

30 015 37646

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

August 30, 2017

**FEDERAL EXPRESS**

Bureau of Land Management  
Carlsbad District Office  
620 E. Green St.  
Carlsbad, New Mexico 88220  
Attn: Mr. Chris Walls

New Mexico State Land Office  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501  
Attention: Mr. Anchor Holm

New Mexico Oil Conservation Division  
1220 St. Francis  
Santa Fe, New Mexico 87505  
Attention: Mr. William Jones

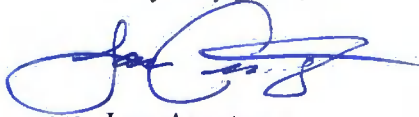
Re: Commercial Determination  
Poker Lake Unit 303H  
Delaware Formation  
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of XTO's (as agent and attorney in fact for BOPCO, LP) commercial determination worksheets and exhibits which indicate that the subject well is a non-commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination to the undersigned at the address above.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please do not hesitate to contact the undersigned at the number or email address below.

Very truly yours,



Law Armstrong  
(817) 885-2453  
Allen\_armstrong@xtoenergy.com

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## BOPCO, L.P.

Date: August 28, 2017

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: POKER LAKE UNIT 303H**  
**API 3001537646**  
**25S 31E Sec 4**  
**Eddy County, New Mexico**

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake Unit 303H was drilled in 2012 as a horizontal producer to a measured depth of 17,120' in the Delaware. The well is producing from perforations from 8386'-13845'. By mid-year 2017 the well has produced 52 kBO, and as of Aug 27, 2017 it was testing 23 bopd, 83 kcfd, and 581 bwpd on ESP. This well is expected to recover approximately 203 kBOE from the current completion. The 303H cost \$6.65M to drill and complete.

Historical data along with the most recent EIA future pricing estimates for oil and natural gas were utilized in the economic evaluation. Prices were adjusted downward by approximately 12% to account for local conditions. Operating costs were assumed to be \$10k/mo, declining to \$5k/mo plus a fixed \$0.75/bw cost for water disposal.

The Poker Lake 303H is expected to have a lifetime undiscounted cashflow of approximately -\$2.4M. It is a marginal producer with a very high water cut and is **not commercial**.

Trent Boneau  
Reservoir Engineering Advisor  
Delaware Basin Subsurface Team

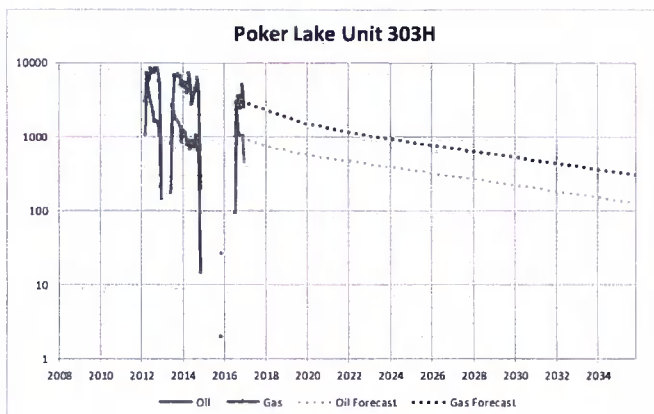
Well Name  
 API Number  
 Formation  
 Actual CAPEX, \$K  
 First Production Date  
 First Forecast Date  
 Cum Oil to Date (kbo)  
 Cum Wet Gas to Date (McF)  
 Water to Date (kbw)  
 Assumed Shrink  
 NGL Yield Assumed  
 WTI Price %  
 Hub Price %  
 NGL Price %  
 Tax Gas  
 Tax Oil  
 WI %  
 NRI %  
 OPGD/mo Yr 1-3  
 OPGD/mo Yr 4+  
 OPGD/water (\$/bbl)  
 CAPEX, \$M

Poker Lake Unit 303H  
 3001537646  
 Dehware  
 6648.313  
 5/1/2012  
 1/1/2017  
 42,192  
 145,406  
 1094,659  
 0.6  
 125  
 0.9  
 0.82  
 0.8  
 8.19  
 7.09  
 100  
 85.16263  
 10000  
 5000  
 0.75  
 6648.313

## NON-COMMERCIAL

TOTAL NCF 0% DISCOUNT -2,393 K\$  
 TOTAL NCF 5% DISCOUNT -3,369 K\$

EUR Oil 138255 bo  
 EUR Wet Gas 389266 kecf



ECONOMICS MODULE

	Date	Oil Volume	Wet Gas Volume	Dry Gas Volume	NGL Volume, gals	Oil Price	Gas Price	NGL Price	Total Gross Revenue	Net Revenue	Total Opex	Local Taxes	Net Oper Income	Total Capital	BTax CFlow	Discounted Cash Flow 5%
		<i>BO</i>	<i>kecf</i>	<i>kecf</i>	<i>gal</i>	<i>\$/BO</i>	<i>\$/kecf</i>	<i>\$/gal</i>	<i>M\$</i>	<i>M\$</i>	<i>M\$</i>	<i>M\$</i>	<i>M\$</i>	<i>M\$</i>	<i>M\$</i>	<i>M\$</i>
HISTORICAL	2012	21039	55611	33367	291958	94.10	2.75	0.73	2027.4	1727	459.4	134.30	1133	6648.313	-5515	-5515
HISTORICAL	2013	9943	29217	17530	153389	97.90	3.73	0.76	1022.8	871	313.5	66.81	491	0	491	467
HISTORICAL	2014	11195	60382	36229	317006	93.30	4.39	0.72	1253.9	1068	337.8	78.98	651	0	651	590
HISTORICAL	2015	15	196	118	1029	49.00	2.63	0.38	1.2	1	60.3	0.07	-59	0	-59	-51
HISTORICAL	2016	5670	8908	5399	47280	43.00	2.52	0.33	243.2	207	170.3	15.98	21	0	21	17
FORECAST	2017	10603	32567	19540	170978	46.07	2.70	0.36	531.8	453	266.3	34.30	152	0	152	119
FORECAST	2018	8719	26954	15632	136782	49.37	2.89	0.38	466.4	397	229.7	30.05	137	0	137	103
FORECAST	2019	7431	20843	12506	109426	52.90	3.10	0.41	421.5	359	204.6	27.16	127	0	127	90
FORECAST	2020	6644	17395	10437	91323	56.68	3.32	0.44	399.5	340	189.3	25.76	125	0	125	85
FORECAST	2021	6046	15307	9184	80364	60.73	3.56	0.47	387.6	330	177.7	24.98	127	0	127	82
FORECAST	2022	5502	13471	8082	70720	65.08	3.81	0.50	376.1	320	167.1	24.24	129	0	129	79
FORECAST	2023	5007	12034	7220	63178	69.73	4.09	0.54	365.7	311	157.4	23.56	130	0	130	76
FORECAST	2024	4556	10951	6571	57492	74.71	4.38	0.58	356.6	304	148.7	22.94	132	0	132	74
FORECAST	2025	4146	9965	5979	52318	80.06	4.51	0.62	346.8	295	140.7	22.35	132	0	132	70
FORECAST	2026	3773	9068	5441	47609	81.58	4.61	0.63	321.7	274	133.4	20.71	120	0	120	61
FORECAST	2027	3434	8252	4951	43324	83.13	4.71	0.64	298.3	254	126.8	19.20	108	0	108	52
FORECAST	2028	3125	7510	4506	39425	84.71	4.81	0.66	276.7	236	120.8	17.80	97	0	97	44
FORECAST	2029	2843	6834	4100	35877	86.32	4.92	0.67	256.6	219	115.3	16.50	87	0	87	38
FORECAST	2030	2587	6219	3731	32648	88.00	5.00	0.68	238.0	203	110.3	15.31	77	0	77	32
FORECAST	2031	2355	5659	3395	29710	89.58	5.02	0.69	220.3	188	105.8	14.18	68	0	68	27
FORECAST	2032	2143	5150	3090	27036	91.20	5.04	0.71	203.9	174	101.7	13.13	59	0	59	22
FORECAST	2033	1950	4686	2812	24603	92.84	5.05	0.72	188.7	161	97.9	12.16	51	0	51	18
FORECAST	2034	1774	4264	2559	22388	94.51	5.07	0.73	174.7	149	94.5	11.26	43	0	43	15
FORECAST	2035	1615	3881	2328	20373	96.00	5.09	0.74	161.4	137	91.4	10.41	36	0	36	12
FORECAST	2036	1469	3531	2119	18540	97.34	5.09	0.75	148.8	127	88.6	9.60	28	0	28	9
FORECAST	2037	1337	3214	1928	16871	98.71	5.08	0.77	137.1	117	86.0	8.86	22	0	22	6
FORECAST	2038	1217	2924	1755	15353	100.09	5.08	0.78	126.4	108	83.7	8.17	16	0	16	4
FORECAST	2039	1107	2661	1597	13971	101.49	5.08	0.79	116.6	99	81.5	7.54	10	0	10	3
FORECAST	2040	1008	2422	1453	12714	103.00	5.07	0.80	107.6	92	79.6	6.96	5	0	5	1
TOTAL		138255	389266	233559	2043644				11177	9519	4540	723	4255	6648	-2393	-3369

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

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

RECEIVED

JUN 07 2012

Form C-102  
Revised October 15, 2009  
Submit one copy to appropriate  
District Office

NONCD ARTESIA

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-015-37646</b>	Pool Code <b>50386</b>	Pool Name <b>Poker Lake S (Delaware)</b>
Property Code <b>306402</b>	Property Name <b>POKER LAKE UNIT</b>	Well Number <b>303H</b>
GRID No. <b>260737</b>	Operator Name <b>BOPCO, L.P.</b>	Elevation <b>3411'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	4	25 S	31 E		1264	SOUTH	2310	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
0	32	24 S	31 E		299	SOUTH	1890	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>280</b>			

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 - N 32°10'03.50"  
 Long - W 103°47'48.75"  
 NMSPCE- N 425122.040  
 E 665997.150  
 (NAD-27)

**SURFACE LOCATION  
DELAWARE ENTRY POINT**  
 Lat - N 32°09'20.31"  
 Long - W 103°47'00.86"  
 NMSPCE- N 420778.451  
 E 670135.483  
 (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* 6-5-12  
 Signature Date

**Sandra J. Belt**  
 Printed Name

*sjbelt@basspet.com*

**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 10 2010  
 Date Surveyed

*[Signature]*  
 Signature of Professional Surveyor

7977  
 Professional No.

22000  
 Certificate No.

Gary L. Jones 7977  
 Certificate No.

BASIN SURVEYS

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
OMB NO 1004-0137  
Expires: October 31, 2014

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NMNM0304570
b Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr.		6 If Indian, Allottee or Tribe Name
Other: _____		7. Unit or CA Agreement Name and No NMNM71016X
2. Name of Operator BOPCO, L.P.		8. Lease Name and Well No Poker Lake Unit 303H
3 Address P O Box 2760 Midland Tx 79702		9. API Well No. 30-015-37646
3a Phone No (include area code) (432)683-2277		10 Field and Pool or Exploratory Poker Lake, S (Delaware)
4. Location of Well (Report location clearly and in accordance with Federal requirements)*  At surface UL N; SESW; 4, 25S, 31E; 1264' FSL 2310 FWL; Lat N.32092031 Long. 103.470086  At top prod interval reported below  At total depth UL O; SWSE 32, 24S, 31E; 299 FSL 1890 FEL; Lat N 32.100350 Long. W 103.474875		11. Sec, T, R., M, on Block and Survey or Area 4; T25S; R31E
14. Date Spudded 03/04/2012		12 County or Parish Eddy
15. Date T D Reached 04/05/2012		13 State NM
16. Date Completed 05/05/2012 <input type="checkbox"/> D & A <input type="checkbox"/> Ready to Prod.		17. Elevations (DF, RKB, RT, GL)*

18. Total Depth: MD 13,845' TVD 7,954'	19. Plug Back T D MD TVD	20. Depth Bridge Plug Set: MD TVD
---	-----------------------------	--------------------------------------

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) Caliper; PltExpAITCFL/GR; PltExpTDLDCmpNeut	22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit copy)
--	--

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 Pumped
17-1/2"	13-3/8 H40	48.00	0	872		860 CC	243	Circulate	
12-1/4"	9-5/8 CC	40.00	0	4,319		1,430 CC	443	Circulate	
8-3/4"	7 N80	26.00	0	8,386		350 TL;VC	145	Circulate	
6-1/8"	4-1/2 HCP	11.60	8295	13,815					

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8	7,404							

Formation	Top	Bottom	26. Perforation Record	Size	No. Holes	Perf Status
A) Delaware	4,340	6,508	8,495 - 13,766	Frac	Port	Producing
B)						
C)						
D)						

Depth Interval	Amount and Type of Material
8,494 - 13,764	210,000 gals. 25# Linear Gel; 1,489,383 gals. 2500 Viking; 264,998 lbs. 16/30 Ottawa; 305,126 lbs. 16/30 Super LC (CRC)

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
5/17/12	5/27/12	24	→	146	388	2,616	42.7	0.8122	
Choke Size	Tbg. Press Flwg. SI	Csg. Press.	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
48/640	160	110	→	146	388	2,616	2657	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)

RECEIVED  
JUN 12 2012  
NMCD ARTESIA

CONFIDENTIAL

RECLAMATION  
DUE 11-5-12

ACCEPTED FOR RECORD

JUN 10 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	4,340	5,244	Sandstone	Rustler	434'
Cherry Canyon	5,244	6,508	Sandstone	Salado	824'
Brushy Canyon	6,508	NR	Sandstone	base/Salt	4,085'
				Lamar	4,302'
				Bell Canyon	4,340'
				Cherry Canyon	5,244'
				Lo Cherry Canyon	6,437'
				Brushy Canyon	6,508

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. 7379

Title Sr. Regulatory Clerk

Signature Sandra J. Belt

Date 06/06/2012

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)