

Bold Energy, LP

N.M. Oil Cons. DIV-Dist. 2

UNITED STATES 1301 W. Grand Avenue
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT Artesia, NM 88210

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☐DEEPEN ☐RE-ENTER ☒

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Bold Energy, LP

233545

R-111-POTASH

3. ADDRESS AND TELEPHONE NO.

415 W. Wall, Suite 500, Midland, Texas 79701, (432) 686-1100

4. LOCATION OF WELL (REPORT LOCATION CLEARLY AND IN ACCORDANCE WITH ANY STATE REQUIREMENTS)

AT SURFACE

1979 1980' FNL & 660' FWL

AT PROPOSED PROD. ZONE

JD SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

15 miles due East of Loving, NM

15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED

TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION

TO NEAREST WELL DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

8000'

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

0

APPROX. DATE WORK WILL START

10/10/05

23.

CURRENT CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WT PER FT	SETTING DEPTH	QUANTITY OF CEMENT
30"	20" Conductor	N/A	35'	Cement to surface with Redi-Mix
20"	16" H-40	65	465'	425 sx - circulate to surface
12 1/4"	10 3/4" K-55	28	3,900'	2950 sx - circulate to surface
9 1/2"	7 5/8" N-80	26.4	8,000'	2400 sx - DV Tool @ 7700'

ALL CASING WILL BE NEW, OR USED MEETING BLM SPECS.

NOTE: THIS WELLBORE WAS ABANDONED IN 1992 AND IS BEING RE-ENTERED TO TEST A DELAWARE INTERVAL FROM 7600' TO 8000'

APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS
 AND SPECIAL STIPULATIONS
 ATTACHED

A MUD PROGRAM IS NOT PLANNED SINCE THIS IS A RE-ENTRY OF AN EXISTING WELLBORE.

MUD PROGRAM SUBJECT TO CHANGE DUE TO HOLE CONDITIONS

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24.

SIGNED

TITLE

DATE

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

PERMIT NO.

APPROVAL DATE

CONDITIONS OF APPROVAL IF ANY:

ACTING

APPROVED BY

TITLE

DATE

STATE DIRECTOR

NOV 10 2005

TITLE 18 U.S.C. SECTION 1001, MAKES IT A CRIME FOR ANY PERSONS 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

APPROVAL FOR 1 YEAR

DISTRICT I

1625 N. FRENCH DR., HOBBES, 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

Form C-10:

Revised JUNE 10, 200

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name <i>Unders. Foamy Niner Ridge, Delaware</i> Belaware Oil
Property Code	Property Name SANDY	Well Number 1
GRID No.	Operator Name BOLD ENERGY, LP	Elevation 3257'

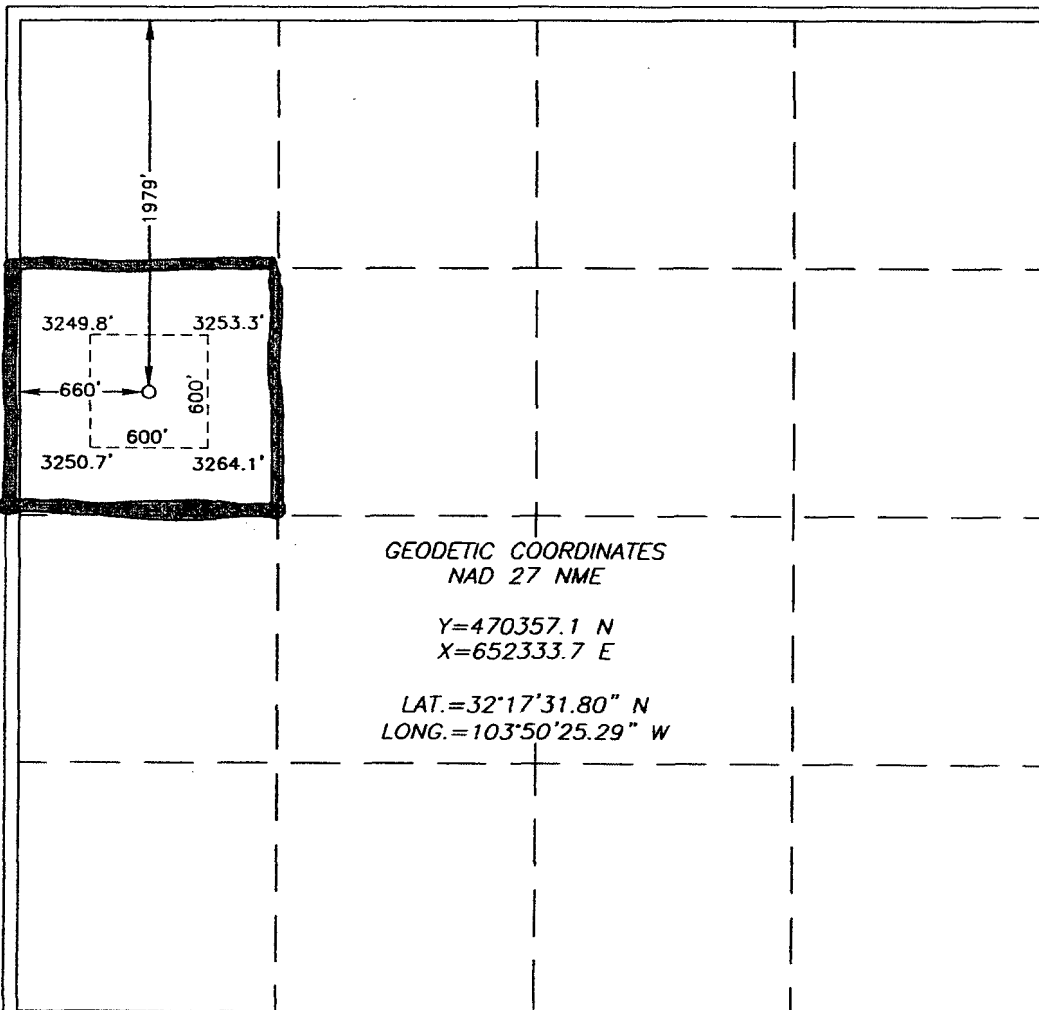
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	24	23-S	30-E		1979	NORTH	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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
40	F	N/A	N/A						

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 the the information
contained herein is true and complete to the
best of my knowledge and belief.

Vernon D. Dyer
Signature

Vernon D. Dyer
Printed Name

Agent
Title

9-27-2005
Date

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.

SEPTEMBER 14, 2005

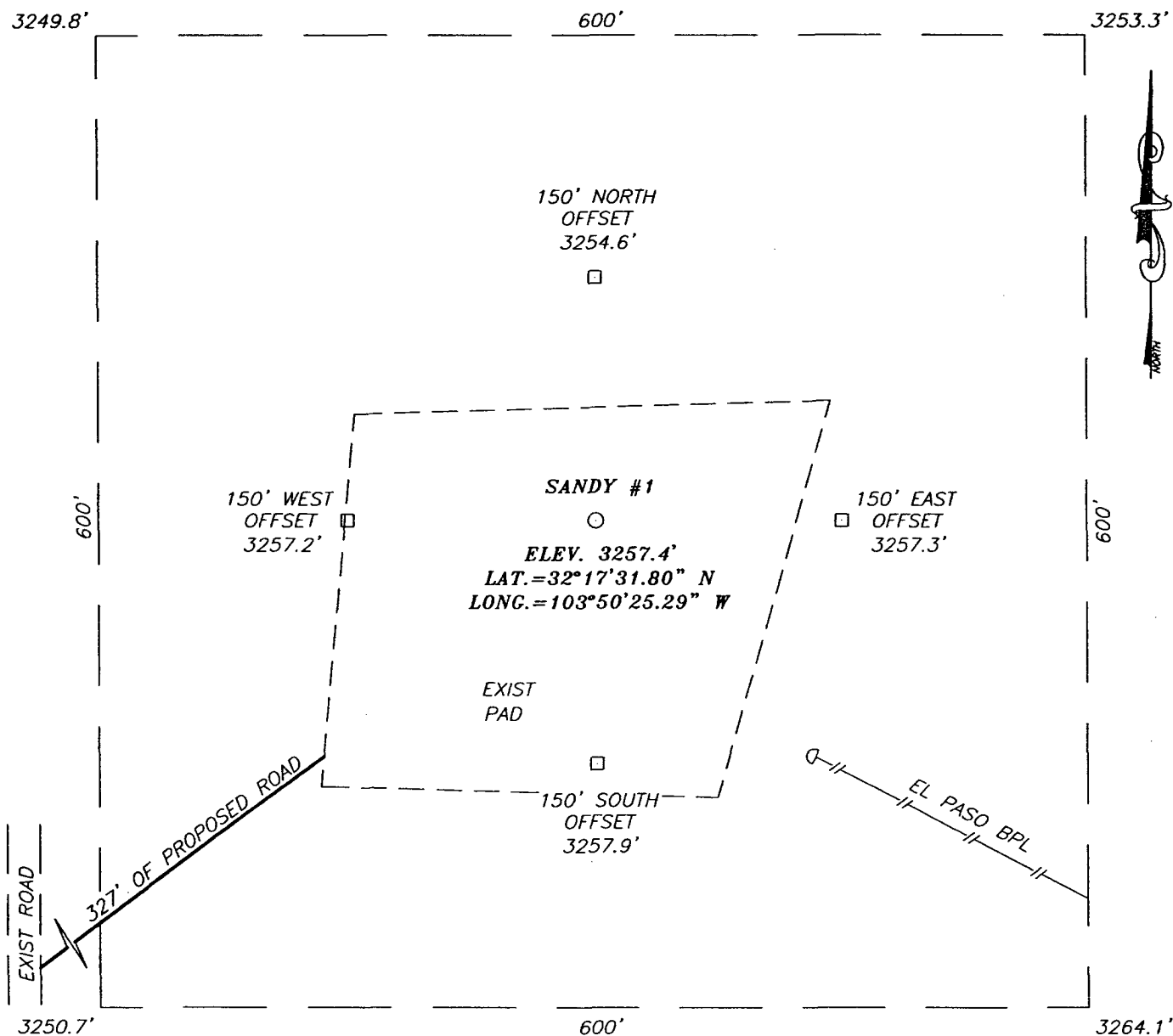
Date Surveyed _____ JR

Signature & Seal of
Professional Surveyor

Gary Edson
GARY EDSON
NEW MEXICO
05.11.403
9/22/05

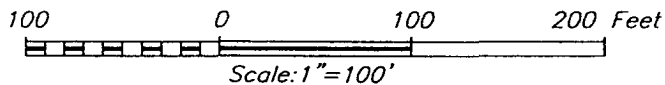
Certificate No. GARY EDSON 12841

SECTION 24, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #128 AND CO. RD. #795 (MOBLEY RANCH RD.) GO SE ON CO. RD. #795 FOR APPROX. 0.1 MILES, BEND LEFT (EAST/SE) AND GO APPROX. 0.1 MILES, BEND RIGHT (SE/SOUTH) AND GO APPROX. 0.15 MILES, BEND LEFT (SE) AND GO APPROX. 0.7 MILES, BEND LEFT (SOUTH/SE) AND GO APPROX. 2.9 MILES. TURN LEFT (EAST) AND GO APPROX. 1.17 MILES. TURN LEFT (NORTH) AND GO APPROX. 0.11 MILES. FOLLOW PROPOSED NEW ROAD APPROX. 0.1 MILES NE TO THE SWc OF OLD PAD. THIS LOCATION IS APPROX. 200' NE.



BOLD ENERGY, LP

SANDY #1 WELL
 LOCATED 1979 FEET FROM THE NORTH LINE
 AND 660 FEET FROM THE WEST LINE OF SECTION 24,
 TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 09/14/05	Sheet 1 of 1 Sheets
W.O. Number: 05.11.1403	Dr By: J.R.
Date: 09/20/05	Rev 1: N/A
Disk: CD#5	05111403
	Scale: 1"=100'

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 383-3117

Potash Lease Owners:
 (1) International Minerals & Chemical Corporation
 (2) Teledyne Potash Company

Teledyne Potash Company

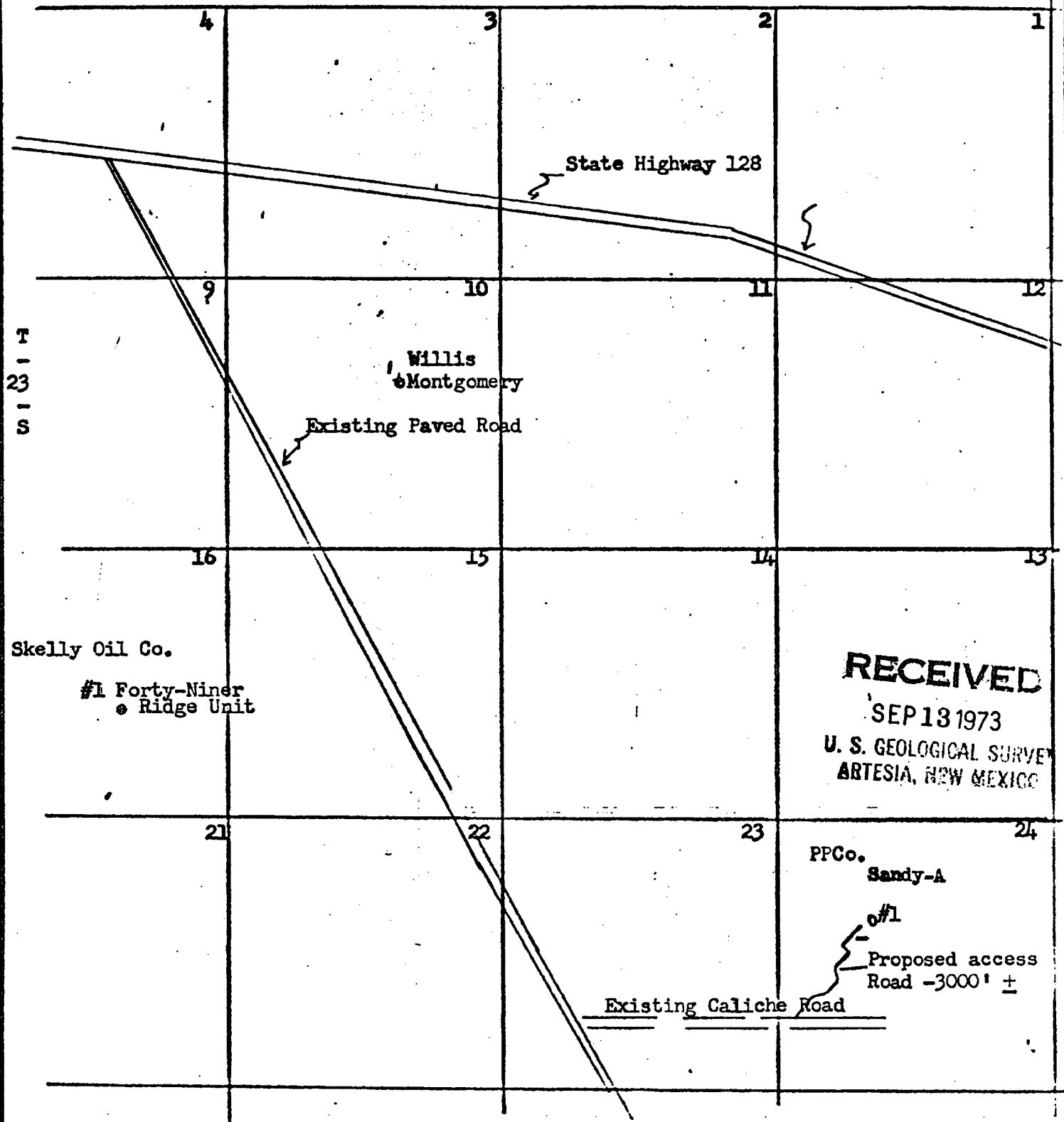
80

RECEIVED
SEP 13 1977

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

Def - 28 - 2

R-30-E



RECEIVED
SEP 13 1973
U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

PHILLIPS PETROLEUM COMPANY

BARTLESVILLE, OKLAHOMA

DEVELOPMENT PLAN FOR SURFACE USE

Sandy-A Well No. 1

= 1980' FM&W lines, Section 24, T-23-S, R-30-E, Eddy
County, New Mexico

DRAWN 11/11/73 S-30-73

AFE. NO.

DWG. NO.

Application for Re-Entry

Bold Energy, LP

Sandy ~~100~~ #1

Section 24 - T23S - R30E

EDDY County, New Mexico

In conjunction with Form 3160-3, Application For Permit To Drill Or Deepen subject well, Bold Energy , LP submits the following ten items of pertinent information in accordance with Onshore Oil & Gas Order No 10.

1. **Geologic Name of Surface Formation:** Triassic Red Beds

2. **Estimated Tops of Significant Geologic Markers:**

Rustler	150'
Salt Section	470' - 980'
Castile	2,290'
Delaware Lime	3,868'
Bone Springs	7,738'
Plug-Back Depth	8,000

3. **Estimated Depths at which Water, Oil, or Gas Formations are expected:**

Water Approximately 200' to 400' for surface water.

Oil: Delaware at approximately 7,600 ft to 7,800 ft.

Gas: Delaware at approximately 7,600 ft to 7,800 ft.

4. **Proposed Casing Program:**

See Form 3160-3 for a description of the Casing currently present in the well.

5. **Pressure Control Equipment:**

A 3,000 psi WP Hydraulic BOP will be used for well control during a reverse-out drilling operation. BOP rams will be function tested daily. A dual casing-valve B-Section will be installed so that fluids may be injected, or so that pressure may be relieved to a contained flow-back tank.

6. **Drilling Fluid Program:**

See Form 3160-3

7. **Auxiliary Equipment:**

H₂S Compliance Package.

8. **Testing, Logging, and Coring Program:**

Drill Stem Tests: NA

Logging: Cement Bold Log 3900 ft to PBTD

Coring: None

9. **Abnormal Conditions, Pressures, Temperature, or Potential Hazards:**

This operation consists of a Re-Entry of a plugged-out wellbore. The plugs will be drilled out down to 8100.

A bond log will be run from 8100 ft to 6000 ft to identify the TOC.

A CIBP will be set at 8000 ft, and a pressure test will be conducted to test the casing integrity.

10. **Anticipated Starting Date & Duration of Operation:**

Road and location construction will not begin until approval of the APD has been received from the State. The anticipated move-in date is October 10, 2005 but will be dependent upon availability of a suitable rig. Once commenced, the operations to should be finished in approximately 10 days. Completion will consist of perforating a Delaware interval from 7,666' to 7,696' and performing a swab test. If warranted, a stimulation treatment will be conducted.

SURFACE USE PLAN
Bold Energy, LP
Sandy ~~1~~ #1
1980' FNL & 660' FWL
Section 24 - T23S - R30E
EDDY COUNTY, NEW MEXICO

1. Existing Roads:

EXHIBIT "A" is a portion of a New Mexico map showing the proposed location, which is approximately

2. Planned Access Roads:

Approximately _____ of new road will be built to access this location and construction shall comply with

3. Location of Existing Wells:

See EXHIBIT "B".

4. Location of Tank Batteries, Electric Lines, Etc:

In the event a producing well is drilled, production facilities will be built on the location.

5. Location and Type of Water Supply:

Water will be obtained from commercial sources.

6. Source of Construction Material:

If construction material is needed, it will be acquired from local sources and transported over existing roads to the wellsite.

7. Methods of Handling Waste Disposal:

- A. Drill cuttings will be collected in steel pits, solubilized, and disposed of in commercial disposal facilities.
- B. All trash, junk and other waste material will be contained in trash cages or bins to prevent its scattering. Upon completion of drilling operations, contents of the cages and/or bins will be disposed into an approved sanitary land fill.
- C. Mud materials remaining after completion of drilling operations will be removed by the supplier, including any broken sacks.
- D. Facilities for human waste will be maintained on-site and the waste will be disposed in the manner required by current laws and regulations.
- E. Any collected drilling fluids will be hauled to a state approved disposal site.
Water produced during the completion operations will be put into the reserve pits or collected into tanks and hauled to a state approved disposal site.
Oil and/or condensate accumulated during completion testing will be placed into storage tanks and sold.

**SURFACE USE PLAN
Bold Energy, LP
Sandy Unit #1
1980' FNL & 660' FWL
Section 24 - T23S - R30E
EDDY COUNTY, NEW MEXICO**

8. Ancillary Facilities:

No additional facilities are anticipated.

9. Wellsite Layout:

- A. EXHIBIT "D" shows the relative location and dimensions of the well pad, and major rig components. Since a specific rig has not been identified, the actual location may differ from this plat but this layout is typical of the equipment used in this area.
- B. The land is rolling and sandy.
- C. The pad has been staked. There will be no excavation of pits.
- D. There will be no reserve pit.

10. Plan for Restoration of the Surface:

- A. After drilling and completion operations are completed, all equipment and other materials not needed for further operations will be removed. The location cleaned of all trash to leave the wellsite as pleasant in appearance as practicable.
- B. If the proposed operation is nonproductive, all restoration and/or vegetation requirements of the State of NM will be complied with and the reclamation will be accomplished as quickly as possible.
- C. There will be no pits excavated, hence no pit restoration will be required. Drainage systems, if any, will be reshaped to the original configuration with provisions to alleviate erosion; however, natural drainage may need to be modified to prevent inundation of the well pad and surface facilities. After the area has been shaped and contoured, any topsoil set aside during construction will be placed over the disturbed area to the extent possible. Re-vegetation procedures will comply with State of New Mexico requirements.
- D. If the well is dry and abandoned, the pad and road will be contoured to match the existing terrain and any topsoil set aside at construction will be spread to the extent possible. Revegetation will comply with State of New Mexico requirements.

11. Other Information:

- A. The surface and mineral owner is the United States. The grazing Lessee is J. C. Mills at P. O. Box 190, Abernathy, Texas 79311(#77032), and he has been contacted regarding operations.
- B. The topography consists of sandy soil with native grasses. No wildlife was observed, but the usual inhabitants of this region are Jackrabbits, Reptiles, Coyotes, etc.
- C. There are no ponds, lakes, or rivers in this area.
- D. An Archaeological Survey has been ordered and a copy to be sent to the Carlsbad BLM Office. There are no occupied dwellings and no windmills in the area.

**SURFACE USE PLAN
Bold Energy, LP
Sandy #1
1980' FNL & 660' FWL
Section 24 - T23S - R30E
EDDY COUNTY, NEW MEXICO**

12. OPERATOR'S REPRESENTATIVE:

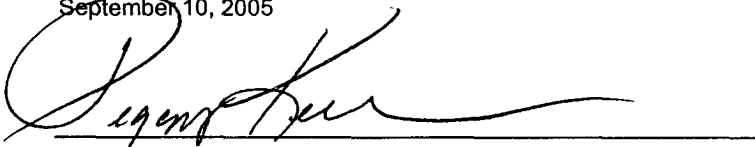
A. The representative responsible for assuring compliance with the approved Surface Use Plan is:

Person's Name	Ms. Peggy Kerr
Company Name	Bold Energy LP
Address	415 W. Wall, STE 500, Midland, TX 79701
Phone	432-686-1100

13. CERTIFICATION:

I certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; that the work associated with operations proposed herein will be performed by Bold Energy, LP and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of Title 18 U.S.C. Section 1001 for the filing of a false statement.

September 10, 2005

A handwritten signature in black ink, appearing to read "Peggy Kerr", is written over a horizontal line.

Bold Energy, LP
415 W.Wall, Suite 500
Midland, Texas 79701

EXHIBIT "C"

BOP EQUIPMENT

Bold Energy, LP
Sandy ~~2228~~ #1
1980' FNL & 660' FWL
Section 24 - T23S - R30E
EDDY County, New Mexico

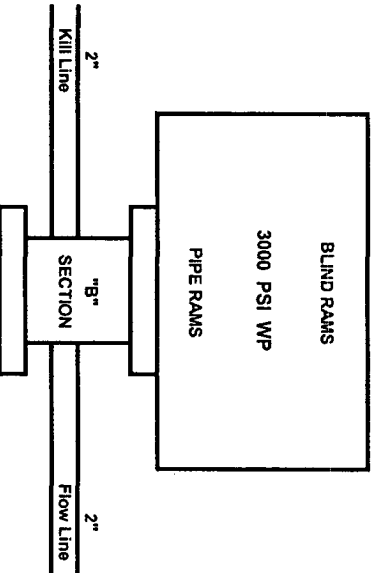
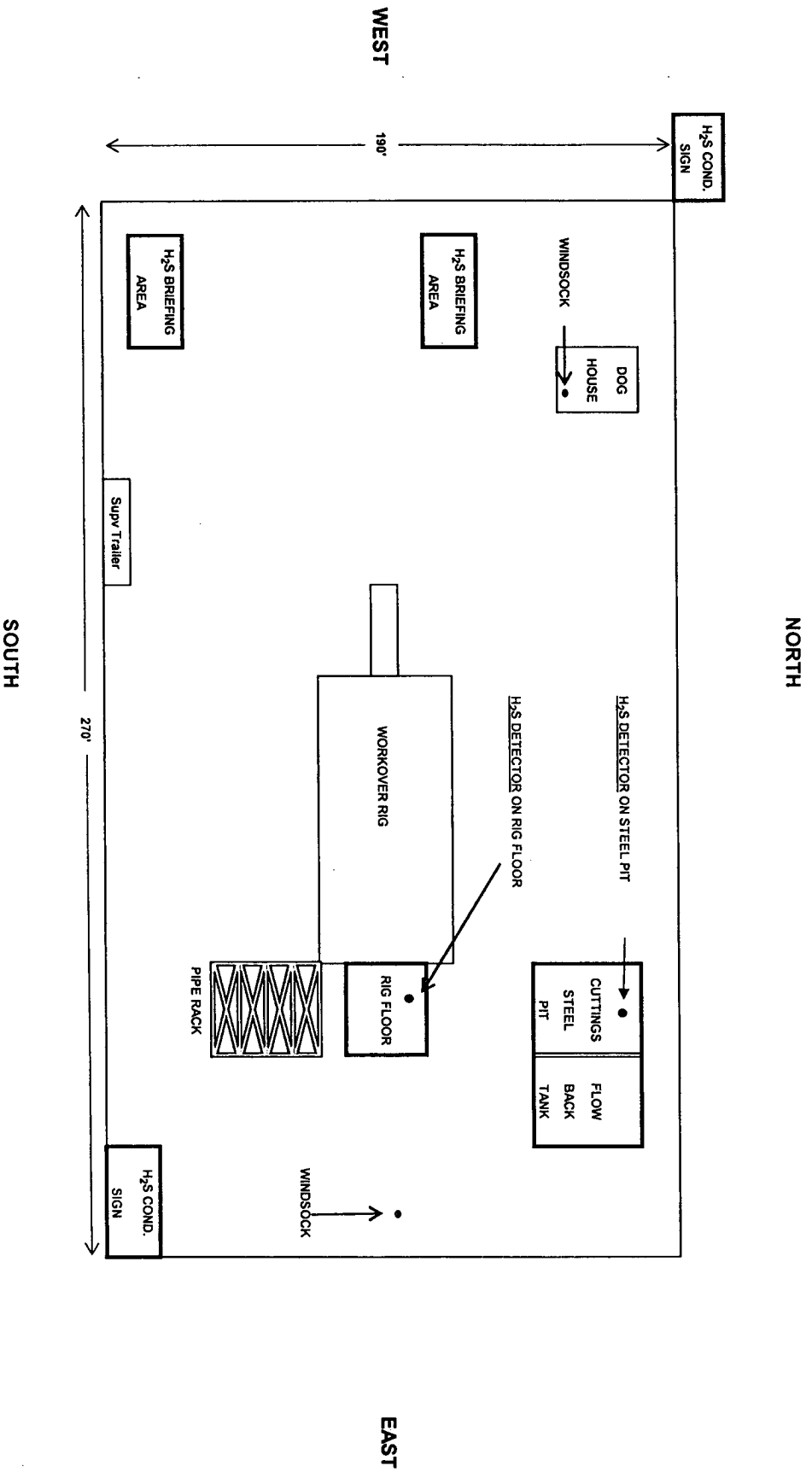


EXHIBIT "D"

LOCATION DIAGRAM

Bold Energy, LP
Sandy ~~Area~~ #1
1980' FNL & 660' FWL
Section 24 - T23S - R30E
EDDY County, New Mexico



EDDY County, New Mexico

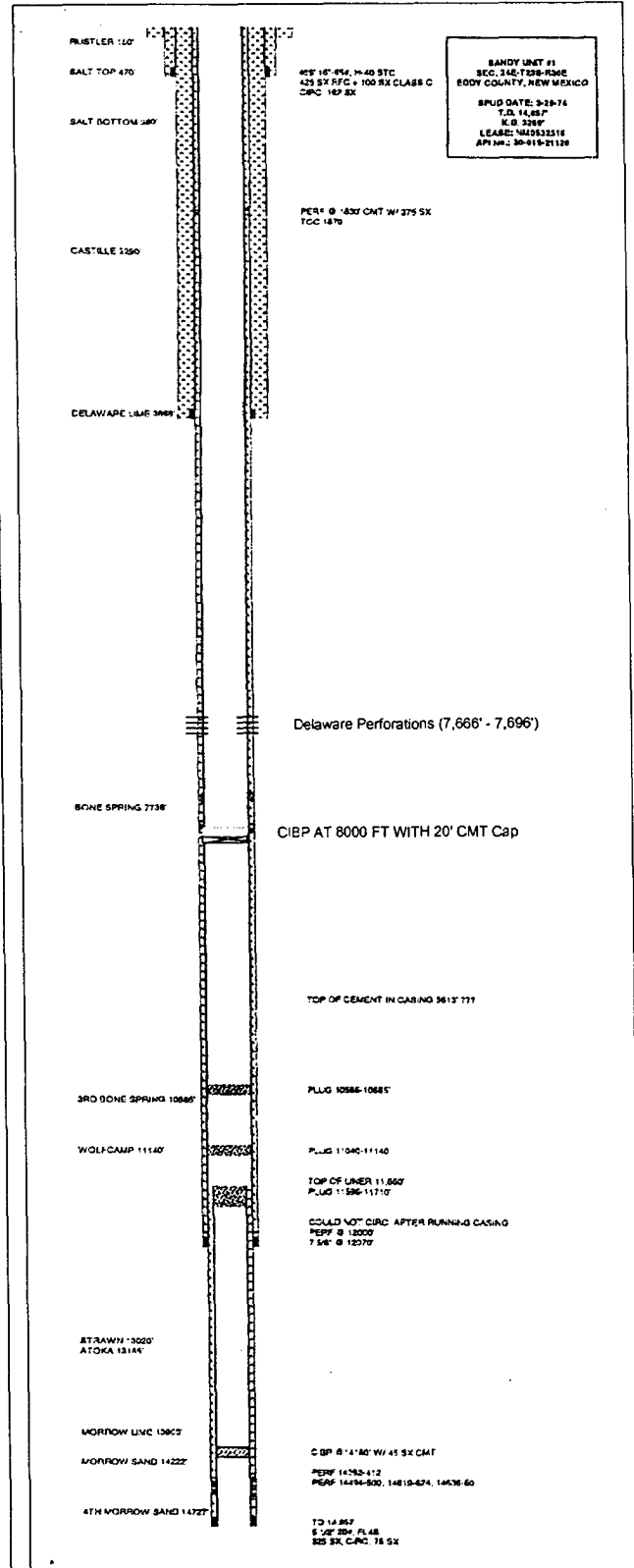


EXHIBIT "F"

**Bold Energy, LP
Sandy #1
1980' FNL & 660' FWL
Section 24 - T23S - R30E
EDDY County, New Mexico**

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

I Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis will show proof of training from a qualified instructor in the following areas before commencing any work on the above named well.

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning signs, briefing areas, and evacuation procedures.
4. The proper technique for first aid and rescues.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubulars are used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan.

The well site is not within 3000' of any public roadway or dwelling; therefore an H₂S Contingency Plan is not necessary.

There will be an initial safety meeting just prior to commencing operations on the well, which shall include a review of the site-specific H₂S Drilling Operations Plan. This plan will be available at the well site. All personnel will be required to carry documentation that they have received the proper H₂S training.

II H₂ S Safety Equipment and Systems

All H₂S safety equipment and systems will be installed upon setting 8 5/8" casing at 1800'.

1. Well Control Equipment
 - A. Choke manifold with a minimum of two adjustable chokes, one remotely operated.
 - B. Blind and pipe rams to accommodate all pipe in use.
 - C. Auxiliary equipment to include annular preventer and rotating head.
2. Protective Equipment for Essential Personnel
 - A. Four - 5 minute escape units in top dog house.
 - B. One - 30 minute SCBA at each briefing area.

II H₂S Safety Equipment and Systems - cont'd

3. H₂S Detection and Monitoring Equipment

- A. Three-channel monitor located on floor, with detectors located on floor, on flow nipple and on flow line on mud pit.
- B. The mud logging unit shall have H₂S monitoring equipment.

4. Visual Warning Systems

- A. Windsock located on floor and mud pits.
- B. Briefing area signs located on NE & SW corners of pad.
- C. H₂S Condition sign located at entrance to location.

5. Mud Program

The mud program has been designed to minimize the volume of possible H₂S circulated to surface. Proper weight, safe drilling practices, and the use of H₂S scavengers will minimize hazards when penetrating possible H₂S bearing zones.

6. Metallurgy

All drill strings, casing, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifolds, and associated lines and valves shall be suitable for an H₂S environment.

7. Communications

Drilling rig and company vehicles will be equipped with two way radios or cellular telephones.

8. Well Testing

At least One Drill Stem Test is planned for this well.

BOLD ENERGY LP
Delaware Re-Entry and Test
Sandy #1
1980' FNL & 660' FWL, Sec 24-T23S-R30E
Potash Area Field
Eddy County, New Mexico

Well Status: Plugged and Abandoned in August, 1992 per attached Phillips Plugging Report.
Surface Casing: 10-3/4" 51# K55 set to 3900 ft with CMT to Surface
Intermediate Casing: 7-5/8" 26.4# N80 and 29.7# S95 (at surface and BH) set to 12,062 ft
with DV Tool at 7700 ft. SQZ Holes at 8050 ft sqz'd with 1400 sks in 1972
Burst on 26.4# N80 = 6020 psi (100%).
Note: Pipe Capacity at 0.04717 bbls per ft (26.4# CSG)
Plugs in Well 0 – 515 ft; 980 – 1080 ft; 3950 – 3768 ft; 7600 – 7750 ft; 10,585 – 10,685 ft
(From Surface)

1. Locate dry-hole marker. Establish road and clear location as required. Install rig anchors.
2. Clean out cellar and install 3K psi wellhead on 7-5/8" casing stub. NU 3K psi BOPE.
3. MIRU service rig and steel pit. RU Reverse Unit and PU Drill Collars with Bit as required.
4. RU overflow tank to catch +/- 400 bbls of 10# Mud currently between plugs in well.
5. Truck in 8130 ft of 2-7/8" 6.5# N80 yellow-band or new tubing.
6. PU Varel bit and DCs and drill out the 4 plugs from Surface to 7750 ft. Reverse out mud and debris down to 8100 ft using clean 2% KCL Water (+/- 400 bbls). Pickle the tubing with 300 gals of 7.5% HCL Acid containing only corrosion inhibitor. Reverse out pickle.
7. POOH with 2-7/8" N80 tubing, collars and bit.
8. RU Wireline unit and run GR-CCL-CBL from 8100 ft to 6000 ft. Discuss log strip with operations. If required, place 500 psi on casing and rerun CBL.
9. Set a CIBP mid-joint at +/- 8000 ft. Spot a 20 ft CMT cap on CIBP.
10. Bleed off any pressure and check for flow. Pressure test casing to 2000 p for 15 minutes.
11. PU a 4" CSG Gun loaded with 4 SPF 120 deg phasing with charges capable of achieving a 0.42" min EHD with 10" formation penetration thru 26.4# N80 pipe. Perf the Delaware as follows:

Top Lobe	7666' – 7670' (4 ft)	13 shots
Middle Lobe	7676' – 7682' (6 ft)	19 shots
Bottom Lobe	7692' – 7696' (4 ft)	13 shots
TOTAL	7666' – 7696' (14' net, 30' gross)	45 total shots (30 effective)

12. PU stimulation packer with SN and TIH with 2-7/8" 6.5# N80 tubing. Space out to set packer at 7640 ft with 8 pts of slackoff. Circulate in 1500 gals of 7.5% HCL with 2 GPT surfactant + 2 GPT non-emulsifier + corrosion inhibitor and iron control as required. Displace acid to within 500 ft of packer. Set packer and ND BOPE and NU 5K psi test tree. RU flowline and be prepared to flowback-swab well immediately following breakdown. Note: Sierra to run TBG-Move calculations for stress on tbg.
13. MIRU Frac Pump capable of 18 BPM at 5000 psi, blender, and data monitoring unit. RU to be able to pressure up and monitor annulus pressure. Prime up Frac Pump with 2% KCL Water and pressure test lines to wellhead test pressures. Load annulus and pressure to 2000 psi. Begin pumping down tubing with 2% KCL water at 4 BPM until a break is achieved. Increase the rate as rapidly as possible to 18 BPM or 5000 psi (whichever is reached first). Pump a total of 50 bbls of 2% KCL. Shut down and monitor the pressure decline for 1 hour. Do not disturb the annulus pressure or any valves during this shut-in. RDMO Acid Equipment, bleed off the annulus to 500 psi, and immediately commence flowback on a 32/64" choke.

14. Flow test the well as required. If the well loads up and dies, commence swabbing to recover the load and formation fluid. Report oil cut as soon as it is observed.
15. Have service company email the pressure data to Sierra for analysis. Finalize the Frac Design. While waiting on Frac Equipment, finish installing production facilities and setting pumping unit.

PREP TO FRAC

16. Spot **4 steam-cleaned** frac tanks. Fill each with 480 bbls of 2% KCL water with biocide. A frac supervisor should spot the tanks and provide biocide. Fluids will be continuous-mixed. No gel may be put into the frac tanks. **If required, heat tanks for a frac-time fluid temperature of between 85° - 90° F.**
17. Prop Equipment should contain **80,000 lbs** of **20/40 Sand** (S.G.=2.65). A sieve analysis should be conducted by frac company **prior** to bringing prop to location.
18. MIRU frac equipment with **9,000 psi WP** rating for a **1.0** hour pump time at 28 BPM as follows:
 - 2-7/8" Tree Saver for 6.5# N80 Tubing
 - Annulus Pump for holding 2000 psi CSG Pressure with PRV set for 2500 psi.
 - Blender with flowmeters for crosslinker and other additives for 28 BPM.
 - Continuous-Mix Gel unit with flowmeters and chemicals for 2,000 bbls of base gel.
 - **5000 HHP**: equivalent to 4 each Frac Pump Units each rated to 7 BPM at **7,200**.
 - Standby HHP: equivalent to 2 each Frac Pump Units each rated to 73 BPM at **7,200 psi**
 - Computer Monitoring Vehicle with following data displayed and recorded:
 - **Two** treating-line Pressure Transducers
 - Blender and Downstream Densitometers; and Blender Discharge Flowmeter
 - Field Lab properly equipped with QA equipment for performing intensive fluid testing on location.
19. Prime up pumps and lines back to the frac tank and verify flowmeter agreement. **Pressure Test** lines against TreeSaver Valve to **9,500 psi** for 5 minutes. An acceptable test will have a final bleed rate of less than **75 psi/min**. **Hold Safety Meeting.**
20. Open TreeSaver Valves and note SITP. Pressure CSG to 2000 psi. Begin pumping WF28 at 8 BPM until a break is observed. Work the rate up to 28 BPM. Perform fracturing treatment per the attached spreadsheet. Displace the well to WF dictated by well conditions. **Do not exceed a maximum allowable pressure of 8,500 psi. Shut down and monitor the pressure decline for 15 minutes.**
21. Immediately RDMO frac company and begin flowing back well on a **18/64"** positive choke. Change out choke bean as required to maintain a liquid recovery rate of 30-4 BW/HR. Flow test well as required.
22. Once the Delaware cleans up or dies, prep to run final completion.

FINAL COMPLETION

23. Insure the casing and tubing pressures are bled off. ND Tree and NU BOPE. Unset packer and TOOHP with packer and tubing.
24. PU TAC with mud anchor and TIH on 2-7/8" tubing. Set TAC below perms. ND BOPE and NU Tree setting tubing in tension. TIH with sealbore pump on rod string. Seat pump, hang off rods, and commence pumping well.

BOP EQUIPMENT

The diagram illustrates a wellhead assembly with the following components and connections:

- Wellhead Body:** A central vertical structure containing a **"B" SECTION** and a **3000 PSI WP** (Working Pressure) rating. It is flanked by **BLIND RAMS** on the left and **PIPE RAMS** on the right.
- Flow Line:** A horizontal line labeled **Flow Line** with a **2"** diameter, connecting the wellhead to the right-hand valve assembly.
- Kill Line:** A horizontal line labeled **Kill Line** with a **2"** diameter, connecting the wellhead to the left-hand valve assembly.
- Valves:**
 - On the **Flow Line**, there are two **3" VALVE** units. The first is labeled **VALVE HCR** (Hydro-Carbide Resistant).
 - On the **Kill Line**, there are two **3" VALVE** units.
- Remote Adjust Choke:** Two **REMOTE ADJUST CHOKE** units are shown, one on each side of the wellhead. They are connected to the **2"** lines via **2" VALVE** units.
- Steel Pit:** Two **2" TO Steel Pit** lines are shown, one on each side of the wellhead, connected to the **2" VALVE** units.

CONDITIONS OF APPROVAL - DRILLING

Well Name & No. 1 - SANDY
Operator's Name: BOLD ENERGY, LP
Location: 1979 1980' FNL & 660' FWL - SEC 24 - T23S - R30E - EDDY COUNTY
Lease: (SL) NM-114356

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5909 or (505) 361-2822 (After hours) - for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

B. This is a Re-Entry of a P&A well: Casing currently in the wellbore is as follows: 16" H-40 65# set @ 465', 10-3/4" K-55 28# set @ 3900', 7-5/8" N-80 26.4# set @ 12070' - The plugs will be drilled out down to 8100' - A CIBP will be set @ 8000' and a pressure test conducted to test the casing integrity - The Delaware Formation will be tested from 7666'-7696'.

C. BOP tests

2 Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING: In place

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) is 2000 psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

(ORIG. SGD.) LES BABYAK