

1/2/08 DATE IN	SUSPENSE	W Jones ENGINEER	1/2/08 LOGGED IN	DHC TYPE 3189	PKVR0800234122 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

RECEIVED
2008 JAN 2 AM 9 25

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

Common Ownership

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Shannon L. Klier
Print or Type Name

[Signature]
Signature

Ops. Engr. Mgr.
Title

1/2/08
Date

shannon.klier@boldenergy.com
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Bold Energy, LP 415 W. Wall, Suite 500 Midland, TX 79701 **DHC-3989**
Operator Address
Solomon State Com 1Y Unit Letter "H" Section 10 – T19S – 29E Eddy, NM
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 233545 Property Code 35447 API No. 35447 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Turkey Track; Atoka (Gas)		Turkey Track; Morrow (Gas)
Pool Code	86445		86480
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10,827' - 10,864' (perforated)		11,439' - 11,489' (perforated)
Method of Production (Flowing or Artificial Lift)			
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New Zone		Shut-In
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: Rates:	Date: 12/5/07 Rates: 0 oil – 45 wtr – 56 gas Swabbing
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 100 % 100 %	Oil Gas Percentage later after Production LOG	Oil Gas 0 % 0 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐
NMOCD Reference Case No. applicable to this well: _____

Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Shannon L. Klier TITLE Operation Engineering Manager DATE 12/14/07
TYPE OR PRINT NAME Shannon L. Klier TELEPHONE NO. (432) 686-1100
E-MAIL ADDRESS shannon.klier@boldenergy.com



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

RECEIVED
2008 JAN 23 2 05 PM

January 14, 2008.

Bold Energy, LP
415 W. Wall Ste. 500
Midland, Texas 79701-4314

Attn: Ms. Shannon Klier

Re: Downhole Commingling Application
Solomon State Com No. 1Y
Unit Letter H, Section 10-19S-29E
Turkey Track; Atoka (Gas), and Turkey Track; Morrow (Gas) Pools
Eddy County, New Mexico

Dear Ms. Klier:

Thank you for your application to downhole commingle the Turkey Track; Atoka (Gas), and Turkey Track; Morrow (Gas) pools in Eddy County, New Mexico.

Since it appears that all the New Mexico Oil Conservation's (OCD) rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your application is approved. Any deviation from the substance of your application will be cause for rescinding our approval, and approval is subject to like approval by the OCD.


Our approval is subject to Bold Energy, LP, amending the current communitization agreement, or submitting a new form to this office for the Morrow Formation covering the E/2 of Section 10-19S-29E. A sample form has been enclosed.

Your filing fee in the amount of \$30.00 has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
PL/JB/jm
Enclosure

xc: Reader File OCD—Ed Martin,

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

BOLD ENERGY, LP

415 W. WALL, SUITE 500
MIDLAND, TEXAS 79701

RECEIVED

2007 DEC 28 11:07
MAIN: 432-686-1100
FAX: 432-686-1104

December 20, 2007

Mr. William Jones
Oil Conservation Division
Engineering and Geological Services Bureau
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application to Downhole Commingle
Solomon State Com #1Y
Turkey Track; Atoka (Gas) & Turkey Track; Morrow (Gas)
Eddy County, NM

Dear Mr. Jones,

Bold Energy, LP hereby respectfully requests an exception to Rule 303A to downhole commingle the Atoka and Morrow zones in the subject well.

Enclosed please find two copies of the following:

1. Present wellbore diagram
2. Proposed wellbore diagram
3. Drilling permit (C-101)
4. Acreage Dedication Plat (C-102) for Morrow and Atoka
5. Form C-107A
6. Memo Stating that royalty and working interests are common for both zones

As mentioned previously, we would like to have the option to commingle the Atoka with the Morrow if the Atoka completion is successful. Although the Morrow alone is not commercial, our belief is that when commingled with a producing Atoka zone liquids will be effectively removed from the wellbore and result in contribution from the Morrow. With no evidence to suggest otherwise, we have initially allocated 100% of the commingled production to the Atoka. Within 90 days of commingling, a production log will be used to establish a new allocation.

Should you require additional information, kindly advise.

Regards,



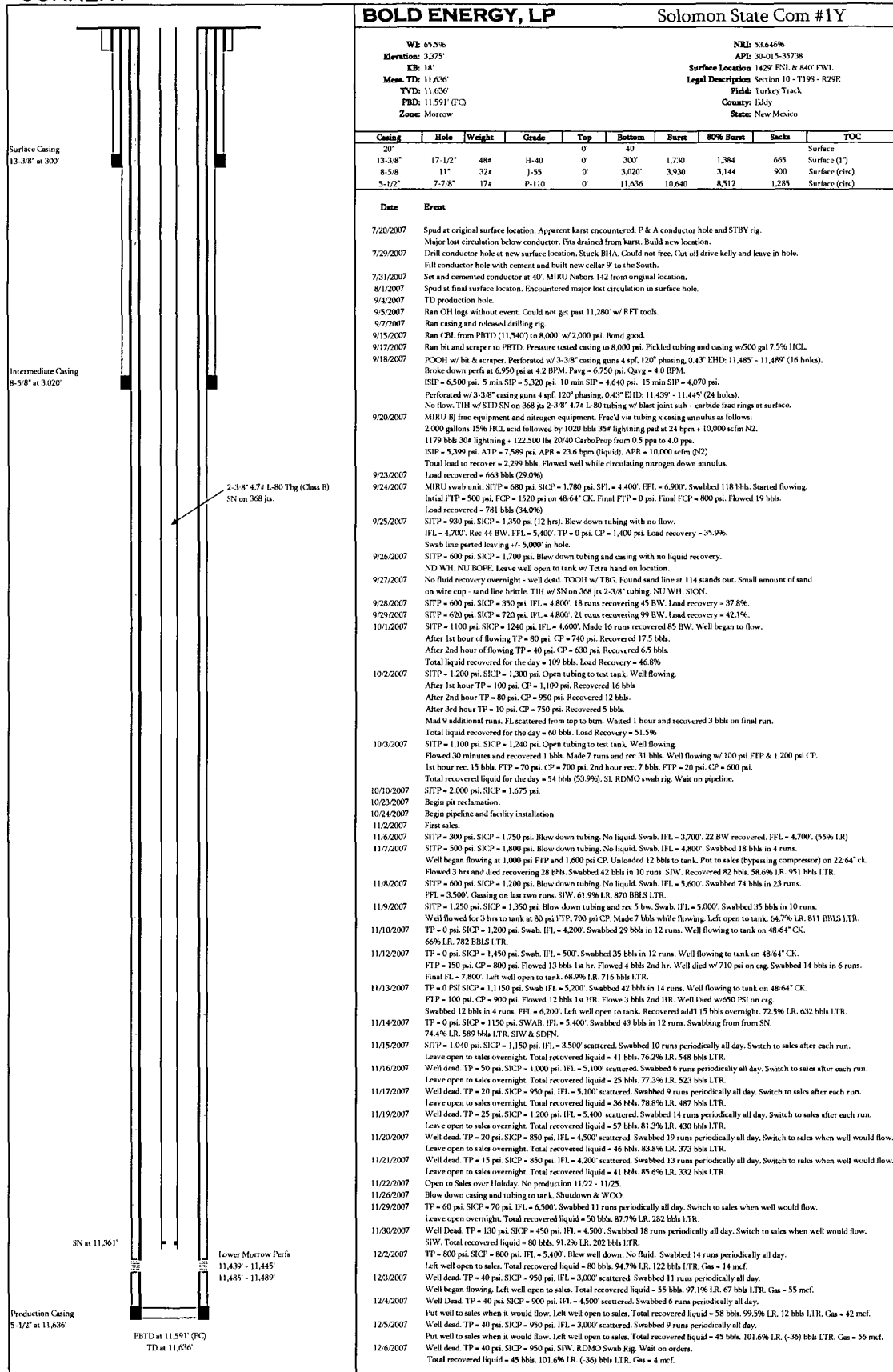
Shannon Klier
Operations Engineering Manager

Enclosure

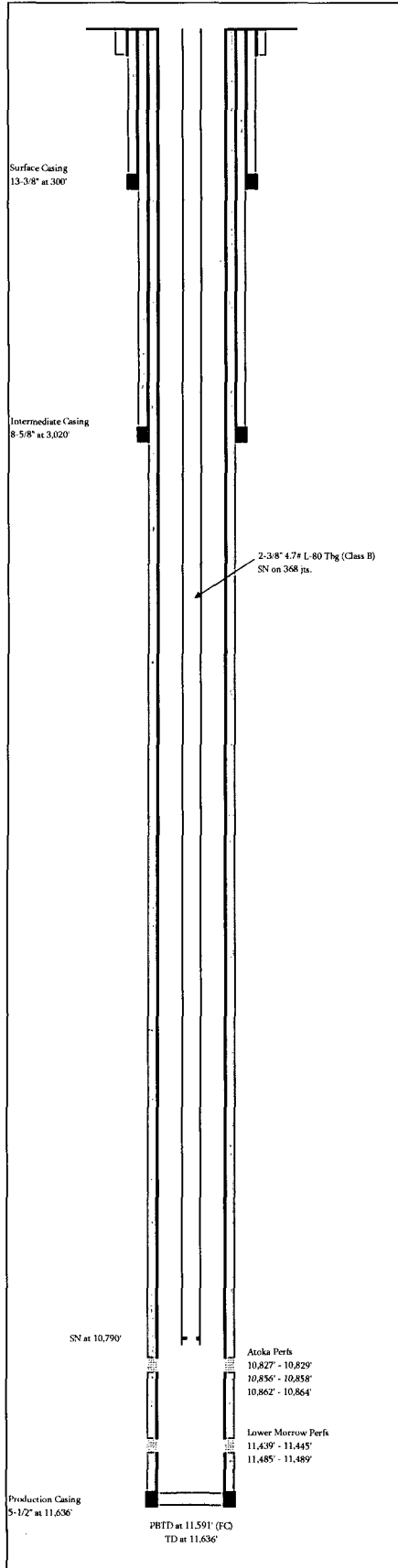
CC: Oil Conservation Division
P.O. Box DD
Artesia, NM 88210

New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504-1148

CURRENT



PROPOSED



BOLD ENERGY, LP

Solomon State Com #1Y

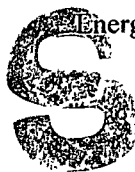
WT: 65.5%
Elevation: 3,375'
KB: 18'
Meas. TD: 11,636'
TVD: 11,636'
PBD: 11,591' (FC)
Zone: Morrow

NRI: 53.646%
API: 30-015-35738
Surface Location: 1429' ENL & 840' FWL
Legal Description: Section 10 - T19S - R29E
Field: Turkey Track
County: Eddy
State: New Mexico

Casing	Hole	Weight	Grade	Top	Bottom	Burnt	80% Burnt	Sacks	TOC
20"				0'	40'				Surface
13-3/8"	17-1/2"	48#	H-40	0'	300'	1,730	1,384	665	Surface (17)
8-5/8"	11"	32#	J-55	0'	3,020'	3,930	3,144	900	Surface (circ)
5-1/2"	7-7/8"	17#	P-110	0'	11,636'	10,640	8,512	1,285	Surface (circ)

Date	Event
7/20/2007	Spud at original surface location. Apparent karst encountered. P & A conductor hole and STBY rig.
7/29/2007	Major lost circulation below conductor. Pits drained from karst. Build new location. Drill conductor hole at new surface location. Stuck BHA. Could not free. Cut off drive Kelly and leave in hole. Fill conductor hole with cement and built new cellar 9' to the South.
7/31/2007	Set and cemented conductor at 40'. MIRU Nabors 142 from original location.
8/1/2007	Spud at final surface location. Encountered major lost circulation in surface hole.
8/4/2007	TD production hole.
9/5/2007	Ran OH logs without event. Could not get past 11,280' w/ RFT tools.
9/7/2007	Ran casing and released drilling rig.
9/15/2007	Ran CBL from PBDT (11,540') to 8,000' w/ 2,000 psi. Bond good.
9/17/2007	Ran bit and scraper to PBDT. Pressure tested casing to 8,000 psi. Pickled tubing and casing w/ 500 gal 7.5% HCL.
9/18/2007	POOH w/ bit & scraper. Perforated w/ 3-3/8" casing guns 4 spf, 120' phasing, 0.43" EHD: 11,485' - 11,489' (16 holes). Broke down perf at 6,950 psi at 4.2 BPM. Pavg = 6,750 psi. Cavg = 4.0 BPM. ISIP = 6,500 psi. 5 min SIP = 5,320 psi. 10 min SIP = 4,640 psi. 15 min SIP = 4,070 psi. Perforated w/ 3-3/8" casing guns 4 spf, 120' phasing, 0.43" EHD: 11,439' - 11,445' (24 holes). No flow. THH w/ STD SN on 368 js 2-3/8" 4.7# L-80 tubing w/ blast joint sub + carbide frac rings at surface.
9/20/2007	MIRU Bf frac equipment and nitrogen equipment. Frac'd via tubing x casing annulus as follows: 2,000 gallons 15% HCL acid followed by 1020 bbls 35# lightning pad at 24 bpm + 10,000 scfm N2. 1179 bbls 30# lightning + 122,500 lbs 20/40 CarboProp from 0.5 pps to 4.0 pps. ISIP = 5,399 psi. ATP = 7,589 psi. APR = 23.6 bpm (liquid). APR = 10,000 scfm (N2) Total load to recover = 2,299 bbls. Flowed well while circulating nitrogen down annulus.
9/23/2007	Load recovered = 663 bbls (29.0%)
9/24/2007	MIRU swab unit. SITP = 680 psi. SICP = 1,780 psi. SFL = 4,400'. FFL = 6,900'. Swabbed 118 bbls. Started flowing. Initial FTP = 500 psi. FCP = 1520 psi on 48/64" CK. Final FTP = 0 psi. Final FCP = 800 psi. Flowed 19 bbls. Load recovered = 781 bbls (34.0%)
9/25/2007	SITP = 930 psi. SICP = 1,350 psi (12 hrs). Blew down tubing with no flow. IFL = 4,700'. Rec 44 BW. FFL = 5,400'. TP = 0 psi. CP = 1,400 psi. Load recovery = 35.9%. Swab line parted leaving +/- 5,000' in hole.
9/26/2007	SITP = 600 psi. SICP = 1,700 psi. Blew down tubing and casing with no liquid recovery.
9/27/2007	ND WH. NU BOPE. Leave well open to tank w/ Tetra hand on location. No fluid recovery overnight - well dead. TOOH w/ TBG. Found sand line at 114 stands out. Small amount of sand on wire cup - sand line brittle. THH w/ SN on 368 js 2-3/8" tubing. NU WH. SIGN.
9/28/2007	SITP = 600 psi. SICP = 350 psi. IFL = 4,800'. 18 runs recovering 45 BW. Load recovery = 37.8%.
9/29/2007	SITP = 620 psi. SICP = 720 psi. IFL = 4,800'. 21 runs recovering 99 BW. Load recovery = 42.1%.
10/1/2007	SITP = 1100 psi. SICP = 1240 psi. IFL = 4,600'. Made 16 runs recovered 85 BW. Well began to flow. After 1st hour of flowing TP = 80 psi. CP = 740 psi. Recovered 17.5 bbls. After 2nd hour of flowing TP = 40 psi. CP = 630 psi. Recovered 6.5 bbls. Total liquid recovered for the day = 109 bbls. Load Recovery = 46.8%
10/2/2007	SITP = 1,200 psi. SICP = 1,300 psi. Open tubing to test tank. Well flowing. After 1st hour TP = 100 psi. CP = 1,100 psi. Recovered 16 bbls. After 2nd hour TP = 80 psi. CP = 950 psi. Recovered 12 bbls. After 3rd hour TP = 10 psi. CP = 750 psi. Recovered 5 bbls. Made 9 additional runs. FL scattered from top to bottom. Waited 1 hour and recovered 3 bbls on final run. Total liquid recovered for the day = 60 bbls. Load Recovery = 51.5%
10/3/2007	SITP = 1,100 psi. SICP = 1,240 psi. Open tubing to test tank. Well flowing. Flowed 30 minutes and recovered 1 bbls. Made 7 runs and rec 31 bbls. Well flowing w/ 100 psi FTP & 1,200 psi CP. 1st hour rec. 15 bbls. FTP = 70 psi. CP = 700 psi. 2nd hour rec. 7 bbls. FTP = 20 psi. CP = 600 psi. Total recovered liquid for the day = 54 bbls (53.9%). SI. RDMO swab rig. Wait on pipeline.
10/10/2007	SITP = 2,000 psi. SICP = 1,675 psi.
10/23/2007	Begin pit reclamation.
10/24/2007	Begin pipeline and facility installation
11/2/2007	First sales.
11/6/2007	SITP = 300 psi. SICP = 1,250 psi. Blow down tubing. No liquid. Swab. IFL = 3,700'. 22 BW recovered. FFL = 4,700'. (55% LR)
11/7/2007	SITP = 500 psi. SICP = 1,800 psi. Blow down tubing. No liquid. Swab. IFL = 4,800'. Swabbed 18 bbls in 4 runs. Well began flowing at 1,000 psi FTP and 1,600 psi CP. Unloaded 12 bbls to tank. Put to sales (bypassing compressor) on 22/64" ck. Flowed 3 hrs and died recovering 28 bbls. Swabbed 42 bbls in 10 runs. SIW. Recovered 82 bbls. 58.6% LR. 951 bbls LTR.
11/8/2007	SITP = 600 psi. SICP = 1,200 psi. Blow down tubing. No liquid. Swab. IFL = 5,600'. Swabbed 74 bbls in 23 runs. FFL = 3,500'. Gassing on last two runs. SIW. 61.9% LR. 870 BBLS LTR.
11/9/2007	SITP = 1,250 psi. SICP = 1,350 psi. Blow down tubing and rec 5 bw. Swab. IFL = 5,000'. Swabbed 35 bbls in 10 runs. Well flowed for 3 hrs to tank at 80 psi FTP, 700 psi CP. Made 7 bbls while flowing. Left open to tank. 64.7% LR. 811 BBLS LTR.
11/10/2007	TP = 0 psi. SICP = 1,200 psi. Swab. IFL = 4,200'. Swabbed 29 bbls in 12 runs. Well flowing to tank on 48/64" CK. 66% LR. 782 BBLS LTR.
11/12/2007	TP = 0 psi. SICP = 1,450 psi. Swab. IFL = 500'. Swabbed 35 bbls in 12 runs. Well flowing to tank on 48/64" CK. FTP = 150 psi. CP = 800 psi. Flowed 13 bbls in 1 hr. Flowed 4 bbls 2nd hr. Well died w/ 710 psi on csg. Swabbed 14 bbls in 6 runs. Final FL = 7,800'. Left well open to tank. 68.9% LR. 716 bbls LTR.
11/13/2007	TP = 0 PSI SICP = 1,1150 psi. Swab IFL = 5,200'. Swabbed 42 bbls in 14 runs. Well flowing to tank on 48/64" CK. FTP = 100 psi. CP = 900 psi. Flowed 12 bbls 1st HR. Flowed 3 bbls 2nd HR. Well Died w/ 650 PSI on csg. Swabbed 12 bbls in 4 runs. FFL = 6,200'. Left well open to tank. Recovered add'l 15 bbls overnight. 72.5% LR. 632 bbls LTR.
11/14/2007	TP = 0 psi. SICP = 1,150 psi. SWAB. IFL = 5,400'. Swabbed 43 bbls in 12 runs. Swabbing from from SN. 74.4% LR. 589 bbls LTR. SIW & SDIN.
11/15/2007	SITP = 1,040 psi. SICP = 1,150 psi. IFL = 3,500' scattered. Swabbed 10 runs periodically all day. Switch to sales after each run. Leave open to sales overnight. Total recovered liquid = 41 bbls. 76.2% LR. 548 bbls LTR.
11/16/2007	Well dead. TP = 50 psi. SICP = 1,000 psi. IFL = 5,100' scattered. Swabbed 6 runs periodically all day. Switch to sales after each run. Leave open to sales overnight. Total recovered liquid = 25 bbls. 77.3% LR. 523 bbls LTR.
11/17/2007	Well dead. TP = 20 psi. SICP = 950 psi. IFL = 5,100' scattered. Swabbed 9 runs periodically all day. Switch to sales after each run. Leave open to sales overnight. Total recovered liquid = 36 bbls. 78.8% LR. 487 bbls LTR.
11/19/2007	Well dead. TP = 25 psi. SICP = 1,200 psi. IFL = 5,400' scattered. Swabbed 14 runs periodically all day. Switch to sales after each run. Leave open to sales overnight. Total recovered liquid = 57 bbls. 81.3% LR. 430 bbls LTR.
11/20/2007	Well dead. TP = 20 psi. SICP = 850 psi. IFL = 4,500' scattered. Swabbed 19 runs periodically all day. Switch to sales when well would flow. Leave open to sales overnight. Total recovered liquid = 46 bbls. 83.8% LR. 373 bbls LTR.
11/21/2007	Well dead. TP = 15 psi. SICP = 850 psi. IFL = 4,200' scattered. Swabbed 13 runs periodically all day. Switch to sales when well would flow. Leave open to sales overnight. Total recovered liquid = 41 bbls. 85.6% LR. 332 bbls LTR.
11/22/2007	Open to Sales over Holiday. No production 11/22 - 11/25.
11/26/2007	Blow down casing and tubing to tank. Shutdown & WOOD.
11/29/2007	TP = 60 psi. SICP = 70 psi. IFL = 6,500'. Swabbed 11 runs periodically all day. Switch to sales when well would flow. Leave open overnight. Total recovered liquid = 50 bbls. 87.7% LR. 282 bbls LTR.
11/30/2007	Well Dead. TP = 130 psi. SICP = 450 psi. IFL = 4,500'. Swabbed 18 runs periodically all day. Switch to sales when well would flow. SIW. Total recovered liquid = 80 bbls. 91.2% LR. 202 bbls LTR.
12/2/2007	TP = 800 psi. SICP = 800 psi. IFL = 5,400'. Blew well down. No fluid. Swabbed 14 runs periodically all day. Left well open to sales. Total recovered liquid = 80 bbls. 94.7% LR. 122 bbls LTR. Gas = 14 mcf.
12/3/2007	Well dead. TP = 40 psi. SICP = 950 psi. IFL = 3,000' scattered. Swabbed 11 runs periodically all day. Well began flowing. Left well open to sales. Total recovered liquid = 95 bbls. 97.1% LR. 67 bbls LTR. Gas = 55 mcf.
12/4/2007	Well Dead. TP = 40 psi. SICP = 900 psi. IFL = 4,500' scattered. Swabbed 6 runs periodically all day. Put well to sales when it would flow. Left well open to sales. Total recovered liquid = 58 bbls. 99.5% LR. 12 bbls LTR. Gas = 42 mcf.
12/5/2007	Well dead. TP = 40 psi. SICP = 950 psi. IFL = 3,000' scattered. Swabbed 9 runs periodically all day. Put well to sales when it would flow. Left well open to sales. Total recovered liquid = 45 bbls. 101.6% LR. (-36) bbls LTR. Gas = 56 mcf.
12/6/2007	Well dead. TP = 40 psi. SICP = 950 psi. SIW. RDMO Swab Rig. Wait on orders. Total recovered liquid = 45 bbls. 101.6% LR. (-36) bbls LTR. Gas = 4 mcf.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505



State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

AUG 02 2007

Submit to appropriate District Office

OCD-ARTESIA

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Bold Energy, LP 415 W. Wall, Suite 500 Midland, TX 79701		² OGRID Number 233545
³ Property Code 35447		⁴ API Number 30-015-35738
⁵ Property Name Solomon State Com		⁶ Well No 1Xy
⁹ Proposed Pool 1 Turkey Track; Morrow (Gas)		¹⁰ Proposed Pool 2 Turkey Track; Atoka (Gas)

7 Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	10	19S	29E		1429	North	840	East	Eddy

8 Proposed 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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3378'
¹⁶ Multiple No	¹⁷ Proposed Depth 11,800'	¹⁸ Formation Morrow	¹⁹ Contractor N/A	²⁰ Spud Date Rig Availability
Depth to Groundwater 120'		Distance from nearest fresh water well >1000'		Distance from nearest surface water >1000'
Pit: Liner. Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume, 12,000_bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13.375"	48.0 #	275'	325	Circulated
11"	8.625"	32.0 #	3000'	875	Circulated
7 7/8"	5.500"	17.0 & 20.0 #	11,800'	900	7000'

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill 17 1/2" hole to 275' (approx 50' above Salt) using FW spud mud, set 13 3/8" casing and cmt to surface w/ 325 sx Class "C" w/2 % CaCl₂. If necessary, use 1" tbg for top job to bring cmt to surface. Install BOP and test BOP & csg to 1000psi. Drill 12 1/4" hole to 3000' w/bring and sweeps, run 8 5/8" casing and cmt w/500 sx 35-65 POZ- Class "C" w/5% salt, 10% gel, 0.2% antifoamer & 1/4# cello-flake per sk followed by 200 sx Class "C" neat. If necessary, use 1" tbg for top job to bring cmt to surface. Install & test BOP to 3000psi, test csg to 1500 psi. Drill 7 7/8" hole to 11,800' TD w/FW & cut brine, adjusting MW- VIS- WL as needed to maintain hole stability and well control (expected max MW= 10.5 ppg). Run open hole logs and set 5 1/2" production casing at TD and cmt with 900 sx TXI Lightweight cont'g 0.2% FLA, 0.2% dispersant & 0.4 retarder, expected TOC @ 7000' = approx 2000' above top of Wolfcamp. Completion procedure will be based upon drilling results and log evaluation.

BOP: a 5000 psi ram preventer w/ annular will be utilized; if needed, a rotating head will be added to this stack.

H2S Contingency Plan: Callaway safety has completed the required plan and a copy is enclosed with this APD.

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Lec Ann Rollins		Approved by: BRYAN G. ARANT	
Title. Agent for Bold Energy, LP		Title. DISTRICT II GEOLOGIST	
E-mail Address: leeann@graysurfacespecialties.com		Approval Date: AUG 03 2007 Expiration Date: AUG 03 2008	
Date: 7-30-2007	Phone: 432-685-9158	Conditions of Approval Attached <input type="checkbox"/>	

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 & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form 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

¹ API Number 30-015-35738		² Pool Code 86480		³ Pool Name Turkey Track; Morrow (Gas)	
⁴ Property Code 35447		⁵ Property Name Solomon State Com			⁶ Well Number 1Y
⁷ OGRID No. 233545		⁸ Operator Name BOLD ENERGY, LP			⁹ Elevation 3,375'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	10	19S	29E		1,429	North	840	East	Eddy

¹¹ 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

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶ 	¹⁷ 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. Signature 12/20/07 Date Shannon L Klier Printed Name	
	¹⁸ 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 of Survey Signature and Seal of Professional Surveyor:	
	Certificate Number	

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-35738	² Pool Code 86445	³ Pool Name Turkey Track; Atoka (Gas)
⁴ Property Code 35447	⁵ Property Name Solomon State Com	⁶ Well Number 1Y
⁷ OGRID No. 233545	⁸ Operator Name BOLD ENERGY, LP	⁹ Elevation 3,375'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	10	19S	29E		1,429	North	840	East	Eddy

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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.

¹⁶ 	¹⁷ 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. Signature 12/12/07 Date Shannon L Klier Printed Name	
	¹⁸ 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 of Survey Signature and Seal of Professional Surveyor:	
	Certificate Number	

BOLD ENERGY, LP

415 W. WALL, SUITE 500
MIDLAND, TEXAS 79701

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

December 20, 2007

To: NM OCD & NM State Land Office

Re: Commingling Ownership in the Atoka and Morrow formations
Solomon State Com #1Y
UL "H" Section 10 – T19S – R29E
Eddy County, NM
Turkey Track Prospect

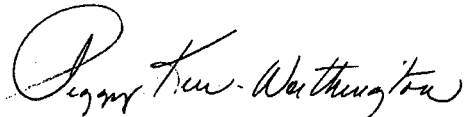
Gentlemen,

Bold Energy LP, as operator, has drilled the captioned well and desires to commingle production from the Atoka and Morrow zones.

The ownership in the Atoka and Morrow zones is identical and documented within a Title Opinion rendered July 17, 2007 by Don M. Fedric with the Law Office of Hunker-Fedric, P.A., Roswell, New Mexico.

Please call me at (432) 686-1100 or e-mail peggy.kerr@boldenergy.com should there be any questions.

Sincerely for Bold Energy LP,

A handwritten signature in cursive script, reading "Peggy Kerr-Worthington".

Peggy Worthington
Vice President - Land