

BOLD ENERGY, LP

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January 15, 2007

Mr. David R. Evans
OXY USA WTP L.P.
6 Desta Drive, Suite 6000
Midland, TX 79705

Mr. Dick Frech
Monarch Resources, Inc.
115 W. 7th Street, Suite 1310
Fort Worth, Texas 76102

Mr. Herbert Boles
223 W. Wall, Suite 825
Midland, TX 79701

Mr. Tom Beall
550 W. Texas, Suite 220
Midland, TX 79701

Oil Conservation Commission
Case No. 8
Exhibit No. 8

Subject: Termination of Farmout Agreement dated 3/27/97
Turkey Track - Sec. 8 & 9, T19S, R29E
Eddy County, NM

Gentlemen:

By Agreement ("Agreement") dated March 27, 1997, Threshold Development Company, Broad Street Financial Company, Leland Hodges and Herbert F. Boles ("Farmors") farmed out to Oxy USA WTP Limited Partnership ("Oxy") an interest in Sec. 8, as to all depths below three thousand feet subsurface, and Section 9, as to all rights below five thousand feet subsurface, Township 19 South, Range 29E, Eddy County, New Mexico. The Agreement required Oxy to commence drilling operations on the referenced lands subject to a continuous development obligation. The Parties named above are the original parties to that Agreement.

The successors and assigns to the March 27, 1997 Agreement are currently Bold Energy LP, Monarch Resources, Inc. and Herbert F. Boles.

Oxy conveyed an interest into Tom Beall subject to the March 27, 1997 Agreement which is recorded in Vol. 506, Page 1175 in the records of Eddy County, New Mexico.

The obligation wells have been drilled and completed. The reversionary interest into the Farmors have been exercised years prior to the date of this letter.

The Parties have made and delivered all assignments and transfers of interest in the leases and lands that are the subject of the Agreement, with the exception of the two assignments attached hereto as Exhibit A.

It is the belief of Bold that Oxy reassigned to Threshold, et al its reversionary interest in Sec. 9 as required under paragraph 21 of the March 27, 1997 Agreement, but for some unknown reason documents were never filed in the records of the state or county. Bold has prepared the Exhibit A documents and request the execution of these documents by Oxy and Thomas M. Beall. Bold will record the documents.

The Parties have determined that the purpose of the Agreement no longer exists, and, notwithstanding any provision in the Agreement to the contrary, desire to terminate the Agreement.

For adequate consideration, the Parties named above, being all parties in interest to the Agreement, or their successors and assigns, hereby terminate the Agreement and each of them release one another from any and all obligations created by the Agreement, from and after the Effective Date stated above.

If you concur the obligations have been satisfied under this agreement, we ask for you to please execute two (2) copies of this letter, in the space provided below, and return the same to the attention of Peggy Kerr-Worthington. This Letter may be executed in any number of counterparts, no one of which need bear the signatures of all of the parties, but any one of which will constitute an original hereof for all purposes. In order for this Agreement to become effective all current parties subject to the March 27, 1997 Farmout Agreement must execute this January 15, 2007 Termination Letter Agreement.

OXY USA WTP Limited Partnership

Monarch Resources, Inc.

William B. Bledsoe
William B. Bledsoe, Attorney-in-Fact¹ *MB*

Herbert Boles

Thomas M. Beall

Bold Energy LP

Joseph Castillo
President of Bold Energy, LP