230

32. Additional remarks (include plugging procedure):

2-7/8" EUE 8rd 6.5 ppf L-80 tubing.

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 149

Title Sr. Regulatory Clerk

Signature Sandra J. Belt

Date 01/20/2012

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.

(Continued on page 3)

(Form 3160-4, page 2)

DISTRICT I
1625 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 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

API Number 30-015-38646	Pool Code 47545	Pool Name Nash Draw; Delaware/BS (Avalon Sd)
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 342H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3436'

Surface Location

UL or lot No. D	Section 23	Township 24 S	Range 30 E	Lot Idn	Feet from the 1295	North/South line NORTH	Feet from the 115	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

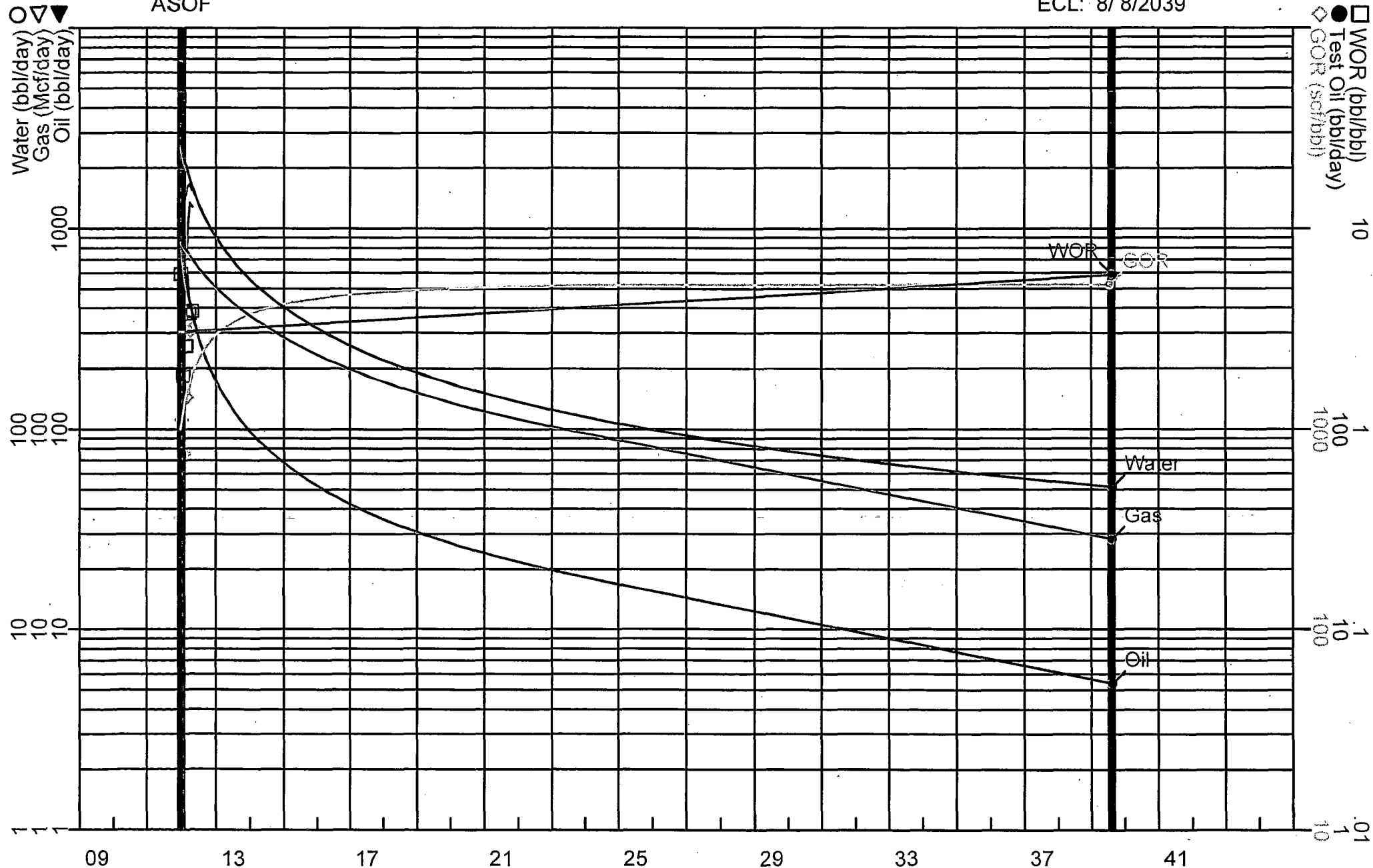
UL or lot No. A	Section 26	Township 24 S	Range 30 E	Lot Idn	Feet from the 1250	North/South line NORTH	Feet from the 45	East/West line EAST	County EDDY
Dedicated Acres 640	Joint or Infill	Consolidation Code	Order No.						

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

SURFACE LOCATION Lat - N 32°12'24.98" Long - W 103°51'33.92" NMSPC- E 646580.104 (NAD-27) PROPOSED BOTTOM HOLE LOCATION Lat - N 32°11'33.16" Long - W 103°50'33.82" NMSPC- E 651767.11 (NAD-27) NOTE: SURVEY CERTIFICATION IS FOR SURFACE LOCATION ONLY	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. <u>Sandra J. Belt</u> 1-19-12 Signature Date <u>Sandra J. Belt</u> Printed Name <u>Sjbelt@basspet.com</u> 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 Signature & Seal of Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS 23829
--	--

ASOF

ECL: 8/ 8/2039



Hist Oil Cum: 3.81 Mbbl

Oil EUR: 367.19 Mbbl

Oil Rem: 363.38 Mbbl

Hist Gas Cum: 4.24 MMcf

Gas EUR: 1,363.20 MMcf

Gas Rem: 1,358.96 MMcf



Current Schematic

Well Name: POKER LAKE UNIT #342H

Field: Poker Lake SW (Delaware)

BOPCO, L.P. - West Texas

Well ID: 30-015-38666

Sect: 23 Town: 24S Rng: 30E Eddy Co., State: New Mexico

Blk: Survey:

Most Recent Job

Job Category	Primary Job Type	Secondary Job Type	Job Start Date	Job End Date
Drilling	Drill and Complete		9/5/2011	1/25/2012

Horizontal - Original Hole, 6/12/2012 2:04:12 PM

MD (ftKB)	Vertical schematic (actual)	Column list (actual)				
		Item number	Description	OD	Top (MD)	Blm (MD)
19.0	20 in; 90.00 lb/ft; F-25; 101.00 ftKB					
7,019.0	17 1/2 in; Wellbore	1-1	Wellhead Specialties; Standard Config 2-7/8" EUE 8rd 6.5 ppf L-80 Tbg	2 7/8	-5.91 19.00	0.00 7,019.10
7,020.0	13 3/8 in; 54.50 lb/ft; J; 55; 1,139.00 ftKB	1-2	2-7/8" Standard Sealing Nipple	2 7/8	7,019.10	7,020.10
7,024.3	12 1/4 in; Wellbore	1-3	2-7/8" x 4" EUE 8rd 6.5 ppf N-80 Tbg Sub	2 7/8	7,020.10	7,024.20
7,045.9	9 5/8 in; 40.00 lb/ft; J; 55; 4,027.00 ftKB	1-4	Wood Group TD 1750 (125 stg) pump	4	7,024.20	7,046.02
7,067.9	8 3/4 in; Wellbore	1-5	Wood Group TD 1750 (125 stg) pump	4	7,046.02	7,067.84
7,085.3		1-6	Wood Group TD 1750 (100 stg) pump	4	7,067.84	7,085.44
7,089.6		1-7	TR4 Mag RGS (pump intake)	4	7,085.44	7,089.66
7,102.0		1-8	TR5 SBG ESP UT	4	7,089.66	7,101.94
7,120.4		1-9	TR5 UT 540 ESP	5.40	7,101.94	7,120.48
7,123.4		1-10	Smartguard V ESP	4	7,120.48	7,123.48
7,128.0		1-11	Desander	5	7,123.48	7,128.08
7,324.1		1-12	2-7/8" EUE 8rd 6.5 ppf L-80 Tbg	2 7/8	7,128.08	7,324.14
7,324.6		1-13	Bull Plug	2 7/8	7,324.14	7,324.94
8,175.9	7 in; 26.00 lb/ft; N-80; 8,077.00 ftKB					
8,176.8	Frac Port; 8,176.00- 8,177.00; 12/7/2011					
8,428.1	Frac Port; 8,428.00- 8,429.00; 12/7/2011					
8,725.1	Frac Port; 8,725.00- 8,726.00; 12/7/2011					
9,105.0	Frac Port; 9,105.00- 9,106.00; 12/7/2011					
9,357.0	Perforated; 9,357.00- 9,360.00; 12/7/2011					
9,440.9	Frac Port; 9,441.00- 9,442.00; 12/4/2011					
9,777.9	Frac Port; 9,778.00- 9,779.00; 12/3/2011					
10,099.1	Frac Port; 10,099.00- 10,100.00; 12/3/2011					
10,478.0	Frac Port; 10,478.00- 10,479.00; 12/3/2011					
10,797.9	Frac Port; 10,797.00- 10,798.00; 12/3/2011					
11,194.9	Frac Port; 11,195.00- 11,196.00; 11/30/2011					
11,512.1	Frac Port; 11,512.00- 11,513.00; 11/30/2011					
11,513.1	6 1/8 in; Wellbore					
11,874.0	Frac Port; 11,874.00- 11,875.00; 11/30/2011					
12,233.9	Frac Port; 12,234.00- 12,235.00; 11/30/2011					
12,592.8	Frac Port; 12,593.00- 12,594.00; 11/30/2011					
12,912.1	Frac Port; 12,912.00- 12,913.00; 11/30/2011					
13,269.0	Frac Port; 13,269.00- 13,270.00; 11/30/2011					
13,585.0	Frac Port; 13,585.00- 13,586.00; 11/30/2011					
13,942.9	Frac Port; 13,943.00- 13,944.00; 11/30/2011					
14,301.8	Frac Port; 14,302.00- 14,303.00; 11/30/2011					
14,659.1	Frac Port; 14,659.00- 14,660.00; 11/30/2011					
14,895.0	Frac Port; 14,894.00- 14,895.00; 11/30/2011					
14,894.0	4 1/2 in; 11.60 lb/ft; HCP-110; 14,903.00 ftKB					
14,895.0	Wellbore					



INTER-OFFICE MEMORANDUM

TO: Frank McCreight
FROM: Bryce Bezant
DATE: 7/12/2012
RE: Commercial Determination
PLU Big Sinks 11 Federal #1H
Poker Lake Unit (Bone Spring) Field
Eddy County, New Mexico

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Big Sinks 11 Federal #1 was drilled in 2010 to a total depth of 13,128' laterally completed in the Lower Avalon reservoir. The well is producing from perforations 8,650'-13,075'. On test 9/14/2010 the well flowed at the rate of 85 BOPD, 500 MCFD, and 2066 BWPD. This well is expected to recover approximately 156 MBOE (6:1 mcf/bbl) from the current completion.

The most recent strip price file was utilized adjusting for current area differentials. Plant yields are 3.2 gpm with a gas sales fraction of 50.4%. An operating cost of 13,806/month plus \$1.00/bbl water expense was also incorporated in this evaluation. The Big Sinks 11 Federal #1 will not be a commercial well and should not be incorporated into a participating area.


Bryce Bezant

RBB/tah

Cc: Ross Sutton
George Hillis
Andy Morrison
Steve Johnson

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL _____ PLU Big Sinks 11 Federal #1 _____ FORMATION _____ BONE SPRING _____
 LOCATION _____ B _____ P _____ UNIT, _____ 255 _____ FEET FROM _____ SOUTH _____ LINE & _____ 1300 _____ FEET FROM _____ EAST _____ LINE
 SECTION _____ 11 _____ TOWNSHIP _____ 24S _____ RANGE _____ 30E _____ COUNTY _____ Eddy _____, NEW MEXICO
 SPUD DATE _____ 4/26/2010 _____ COMPLETION DATE _____ 9/14/2010 _____ INITIAL PRODUCTION _____ 9/14/2010 _____
 PERFORATIONS _____ 8650-13075 _____
 BHL: 405' FNL & 1703' FEL SEC 11 T24S R30E _____

STIMULATION:

ACID _____

FRACTURE _____ See Attached _____

POTENTIAL _____ (40435): 85 BOPD, 500 MCFPD, 2066 BWPD _____

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	160	
Porosity (Φ), %	8%	
Water saturation (S_w), %	40%	
Net Thickness (H), ft.	202	
Temperature (T), Fahrenheit	130	
Bottom Hole pressure (P), psia	3,800	
Recovery factor (RF), %	68%	
Recoverable gas, BCF *(See eq. below)	12.6	

*Sometimes unable to match performance due to volumetric uncertainty or low recovery efficiency of shale gas wells.

Formula = $(7758) (A) (h) (por) (1-S_w)(RF)/B_{gi}$

$B_{gi} = 0.65 \text{ RB/MSCF}$

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 11/30/2011 23,280 BBL Oil 163,907 MCF Gas

INITIAL RATE (qi) 313 MCFD

ECONOMIC LIMIT (qi) 10 MCFD

HYPERBOLIC DECLINE RATE, dy $n = 1.3, d = 78.85\%/yr$

REMAINING MCF (Q) = 563,908

ULTIMATE RECOVERABLE MCF 563,908

(Attach plat showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$3,418,200 (to the depth of formation completed)

COMPLETION COST \$2,278,800

GROSS TOTAL COST \$5,697,000

YEAR	GROSS MCF MMCF	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	81.781	990.5	197.8	-4912.2
2	82.126	1172.4	309.7	831.1
3	43.687	459.7	221.1	213.0
4	51.398	573.3	235.0	293.9
5	34.304	375.2	211.0	135.7
6	26.421	279.6	199.4	63.1
7	21.819	224.5	192.7	23.9
8	18.641	187.5	188.1	-0.4
9	16.394	162.3		-15.3
10	14.687	143.7	182.9	-25.1
REMAINDER	172.650	1530.3	4115.5	-866.0
TOTAL	563.908	6099.0	6238.1	-4258.4

WELL IS NOT COMMERCIAL

ECONOMIC PROJECTION

7/20/2012

Lior: 1004602

9:43:56AM

Project Name : Exp of WTD NASI Bankers & Reserves

As Of Date : 09/01/2010

Lease Name : 1004602/PLU BIG SINKS 11 FED/1H/BO

Series : All cases

Discount Rate (%) : 5.00

Reserv Cat : Proved Non-Producing

Type : LEASE CASE

Field : PLU-CHK

Drive Set : CURRENT

1004602/PLU BIG SINKS 11 FED/1H/BON

Operator : BOPCO

Oil (Mbbbl) : 0.00

Reservoir : Lower Avalon

Gas (MMcf) : 0.00

Co., State : EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded Sales

Gross Wet Production

Gross Dry Gas & NGL

Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
11.491	81.781	31.077	258.428	10.055	27.192	226.124
11.789	82.126	31.208	259.518	10.315	27.307	227.078
4.984	43.687	16.601	138.050	4.361	14.526	120.794
6.010	51.398	19.531	162.418	5.259	17.090	142.116
3.882	34.304	13.035	108.399	3.397	11.406	94.849
2.873	26.421	10.040	83.491	2.514	8.785	73.055
2.288	21.819	8.291	68.947	2.002	7.255	60.329
1.892	18.641	7.084	58.905	1.656	6.198	51.542
1.617	16.394	6.230	51.806	1.415	5.451	45.330
1.412	14.687	5.581	46.410	1.235	4.883	40.609

13.422	172.650	65.607	545.547	11.745	57.406	477.353
61.661	563.908	214.285	1,781.920	53.953	187.499	1,559.180
61.661	563.908					

Average Price

Net Revenue

Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
75.28	3.55	0.61	756.90	96.61	137.03	990.54
89.66	4.03	0.61	924.87	109.92	137.61	1,172.41
79.45	2.75	0.61	346.50	39.97	73.20	459.67
81.65	3.38	0.61	429.39	57.73	86.12	573.25
80.89	3.77	0.61	274.74	43.00	57.48	375.23
79.70	3.97	0.61	200.37	34.91	44.27	279.55
78.91	4.14	0.61	157.95	30.04	36.56	224.54
78.26	4.30	0.61	129.58	26.66	31.23	187.48
78.04	4.47	0.61	110.43	24.39	27.47	162.29
77.93	4.68	0.61	96.28	22.84	24.61	143.73
77.83	5.70	0.61	914.06	326.96	289.28	1,530.30
80.46	4.34	0.61	4,341.07	813.03	944.86	6,098.96

Expenditures

Future Net Revenue

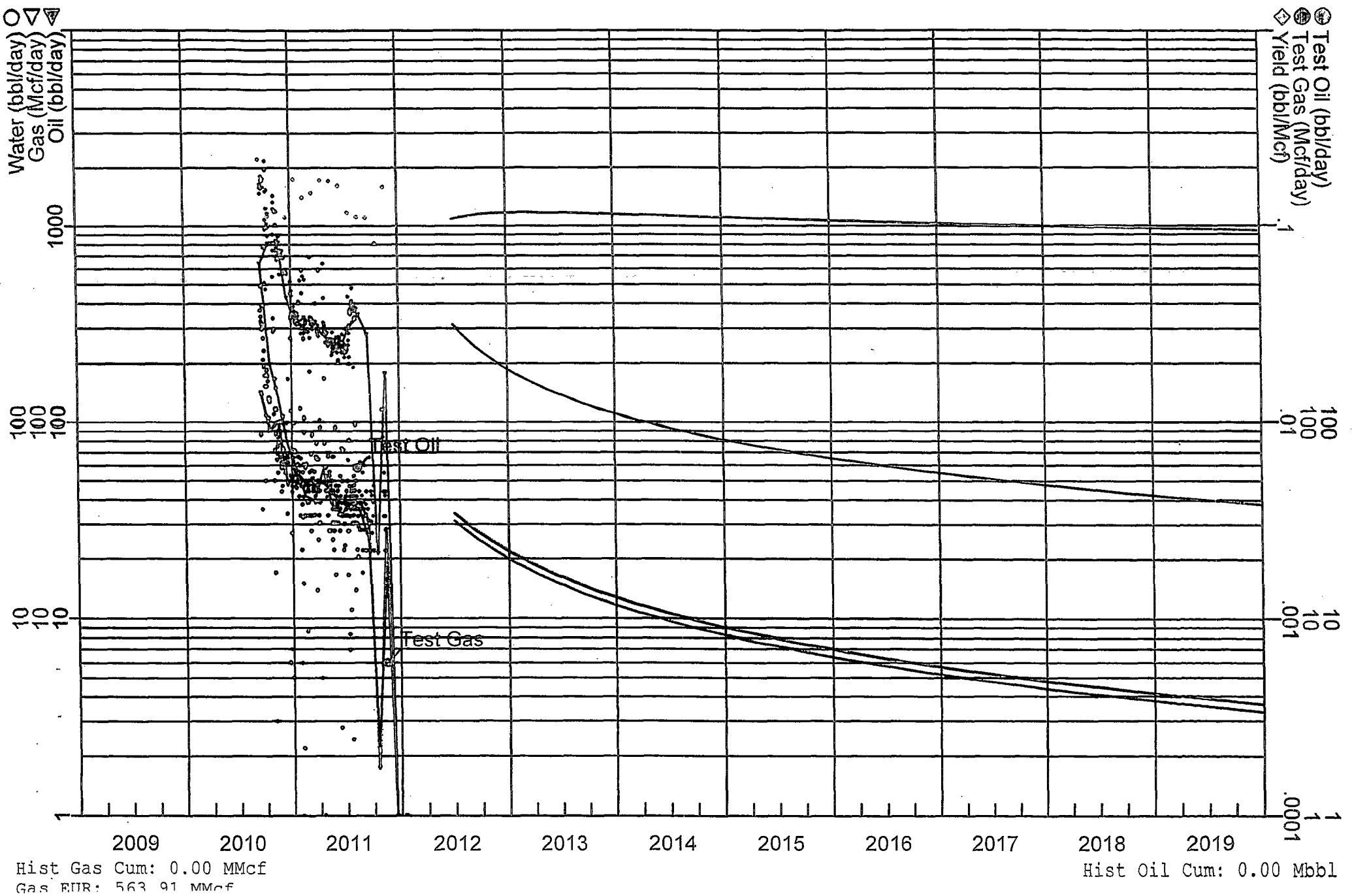
Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
61.58	49.53	5,697.60	86.72	-4,904.89	-4,904.89	-4,912.22	-4,912.22
74.58	58.62	0.00	176.45	862.76	-4,042.13	831.11	-4,081.10
27.84	22.98	0.00	170.23	238.62	-3,803.51	213.00	-3,868.11
35.17	28.66	0.00	171.17	338.25	-3,465.26	293.88	-3,574.23
23.00	18.76	0.00	169.22	164.24	-3,301.02	135.70	-3,438.53
17.07	13.98	0.00	168.30	80.21	-3,220.81	63.05	-3,375.48
13.66	11.23	0.00	167.76	31.89	-3,188.92	23.89	-3,351.59
11.37	9.37	0.00	167.40	-0.67	-3,189.59	-0.41	-3,352.00
9.83	8.11	0.00	167.15	-22.80	-3,212.39	-15.34	-3,367.34
8.70	7.19	0.00	166.96	-39.12	-3,251.51	-25.07	-3,392.41
91.58	76.51	0.00	3,947.45	-2,585.26	-2,585.26	-866.02	-866.02
374.37	304.95	5,697.60	5,558.81	-5,836.77	-5,836.77	-4,258.43	-4,258.43

Phase :	Gas	Working Int :	1.00000000	Present Worth Profile (M\$)
Rate :	0 0	Revenue Int :	0.87500000	5.00% : -4,258.43
Commission :	9,545.86 Mcf/month	Disc. Initial Invest. (m\$) :	5,697.600	9.00% : -3,886.61
Decline :	304.17 Mcf/month	Internal ROR (%) :	>1000.0	10.00% : -3,844.08
Ratio :	77.18 % year b = 1.300	ROI Investment (disc/undisc) :	0.25 / 0.00	12.00% : -3,792.76
Ratio :	0.11 bbl/Mcf	Years to Payout :	0.00	15.00% : -3,769.53
Ratio :	0.00 bbl/Mcf	Abandonment Date :	10/05/2043	20.00% : -3,799.85
Start :				30.00% : -3,932.74
		Initial	1st Rev.	40.00% : -4,068.38
		Working Interest : 1.00000000	0.00000000	50.00% : -4,186.40
		Revenue Interest : 0.87500000	0.00000000	60.00% : -4,286.89
		Rev. Date :		

1004602/PLU BIG SINKS 11 FED/1H/BON
Reservoir: Lower Avalon
APP EUR OIL:

3/12/2012 rbb- Well is
SI because of plant
capacity. Assume well
to be open 7/1/2012

FIELD_ONLY: PLU-CHK
CONTROL: 1004602
APP EUR GAS:



Form 1004-0137
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

RECEIVED

OCT 21 2010

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

NMOC DARTESIA

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 Contact: LINDA GOOD
CHESAPEAKE AGENT FOR BOPCCE-Mail: linda.good@chk.com

3. Address P.O. BOX 18496
OKLAHOMA CITY, OK 73154-0496

3a. Phone No. (include area code)
Ph: 405-935-4275

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface SESE 255FSL 1300FEL
At top prod interval reported below NWNE 405FNL 1703FEL
At total depth NWNE 405FNL 1703FEL

5. Lease Serial No.
NMI C068905

6. Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
PLU BIG SINKS 11 FEDERAL 1H

9. API Well No.
30-015-37147

10. Field and Pool, or
NMNM71016X *Wildcat G-05*
324 30110 Bone Spring

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

12. County or Parish
EDDY

13. State
NM

14. Date Spudded
04/26/2010

15. Date T.D. Reached
05/29/2010

16. Date Completed
☐ D & A ☒ Ready to Prod.
09/14/2010

17. Elevations (DF, KB, RT, GL)*
3496 GL

18. Total Depth: MD 13128
TVD 8601

19. Plug Back T.D.: MD 13090
TVD 8564

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
ZDL/CN/DSL, DLL/MLL, HDIL, XMAL, RCOR

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 H-40	48.0		700		760		0	
12.250	9.625 J-55	40.0		4225		1510		0	
8.750	5.500 L-80	20.0		13113		2715		0	

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	8140							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BONE SPRING	8650	13075	8650 TO 13075		500	OPEN
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
8650 TO 13075	FRAC W/50,000 GAL 15% HCL, 84,000 BBL, 4,000,000# SAND

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
09/14/2010	09/16/2010	24	→	85.0	500.0	2066.0	42.9		FLows FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
64/64	SI		→	85	500	2065		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. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
	SI		→						

ACCEPTED FOR RECORD

OCT 20 2010

/s/ Roger Hall

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

ELECTRONIC SUBMISSION #93128 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

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	

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	

30. Summary of Porous Zones (Include Aquifers):

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
BASE OF SALT BELL CANYON CHERRY CANYON BRUSHY CANYON BONE SPRING FIRST BONE SPRING SAND WOLFCAMP	4063 4105 5050 6323 7963 8964 11257	13128	SANDSTONE W/SOME LS & MINOR SH SANDSTONE W/SOME LS & MINOR SH SANDSTONE W/SOME LS & MINOR SH SANDSTONE W/SOME LS & MINOR SH SANDSTONE W/SOME LS & MINOR SH SANDSTONE W/SOME LS & SH LIMESTONE & SHALE W/MINOR SD		

(CHK PN 623047)

1. Electrical/Mechanical Logs (1 full set req'd.)
5. Sundry Notice for plugging and cement verification

2. Geologic Report
6. Core Analysis

3. DST Report
7 Other:

4. Directional Survey

Electronic Submission #93128 Verified by the BLM Well Information System.
For CHESAPEAKE AGENT FOR BOPCO, sent to the Carlsbad

Title SR. REGULATORY COMPLIANCE SPEC

Date 09/21/2010

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 ****

REFERENCE SHEET FOR
UNDESIGNATED WELLS

	Fm	Pm	N	Pc
22-26 E	XX	XX	XX	

paragraph

1. Date: 10/28/2010	
2. Type of Well:	
Oil: XX	Gas:
3. County: EDDY	

4. Operator: CHESAPEAKE OPERATING INC		APT NUMBER: 30 - 015 - 37147	
5. Address of Operator: PO BOX 18496 OKLAHOMA CITY, OK 73154-0496			
6. Lease name or Unit Agreement Name: PLU BIG SINKS 11 FEDERAL		7. Well Number: # - 1H	
8. Well Location: Unit Letter: O/B 255/405 feet from the S/N line and 1300/1703 feet from the E line Section 11 Township 24S Range 30E			

9. Completion Date: 9/14/2010	11. Perfs Top: 8650	Bottom: 13075	TD: 13128
10. Name of Producing Formation(s): BONE SPRING	12. Open Hole Casing shoe	Bottom: 13090	PBTD: 13090

13. C-123 Filed: Y N XX	Date:	15. Name of Pool Requested or temporary Wildcat designation: WILDCAT G-05 S2430010;BONE SPRING	Pool ID num: 97815
16. Remarks: NEW POOL U/L B, G, J, O DEDICATED			

TO BE COMPLETED BY DISTRICT GEOLOGIST			
17. Action taken: NEW POOL	18. Pool Name: TWIN WELLS RANCH;BONE SPRING	Pool ID num: 97815	
T 24 S, R 30 E Sec 11: E/2			

19. Advertised for HEARING:	20. Case Number:
21. Name of pool for which was advertised: TWIN WELLS RANCH;BONE SPRING	
Pool ID num: 97815	
22. Placed In Pool:	23. By order number: R-

DISTRICT I
1625 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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies
Fee Lease - 3 Copies

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-37147	Pool Code 97815	Pool Name WILDCAT 6-05 Wildcat; Bone Spring	SEP 28 2010
Property Code 37739	Property Name PLU BIG SINKS "11" FEDERAL		NMOCD ARTESIA
OGRID No. 147179	Operator Name CHESAPEAKE OPERATING CO.		Elevation 3477'

Surface Location

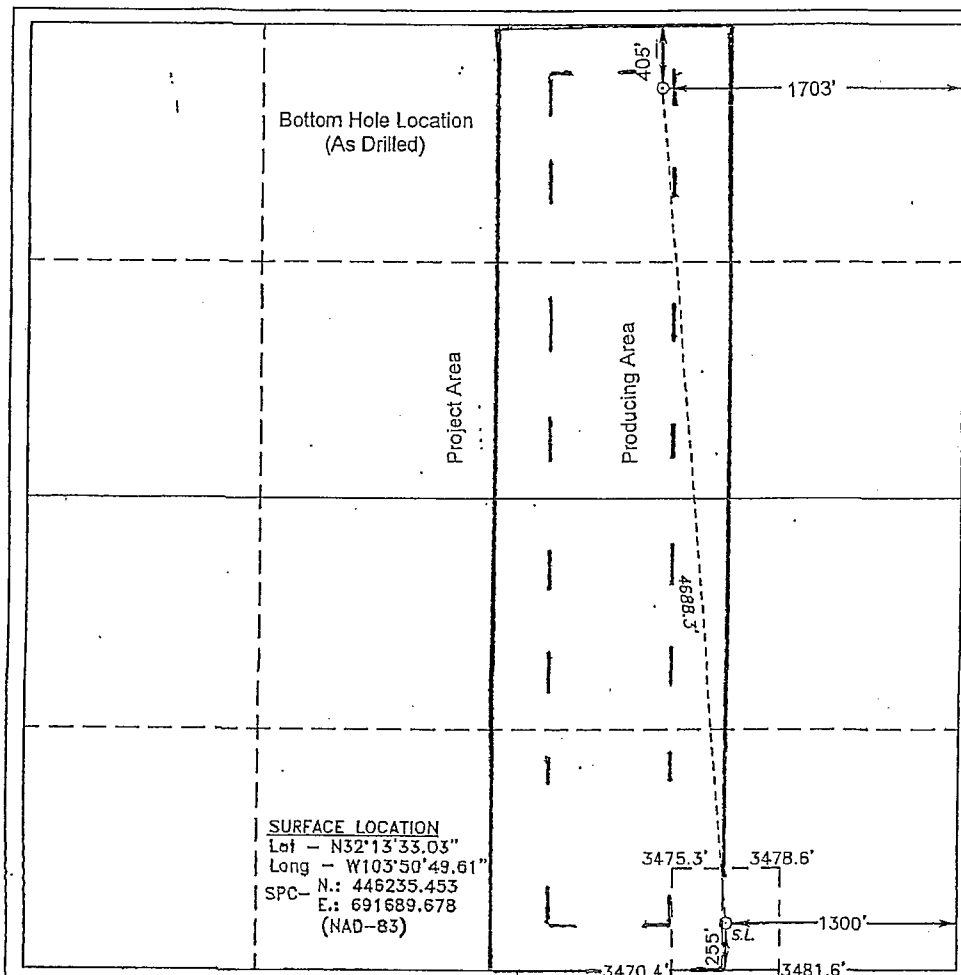
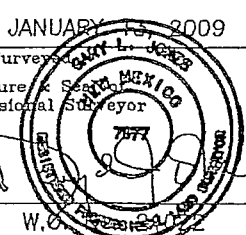
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	11	24 S	30 E		255	SOUTH	1300	EAST	EDDY

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
B	11	24 S	30 E		405	NORTH	1703	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			NSL-5998

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 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: <u>Bryan Arrant</u> Date: <u>9/23/2010</u> Printed Name: <u>Bryan Arrant</u>
	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: <u>JANUARY 13, 2009</u> Signature: <u>GARY L. JONES</u> Professional Surveyor  Certificate No. Gary L. Jones <u>7977</u> BASIN SURVEYS
	SURFACE LOCATION Lot - N32°13'33.03" Long - W103°50'49.61" SPC- N.: 448235.453 E.: 691689.678 (NAD-83)

**035.Schematic - Production**Well Name: **PLU Big Sinks 11 Federal #1H**

Field:

Chesapeake Operating Inc. - West Texas

Well ID: **30-015-37147**

Sect: 11 Town: 24S Rng: 30E Eddy Co., State: New Mexico

Blk: Survey:

Most Recent JobJob Category
MaintenancePrimary Job Type
Lift Change

Secondary Job Type

Job Start Date

4/7/2011

Job End Date

4/19/2011

Vertical - Original Hole, 5/10/2012 5:55:28 PM

MD (ft)	Vertical schematic (actual)	Column list (actual)			
		Item number	Description	OD	Top (MD)
-58.7	1-1; 1-1/4" x 26' Polish rod w/ 1-1/2" x 16' Liner, 26.00 ft				
9.8	17 1/2 in Wellbore 13 3/8 in; 48.00 bbl; 11-40; 700.00 ft				
36.1	1-2; 1" x 25' Norris "D" 97 steel sucker rod; 3,625.00 ft				
3,661.1	12 1/4 in Wellbore 9 5/8 in; 40.00 bbl; J-55; 4,225.00 ft				
7,786.1	1-3; 7/8" x 25' Norris "D" 97 steel sucker rod; 4,125.00 ft	1-1	2-7/8" EUE 8rd 6.5 ppf L-80 Tubing	2 7/8	-58.89
7,911.1					
7,914.0	1-4; 1" x 25' Norris "D" 97 steel sucker rod; 300.00 ft	1-2	2-7/8" x 5-1/2" Baker model "B" TAC w/ 40...	4 7/8	7,911.25
8,043.0		1-3	2-7/8" EUE 8rd 6.5 ppf L-80 Tubing	2 7/8	7,914.10
8,044.0		1-4	2-7/8" Standard SN	2 7/8	8,043.10
8,074.1		1-5	3-1/2" Gas separator w/ 2-7/8" collars	3 1/2	8,044.10
8,086.0	1-5; 7/8" x 1" x 4' Norris "D" 97 Pony rod w/ guides; 4.00 ft				
8,089.9	1-6; (2-1/2" x 1-3/4" x 30" RHBC) Pump # QK-5789; 30.00 ft	1-6	2-7/8" EUE 8rd 6.5 ppf L-80 Tubing	2 7/8	8,074.20
8,120.1					
8,139.1		1-7	2-7/8" Bull Plug	2 7/8	8,139.20
8,140.1	Wellbore				
8,649.9	8 3/4 in Wellbore Perforated; 8,650.00- 9,052.00; 8/4/2010				
9,051.8					
9,149.9	Perforated; 9,150.00- 9,552.00; 8/3/2010				
9,551.8					
9,649.9	Perforated; 9,650.00- 10,072.00; 8/3/2010				
10,071.8					
10,149.9	Perforated; 10,150.00- 10,552.00; 8/27/2010				
10,551.8					
10,649.9	Perforated; 10,650.00- 11,052.00; 8/14/2010				
11,051.8					
11,274.9	Perforated; 11,275.00- 11,577.00; 8/12/2010				
11,577.1					
11,649.9	Perforated; 11,650.00- 11,952.00; 8/10/2010				
11,952.1					
12,024.9	Perforated; 12,025.00- 12,327.00; 8/10/2010				
12,327.1					
12,399.9	Perforated; 12,400.00- 12,702.00; 8/5/2010				
12,702.1					
12,774.9	Perforated; 12,775.00- 13,075.00; 7/9/2010				
13,075.1					
13,089.9	Bridge Plug - Permanent; 13,090.00-13,092.00 5 1/2 in; 20.00 bbl; L-40; 13,113.00 ft				
13,091.9	Wellbore		Bridge Plug - Permanent	4.57	13,090.00

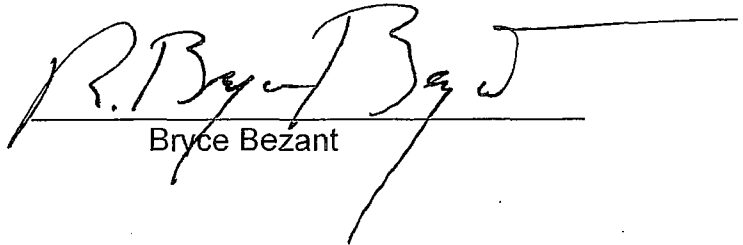


INTER-OFFICE MEMORANDUM

TO: Frank McCreight
FROM: Bryce Bezant
DATE: 7/20/2012
RE: Commercial Determination
PLU Pierce Canyon 12 #1H
Poker Lake Unit (Bone Spring) Field
Eddy County, New Mexico

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Pierce Canyon 12 #1H was drilled in 2010 to a total depth of 12,934' laterally completed in the Lower Avalon reservoir. The well is producing from perforations 8,100'-12,902'. On test 7/01/2010 the well flowed at the rate of 245 BOPD, 218 MCFD, and 3160 BWPD. This well is expected to recover approximately 196 MBOE (6:1 MCF/BBL) from the current completion.

The most recent strip price file was utilized, adjusting for current area differentials. Plant yields are 3.2 gpm with a gas sales fraction of 50.4%. An operating cost of \$13,017/month plus \$1.00/bbl water expense was also incorporated in this evaluation. The Pierce Canyon 12 #1H will not be a commercial well and should not be incorporated into a participating area.


Bryce Bezant

RBB/tah

Cc: Ross Sutton
George Hillis
Andy Morrison
Steve Johnson

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL PLU Pierce Canyon 12 #1H FORMATION LOWER AVALON
 LOCATION B P UNIT, 330 FEET FROM SOUTH LINE & 330 FEET FROM EAST LINE
 SECTION 12 TOWNSHIP 24S RANGE 29E COUNTY Eddy NEW MEXICO
 SPUD DATE 2/8/2010 COMPLETION DATE 6/22/2010 INITIAL PRODUCTION 7/1/2010
 PERFORATIONS 8100-12902
 BHL: 350' FNL & 890' FEL SEC 16 T25S R30E

STIMULATION:

ACID _____

 FRACTURE See Attached

POTENTIAL (40360): 245 BOPD, 218 MCFPD, 3160 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>160</u>	_____
Porosity (Φ), %	<u>8%</u>	_____
Water saturation (S_w), %	<u>40%</u>	_____
Net Thickness (H), ft.	<u>126</u>	_____
Temperature (T), Fahrenheit	<u>125</u>	_____
Bottom Hole pressure (P), psia	<u>3,500</u>	_____
Recovery factor (RF), %	<u>68%</u>	_____
Recoverable gas, BCF *(See eq. below)	<u>7.5</u>	_____

*Sometimes unable to match performance due to volumetric uncertainty and limited drainage in unconventional reservoirs.

Formula = $(7758) (A) (h) (por) (1-S_w)(RF)/B_{gi}$

$B_{gi} = 0.68$

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 11/30/2011 20,027 BBL Oil 229,628 MCF GasINITIAL RATE (qi) 392 MCFDECONOMIC LIMIT (ql) 18 MCFDHYPERBOLIC DECLINE RATE, dy n = 1.3, d = 49.88%/yrREMAINING MCF (Q) = 785,750ULTIMATE RECOVERABLE MCF 785,750

(Attach plat showing proration unit and participating area.)

ECONOMICGROSS WELL COST \$2,174,400 (to the depth of formation completed)COMPLETION COST \$3,261,600GROSS TOTAL COST \$5,436,000

<u>YEAR</u>	<u>GROSS MCF MMCF</u>	<u>BFIT NET INCOME (\$M)</u>	<u>OPERATING COST (\$M) INCL SEV & AD VAL TAX</u>	<u>5% NET BFIT DISCOUNTED CASH FLOW</u>
ZERO				
1	<u>118.277</u>	<u>1043.8</u>	<u>208.3</u>	<u>-4610.5</u>
2	<u>111.351</u>	<u>1083.8</u>	<u>375.6</u>	<u>758.8</u>
3	<u>83.704</u>	<u>700.7</u>	<u>406.6</u>	<u>395.6</u>
4	<u>81.978</u>	<u>708.6</u>	<u>388.5</u>	<u>386.1</u>
5	<u>61.943</u>	<u>539.6</u>	<u>381.1</u>	<u>249.1</u>
6	<u>50.505</u>	<u>438.9</u>	<u>376.9</u>	<u>170.0</u>
7	<u>43.108</u>	<u>374.4</u>	<u>374.2</u>	<u>120.9</u>
8	<u>37.636</u>	<u>327.0</u>	<u>372.3</u>	<u>86.5</u>
9	<u>33.610</u>	<u>293.2</u>	<u>370.9</u>	<u>63.0</u>
10	<u>30.454</u>	<u>267.4</u>	<u>91.1</u>	<u>45.9</u>
REMAINDER	<u>133.181</u>	<u>1197.3</u>	<u>1044.2</u>	<u>87.1</u>
TOTAL	<u>785.747</u>	<u>6974.5</u>	<u>4389.6</u>	<u>-2247.6</u>

WELL IS NOT COMMERCIAL

10:20:22AM

Lease Name : 1004405/PLU PIERCE CANYON 12 FED

Reserv Cat. : Proved Non-Producing

Field : PLU-CHK

Operator : BOPCO

Reservoir : Lower Avalon

Co., State : EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded

ar	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbl)	Gas (MMcf)	NGL (Mgal)
10	10.484	118.277	44.945	373.755	9.174	39.327	327.036
11	9.543	111.351	42.313	351.869	8.350	37.024	307.886
12	6.850	83.704	31.807	264.503	5.993	27.831	231.440
13	6.704	81.978	31.152	259.052	5.866	27.258	226.670
14	5.061	61.943	23.538	195.739	4.429	20.596	171.272
15	4.123	50.505	19.192	159.594	3.608	16.793	139.645
16	3.516	43.108	16.381	136.223	3.077	14.334	119.195
17	3.068	37.636	14.302	118.931	2.684	12.514	104.065
18	2.737	33.610	12.772	106.207	2.395	11.175	92.931
19	2.478	30.454	11.573	96.236	2.168	10.126	84.206

10.810	133.181	50.609	420.853	9.458	44.283	368.246
65.374	785.748	298.584	2,482.963	57.202	261.261	2,172.592
<u>65.374</u>	<u>785.748</u>					

ar	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
0	74.02	4.24	0.61	679.00	166.56	198.18	1,043.75
1	89.50	4.05	0.61	747.37	149.82	186.58	1,083.76
2	81.77	2.53	0.61	490.06	70.37	140.25	700.69
3	81.66	3.38	0.61	479.00	92.23	137.36	708.59
4	80.88	3.77	0.61	358.16	77.66	103.79	539.61
5	79.70	3.97	0.61	287.53	66.73	84.62	438.89
6	78.90	4.14	0.61	242.78	59.34	72.23	374.36
7	78.26	4.30	0.61	210.06	53.83	63.06	326.95
8	78.04	4.47	0.61	186.91	50.01	56.32	293.23
9	77.93	4.68	0.61	168.98	47.36	51.03	267.37
n	77.83	5.37	0.61	736.16	237.98	223.16	1,197.30
al	80.17	4.10	0.61	4,586.01	1,071.89	1,316.59	6,974.49

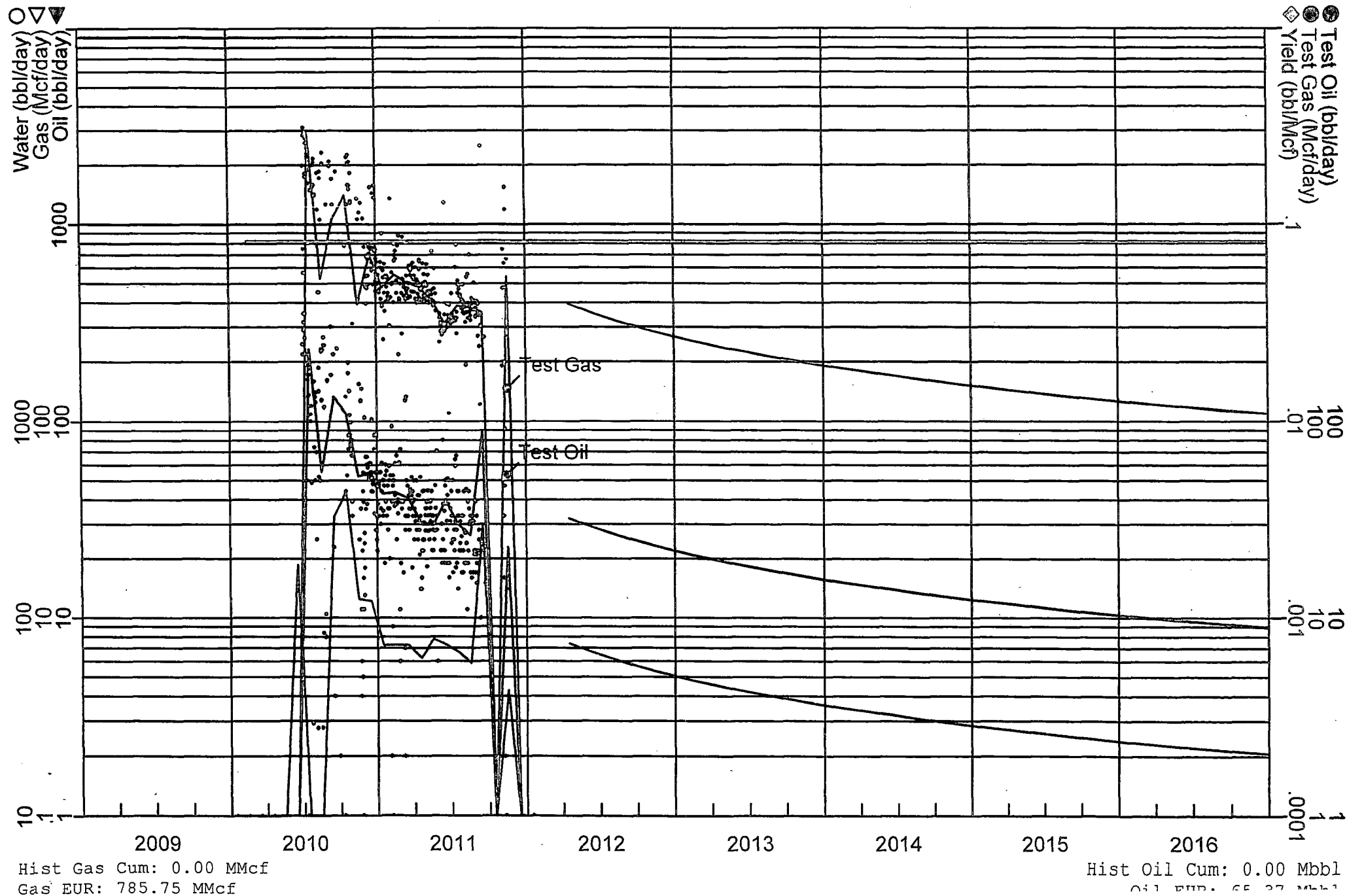
Expenditures				Future Net Revenue			
Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
78.01	52.19	5,436.00	78.10	-4,600.56	-4,600.56	-4,610.54	-4,610.54
80.54	54.19	0.00	156.20	792.83	-3,807.72	758.75	-3,851.80
52.00	35.03	0.00	171.96	441.70	-3,366.03	395.59	-3,456.20
52.76	35.43	0.00	171.62	448.78	-2,917.25	386.07	-3,070.13
40.25	26.98	0.00	167.84	304.53	-2,612.72	249.14	-2,820.99
32.78	21.94	0.00	165.69	218.48	-2,394.24	170.00	-2,650.99
27.99	18.72	0.00	164.29	163.36	-2,230.89	120.90	-2,530.10
24.47	16.35	0.00	163.26	122.88	-2,108.01	86.49	-2,443.61
21.96	14.66	0.00	162.50	94.11	-2,013.90	63.01	-2,380.60
20.04	13.37	0.00	161.90	72.05	-1,941.84	45.89	-2,334.71
89.96	59.87	0.00	894.32	153.15	153.15	87.10	87.10
520.76	348.72	5,436.00	2,457.70	-1,788.69	-1,788.69	-2,247.61	-2,247.61

Phase :	Gas	Working Int :	1.00000000	Present Worth Profile (M\$)	
:	0 0	Revenue Int :	0.87500000		
Rate :	11.926.64 Mcf/month	Disc. Initial Invest. (m\$) :	5.436.000		
Production :	1.664.95 Mcf/month	Internal ROR (%) :	>1000.0		
Decline :	49.88 % year b = 1.300	ROIInvestment (disc/undisc) :	0.59 / 0.67		
Ratio :	0.08 bbl/Mcf	Years to Payout :	0.00		
Ratio :	0.08 bbl/Mcf	Abandonment Date :	07/28/2025		
Fast Start :					
	Initial	1st Rev.	2nd Rev.		
	Working Interest :	1.00000000	0.00000000		
	Revenue Interest :	0.87500000	0.00000000		
	Rev. Date :				
				5.00% :	-2,247.61
				9.00% :	-2,536.27
				10.00% :	-2,599.91
				12.00% :	-2,718.47
				15.00% :	-2,877.21
				20.00% :	-3,100.36
				30.00% :	-3,436.30
				40.00% :	-3,676.88
				50.00% :	-3,857.90
				60.00% :	-3,999.42

1004405/PLU PIERCE CANYON 12 FED/1H/BON
Reservoir: Lower Avalon
APP EUR OIL:

Currently (3/2012) SI
because of pipeline
restrictions/plant
capacity.

FIELD_ONLY: PLU-CHK
CONTROL: 1004405
APP EUR GAS:



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvrs.
Other: AMENDED

2. Name of Operator: CHESAPEAKE AGENT FOR BOPCO Contact: Linda Good linda.good@chk.com

3. Address: P.O. BOX 18496
OKLAHOMA CITY, OK 73154-0496

3a. Phone No. (include area code): 405-935-4275

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

Sec 12 T24S R29E Mer NMP
At surface SESE 250FSL 217FEL

At top prod. interval reported below

At total depth: Sec 12 T24S R29E Mer NMP, NWNE 330FNL 2310FEL

14. Date Spudded: 02/08/2010

15. Date T.D. Reached: 03/12/2010

16. Date Completed: 06/22/2010
☐ D & A ☒ Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
3116 GL

18. Total Depth: MD 12934
TVD 7893

19. Plug Back T.D.: MD 12915
TVD 7874

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
ZDL CN DSDLL MLLHDLRCORXMAC

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☒ Yes (Submit copy)

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 Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top	Amount Pulled
17.500	13.375 H-40	48.0	0	700		1313		0	
12.250	9.625 J-55	40.0	0	3375	2045	1565		0	
8.750	5.500 L-80	20.0	0	12934	4410	2150		2750	

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	3061							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BONE SPRING	8100	12902	8100 TO 12902		650	OPEN
B)						
C)						
D)						

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

Depth Interval: 8100 TO 12902
Amount and Type of Material: FRAC W/65,000 GAL ACID, 128,767 BBL WATER & 4,523,901# SAND

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
7/01/10	7/01/10	24	→	245.0	218.0	3160.0	46.9		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	
			→	245.0	218.0	3160.0		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. 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 page 2)

OCD-Artesia

RECEIVED
DEC 29 2010
NMCD-ARTESIA

ACCEPTED FOR RECORD

DEC 21 2010

BUREAU OF LAND MANAGEMENT
GASLAD 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	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 (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	Description, Contents, etc.	Name	Top Meas. Depth
BONE SPRING	7092	8115	LIMESTONE & SHALE	TOP SALT	940'
FIRST BONE SPRING SAND	8115	12934	SS W/SOME LS. & MINOR SHALE	BASE OF SALT	3375
				BELL CANYON	3410
				CHERRY CANYON	4420
				BRUSHY CANYON	5528
				BONE SPRING	7092
				FIRST BONE SPRING SAND	8115

32. Additional remarks (include plugging procedure):

CONFIDENTIAL

FIELD: PIERCE CROSSING; BONE SPRING, EAST

THIS IS AN AMENDED COMPLETION RPT: CORRECTING THE PLUG BACK MD & TVD, AND BOTTOM PERF.

(CHK PN 630487)

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) LINDA GOOD

Title SR. REGULATORY COMPLIANCE SPECIALIST

Signature Linda Good

Date 12/13/2010

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.

(Continued on page 3)

(Form 3160-4, page 2)

As-Drilled Bottom Hole Location

Project Area

Producing Area

Project Area

Producing Area

217' S.L.

250'

3115.1' 3117.9' 3110.0' 3125.5'

SURFACE LOCATION
 Lat - N 32.2254783
 Long - W 103.9301931
 NMSPCE - N 445996.634
 E 665399.873
 (HAD-83)

REFERENCE SHEET FOR
UNDESIGNATED WELLS

	Fm	Pm	N	Pc
22-26 E	XX	XX	XX	

paragraph

1. Date: 8/30/2010	
2. Type of Well:	
Oil: XX	Gas:
3. County: EDDY	

4. Operator: CHESAPEAKE OPERATING INC		API NUMBER: 30 - 015 - 37518	
5. Address of Operator: PO BOX 18496 OKLAHOMA CITY, OK 73154-0496			
6. Lease name or Unit Agreement Name: PLU PIERCE CANYON 12 FEDERAL		7. Well Number: # - 1H	
8. Well Location: Unit Letter: P/B, 250/334 feet from the S/N line and 217/2321 feet from the E line Section 12 Township 24S Range 29E			

9. Completion Date: 7/1/2010	11. Perfs Top: 8100	Bottom: 12600	ID: 12934
10. Name of Producing Formation(s): BONE SPRING	12. Open Hole Casing shoe	Bottom:	PBTD: 12900

13. C-123 Filed: Y N XX	Date:	15. Name of Pool Requested or temporary Wildcat designation: PIERCE CROSSING;BONE SPRING, EAST	Pool ID num: 96473
16. Remarks: EXTEND			

TO BE COMPLETED BY DISTRICT GEOLOGIST

17. Action taken: EXTEND	18. Pool Name: PIERCE CROSSING;BONE SPRING, EAST	Pool ID num: 96473																					
<table border="0"> <tr> <td>T 24 S, R 29 E</td> <td>T 24 S, R 30 E</td> <td>T 25 S, R 29 E</td> </tr> <tr> <td>SEC 1: SW/4 & N/2</td> <td>SEC 6: N/2</td> <td>SEC 1: S/2</td> </tr> <tr> <td>SEC 9: SW/4</td> <td>SEC 32: SE/4</td> <td>SEC 12: SE/4 & N/2</td> </tr> <tr> <td>SEC 12: SE/4 & N/2</td> <td>SEC 33: W/2</td> <td></td> </tr> <tr> <td>SEC 13: E/2</td> <td></td> <td>T 25 S, R 30 E</td> </tr> <tr> <td>SEC 16: N/2</td> <td></td> <td>SEC 5: All</td> </tr> <tr> <td>SEC 28: N/2</td> <td></td> <td>SEC 6: NE/4</td> </tr> </table>			T 24 S, R 29 E	T 24 S, R 30 E	T 25 S, R 29 E	SEC 1: SW/4 & N/2	SEC 6: N/2	SEC 1: S/2	SEC 9: SW/4	SEC 32: SE/4	SEC 12: SE/4 & N/2	SEC 12: SE/4 & N/2	SEC 33: W/2		SEC 13: E/2		T 25 S, R 30 E	SEC 16: N/2		SEC 5: All	SEC 28: N/2		SEC 6: NE/4
T 24 S, R 29 E	T 24 S, R 30 E	T 25 S, R 29 E																					
SEC 1: SW/4 & N/2	SEC 6: N/2	SEC 1: S/2																					
SEC 9: SW/4	SEC 32: SE/4	SEC 12: SE/4 & N/2																					
SEC 12: SE/4 & N/2	SEC 33: W/2																						
SEC 13: E/2		T 25 S, R 30 E																					
SEC 16: N/2		SEC 5: All																					
SEC 28: N/2		SEC 6: NE/4																					

19. Advertised for HEARING:	20. Case Number
21. Name of pool for which was advertised: PIERCE CROSSING;BONE SPRING, EAST	
Pool ID num: 96473	
22. Placed in Pool	23. By order number: R-

**035.Schematic - Production****Chesapeake Operating Inc. - West Texas****Well Name: PLU PIERCE CANYON 12 FEDERAL #1H****Well ID: 30-015-37518****Field:****Sect: 12 Town: 24S Rng: 29E Eddy Co., State: New Mexico****Blk: Survey:****Most Recent Job**

Job Category	Primary Job Type	Secondary Job Type	Job Start Date	Job End Date
Maintenance	Rod Pump	Pump Repair	5/25/2011	6/1/2011

Horizontal - Original Hole, 5/10/2012 5:56:26 PM

MD (ftKB)	Vertical schematic (actual)	Column list (actual)				
		Item number	Description	OD	Top (MD)	Bot (MD)
4.9	2-1; 1-1/4" x 26' Polish rod w/ 1-1/2" x 16' Liner; 26.00 ft					
20.0	2-2; 1" x 2' Norris "D" 97 Pony rod; 2.00 ft					
30.9	2-3; 1" x 2' Norris "D" 97 Pony rod; 2.00 ft					
33.1	2-4; 1" x 6' Norris "D" 97 Pony rod; 6.00 ft					
35.1	2-5; 1" x 8' Norris "D" 97 Pony rod; 8.00 ft					
41.0	17 1/2 in Wellbore					
41.0	13 3/8 in; 48.00 lbf; H-40; 700.00 ftKB					
48.9	2-6; 1" x 25' Norris "D" 97 steel sucker rod; 1,925.00 ft					
1,974.1	12 1/4 in Wellbore					
3,967.2	2-7; 7/8" x 25' Norris "D" 97 steel sucker rod; 2,025.00 ft	5-1	2-7/8" EUE 8rd 6.5 ppf L-80 Tubing	2 7/8	20.00	7,267.20
3,988.2	9 5/8 in; 40.00 lbf; J-55; 3,375.00 ftKB					
3,988.5						
3,999.0						
4,004.3						
4,010.5						
4,015.4						
4,020.3						
4,050.9						
4,053.8	2-8; 3/4" x 25' Norris "D" 97 steel sucker rod; 3,075.00 ft					
7,074.1	2-9; 1" x 25' Norris "D" 97 steel sucker rod; 300.00 ft	5-2	2-7/8" x 5-1/2" Baker model "B" TAC / 4000...	4 7/8	7,267.20	7,270.05
7,267.1		5-3	2-7/8" EUE 8rd 6.5 ppf L-80 Tubing	2 7/8	7,270.05	7,397.85
7,270.9		5-4	2-7/8" Standard SN	2 7/8	7,397.85	7,398.85
7,374.0	2-10; (2-1/2" x 1-3/4" x 24' RHBC) Pump # QK-5619; 24.00 ft	5-5	3-1/2" Gas Separator w/ 2-7/8" collars	3 1/2	7,398.85	7,428.85
7,398.0		5-6	2-7/8" EUE 8rd 6.5 ppf L-80 Tubing	2 7/8	7,428.85	7,492.85
7,398.9		5-7	2-7/8" Bull Plug	2 7/8	7,492.85	7,493.65
7,428.8	Wellbore					
7,492.8						
7,493.8						
8,100.1	8 3/4 in Wellbore					
8,401.9	Perforated; 8,100.00-8,402.00; 5/16/2010					
8,475.1	Perforated; 8,475.00-8,777.00; 5/17/2010					
8,776.9	Perforated; 8,850.00-9,152.00; 5/17/2010					
8,850.1	Perforated; 9,225.00-9,527.00; 5/16/2010					
9,151.9	Perforated; 9,600.00-9,902.00; 5/15/2010					
9,225.1	Perforated; 9,975.00-10,277.00; 5/15/2010					
9,526.9	Perforated; 10,350.00-10,652.00; 5/15/2010					
9,600.1	Perforated; 10,725.00-11,027.00; 5/14/2010					
9,801.9	Perforated; 11,100.00-11,402.00; 5/11/2010					
9,875.1	Perforated; 11,475.00-11,777.00; 5/4/2010					
10,276.9	Perforated; 11,850.00-12,152.00; 5/4/2010					
10,350.1	Perforated; 12,225.00-12,527.00; 5/3/2010					
10,651.9	Perforated; 12,600.00-12,902.00; 4/29/2010					
10,725.1	Perforated; 12,915.00-12,917.00					
11,026.9	5 1/2 in; 20.00 lbf; L-80; 12,934.00 ftKB					
11,100.1	4 3/4 in Wellbore					
11,401.9						
11,475.1						
11,776.9						
11,850.1						
12,151.9						
12,225.1						
12,526.9						
12,600.1						
12,901.9						
12,915.0						
12,917.0						