

no

January 29, 2007

## HAND-DELIVERED

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Mark E. Fesmire, P. E.	<u> </u>
Director	
Oil Conservation Division	10
New Mexico Department of Energy,	0
Minerals and Natural Resources	
1220 South Saint Francis Drive	
Santa Fe, New Mexico 87505	(a)

Re: OXY USA WTP L.P.'s objection to Bold Energy, L.P.'s proposed application for multiple operators in Section 8, Township 19 South, Range 29 East, Eddy County, New Mexico

Dear Mr. Fesmire:

We understand that Bold Energy, L.P. may be granted an application to drill and operate the OXY Checker State No. 2 in Section 8, Township 19 South, Range 29 East, Eddy County, New Mexico. As OXY USA WTP Limited Partnership ("OXY") timely objected to this application, Division Rule 104 requires that the application may only be approved after hearing. This application does not appear to have been set for hearing.

Both the applicant and the Division had timely notice of OXY's objection to the application. Pursuant to Division Rule 104(E)(2), OXY delivered its written objection to Bold Energy's agent Gray Surface Specialties ("Gray") by both regular and certified mail within twenty days of the date such notice was mailed. The notice from Gray was sent on December 28, 2006, and OXY responded to Gray on January 8, 2007. A representative of OXY also called a representative at Gray to voice objection to the proposal on that same date. On January 15, 2007, I forwarded a copy of the objection letter to the Division.

Mr. Will Jones contacted me on January 17, 2007, requesting that OXY send the objection letter again to Gray as apparently Gray had not received it. This letter was forwarded via certified mail on January 26, 2007, by this office pursuant to the Division's request. The letter was only sent as a courtesy to Gray as OXY had already timely and properly objected to Bold Energy's proposal.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. 🗘

Letter to Mark Fesmire January 29, 2007 Page 2



OXY respectfully requests the Division to require that the application be set for hearing pursuant to Division Rule 104(E)(2).

Copies of all correspondence have been attached for your review.

Your attention to this matter is appreciated.

Sincerely,

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Ocean Munds-Dry USA WTP L.P.

Enclosure cc: Gail MacQuesten, Esq.



Ocean Munds-Dry omundsdry@hollandhart.com

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January 26, 2007

## **CERTIFIED MAIL**

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

> Re: OXY USA WTP L.P.'s objection to Bold Energy, L.P.'s proposed application for multiple operators in Section 8, Township 19 South, Range 29 East, Eddy County, New Mexico

Dear Ms. Menoud:

OXY USA WTP Limited Partnership ("OXY") has objected pursuant to Division Rule 104(E)(2) to Bold Energy, L.P.'s proposed application for multiple operators in Section 8, Township 19 South, Range 29 East, Eddy County, New Mexico. OXY sent you its objection letter on January 8, 2007, by certified mail and regular mail. A copy of this letter is being forwarded to you again at the request of the Division.

Your attention to this matter is appreciated.

Sincerely,

Vian Mune

Ocean Munds-Dry Attorney for OXY USA WTP L.P.

Enclosure

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## **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

drid R. Wars /si

David R. Evans

DRE/bic

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

An Occidental Oil and Gas Company



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HOLLAND&HART

Ocean Munds-Dry omundsdry@hollandhart.com

January 15, 2007

 HAND-DELIVERED
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 Mark E. Fesmire, P. E.
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 Director
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 Oil Conservation Division
 III

 New Mexico Department of Energy,<br/>Minerals and Natural Resources
 III

 1220 South Saint Francis Drive<br/>Santa Fe, New Mexico 87505
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Your attention to this matter is appreciated.

Sincerely,

Cen Munds-

Ocean Munds-Dry Attorney for OXY USA WTP L.P.

Enclosure

Holland & Hart up

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