

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

J-06-34

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM/108921
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Bold Energy, LP.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 415 W. Wall, Ste. 500 Midland, TX 70701	3b. Phone No. (include area code) 233545 432-686-1100	8. Lease Name and Well No. Duke 4 Federal #2 36000 24090 10244
4. Location of Well (Report location clearly and in accordance with any State requirements*) At surface 660' FSL & 1650' FWL At proposed prod. zone 660' FNL & 1650' FWL Subject to LHA Approval By State		9. API Well No. 30-015-35120
14. Distance in miles and direction from nearest town or post office* Approximately 8 miles SW of Hope, NM		10. Field and Pool, or Exploratory Wildcat; Wolfcamp
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'		11. Sec., T. R. M. or Blk. and Survey or Area Sec 4, T19S, R21E 97489
16. No. of acres in lease 642.0	17. Spacing Unit dedicated to this well 320	12. County or Parish Eddy
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A	19. Proposed Depth TVD-4800'; TMD-'8100	13. State NM
20. BLM/BIA Bond No. on file NMB # 00314	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4395' GL	22. Approximate date work will start* 08/20/2006
23. Estimated duration 60 Days	24. Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature 	Name (Printed/Typed) W. E. (Ellis) Gray, Jr.	Date 7/25/06
-------------------	---	-----------------

Approved by (Signature) /s/ Tony J. Herrell	Name (Printed/Typed) /s/ Tony J. Herrell	Date AUG 22 2006
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

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.

*(Instructions on page 2)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Roswell Controlled Water Basin

Witness Surface Casing

If earthen pits are used in
association with the drilling of this
well, an OCD pit permit must be
obtained prior to pit construction.

EXHIBIT "A"

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 87505Form 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	Pool Code 96086	Pool Name Wildcat; Wolfcamp
Property Code	Property Name DUKE "4" FEDERAL	Well Number 2
OGRID No.	Operator Name BOLD ENERGY	Elevation 4395'

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	19 S	21 E		660	SOUTH	1650	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	4	19 S	21 E		660	NORTH	1650	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

	<p>BOTTOM HOLE LOCATION LAT-N32°41'41.9\"/> LONG-W104°48'08.7\"/> (NAD 83)</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>[Signature]</i> 7/25/06 Signature Date</p> <p>W.E. GRAY, JR. Printed Name AGENT FOR BOLD ENERGY, LP</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JUL 13, 2006 Date Surveyed</p> <p><i>[Signature]</i> Signature of Professional Surveyor</p> <p>7977 No.</p> <p>Certificate No. Carl E. Jones 7977</p> <p>BASIN SURVEYS</p>
--	---	---

Attachment to Form 3160-3

BOLD ENERGY, LP

DUKE "4" FEDERAL #2

Surface Location: 660' FSL & 1650' FWL, SEC 4, 19S, 21E
Bottomhole Location: 660' FNL & 1650' FWL, SEC 4, 19S, 21E
County / State: Eddy County, New Mexico

DRILLING PROGRAM

1. GEOLOGIC NAME OF SURFACE FORMATION

San Andres

Dolomite with anhydrite and limestone

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

Glorieta	1270 to 1330	White-gray sandstone
Yeso	1330 to 2730	Dolomite with anhydrite
Tubb sand	2730 to 2830	Gray white sandstone, red sandstone
Lower Yeso	2830 to 3310	Tan Gray Dolomite
Abo	3310 to 3460	Red and Green Shale
Abo Dolomite	3460 to 4140	Tan Gray Dolomite with anhydrite
Wolfcamp	4140 to 4280	Dolomite and Limestone
		***MAIN OBJECTIVE
Wolfcamp Shale	4280 to 4400	Shale
TD	4800 TVD (Pilot Hole)	

3. ESTIMATED DEPTHS OF ANTICIPATED FRESH WATER, OIL, OR GAS

Fresh water	>500'
Oil and Gas	Wolfcamp 4140' to 4800'
No H ₂ S gas should be encountered	

4. CASING AND CEMENTING PROGRAM

Casing Size	From To	Weight	Grade	Joint
20"	0' - 40'	Conductor	N/A	N/A
9.625"	0' - 1300'	36.0#	J-55	STC
7.000"	0' - 4350' MD	23.0#	L-80	STC
4 1/2"	3675' - 7976' MDTD	11.6#	L-80	LTC

WITNESS

Note:

If dictated by hole conditions, 13 3/8" 48# H-40 STC csg will be set @ approx 300' and cemented to surface.

Equivalent or adequate grades and weights of casing may be substituted at time casing is run, depending on availability.

9 5/8" Surface Casing - Cementing Program

Lead: 250 sx Schlumberger PVL cement cont'g 12% gel, 3% salt, 0.2% anti-foamer & LCM as dictated by hole conditions. Tail: 200 sx Class "C" w/ 2% CaCl₂.

7" Intermediate Casing - Cementing Program

Lead: 300 sx Schlumberger PVL cont'g 12% gel, 0.3% antifoam, 0.1% FLA & 0.1% pps cello-flakes.
Tail: 225 sx Schlumberger PVL w/ 0.3% FLA, 0.2% dispersant & 0.2% anti-foam (bring TOC to 1100' = 200' above surface pipe shoe).

Drilling Procedure

- A. Set 20" conductor pipe @ 40' using rat hole unit & cement to surface w/ redi-mix.
- B. Spud w/ 17½" bit and drill to 300'; if hole is stable reduce hole size to 12¼" and drill to 1300' casing point using FW and viscous sweeps for hole cleaning. (Note: if upper hole is unstable, 13 3/8" structural casing will be set and cmt'd to surface w/ 270 sx 35:65 POZ-Class "C" w/ additives followed by 225 sx Class "C" w/ 2% CaCl.)
- C. Set 9 5/8" casing @ 1300' & cement to surface as listed above. If necessary, bring cement to surface using Class "C" pumped via 1" tubing.
- D. Cut 9 5/8" casing, install WH equip and BOP. Test BOP & csg w/ 650 psi.
- E. Drill 8½" hole to 4800' TVD w/ cut brine, adjusting MW - VIS - WL as needed to maintain hole stability and well control.
- F. Log and determine optimum depth for lateral into Wolfcamp zone.
- G. Plug back wellbore per BLM & NMOCD requirements to desired KOP, build curve to approx 75° at approx 4350' and set 7" casing per cementing program described above.
- H. Set slips, cut casing and install WH & BOP. Test BOP w/ 3000 psi (high) & 250 psi (low) and casing to 1500 psi.D
- I. Drill out 7" shoe and continue to build angle to 90° at approx 4472' TVD with an azimuth of 0°. Drill +/- 4000' lateral into Wolfcamp producing interval, estimated TD = 8100' MD.
- J. Run 4½" liner from approx 3675' - 7976' MDTD with a series of open hole packers and mechanically shifted sliding sleeves to allow frac stimulation of the Wolfcamp horizontal.

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

The BOP stack will consist of a 3,000 psi working pressure, dual ram type preventer and annular.

A BOP sketch is attached.

6. TYPES AND CHARACTERS OF THE PROPOSED MUD SYSTEM

- A. Spud and drill to 1300' with fresh water and viscous sweeps for hole cleaning.
- B. The production section from 1,300' to 3,500' will utilize a cut brine mud system.
- C. The remaining production section from 3,500' to TD will be a starch mud system with mud weight sufficient to control formation pressures.

7. AUXILLARY WELL CONTROL AND MONITORING EQUIPMENT

None Required

8. EVALUATION PROGRAM

Mud logs as well as DLL/CNL/LDT/CAL/GR logging is planned. DST and coring is not anticipated.

9. ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES & POTENTIAL HAZARDS

None anticipated. All zones are normally pressured.

10. ANTICIPATED STARTING DATE:

ASAP after receiving regulatory approvals and dependent on availability of services and equipment. Drilling operations are expected to require approx 30 days and completion operations may require an additional 30 days.

**SURFACE USE AND OPERATIONS PLAN FOR
DRILLING, COMPLETION, AND PRODUCING**

**Bold Energy, LP
Duke 4 Federal #2
Section 4, T-19-S, R-21-E
Eddy County, New Mexico**

LOCATED

Approximately 8 miles Southwest of Hope, New Mexico

OIL & GAS LEASE
NMLC 108921

RECORD LESSEE
The Allar Co.
P. O. Box 1567
Graham, TX 76450

BOND COVERAGE
\$25,000 statewide bond of Bold Energy, LP

ACRES IN LEASE
1960.00

GRAZING LEASE
Jon Phyllis Crockett
P.O. Box C
Hope, NM 88250

POOL
Hope

EXHIBITS

- A. Well Location & Acreage Dedication Map
- B. Area Road Map
- B-1. Area Road Map
- C. Vicinity Oil & Gas Map
- D. Topographic & Location Verification Map
- E. Drilling Rig Layout
- F. BOPE Schematic
- F-1. Choke Manifold Schematic
- G. Directional Plan

This well will be drilled to a depth of approximately 4,800'.

1. EXISTING ROADS

- A. Exhibit B and B-1 is a portion of a section map showing the location of the proposed well as staked.
- B. Exhibit C is a plat showing existing roads in the vicinity of the proposed well site.
- C. Directions to well location:
From the town of Hope, go south on County Road 12 to the junction of County Road 12 and County Road 20. Take County Road 20 west for 3.5 miles to proposed lease road.

2. ACCESS ROADS

- A. Length and Width

The access road will be built and is shown on Exhibit D

- B. Surface Material

Existing

- C. Maximum Grad

Less than five percent

- D. Turnouts

None necessary

- E. Drainage Design

Existing

- F. Culverts

None necessary

- G. Gates and Cattle Guards
None needed

3. LOCATION OF EXISITING WELLS

Existing wells in the immediate area are shown in Exhibit C.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

Necessary production facilities for this well will be located on the well pad.

5. LOCATION AND TYPE OF WATER SUPPLY

It is not contemplated that a water well will be drilled. Water necessary for drilling will be purchased and hauled to the site over existing roads shown on Exhibit D.

6. METHODS OF HANDLING WASTE DISPOSAL

- A. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
- B. Water produced during tests will be disposed of in the drilling pits.
- C. Oil produced during tests will be stored in test tanks.
- D. Trash will be contained in a trash trailer and removed from well site.
- E. All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.

7. ANCILLARY FACILITIES

None required.

8. WELL SITE LAYOUT

Exhibit E shows the relative location and dimensions of the well pad, mud pits, reserve pit, and trash pit, and the location of major rig components.

9. PLANS FOR RESTORATION OF THE SURFACE

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. The well site will be cleaned of all trash and junk to leave the site in an as aesthetically pleasing condition as possible.
- B. After abandonment, all equipment, trash, and junk will be removed and the site will be clean.

10. OTHER INFORMATION

A. Topography

The land surface at the well site is rolling native grass with a regional slope being to the east.

B. Soil

Topsoil at the well site is sandy soil.

C. Flora and Fauna

The location is in an area sparsely covered with mesquite and range grasses.

D. Ponds and Streams

There are no rivers, lakes, ponds, or streams in the area.

E. Residences and Other Structures

There are no residences within a mile of the proposed well site.

F. Archaeological, Historical, and Cultural sites

None observed on this area.

G. Land Use

Grazing

H. Surface Ownership

Bureau of Land Management

11. OPERATOR'S REPRESENTATIVE


W.E (Ellis) Gray Jr.
3106 N. Big Spring St, Ste. 100
Midland, Texas 79705
Office: (432) 685-9158

12. CERTIFICATION

I hereby 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 presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by the Bold Energy, L.P. Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

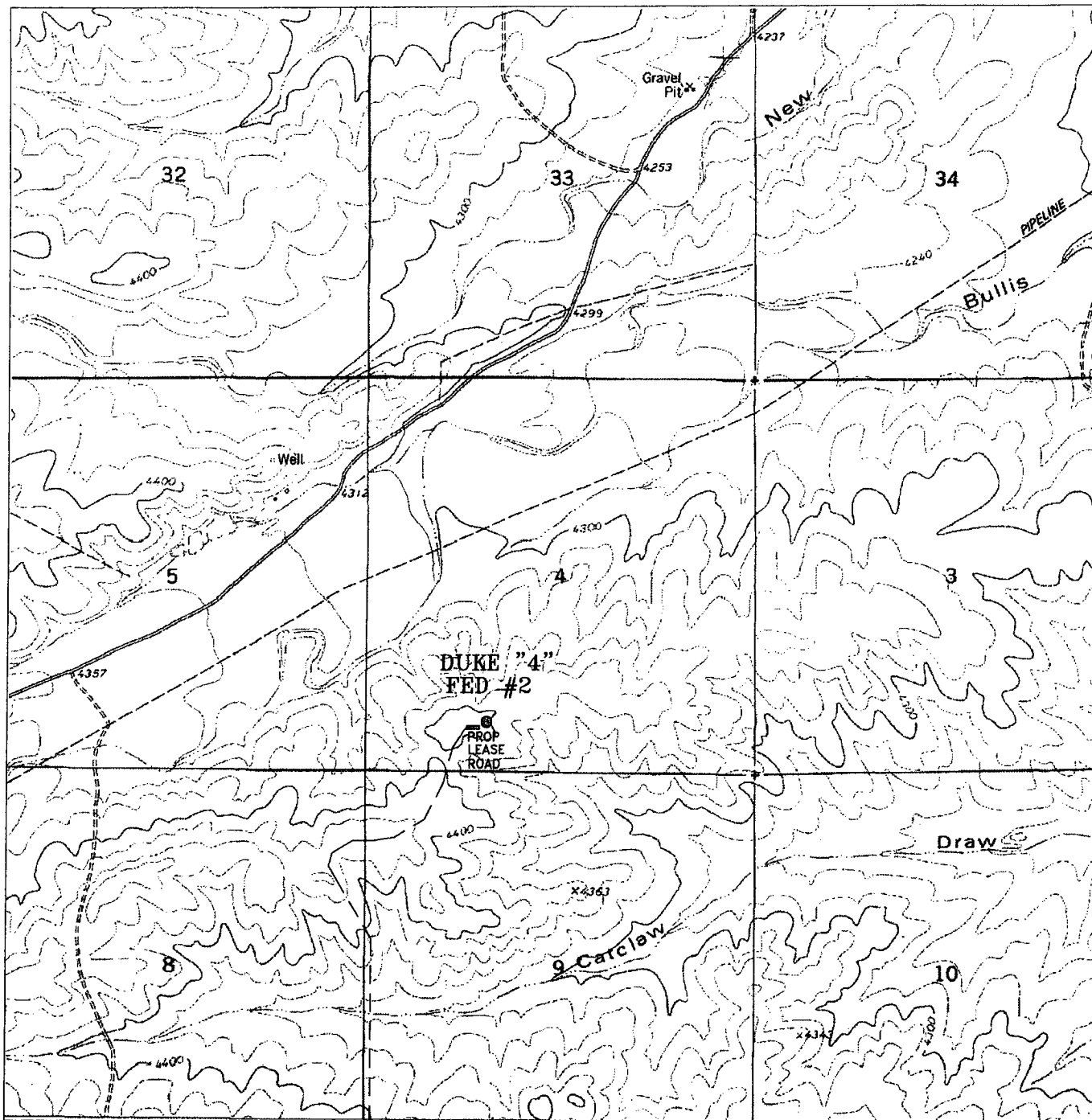
Date

8/8/06


Dwaine Moore

Gray Surface Specialties
Agent for Bold Energy, L.P.

EXHIBIT "B"



DUKE "4" FEDERAL #2

Located at 660' FSL and 1650' FWL
 Section 4, Township 19 South, Range 21 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 6931T

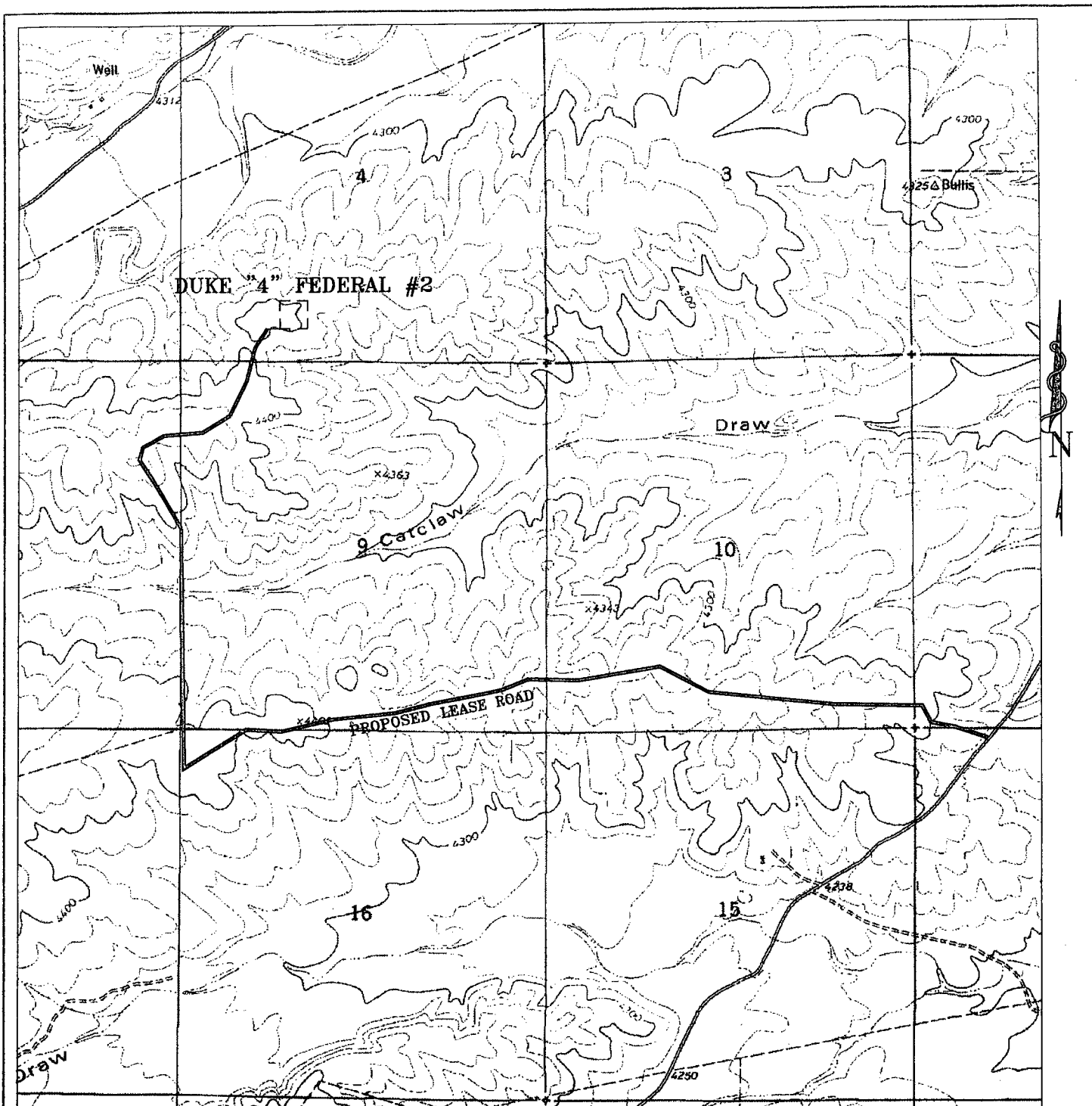
Survey Date: 07-13-2006

Scale: 1" = 2000'

Date: 07-17-2006

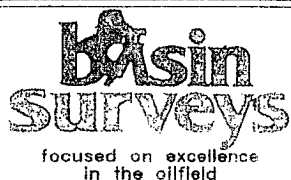
BOLD ENERGY

EXHIBIT "B 1"



PROPOSED LEASE ROAD TO THE DUKE "4" FEDERAL #2 WELL

Section 4 Township 19 South, Range 21 East,
N.M.P.M., EDDY County, New Mexico.



P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number: JMS 6931T

Survey Date: 07-17-2006

Scale: 1" = 2000'

Date: 07-18-2006

BOLD ENERGY

EXHIBIT "E"

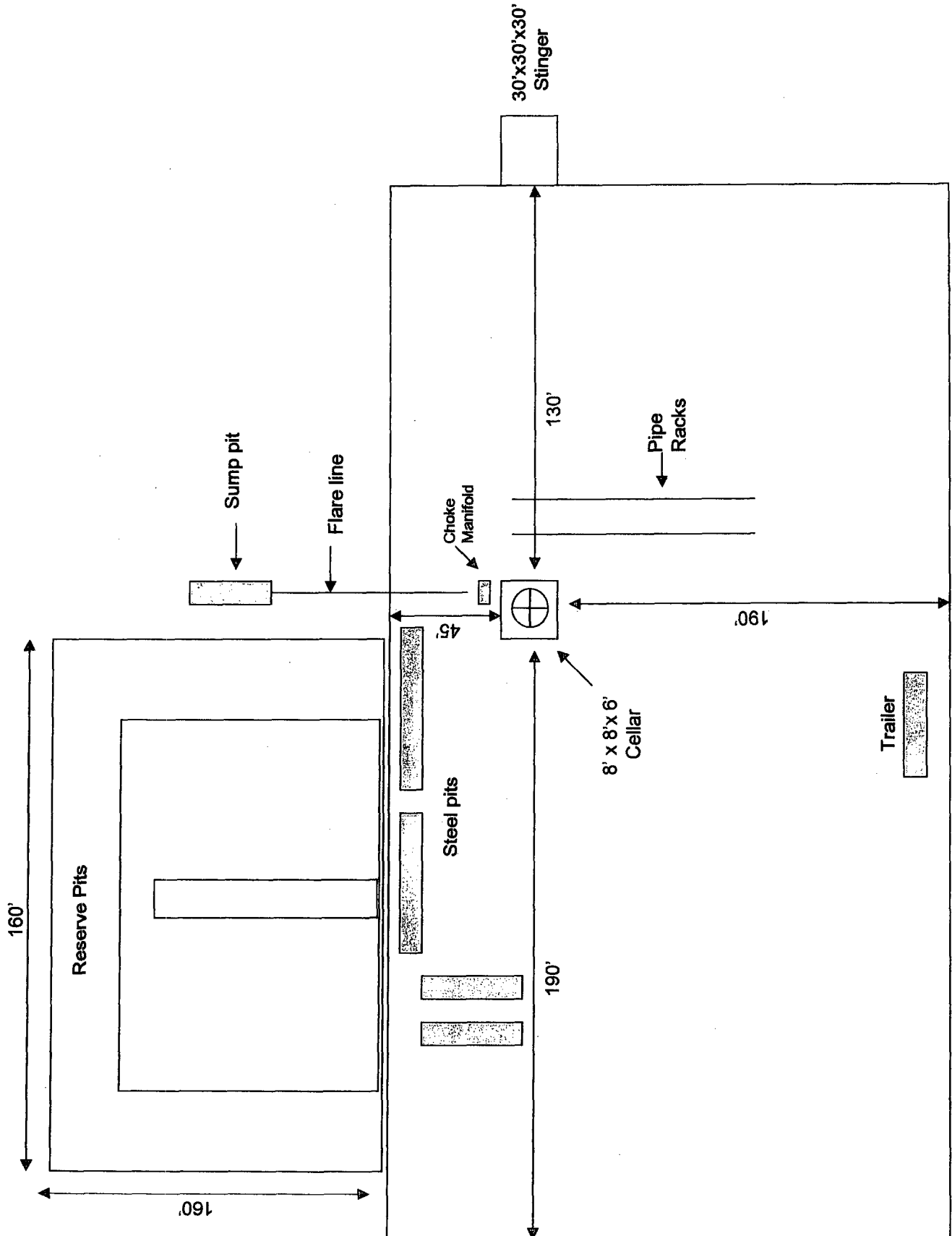
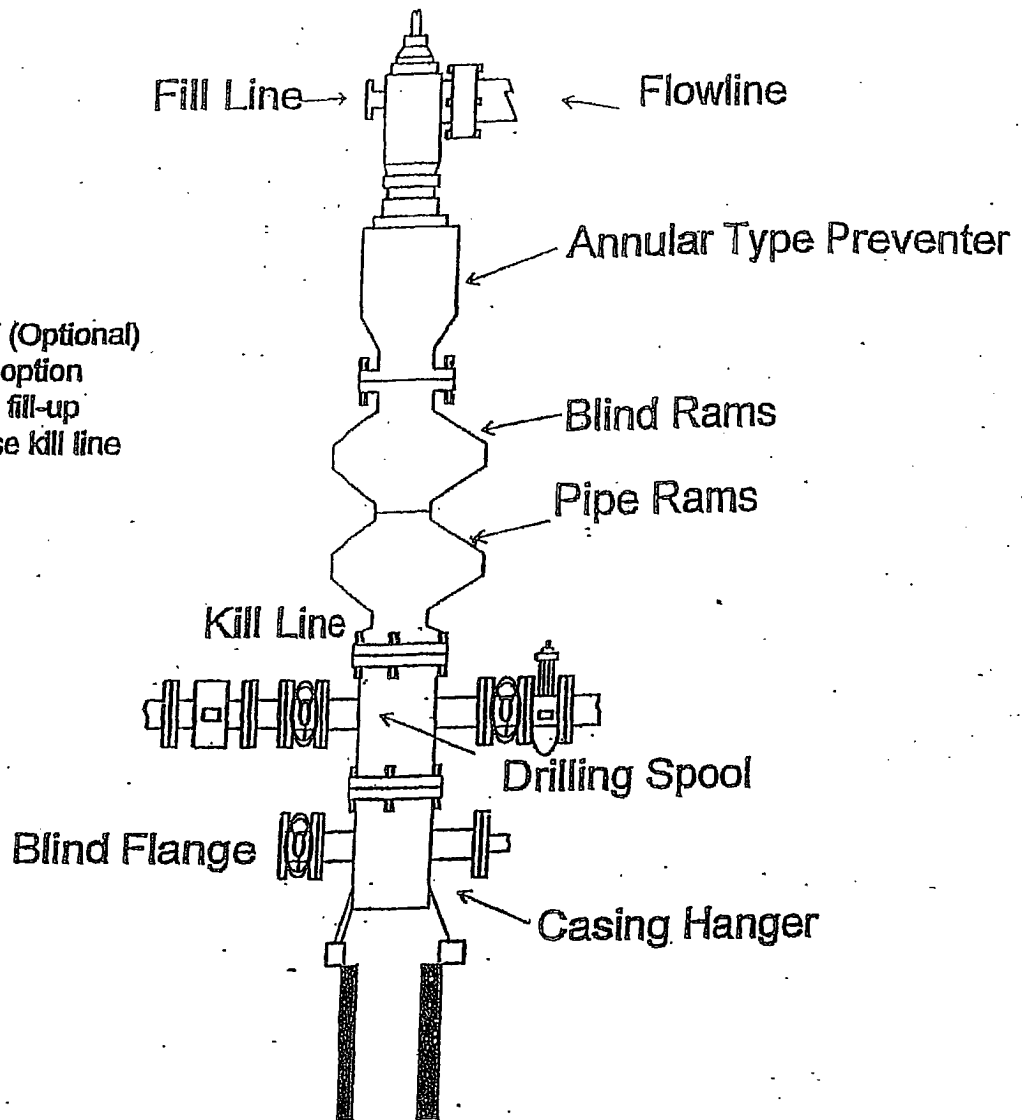


EXHIBIT "F"
BOPE SCHEMATIC

Rotating Head (Optional)
Drilling Nipple option
must include a fill-up
line. Do not use kill line
for fill up.

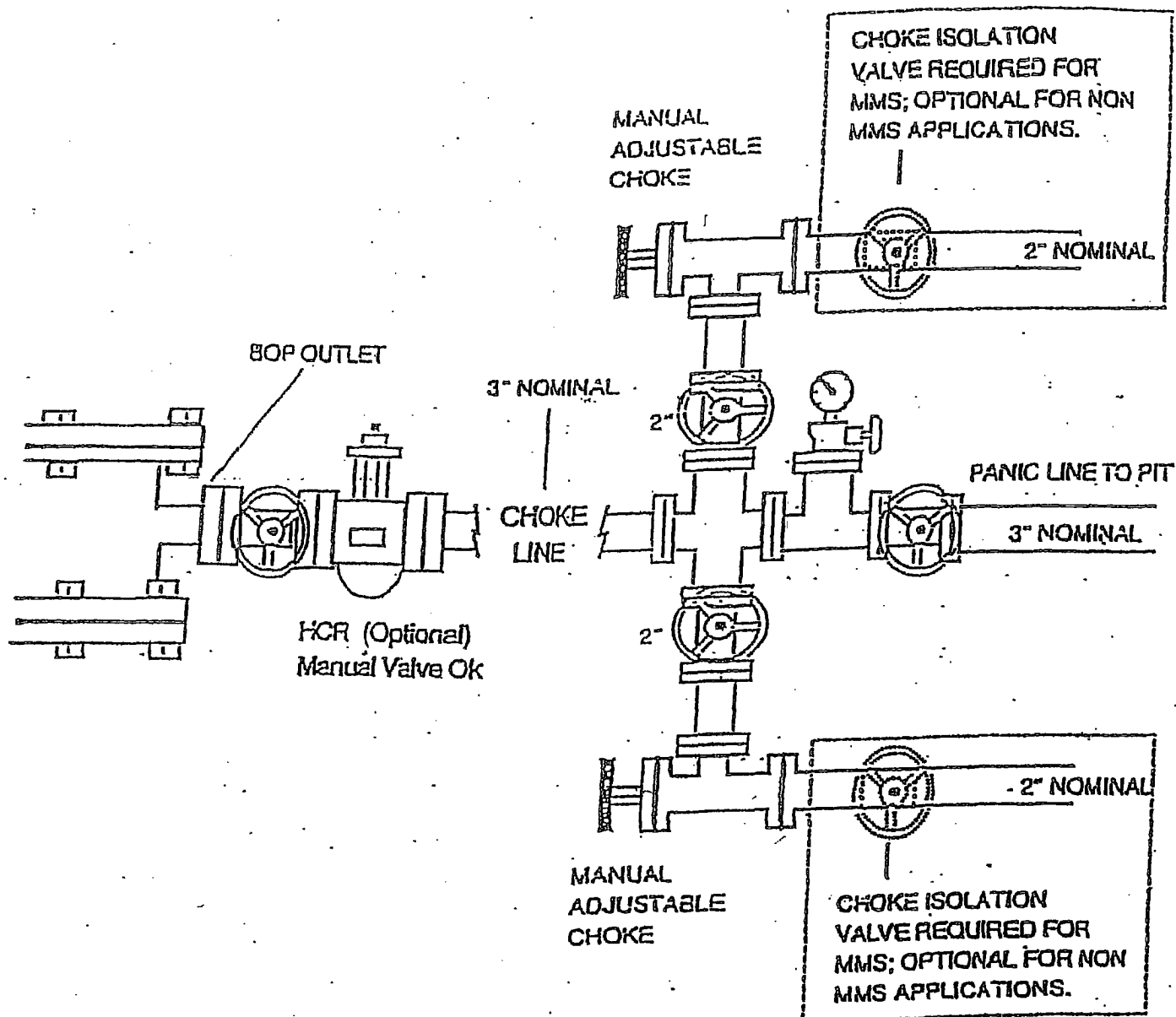


900 SERIES

EXHIBIT "F-1"

CHOKE MANIFOLD

3M SERVICE



Bold Energy

Field: Eddy County / Nad 83
 Site: Lot N, Sec 4, T 19S, R 21E
 Well: Duke 4 Fed #2
 Wellpath: OH
 Plan: Plan #1

PATHFINDER

ANNOTATIONS			
No.	TVD	MD	Annotation
1	3722.50	3723 MD / TVD Build 12°/100'	
2	4199.96	4472.50 EOC @ 4473 MD / 4200 TVD	

WELLPATH DETAILS			
OH			
Rig:	SITE 4395.00ft		
Ref. Datum:			
V. Section Angle	Origin +N/S	Starting +E/W	From TVD
0.62°	0.00	0.00	0.00

SITE DETAILS			
Lot N, Sec 4, T 19S, R 21E			
Ground Level:	4395.00		
Positional Uncertainty:	0.00		
Convergence:	0.25		

SECTION DETAILS						
Sec	MD	Inc	Azi	TVD	+N/S	+E/W
1	0.00	0.00	0.00	0.00	0.00	0.00
2	3722.50	0.00	0.00	3722.50	0.00	0.00
3	4472.50	50.00	0.62	4199.96	477.44	5.17
4	7976.50	50.00	0.63	4200.00	3981.63	43.25

TARGET DETAILS				
Name	TVD	+N/S	+E/W	Shape
PBHL	4200.00	3981.63	43.25	Point

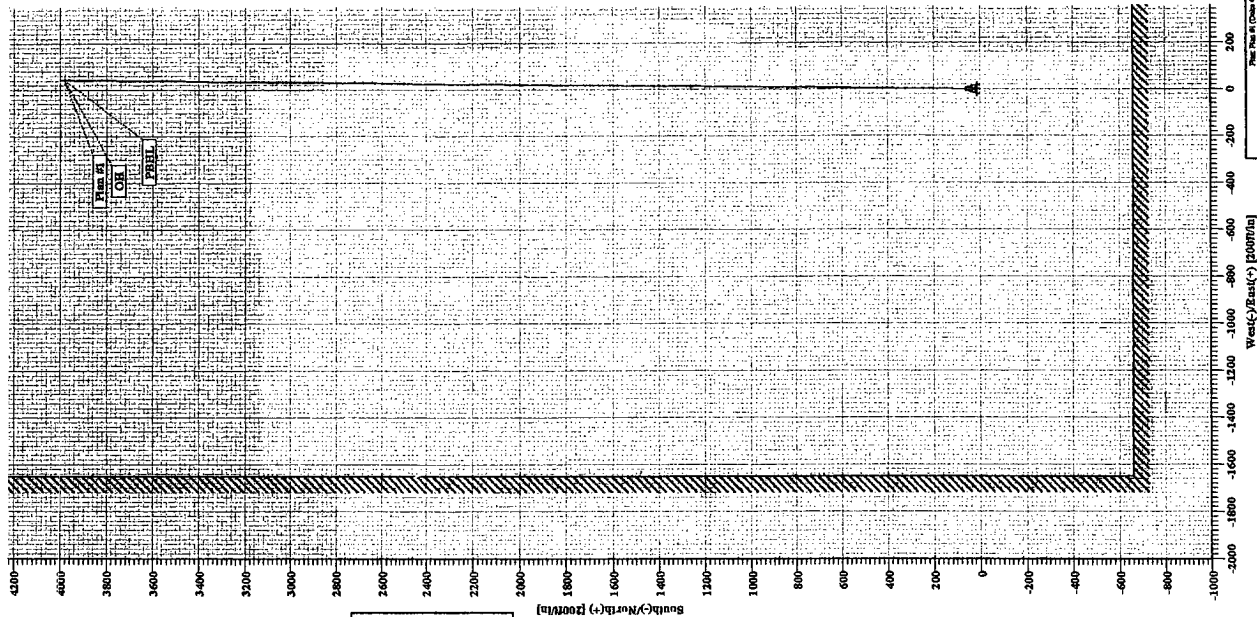
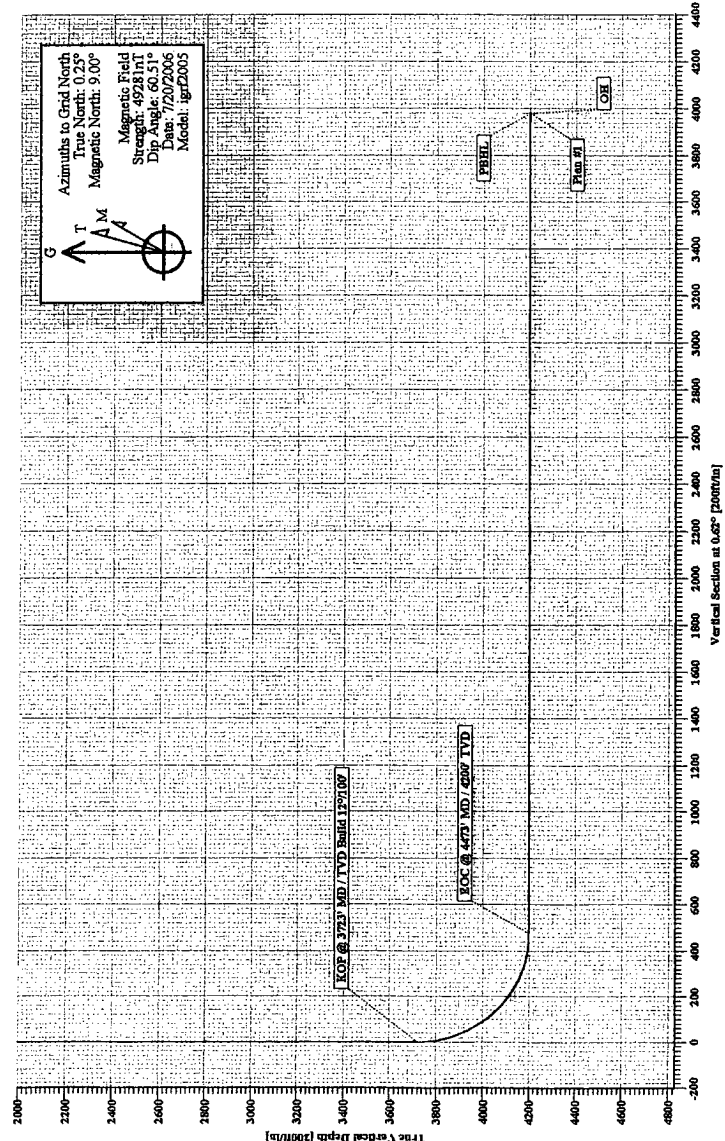


EXHIBIT "G"

EXHIBIT "G"

Pathfinder Energy

Planning Report

Company: Bold Energy
 Field: Eddy County / Nad 83
 Site: Lot N, Sec 4, T 19S, R 21E
 Well: Duke 4 Fed #2
 Wellpath: OH

Date: 7/25/2006 Time: 09:24:50 Page: 2
 Co-ordinate(NE) Reference: Well: Duke 4 Fed #2, Grid North
 Vertical (TVD) Reference: SITE 4395.0
 Section (VS) Reference: Well (0.00N,0.00E,0.62Azi)
 Plan: Plan #1

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N-S ft	+E-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
1700.00	0.00	0.00	1700.00	0.00	0.00	0.00	0.00	0.00	0.00	
1800.00	0.00	0.00	1800.00	0.00	0.00	0.00	0.00	0.00	0.00	
1900.00	0.00	0.00	1900.00	0.00	0.00	0.00	0.00	0.00	0.00	
2000.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	0.00	0.00	
2100.00	0.00	0.00	2100.00	0.00	0.00	0.00	0.00	0.00	0.00	
2200.00	0.00	0.00	2200.00	0.00	0.00	0.00	0.00	0.00	0.00	
2300.00	0.00	0.00	2300.00	0.00	0.00	0.00	0.00	0.00	0.00	
2400.00	0.00	0.00	2400.00	0.00	0.00	0.00	0.00	0.00	0.00	
2500.00	0.00	0.00	2500.00	0.00	0.00	0.00	0.00	0.00	0.00	
2600.00	0.00	0.00	2600.00	0.00	0.00	0.00	0.00	0.00	0.00	
2700.00	0.00	0.00	2700.00	0.00	0.00	0.00	0.00	0.00	0.00	
2800.00	0.00	0.00	2800.00	0.00	0.00	0.00	0.00	0.00	0.00	
2900.00	0.00	0.00	2900.00	0.00	0.00	0.00	0.00	0.00	0.00	
3000.00	0.00	0.00	3000.00	0.00	0.00	0.00	0.00	0.00	0.00	
3100.00	0.00	0.00	3100.00	0.00	0.00	0.00	0.00	0.00	0.00	
3200.00	0.00	0.00	3200.00	0.00	0.00	0.00	0.00	0.00	0.00	
3300.00	0.00	0.00	3300.00	0.00	0.00	0.00	0.00	0.00	0.00	
3400.00	0.00	0.00	3400.00	0.00	0.00	0.00	0.00	0.00	0.00	
3500.00	0.00	0.00	3500.00	0.00	0.00	0.00	0.00	0.00	0.00	
3600.00	0.00	0.00	3600.00	0.00	0.00	0.00	0.00	0.00	0.00	
3700.00	0.00	0.00	3700.00	0.00	0.00	0.00	0.00	0.00	0.00	
3722.50	0.00	0.00	3722.50	0.00	0.00	0.00	0.00	0.00	0.00	KOP @ 3723' MD / TVD Bul
3725.00	0.30	0.62	3725.00	0.01	0.00	0.01	12.00	12.00	0.00	
3750.00	3.30	0.62	3749.98	0.79	0.01	0.79	12.00	12.00	0.00	
3775.00	6.30	0.62	3774.89	2.88	0.03	2.88	12.00	12.00	0.00	
3800.00	9.30	0.62	3799.66	6.28	0.07	6.28	12.00	12.00	0.00	
3825.00	12.30	0.62	3824.21	10.96	0.12	10.96	12.00	12.00	0.00	
3850.00	15.30	0.62	3848.49	16.92	0.18	16.92	12.00	12.00	0.00	
3875.00	18.30	0.62	3872.42	24.15	0.26	24.15	12.00	12.00	0.00	
3900.00	21.30	0.62	3895.94	32.61	0.35	32.62	12.00	12.00	0.00	
3925.00	24.30	0.62	3918.98	42.30	0.46	42.30	12.00	12.00	0.00	
3950.00	27.30	0.62	3941.49	53.18	0.58	53.18	12.00	12.00	0.00	
3975.00	30.30	0.62	3963.39	65.22	0.71	65.22	12.00	12.00	0.00	
4000.00	33.30	0.62	3984.64	78.39	0.85	78.40	12.00	12.00	0.00	
4025.00	36.30	0.62	4005.17	92.66	1.00	92.66	12.00	12.00	0.00	
4050.00	39.30	0.62	4024.92	107.98	1.17	107.98	12.00	12.00	0.00	
4075.00	42.30	0.62	4043.84	124.31	1.35	124.32	12.00	12.00	0.00	
4100.00	45.30	0.62	4061.88	141.61	1.53	141.62	12.00	12.00	0.00	
4125.00	48.30	0.62	4078.99	159.83	1.73	159.84	12.00	12.00	0.00	
4150.00	51.30	0.62	4095.13	178.92	1.94	178.93	12.00	12.00	0.00	
4175.00	54.30	0.62	4110.24	198.83	2.15	198.84	12.00	12.00	0.00	
4200.00	57.30	0.62	4124.29	219.51	2.38	219.52	12.00	12.00	0.00	
4225.00	60.30	0.62	4137.24	240.89	2.61	240.90	12.00	12.00	0.00	
4250.00	63.30	0.62	4149.05	262.92	2.85	262.93	12.00	12.00	0.00	
4275.00	66.30	0.62	4159.70	285.53	3.09	285.55	12.00	12.00	0.00	
4300.00	69.30	0.62	4169.14	308.67	3.34	308.69	12.00	12.00	0.00	
4325.00	72.30	0.62	4177.36	332.28	3.60	332.30	12.00	12.00	0.00	
4350.00	75.30	0.62	4184.34	356.28	3.86	356.30	12.00	12.00	0.00	
4375.00	78.30	0.62	4190.04	380.62	4.12	380.64	12.00	12.00	0.00	
4400.00	81.30	0.62	4194.47	405.22	4.39	405.24	12.00	12.00	0.00	
4425.00	84.30	0.62	4197.60	430.02	4.65	430.04	12.00	12.00	0.00	
4450.00	87.30	0.62	4199.43	454.95	4.92	454.97	12.00	12.00	0.00	
4472.50	90.00	0.62	4199.96	477.44	5.17	477.46	12.00	12.00	0.00	EOC @ 4473' MD / 4200' TV

EXHIBIT "G"

Pathfinder Energy

Planning Report

Company: Bold Energy
 Field: Eddy County / Nad 83
 Site: Lot N, Sec 4, T 19S, R 21E
 Well: Duke 4 Fed #2
 Wellpath: OH

Date: 7/25/2006 Time: 09:24:50 Page: 3
 Co-ordinate(NE) Reference: Well: Duke 4 Fed #2, Grid North
 Vertical (TVD) Reference: SITE 4395.0
 Section (VS) Reference: Well (0.00N,0.00E,0.62Azi)
 Plan: Plan #1

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
4500.00	90.00	0.62	4199.96	504.94	5.46	504.96	0.00	0.00	0.00	
4600.00	90.00	0.62	4199.96	604.93	6.55	604.96	0.00	0.00	0.00	
4700.00	90.00	0.62	4199.96	704.92	7.63	704.96	0.00	0.00	0.00	
4800.00	90.00	0.62	4199.97	804.92	8.71	804.96	0.00	0.00	0.00	
4900.00	90.00	0.62	4199.97	904.91	9.79	904.96	0.00	0.00	0.00	
5000.00	90.00	0.62	4199.97	1004.91	10.88	1004.96	0.00	0.00	0.00	
5100.00	90.00	0.62	4199.97	1104.90	11.96	1104.96	0.00	0.00	0.00	
5200.00	90.00	0.62	4199.97	1204.89	13.05	1204.96	0.00	0.00	0.00	
5300.00	90.00	0.62	4199.97	1304.89	14.13	1304.96	0.00	0.00	0.00	
5400.00	90.00	0.62	4199.97	1404.88	15.21	1404.96	0.00	0.00	0.00	
5500.00	90.00	0.62	4199.97	1504.88	16.30	1504.96	0.00	0.00	0.00	
5600.00	90.00	0.62	4199.97	1604.87	17.38	1604.96	0.00	0.00	0.00	
5700.00	90.00	0.62	4199.97	1704.86	18.47	1704.96	0.00	0.00	0.00	
5800.00	90.00	0.62	4199.97	1804.86	19.55	1804.96	0.00	0.00	0.00	
5900.00	90.00	0.62	4199.97	1904.85	20.64	1904.96	0.00	0.00	0.00	
6000.00	90.00	0.62	4199.97	2004.85	21.73	2004.96	0.00	0.00	0.00	
6100.00	90.00	0.62	4199.97	2104.84	22.81	2104.96	0.00	0.00	0.00	
6200.00	90.00	0.62	4199.97	2204.84	23.90	2204.96	0.00	0.00	0.00	
6300.00	90.00	0.62	4199.97	2304.83	24.98	2304.96	0.00	0.00	0.00	
6400.00	90.00	0.62	4199.98	2404.82	26.07	2404.96	0.00	0.00	0.00	
6500.00	90.00	0.62	4199.98	2504.82	27.16	2504.96	0.00	0.00	0.00	
6600.00	90.00	0.62	4199.98	2604.81	28.25	2604.96	0.00	0.00	0.00	
6700.00	90.00	0.62	4199.98	2704.81	29.33	2704.96	0.00	0.00	0.00	
6800.00	90.00	0.62	4199.98	2804.80	30.42	2804.96	0.00	0.00	0.00	
6900.00	90.00	0.62	4199.98	2904.79	31.51	2904.96	0.00	0.00	0.00	
7000.00	90.00	0.62	4199.98	3004.79	32.60	3004.96	0.00	0.00	0.00	
7100.00	90.00	0.62	4199.98	3104.78	33.69	3104.96	0.00	0.00	0.00	
7200.00	90.00	0.62	4199.99	3204.78	34.78	3204.96	0.00	0.00	0.00	
7300.00	90.00	0.62	4199.99	3304.77	35.87	3304.96	0.00	0.00	0.00	
7400.00	90.00	0.62	4199.99	3404.76	36.96	3404.96	0.00	0.00	0.00	
7500.00	90.00	0.62	4199.99	3504.76	38.04	3504.96	0.00	0.00	0.00	
7600.00	90.00	0.62	4199.99	3604.75	39.14	3604.96	0.00	0.00	0.00	
7700.00	90.00	0.62	4199.99	3704.75	40.23	3704.96	0.00	0.00	0.00	
7800.00	90.00	0.62	4200.00	3804.74	41.32	3804.96	0.00	0.00	0.00	
7900.00	90.00	0.63	4200.00	3904.73	42.41	3904.96	0.00	0.00	0.00	
7976.90	90.00	0.63	4200.00	3981.63	43.25	3981.86	0.00	0.00	0.00	PBHL

Targets

Name	Description Dip. Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude --->			<--- Longitude --->		
PBHL		4200.00	3981.63	43.25	616882.47	397034.87	32	41	41.900 N	104	48	8.700 W

Annotation

MD ft	TVD ft	
3722.50	3722.50	KOP @ 3723' MD / TVD Build 12°/100'
4472.50	4199.96	EOC @ 4473' MD / 4200' TVD

BOLD ENERGY, LP

415 W. WALL, SUITE 500
MIDLAND, TEXAS 79701

MAIN: 432-686-1100
FAX: 432-686-1104

July 19, 2006

Bureau of Land Management
620 East Greene Street
Carlsbad, NM 88220

To Whom It May Concern:

I am writing to request a waiver for the inclusion of an H2S Contingency Plan for the Duke 4 Federal #1. The current plan is to complete this well in the Hope, which is sweet, and I do not anticipate encountering any H2S bearing formations during drilling operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Dodd", written in a cursive style.

Dan Dodd
Drilling Engineer

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Bold Energy, LP
Well Name & No. Duke 4 Federal #2
SH Location: 660' FSL, 1650' FWL, Section 4, T. 19 S., R. 21 E., Eddy County, New Mexico
BH Location: 660' FNL, 1650' FWL, Section 4, T. 19 S., R. 21 E., Eddy County, New Mexico
Lease: NM-108921

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:

A. Well spud

B. Cementing casing: 9-5/8 inch 7 inch 4-1/2 inch liner

NOTE: 13-3/8 in surface casing will be set at approximately 300 feet if hole conditions require.

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.

3. 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.

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

II. CASING:

1. The 9-5/8 inch surface casing shall be set at approximately 1300 feet and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the 7 inch production casing is to reach at least 200 feet above the surface casing shoe.

3. The minimum required fill of cement behind the 4-1/2 inch production liner is to reach the top of the liner.

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. The BOP and related equipment shall be installed and operational before drilling below the 9-5/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 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.

8/1/2006

acs

- 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.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- Recording pit level indicator to indicate volume gains and losses.
- Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
- Flow-sensor on the flow-line to warn of abnormal mud returns from the well.

8/1/2006
acs

8/1/2006
acs