



3106 N. Big Spring St. Ste. 11
Midland, TX 79705
Tel: (432) 685-9158

December 28, 2006

Oxy USA WTP LP
P. O. Box 4294
Houston, TX 77210-4294

RE: Rule 104 Notification to Multiple Operators in Shared Proration Unit
for Permit to Drill New Well
Oxy Checker State #2
1980' FNL & 660' FWL, Unit E
Sec 8, T19S, R29E, Eddy County, NM
Turkey Track Canyon

Dear Sirs:

Bold Energy, LP is planning to drill the above referenced well on a 320-acre proration unit containing the W/2 of Section 8, as shown on the attached plat, which is shared by the 320-acre proration unit occupied by the Oxy Checker State #1 and operated by Oxy USA. In compliance with New Mexico State Rule 104, addressing multiple operators sharing the same proration unit, Bold hereby gives official notification twenty (20) days in advance of submitting the Application to Drill to the New Mexico Oil Conservation Division. If no written objection is received to Bold Energy, LP within the twenty days of receipt of this notification, the application will be submitted.

An administrative approval may be obtained if non-objection waivers are included with the application. Bold Energy, LP respectfully requests that, if you have no objection, you sign below and return this letter at your earliest convenience. If you have any questions, or if there is anything I can do to expedite this request, please contact me at (432) 685-9158. Thank you.

Denise Menoud, Regulatory Specialist
Gray Surface Specialties,
Agent for Bold Energy, LP

Oil Conservation Division
Case No. _____
Exhibit No. 2

Oxy USA WTP, LP has no objection to the 320-acre proration unit assignment to the above well drilling application.

(Signature and Title)

(Date)

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South 1st, Artesia, NM 88210

District III
1000 El Rio Blanco Rd., Aztec, NM 87410

District IV
2040 South 1st, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-29463		2 Pool Code		3 Pool Name Undesignated Wolfcamp	
4 Property Code 20465		5 Property Name OXY Checker State Com.			6 Well Number 1
7 OGRID No. 1696		8 Operator Name OXY USA Inc.			9 Elevation 3379'

10 Surface Location

UL or lot no. L	Section 8	Township 19S	Range 29E	Lot 1da	Feet from the 1650	North/South line South	Feet from the 660	East/West line West	County Eddy
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1da	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 320		13 Joint or Infill N		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

<p>Diagram showing well locations #1 and #2 on a grid. Well #1 is at the intersection of 660' and 1650'. Well #2 is at the intersection of 660' and 1980'.</p>				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>David Stewart</i> Printed Name: David Stewart Title: Regulatory Analyst Date: 8/8/00	
				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:	



OXY USA WTP LIMITED PARTNERSHIP

6 Desta Drive, Suite 600, Midland, Texas 79705
P.O. Box 50250, Midland, Texas 79710

David R. Evans
Senior Landman Advisor

432/685-5769
FAX 432/685-5944

January 8, 2007

CERTIFIED – RETURN RECEIPT REQUESTED

Gray Surface Specialties
Attention: Denise Menoud
3106 North Big Spring Street, Suite 100
Midland, Texas 79705

Re: Rule 104 Notification to Multiple Operators in
Shared Proration Unit for Permit to Drill New Well
OXY Checker State #2, 1980 FNL & 660 FWL, Unit E
Section 8, T19S-R29E, Eddy County, New Mexico
JOA file 03181501

Dear Ms. Menoud,

With respect to your letter dated December 28, 2006, please be advised that OXY USA WTP Limited Partnership objects to Bold Energy, L.P.'s proposed application for multiple Operators on the captioned lands. OXY USA WTP Limited Partnership (successor to OXY USA Inc.) is the designated Operator under the terms of that certain Operating Agreement dated March 1, 1997 and Letter Agreement dated March 27, 1997.

OXY requests that Bold Energy contact OXY prior to any further action on this proposed well so that we can discuss resolution to this matter as soon as possible.

Very truly yours,

OXY USA WTP Limited Partnership

David R. Evans

DRE/bic

cc: Elizabeth Bush
William Carr (Holland & Hart)
Bob Doty
David Sutter (Stubbeman Law Firm)
Peggy Kerr (Bold Energy)