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January 30, 2007

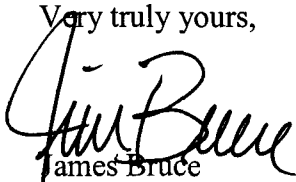
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 13877

Dear Florene:

Enclosed for filing, on behalf of Bold Energy, LP, are an original and one copy of an application to approve an APD, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the March 1, 2007 Examiner hearing. Thanks.

Very truly yours,


James Bruce
Attorney for Bold Energy, LP

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**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.**

Case No. 13877

2007 JAN 31 PM 12 35

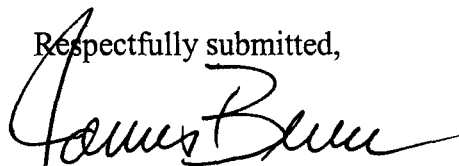
APPLICATION

Bold Energy, LP applies for an order approving an application for permit to drill, and to approve two operators on a gas well unit, and in support thereof, states:

1. Applicant is an interest owner in the W $\frac{1}{2}$ of Section 8, Township 19 South, Range 29 East, N.M.P.M.
2. Applicant desires to drill the proposed OXY Checker State Well No. 2, to be located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8, to a depth sufficient to test the Wolfcamp and Canyon formations.
3. The W $\frac{1}{2}$ of Section 8 is currently dedicated, in the Wolfcamp and Canyon formations, to the OXY Checker State Well No. 1, located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8, operated by OXY USA WTP Limited Partnership ("OXY").
4. Applicant notified OXY of its desire to drill and operate the OXY Checker State Well No. 2, as required by Division Rule 104.E(2), but OXY objected to the drilling of the well by applicant.
5. Applicant requests that its application for permit to drill be approved so that it may drill and operate the well.
6. The approval of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order approving the relief requested herein.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", written over a horizontal line.

James Bruce
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Attorney for Bold Energy, LP

PROPOSED ADVERTISEMENT

Case No. 13877: **Application of Bold Energy, LP for approval of an application for permit to drill and to allow two operators on a well unit, Eddy County, New Mexico:** Applicant seeks approval of an application for permit to drill its OXY Checker State Well No. 2 in the W½ of Section 8, Township 19 South, Range 29 East, NMPM. The W½ of Section 8 will be simultaneously dedicated to the proposed well, located in the SW¼NW¼ of Section 8, to be operated by applicant, and to the existing OXY Checker State Well No. 1, located in the NW¼SW¼ of Section 8, operated by OXY USA WTP Limited Partnership. The well unit is located approximately 12 miles southwest of Loco Hills, New Mexico.

2007 JUN 31 PM 12 35