

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

RECEIVED OGD

2017 SEP 26 P 4:48

September 22, 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 395H
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: September 6, 2017

To: Law Armstrong

From: Trent Boneau

Re: **Commercial Determination: POKER LAKE UNIT 395H**
API 3001541075
24S 31E Sec 29
Eddy County, New Mexico

Attached is the economic worksheet and well forecast to be submitted for commercial determination. The Poker Lake Unit 395H was drilled in 2013 as a horizontal producer to a measured depth of 14,147' in the Delaware. The well is producing from perforations from 8505'-13532'. By mid-year 2017 the well has produced 203 kBO, and as of Sept 2017 was testing 40 bopd, 155 kcf, and 366 bwpd. This well is expected to recover approximately 598 kBOE from the current completion. The 395H cost \$6.88M 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 395H is expected to have a lifetime undiscounted cashflow of approximately \$14.75M and bring > 10% rate of return. **It is commercial.**

Trent Boneau
Reservoir Engineering Advisor
Delaware Basin Subsurface Team

Well Name Poker Lake Unit 395H
 API Number 3001541075
 Formation Delaware
 Actual CAPEX, \$K 6879.003
 First Production Date 9/1/2013
 First Forecast Date 1/1/2017
 Cum Oil to Date (kbo) 177
 Cum Wet Gas to Date (Mcf) 502
 Water to Date (kbw) 1377
 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 % 87.5
 OPX/mo Yr 1-3 10000
 OPX/mo Yr 4+ 5000
 OPX/water (\$/bb) 0.75
 CAPEX, \$k 6879.003

COMMERCIAL

TOTAL NCF 0% DISCOUNT 14,707 KS
 TOTAL NCF 5% DISCOUNT 9,791 KS
 EUR Oil 400350 bo
 EUR Wet Gas 1188722 kcf
 EUR BOE 598,470

ECONOMICS MODULE



Date	Oil Volume <i>BO</i>	Wet Gas Volume <i>kcf</i>	Dry Gas Volume <i>kcf</i>	NGL Volume, <i>gals</i>	Oil Price <i>\$ BO</i>	Gas Price <i>\$ kcf</i>	NGL Price <i>\$ gal</i>	Total		Total Opcost <i>M\$</i>	Local Taxes <i>M\$</i>	Net Oper Income <i>M\$</i>	Total Capital <i>M\$</i>	BTax CFlow <i>M\$</i>	Discounted Cash Flow <i>M\$</i>	
								Gross Revenue <i>M\$</i>	Net Revenue <i>M\$</i>							
HISTORICAL	2013	65969	119812	71887	629013	97.90	3.73	0.71	6388.8	5590	474.5	432.52	4683	6879.003	-2196	-2196
HISTORICAL	2014	69414	192666	115600	1011497	93.30	4.39	0.67	6790.9	5942	524.6	450.92	4967	0	4967	4730
HISTORICAL	2015	31742	105524	63314	554001	49.00	2.63	0.35	1693.5	1482	305.0	112.39	1064	0	1064	965
HISTORICAL	2016	25256	89818	53891	471545	43.00	2.52	0.31	1206.1	1055	207.2	79.64	768	0	768	664
FORECAST	2017	21791	78018	46811	409597	46.07	2.70	0.33	1116.5	977	187.0	73.51	716	0	716	589
FORECAST	2018	18705	65552	39331	344148	49.37	2.89	0.36	1022.7	895	169.0	67.22	659	0	659	516
FORECAST	2019	16482	57422	34453	301465	52.90	3.10	0.38	964.5	844	156.1	63.27	625	0	625	466
FORECAST	2020	14870	51306	30784	269356	56.68	3.32	0.41	930.7	814	146.7	60.95	607	0	607	431
FORECAST	2021	13531	46175	27705	242420	60.73	3.56	0.44	905.7	792	138.9	59.22	594	0	594	402
FORECAST	2022	12314	41558	24935	218178	65.08	3.81	0.47	881.3	771	131.8	57.55	582	0	582	375
FORECAST	2023	11205	37402	22441	196360	69.73	4.09	0.50	857.6	750	125.3	55.94	569	0	569	349
FORECAST	2024	10197	33662	20197	176724	74.71	4.38	0.54	834.6	730	119.4	54.38	556	0	556	325
FORECAST	2025	9279	30296	18177	159052	80.06	4.51	0.58	809.5	708	114.1	52.87	541	0	541	301
FORECAST	2026	8444	27266	16360	143147	81.58	4.61	0.59	749.4	656	109.2	48.94	498	0	498	264
FORECAST	2027	7684	24539	14724	128832	83.13	4.71	0.60	693.7	607	104.8	45.30	457	0	457	231
FORECAST	2028	6993	22085	13251	115949	84.71	4.81	0.61	642.2	562	100.8	41.93	419	0	419	202
FORECAST	2029	6363	19877	11926	104354	86.32	4.92	0.62	594.6	520	97.1	38.82	384	0	384	176
FORECAST	2030	5791	17889	10734	93919	88.00	5.00	0.64	550.4	482	93.8	35.95	352	0	352	154
FORECAST	2031	5269	16100	9660	84527	89.58	5.02	0.65	508.4	445	90.7	33.25	321	0	321	133
REMAINDER		39051	111754	67052	586707				4067	3559	1068	268	2223	0	2223	711
TOTAL		400350	1188722	713233	6240790				32208	28182	4464	2132	21586	6879	14707	9791

DISTRICT I
1025 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 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

RECEIVED
NOV 05 2013
Submit one copy to appropriate District Office

Form C-102
Revised July 18, 2010

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT
"As drilled"

API Number 30-015-41075	Pool Code 96047	Pool Name POKER LAKE (DELAWARE) SW
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 395H
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3460'

Surface Location

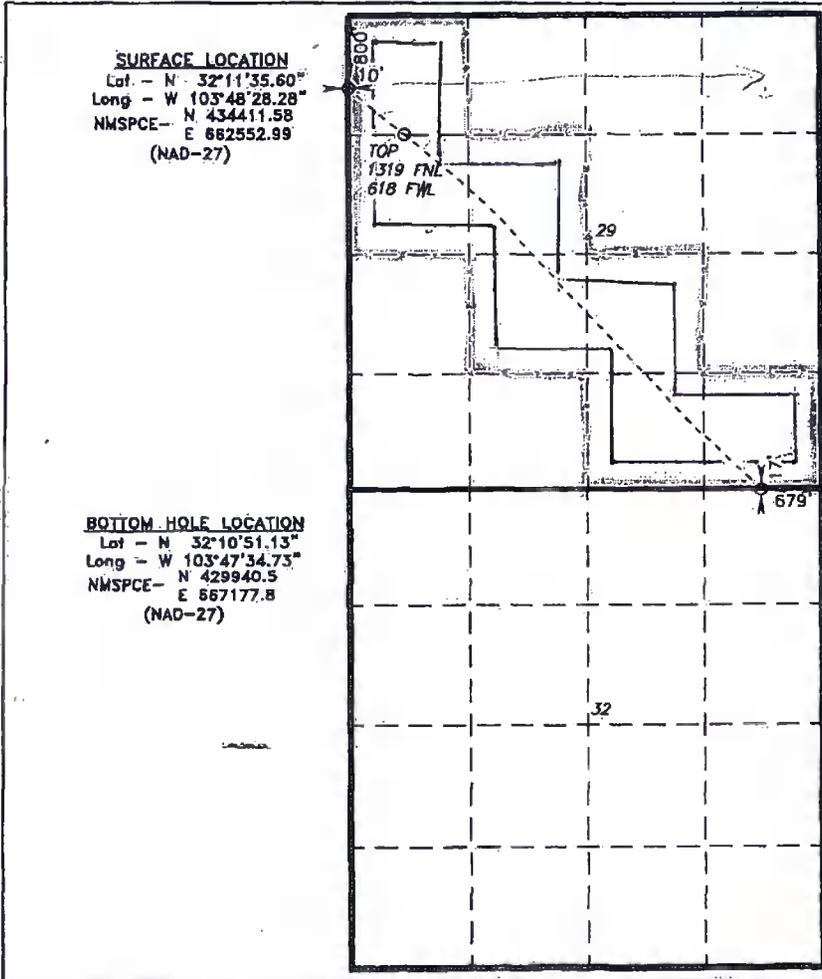
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	29	24 S	31 E		800	NORTH	10	WEST	EDDY

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	32	24 S	31 E		17	NORTH	679	EAST	EDDY

Dedicated Acres 280	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



SURFACE LOCATION
Lat - N 32°11'35.60"
Long - W 103°48'28.28"
NMSPC - N 434411.58
E 662552.99
(NAD-27)

BOTTOM HOLE LOCATION
Lat - N 32°10'51.13"
Long - W 103°47'34.73"
NMSPC - N 429940.5
E 567177.8
(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.

Tracie J Cherry 01-27-13
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.

Gary L. Jones
Date Surveyed
Signature & Seal of Professional Surveyor
7977

Certificate No. Gary L. Jones 7977
BASSIN SURVEYS 26959

DISTRICT I
1825 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
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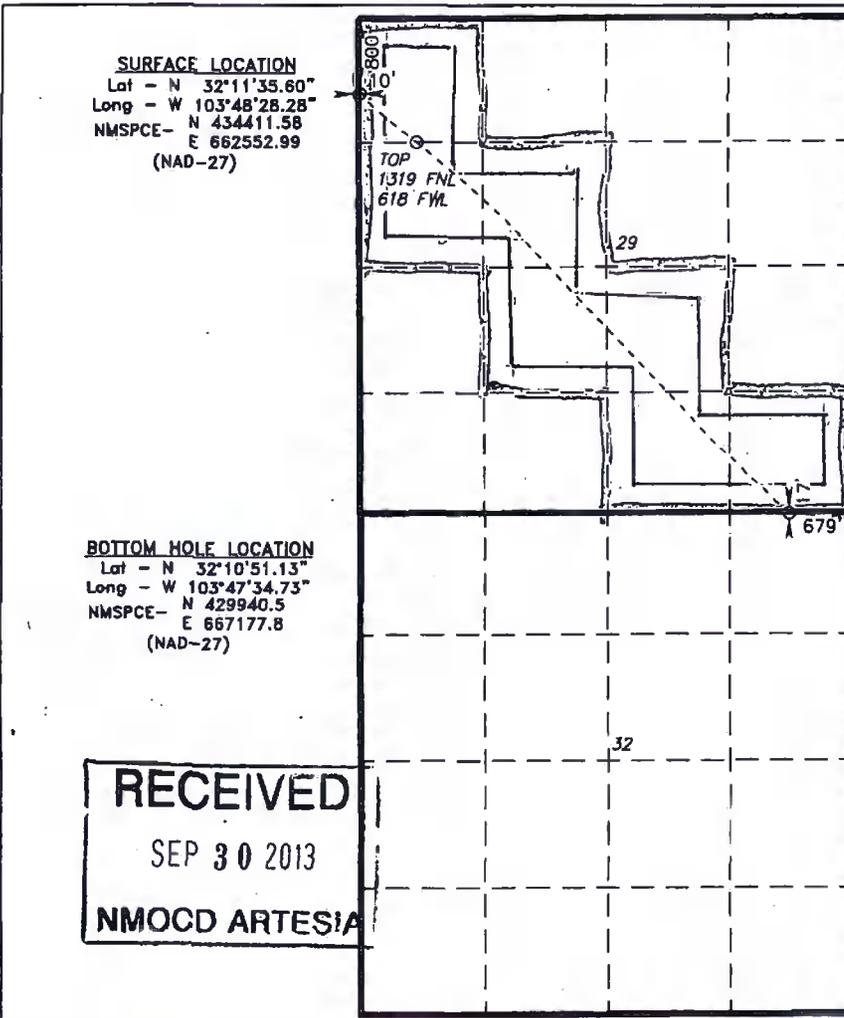
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Dedicated Acreage 280	Joint or Infill	Consolidation Code	Order No.
--------------------------	-----------------	--------------------	-----------

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



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 09-27-13
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.

Date Surveyed
Signature & Seal of Professional Surveyor
Certificate No. Gary L. Jones 7977
BASIN SURVEYS 26959

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

5. Lease Serial No. NMNM0506

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No. POKER LAKE UNIT 395H

9. API Well No. 30-015-41075-00-S1

10. Field and Pool, or Exploratory POKER LAKE DELAWARE

11. Sec., T., R., M., or Block and Survey or Area Sec 29 T24S R31E Mer NMP

12. County or Parish EDDY

13. State NM

14. Date Spudded 06/22/2013

15. Date T.D. Reached 07/21/2013

16. Date Completed 08/26/2013
 D & A Ready to Prod.

17. Elevations (DF, KB, RT, GL)* 3460 GL

18. Total Depth: MD 14147 TVD 8084

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 J-55	61.0	0	910		800		0	
12.250	9.625 J-55	40.0	0	4260		1440		0	
8.750	7.000 HCL-80	26.0	0	8321	5000	620		2840	
6.125	4.500 HCP-110	11.6	8208	14132					

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	7286							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BRUSHY CANYON	7842	14147	8505 TO 13244			OPEN FRAC PORTS
B)			13526 TO 43532	0.430	36	OPEN
C)						
D)						

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

Depth Interval	Amount and Type of Material
8505 TO 13532	FRAC USING 38203 BBLs FLUID, 1762769# PROPANT OVER 17 STAGES

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
09/03/2013	09/03/2013	24	▶	195.0	166.0	3584.0		0.84	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	
			▶	195	166	3584	851	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
			▶						BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			▶						

ACCEPTED FOR RECORD

NOV 2 2013

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

(See Instructions and spaces for additional data on reverse side)
ELECTRONIC SUBMISSION #221491 VERIFIED BY THE BLM WELL INFORMATION SYSTEM
** BLM REVISED **

RECLAMATION
DUE 2-26-14

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
				SALADO	910
				BASE OF SALT	4005
				LAMAR	4227
				BELL CANYON	4247
				CHERRY CANYON	5100
				BRUSHY CANYON	6408

32. Additional remarks (include plugging procedure):

Please hold information confidential

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 #221491 Verified by the BLM Well Information System.

For BOPCO LP, sent to the Carlsbad

Committed to AFMSS for processing by JUNE CARRASCO on 10/24/2013 (14JNC0148SE)

Name (please print) TRACIE J CHERRY

Title REGULATORY ANALYST

Signature _____ (Electronic Submission)

Date 09/27/2013

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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