

30 015 42009

**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 323H  
Delaware Formation  
Eddy County, New Mexico

Gentlemen:

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

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

Very truly yours,

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

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

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

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

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

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

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

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

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

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

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

**BOPCO, L.P.**

Date: August 28, 2017

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: POKER LAKE UNIT 323H**  
**API 3001542009**  
**25S 30E Sec 8**  
**Eddy County, New Mexico**

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake Unit 323H was drilled in 2014 as a horizontal producer to a measured depth of 16,705' in the Delaware. The well is producing from perforations from 7831'-16695'. By mid-year 2017 the well has produced 160 kBO, and as of Aug 12, 2017 it was testing 60 bopd, 336 kcf/d, and 786 bwpd on ESP. This well is expected to recover approximately 692 kBOE from the current completion. The 323H cost \$9.09M 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 323H is expected to have a lifetime undiscounted cashflow of approximately \$9.5M and bring > 10% rate of return. **It is commercial.**

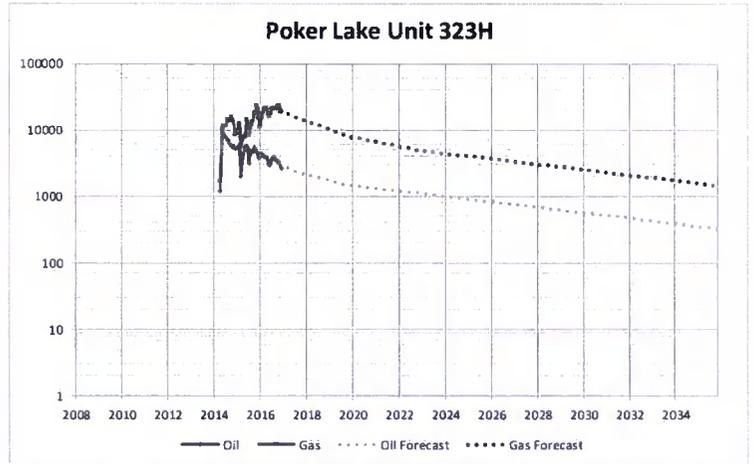
Trent Boneau  
Reservoir Engineering Advisor  
Delaware Basin Subsurface Team

Well Name **Poker Lake Unit 323H**  
 API Number **3001542009**  
 Formation **Delaware**  
 Actual CAPEX, \$K **9092.09**  
 First Production Date **6/1/2014**  
 First Forecast Date **1/1/2017**  
 Cum Oil to Date (kbo) **154,901**  
 Cum Wet Gas to Date (McF) **477,846**  
 Water to Date (kbw) **1658.442**  
 Assumed Shrink **0.6**  
 NGL Yield Assumed **125**  
 WTI Price % **0.9**  
 HHub Price % **0.82**  
 NGL Price % **0.8**  
 Tax Gas **8.19**  
 Tax Oil **7.09**  
 W1 % **100**  
 NRI % **85.11875**  
 OPX/mo Yr 1-3 **10000**  
 OPX/mo Yr 4+ **5000**  
 OPX/water (\$/bbl) **0.75**  
 CAPEX, \$K **9092.09**

**COMMERCIAL**

TOTAL NCF 0% DISCOUNT **9,525 KS**  
 TOTAL NCF 5% DISCOUNT **4,027 KS**

EUR Oil **404150 bo**  
 EUR Wet Gas **1725069 kcf**  
 EUR BOE **691,661**



**ECONOMICS MODULE**

Date	Oil Volume	Wet Gas Volume	Dry Gas Volume	NGL Volume, gals	Oil Price \$/BO	Gas Price \$/kcf	NGL Price \$/gal	Total Gross Revenue MS	Net Revenue MS	Total Oprost MS	Local Taxes MS	Net Oper Income MS	Total Capital MS	BTax CFflow MS	Discounted Cash Flow 5% MS	
																BO
HISTORICAL	2014	46412	78624	47174	412776	93.30	4.39	0.63	4275.0	3639	432.7	279.71	2926	9092.09	-6166	-6166
HISTORICAL	2015	57888	129787	77872	681382	49.00	2.63	0.33	2901.1	2469	584.8	189.24	1695	0	1695	1615
HISTORICAL	2016	44834	228004	136802	1197021	43.00	2.52	0.29	2295.7	1954	480.0	145.13	1329	0	1329	1205
FORECAST	2017	31046	200520	120312	1052729	46.07	2.70	0.31	1815.7	1546	309.3	112.96	1123	0	1123	970
FORECAST	2018	23962	150390	90234	789547	49.37	2.89	0.33	1489.3	1268	252.4	92.43	923	0	923	759
FORECAST	2019	19264	112792	67675	592160	52.90	3.10	0.36	1258.4	1071	214.7	78.13	778	0	778	610
FORECAST	2020	16953	89381	53628	469248	56.68	3.32	0.38	1154.6	983	196.1	71.89	715	0	715	533
FORECAST	2021	15428	75974	45584	398861	60.73	3.56	0.41	1107.1	942	183.9	69.02	689	0	689	490
FORECAST	2022	14039	64578	38747	339032	65.08	3.81	0.44	1062.6	904	172.7	66.34	665	0	665	450
FORECAST	2023	12776	56593	33956	297113	69.73	4.09	0.47	1027.4	875	162.6	64.14	648	0	648	418
FORECAST	2024	11626	51500	30900	270373	74.71	4.38	0.50	1001.8	853	153.4	62.42	637	0	637	391
FORECAST	2025	10580	46865	28119	246039	80.06	4.51	0.54	972.6	828	145.0	60.75	622	0	622	364
FORECAST	2026	9627	42647	25588	223896	81.58	4.61	0.55	902.2	768	137.3	56.30	574	0	574	320
FORECAST	2027	8761	38809	23285	203745	83.13	4.71	0.56	836.9	712	130.3	52.18	530	0	530	281
FORECAST	2028	7972	35316	21190	185408	84.71	4.81	0.57	776.3	661	124.0	48.36	488	0	488	247
FORECAST	2029	7255	32137	19282	168721	86.32	4.92	0.58	720.0	613	118.3	44.83	450	0	450	216
FORECAST	2030	6602	29245	17547	153536	88.00	5.00	0.59	667.8	568	113.0	41.57	414	0	414	190
REMAINDER		59125	261909	157145	1375021				6675	5682	1855	418	3409	0	3409	1134
<b>TOTAL</b>		<b>404150</b>	<b>1725069</b>	<b>1035041</b>	<b>9056610</b>				<b>30939</b>	<b>26335</b>	<b>5765</b>	<b>1953</b>	<b>18617</b>	<b>9092</b>	<b>9525</b>	<b>4027</b>

DISTRICT I  
1025 N. French Dr., Hobbs, NM 88240  
Phone (505) 393-6101 Fax: (505)-393-0720

DISTRICT II  
811 S. First St., Artesia, NM 88210  
Phone (505) 748-1283 Fax: (505) 748-9720

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3400 Fax: (505) 476-3462

**RECEIVED** **AMENDED REPORT**  
*As Drilled*

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015-42009</b>	Pool Code <b>47545</b>	Pool Name <b>Nash Draw; Delaware/Bone Spring (Av. Snd)</b>
Property Code <b>306402</b>	Property Name <b>POKER LAKE UNIT</b>	Well Number <b>323H</b>
OGRID No. <b>260737</b>	Operator Name <b>BOPCO, L.P.</b>	Elevation <b>3302'</b>

**Surface Location**

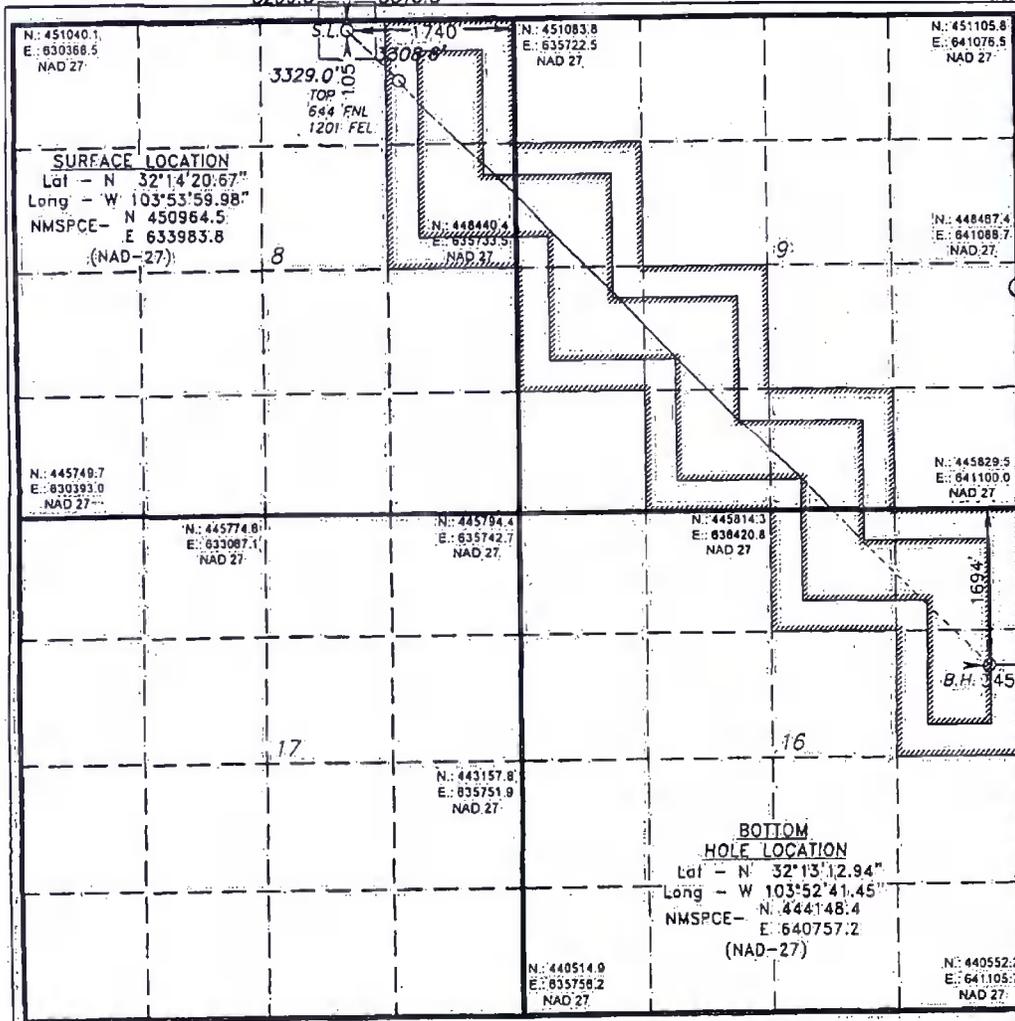
UL or lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
B	8	24 S	30 E		105	NORTH	1740	EAST	EDDY

**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
H	16	24 S	30 E		1694	NORTH	345	EAST	EDDY

Dedicated Acres <b>400</b>	Joint or Infill	Consolidation Code	Order No.
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**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**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.

*Tracie J Cherry* 07/08/13  
Signature Date

Tracie J Cherry  
Printed Name  
tjcherry@basspet.com  
Email Address

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

OCTOBER 25, 2013  
Date Surveyed

Signature & Seal of Professional Surveyor

Certificate No. Gary L. Jones 7977  
**BASIN SURVEYS**

0' 1000' 2000' 3000' 4000'  
SCALE: 1" = 2000'  
WO Num.: 29642

NM OIL CONSERVATION

ARTESIA DISTRICT

DCD Artesia  
SEP 18 2014

Form 3160-4  
(August 2007)

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

RECEIVED

5. Lease Serial No.  
NMLC068430

1a. Type of Well  Oil Well  Gas Well  Dry  Other  
 b. Type of Completion  New Well  Work Over  Deepen  Plug Back  Diff. Resvr.  
 Other \_\_\_\_\_

6. If Indian, Allottee or Tribe Name \_\_\_\_\_

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

2. Name of Operator  
BOPCO LP  
 Contact: TRACIE J CHERRY  
 E-Mail: tjcherry@basspet.com

8. Lease Name and Well No.  
POKER LAKE UNIT 323H

3. Address P O BOX 2760  
MIDLAND, TX 79702  
 3a. Phone No. (include area code)  
Ph: 432-221-7379

9. API Well No.  
30-015-42009-00-S1

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
 At surface Sec 8 T24S R30E Mer NMP  
 NWNE 105FNL 1740FEL  
 At top prod interval reported below Sec 8 T24S R30E Mer NMP  
 NENE 644FNL 1201FEL  
 At total depth Sec 16 T24S R30E Mer NMP  
 SENE 1694FNL 345FEL

10. Field and Pool, or Exploratory  
NASH DRAW

11. Sec., T., R., M., or Block and Survey  
or Area Sec 8 T24S R30E Mer NMP

12. County or Parish  
EDDY

13. State  
NM

14. Date Spudded  
04/12/2014

15. Date T.D. Reached  
05/08/2014

16. Date Completed  
 D & A  Ready to Prod.  
06/12/2014

17. Elevations (DF, KB, RT, GL)\*  
3302 GL

18. Total Depth: MD 16710  
TVD 7532

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 RESISTIVITY POROSITY

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 J55	54.5	0	751		1550	427	0	
12.250	9.625 N80	40.0	0	3655		1410	435	0	
8.750	7.000 HCP-110	26.0	0	7647	5000	610	252		
6.125	4.500 HCP-110	11.6	7407	16695					

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	6845							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BRUSHY CANYON	7226	16710	7831 TO 16710			OH COMPLETION SYSTEM
B)						
C)						
D)						

26. Perforation Record

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

Depth Interval	Amount and Type of Material
7831 TO 16710	FRAC DOWN CSG USING TOTAL OF 112162 BBLs FLUID, 1991006# PROPANT ACROSS 28 STAGES

RECLAMATION  
DIR 12-12-14

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
06/19/2014	06/30/2014	24	→	251.0	422.0	2048.0			ELECTRIC-PUMP-SUB-SURFACE
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
SI			→	251	422	2048		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
			→						SEP 16 2014
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
SI			→						

(See Instructions and spaces for additional data on reverse side)  
 ELECTRONIC SUBMISSION #251972 VERIFIED BY THE BLM WELL INFORMATION SYSTEM  
 \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

AB

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 of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
RUSTLER	320	630	ANHYDRITE	RUSTLER	320
SALADO	630	3170	SALT	BASE OF SALT	3170
BELL CANYON	3653	4580	SANDSTONE	LAMAR	3645
CHERRY CANYON	4580	5804	SANDSTONE	BELL CANYON	3653
BRUSHY CANYON	5804		SANDSTONE (BTM NOT REACHED)	CHERRY CANYON	4580
				BRUSHY CANYON	5804

32. Additional remarks (include plugging procedure):

\*\*\*\*CONFIDENTIAL COMPLETION\*\*\*\*

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 #251972 Verified by the BLM Well Information System.  
For BOPCO LP, sent to the Carlsbad  
Committed to AFMS for processing by DUNCAN WHITLOCK on 07/09/2014 (14DW0143E)

Name (please print) TRACIE J CHERRY

Title REGULATORY ANALYST

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

Date 07/08/2014

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 \*\*