STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

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APPLICATION OF BOLD ENERGY, LP FOR APPROVAL OF AN APPLICATION FOR PERMIT TO DRILL AND TO ALLOW TWO OPERATORS IN A WELL UNIT, EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Bold Energy, LP

ATTORNEY

James Bruce, Esq. Post Office Box 1056 Santa Fe, New Mexico 87504-1056 (505) 982-2043

OPPOSITION

OXY USA WTP Limited Partnership Attn: David Evans Post Office Box 4294 Houston, TX 77210-4294 (713) 366-5303

ATTORNEY

William F. Carr, Esq. Holland & Hart LLP Post Office Box 2297 Santa Fe, New Mexico 87504-2208 (505) 988-4421

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STATEMENT OF CASE

APPLICANT

Applicant seeks approval of an application for permit to drill its OXY Checker State Well No. 2 in the W/2 of Section 8, Township 19 South, Range 29 East, NMPM. The W/2 of Section 8 will be simultaneously dedicated to the proposed well, located in the SW/4 NW/4 of Section 8, to be operated by applicant, and to the existing OXY Checker State Well No. 1, located in the NW/4 SW/4 of Section 8, operated by OXY USA WTP Limited Partnership.

OPPOSITION

PROPOSED EVIDENCE

OPPOSITION

WITNESSES (Name and Expertise) ESTIMATED TIME

EXHIBITS

David Evans (Land)

Approx. 10 Minutes

Approx. 6

PROCEDURAL MATTERS

OXY USA WTP Limited Partnership has none at this time.

William F. Carr

Attorney for OXY USA WTP Limited Partnership

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CERTIFICATE OF SERVICE

I certify that on March 7, 2007 I served a copy of the foregoing document to the following by

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U.S. Mail, postage prepaid Hand Delivery Fax Electronic Service by LexisNexis File & Serve

> James Bruce, Esq. Post Office Box 1056 Santa Fe, NM 87504-1056 (505) 982-2043 (505) 982-2151 facsimile

William F. Carr

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