

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

2007 MAY 10 PM 3 48

May 8, 2007

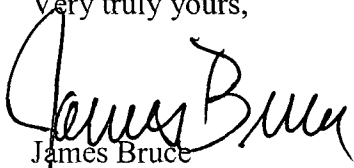
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 13931*

Dear Florene:

Enclosed for filing, on behalf of Bold Energy, LP, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the June 7, 2007 Examiner hearing. Thanks.

Very truly yours,

  
James Bruce  
Attorney for Bold Energy, LP

PARTIES BEING POOLED

OXY USA WTP Limited Partnership  
P.O. Box 50250  
Midland, Texas 79710

Attention: David R. Evans

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2007 MAY 10 PM 3 46

**APPLICATION OF BOLD ENERGY, LP  
FOR COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO.**

Case No. 13931

**APPLICATION**

Bold Energy, LP applies for an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation underlying the W $\frac{1}{2}$  of Section 8, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

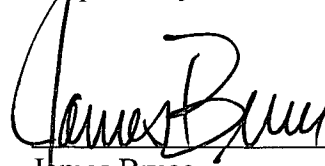
1. Applicant is an interest owner in the W $\frac{1}{2}$  of Section 8, and has the right to drill a well thereon.
2. Applicant proposes to drill its OXY Checker State Well No. 2, at an orthodox location in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 8, to a depth sufficient to test the Cisco/Canyon formation, and seeks to dedicate the W $\frac{1}{2}$  of Section 8 to the well to form a standard 320 acre gas and spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W $\frac{1}{2}$  of Section 8 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the W $\frac{1}{2}$  of Section 8, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the W½ of Section 8 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the W½ of Section 8, from the surface to the base of the Cisco/Canyon formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Bruce", is written over a horizontal line.

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

Attorney for Bold Energy, LP

PROPOSED ADVERTISEMENT

Case No. 13931: **Application of Bold Energy, LP for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco formation underlying the W/2 of Section 8, Township 19 South, Range 29 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent. The unit will be dedicated to the OXY Checker State Well No. 2, to be drilled at an orthodox location in the SW/4NW/4 of Section 8. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well unit is located approximately 12 miles southwest of Loco Hills, New Mexico.

2007 MAY 10 PM 3:47