



STIPULATION OF INTEREST

Reference is here made for all purposes to those certain leases (the "Leases") and lands (the "Lands") described below:

Lessor: State of New Mexico B-8096  
State of New Mexico VA-0465  
State of New Mexico VB-0455

RECEIVED

Lessee: Continental Oil Company  
Mitchell Energy Corporation  
Ameristate Oil and Gas, Inc...

JUN 26 2007

Dated: April 10, 1939  
December 1, 1991  
December 1, 1995

Recording Data: Not Available

Lands: All of Section 8, as to all depths below three thousand feet subsurface, and Section 9, as to all depths below five thousand feet subsurface, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

Under that certain Letter Agreement (the "1997 Agreement") dated March 27, 1997, Threshold Development Company, Broad Street Financial Company, Leland Hodges and Herbert F. Boles, ("Farmors") farmed out to OXY USA Inc., an interest in Section 8, as to all depths below three thousand feet subsurface, and Section 9 as to all depths below five thousand feet subsurface in Township 19 South, Range 29East, Eddy County, New Mexico.

OXY USA Inc. has performed pursuant to the 1997 Agreement, and received assignments, as therein provided, subject to certain after payout rights of the Farmors. Whereas, certain Assignments reflecting after payout rights as provided for in the 1997 Agreement as to Section 8 were executed, delivered or filed of record in Book 629, Page 553 and Book 629, Page 555 of the Public Records of Eddy County, New Mexico.

Through various conveyances, the ownership of the rights in the Leases and Lands are now vested in Bold Energy LP, Monarch Resources, Inc., Herbert F. Boles, Thomas M. Beall, Fuel Products, Inc. and OXY USA WTP Limited Partnership (collectively, the "Owners").

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owners identified above do hereby covenant, stipulate and agree that:

- a) Payout has occurred for all wells drilled under the 1997 Agreement.
- b) Pursuant to the 1997 Agreement:
  - (i) The OXY Checker State Com No. 1 well was drilled in the W/2 of Section 8, T-19-S, R-29-E, NMPM, to a total depth of 11,470' subsurface, and the W/2 of said Section 8 was established as the earned spacing unit for such well (the "W/2 Unit");
  - (ii) The OXY Auto State No. 1 well was drilled in the E/2 of Section 8, T-19-S, R-29-E, NMPM, to a total depth of 11,460' subsurface, and the E/2 of said Section 8 was established as the earned spacing unit for such well (the "E/2 Unit");
  - (iii) The OXY Champion State No. 1 well was drilled in the N/2 of Section 9, T-19-S, R-29-E, NMPM, to a total depth of 11,500' subsurface, and the N/2 of said Section 9 was established as the earned spacing unit for such well (the "N/2 Unit"); and
  - (iv) The OXY Sparkplug State No. 1 well was drilled in the S/2 of Section 9, T-19-S, R-29-E, NMPM, to a total depth of 11,550' subsurface, and the S/2 of said Section 9 was established as the earned spacing unit for such well (the "S/2 Unit").

- c) The ownership of the Leases, insofar as the same cover Section 8, T-19-S, R-29-E, NMPM, in depths below the base of the Bone Spring Formation down to 100 feet below the total depth drilled respectively in the earning well drilled on each of the E/2 Unit and W/2 Unit shall be as follows:

	WI	NRI
Herbert T. Boles	.00290625	.0022524
Monarch Resources	.05521875	.0427945
Thomas M. Beall	.03477500	.0260813
Fuel Products, Inc.	.03477500	.0260812
Bold Energy, LP	.40687500	.3037031
Oxy USA WTP Limited Partnership	.46545000	.3490875

- d) Ownership of the Leases and Lands, insofar as the same cover Section 8, T-19-S, R-29-E, NMPM, in depths below 3,000 feet subsurface down to and including, but not below, the base of the Bone Spring Formation:

	WI	NRI
Herbert T. Boles	.00312500	.0024219
Monarch Resources	.05937500	.0460156
Thomas M. Beall	.03250000	.0243750
Fuel Products, Inc.	.03250000	.0243750
Bold Energy, LP	.43750000	.3265625
OXY USA WTP Limited Partnership	.43500000	.3262500

- e) The ownership of the Leases, insofar as the same cover Section 9, T-19-S, R-29-E, NMPM, in depths below the base of the Bone Spring Formation down to 100 feet below the total depth drilled respectively in the earning well drilled on the S/2 Unit shall be as follows:

	WI	NRI
Herbert T. Boles	.00290625	.0022524
Monarch Resources	.05521875	.0427945
Thomas M. Beall	.03477500	.0260813
Fuel Products, Inc.	.03477500	.0260812
Bold Energy, LP	.40687500	.3037031
Oxy USA WTP Limited Partnership	.46545000	.3490875

- f) The ownership of the Leases, insofar as the same cover Section 9, T-19-S, R-29-E, NMPM, in depths below the base of the Bone Spring Formation down to 100 feet below the total depth drilled respectively in the earning well drilled on the N/2 Unit shall be as follows:

	WI	NRI
Herbert T. Boles	.00290625	.0023161
Monarch Resources	.05521875	.0440027
Thomas M. Beall	.03477500	.0268962
Fuel Products, Inc.	.03477500	.0268962
Bold Energy, LP	.40687500	.3133299
Oxy USA WTP Limited Partnership	.46545000	.3599964

- g) Ownership of the Leases and Lands, insofar as the same cover Section 9, T-19-S, R-29-E, NMPM, in depths below 5,000 feet subsurface down to and including, but not below, the base of the Bone Spring Formation:

	WI	NRI
Herbert T. Boles	.00312500	.0024219
Monarch Resources	.05937500	.0460156
Thomas M. Beall	.03250000	.0243750
Fuel Products, Inc.	.03250000	.0243750
Bold Energy, LP	.43750000	.3265625
Oxy USA, WTP Limited Partnership	.43500000	.3262500

The Owners hereby GRANT, CONVEY, SELL, TRANSFER, AND ASSIGN, without warranty of title, one to the other such interest in the Leases, as to the Lands as is necessary to give effect to the above stipulated ownership percentages, together with:

- a) A like undivided interest in, to or under or by virtue of the presently existing and valid unitization, communitization, and pooling agreements and the properties covered and the units and pooled and communitized acres created thereby (including, but not limited to, all units formed under orders, regulations, rules or other official

acts of any federal, state or other governmental agency), insofar and only insofar as such agreements, properties and units relate to the Leases and Lands and for which ownership is stipulated herein;

- b) A like undivided interest in or to all improvements, easements, surface leases, permits, rights-of-way, licenses, servitudes and other similar interests necessary or useful to or used in connection with the exploration, development or operation of the Leases or the Lands for which ownership is stipulated herein;
- c) A like undivided interest in or to all personal property, fixtures and improvements appurtenant to or located on or near the Lands, or used or held for use in connection with the production, treatment, storage or transportation of oil, gas, casinghead gas, condensate, distillate or other liquid or vaporous hydrocarbons or other minerals from the Leases for which ownership is stipulated herein; such personal property, fixtures and improvements shall include, but shall not be limited to, all Hydrocarbons in tanks, and all wells, tanks, boilers, buildings, plants, fixtures, machinery and other equipment, pipelines, powerlines, telephone lines, roads and other appurtenances pertaining to the Leases for which ownership is stipulated herein; and
- d) A like undivided interest in or to all rights, duties and obligations attributable to or arising from any valid oil, casinghead gas and gas sales, purchase, exchange and processing contracts and agreements, insofar and only insofar as the same are appurtenant or relate to the Leases or production therefrom or attributable thereto.

This Stipulation is expressly made subject to:

- a) A proportionate part of the covenants, provisions, royalties and terms of the Leases;
- b) The terms and conditions of all existing orders, rules and regulations and ordinances of federal, state and other governmental agencies having jurisdiction;
- c) Any valid and subsisting oil, casinghead gas and gas sales, purchase, exchange and processing contracts and agreements, insofar and only insofar as the same are appurtenant or relate to the Leases;
- d) A proportionate part of all conditions, limitations, agreements and other matters, if any, which are of record in the state and county above named and which affect the properties, rights or interests herein assigned; and
- e) That certain Operating Agreement dated March 27, 1997, by and between OXY USA Inc. as Operator, and Threshold Development Company, et al., as Non-Operators, the contract area for which is the Lands; Provided, however, that this Stipulation shall have no effect on the rights of the parties pursuant to the Operating Agreement, as to existing accounts, elections, including without limitation elections previously made to participate, or not participate in any proposed operation, or existing rights, duties or obligations of the parties pursuant thereto.

This Stipulation shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.

As used in this Stipulation of Interest, the terms "WT" and "NRI" shall mean respectively "working interest" and "net revenue interests".


This instrument may be executed in any number of counterparts, no one of which need bear the signature of all the parties, but any one of which may serve as an original for all purposes. This instrument shall not be binding on any executing party, until signed by all parties.

June

Dated this 22nd day of ~~May~~ <sup>June</sup>, 2007, to be effective, however, as of the date each well drilled under the March 27, 1997 Letter Agreement reached payout status.

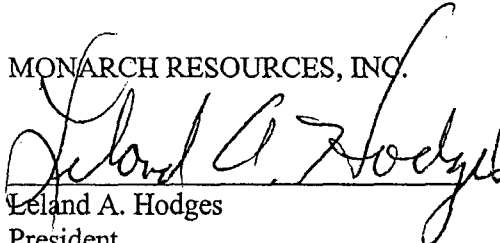
BOLD ENERGY, LP

OXY USA WTP LIMITED PARTNERSHIP  
By: OXY USA INC., General Partner

  
\_\_\_\_\_  
Joseph Castillo, President

\_\_\_\_\_  
William B. Bledsoe, Attorney in Fact

MONARCH RESOURCES, INC.

  
Leland A. Hodges  
President

\_\_\_\_\_  
Thomas M. Beall

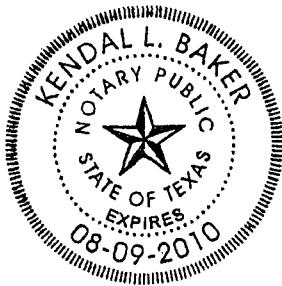
\_\_\_\_\_  
Carolyn Read Beall

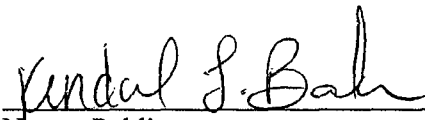
\_\_\_\_\_  
Herbert F. Boles

\_\_\_\_\_  
Norma Jean Boles

STATE OF TEXAS            )  
                                      ) SS.  
COUNTY OF MIDLAND    )

The foregoing instrument was acknowledged before me this 22nd day of June, 2007, by Joseph Castillo, as President, on behalf of BOLD ENERGY, LP, a Limited Partnership.



  
\_\_\_\_\_  
Notary Public

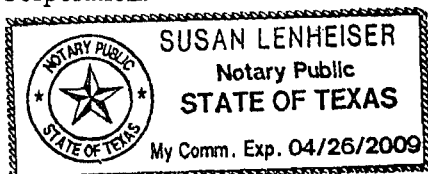
STATE OF TEXAS            )  
                                      ) SS.  
COUNTY OF MIDLAND    )

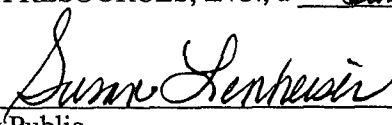
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by William B. Bledsoe, as Attorney in Fact, on behalf of OXY USA INC. as General Partner of OXY USA WTP LIMITED PARTNERSHIP, a Delaware Limited Partnership

\_\_\_\_\_  
Notary Public

STATE OF TEXAS            )  
                                      ) SS.  
COUNTY OF Tarrant    )

The foregoing instrument was acknowledged before me this 25th day of June, 2007, by Leland A. Hodges, as President of MONARCH RESOURCES, INC., a Texas Corporation.



  
\_\_\_\_\_  
Notary Public

STATE OF TEXAS                    )  
  ) SS.  
COUNTY OF MIDLAND            )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
2007, by Thomas M. Beall and wife, Carolyn Read Beall

\_\_\_\_\_  
Notary Public

STATE OF TEXAS                    )  
  ) SS.  
COUNTY OF MIDLAND            )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
2007, by Herbert F. Boles and wife, Norma Jean Boles

\_\_\_\_\_  
Notary Public



### STIPULATION OF INTEREST

Reference is here made for all purposes to those certain leases (the "Leases") and lands (the "Lands") described below:

Lessor: State of New Mexico B-8096  
State of New Mexico VA-0465  
State of New Mexico VB-0455

Lessee: Continental Oil Company  
Mitchell Energy Corporation  
Ameristate Oil and Gas, Inc...

Dated: April 10, 1939  
December 1, 1991  
December 1, 1995

Recording Data: Not Available

Lands: All of Section 8, as to all depths below three thousand feet subsurface, and Section 9, as to all depths below five thousand feet subsurface, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

Under that certain Letter Agreement (the "1997 Agreement") dated March 27, 1997, Threshold Development Company, Broad Street Financial Company, Leland Hodges and Herbert F. Boles, ("Farmors") farmed out to OXY USA Inc., an interest in Section 8, as to all depths below three thousand feet subsurface, and Section 9 as to all depths below five thousand feet subsurface in Township 19 South, Range 29 East, Eddy County, New Mexico.

OXY USA Inc. has performed pursuant to the 1997 Agreement, and received assignments, as therein provided, subject to certain after payout rights of the Farmors. Whereas, certain Assignments reflecting after payout rights as provided for in the 1997 Agreement as to Section 8 were executed, delivered or filed of record in Book 629, Page 553 and Book 629, Page 555 of the Public Records of Eddy County, New Mexico.

Through various conveyances, the ownership of the rights in the Leases and Lands are now vested in Bold Energy LP, Monarch Resources, Inc., Herbert F. Boles, Thomas M. Beall, Fuel Products, Inc. and OXY USA WTP Limited Partnership (collectively, the "Owners").

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owners identified above do hereby covenant, stipulate and agree that:

- a) Payout has occurred for all wells drilled under the 1997 Agreement.
- b) Pursuant to the 1997 Agreement:
  - (i) The OXY Checker State Com No. 1 well was drilled in the W/2 of Section 8, T-19-S, R-29-E, NMPM, to a total depth of 11,470' subsurface, and the W/2 of said Section 8 was established as the earned spacing unit for such well (the "W/2 Unit");
  - (ii) The OXY Auto State No. 1 well was drilled in the E/2 of Section 8, T-19-S, R-29-E, NMPM, to a total depth of 11,460' subsurface, and the E/2 of said Section 8 was established as the earned spacing unit for such well (the "E/2 Unit");
  - (iii) The OXY Champion State No. 1 well was drilled in the N/2 of Section 9, T-19-S, R-29-E, NMPM, to a total depth of 11,500' subsurface, and the N/2 of said Section 9 was established as the earned spacing unit for such well (the "N/2 Unit"); and
  - (iv) The OXY Sparkplug State No. 1 well was drilled in the S/2 of Section 9, T-19-S, R-29-E, NMPM, to a total depth of 11,550' subsurface, and the S/2 of said Section 9 was established as the earned spacing unit for such well (the "S/2 Unit").

- c) The ownership of the Leases, insofar as the same cover Section 8, T-19-S, R-29-E, NMPM, in depths below the base of the Bone Spring Formation down to 100 feet below the total depth drilled respectively in the earning well drilled on each of the E/2 Unit and W/2 Unit shall be as follows:

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Monarch Resources	.05521875	.0427945
Thomas M. Beall	.03477500	.0260813
Fuel Products, Inc.	.03477500	.0260812
Bold Energy, LP	.40687500	.3037031
Oxy USA WTP Limited Partnership	.46545000	.3490875

- d) Ownership of the Leases and Lands, insofar as the same cover Section 8, T-19-S, R-29-E, NMPM, in depths below 3,000 feet subsurface down to and including, but not below, the base of the Bone Spring Formation:

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Fuel Products, Inc.	.03250000	.0243750
Bold Energy, LP	.43750000	.3265625
OXY USA WTP Limited Partnership	.43500000	.3262500

- e) The ownership of the Leases, insofar as the same cover Section 9, T-19-S, R-29-E, NMPM, in depths below the base of the Bone Spring Formation down to 100 feet below the total depth drilled respectively in the earning well drilled on the S/2 Unit shall be as follows:

	WI	NRI
Herbert F. Boles	.00290625	.0022524
Monarch Resources	.05521875	.0427945
Thomas M. Beall	.03477500	.0260813
Fuel Products, Inc.	.03477500	.0260812
Bold Energy, LP	.40687500	.3037031
Oxy USA WTP Limited Partnership	.46545000	.3490875

- f) The ownership of the Leases, insofar as the same cover Section 9, T-19-S, R-29-E, NMPM, in depths below the base of the Bone Spring Formation down to 100 feet below the total depth drilled respectively in the earning well drilled on the N/2 Unit shall be as follows:

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Monarch Resources	.05521875	.0440027
Thomas M. Beall	.03477500	.0268962
Fuel Products, Inc.	.03477500	.0268962
Bold Energy, LP	.40687500	.3133299
Oxy USA WTP Limited Partnership	.46545000	.3599964

- g) Ownership of the Leases and Lands, insofar as the same cover Section 9, T-19-S, R-29-E, NMPM, in depths below 5,000 feet subsurface down to and including, but not below, the base of the Bone Spring Formation:

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Thomas M. Beall	.03250000	.0243750
Fuel Products, Inc.	.03250000	.0243750
Bold Energy, LP	.43750000	.3265625
Oxy USA, WTP Limited Partnership	.43500000	.3262500

The Owners hereby GRANT, CONVEY, SELL, TRANSFER, AND ASSIGN, without warranty of title, one to the other such interest in the Leases, as to the Lands as is necessary to give effect to the above stipulated ownership percentages, together with:

- a) A like undivided interest in, to or under or by virtue of the presently existing and valid unitization, communitization, and pooling agreements and the properties covered and the units and pooled and communitized acres created thereby (including, but not limited to, all units formed under orders, regulations, rules or other official

acts of any federal, state or other governmental agency), insofar and only insofar as such agreements, properties and units relate to the Leases and Lands and for which ownership is stipulated herein;

- b) A like undivided interest in or to all improvements, easements, surface leases, permits, rights-of-way, licenses, servitudes and other similar interests necessary or useful to or used in connection with the exploration, development or operation of the Leases or the Lands for which ownership is stipulated herein;
- c) A like undivided interest in or to all personal property, fixtures and improvements appurtenant to or located on or near the Lands, or used or held for use in connection with the production, treatment, storage or transportation of oil, gas, casinghead gas, condensate, distillate or other liquid or vaporous hydrocarbons or other minerals from the Leases for which ownership is stipulated herein; such personal property, fixtures and improvements shall include, but shall not be limited to, all Hydrocarbons in tanks, and all wells, tanks, boilers, buildings, plants, fixtures, machinery and other equipment, pipelines, powerlines, telephone lines, roads and other appurtenances pertaining to the Leases for which ownership is stipulated herein; and
- d) A like undivided interest in or to all rights, duties and obligations attributable to or arising from any valid oil, casinghead gas and gas sales, purchase, exchange and processing contracts and agreements, insofar and only insofar as the same are appurtenant or relate to the Leases or production therefrom or attributable thereto.

This Stipulation is expressly made subject to:

- a) A proportionate part of the covenants, provisions, royalties and terms of the Leases;
- b) The terms and conditions of all existing orders, rules and regulations and ordinances of federal, state and other governmental agencies having jurisdiction;
- c) Any valid and subsisting oil, casinghead gas and gas sales, purchase, exchange and processing contracts and agreements, insofar and only insofar as the same are appurtenant or relate to the Leases;
- d) A proportionate part of all conditions, limitations, agreements and other matters, if any, which are of record in the state and county above named and which affect the properties, rights or interests herein assigned; and
- e) That certain Operating Agreement dated March 27, 1997, by and between OXY USA Inc. as Operator, and Threshold Development Company, et al., as Non-Operators, the contract area for which is the Lands; Provided, however, that this Stipulation shall have no effect on the rights of the parties pursuant to the Operating Agreement, as to existing accounts, elections, including without limitation elections previously made to participate, or not participate in any proposed operation, or existing rights, duties or obligations of the parties pursuant thereto.

This Stipulation shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.

As used in this Stipulation of Interest, the terms "WT" and "NRI" shall mean respectively "working interest" and "net revenue interests".

This instrument may be executed in any number of counterparts, no one of which need bear the signature of all the parties, but any one of which may serve as an original for all purposes. This instrument shall not be binding on any executing party, until signed by all parties.

Dated this <sup>June</sup> ~~22nd~~ day of ~~May~~, 2007, to be effective, however, as of the date each well drilled under the March 27, 1997 Letter Agreement reached payout status.

BOLD ENERGY, LP

OXY USA WTP LIMITED PARTNERSHIP  
By: OXY USA INC., General Partner



Joseph Castillo, President

William B. Bledsoe, Attorney in Fact



MONARCH RESOURCES, INC.

\_\_\_\_\_  
Leland A. Hodges  
President

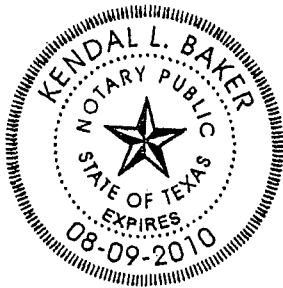
\_\_\_\_\_  
Thomas M. Beall

\_\_\_\_\_  
Carolyn Read Beall

Herbert F. Boles Norma Jean Boles  
Herbert F. Boles Norma Jean Boles

STATE OF TEXAS           )  
  ) SS.  
COUNTY OF MIDLAND    )

The foregoing instrument was acknowledged before me this 22<sup>nd</sup> day of June, 2007, by Joseph Castillo, as President, on behalf of BOLD ENERGY, LP, a Limited Partnership.



Kendal L. Baker  
Notary Public

STATE OF TEXAS           )  
  ) SS.  
COUNTY OF MIDLAND    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by William B. Bledsoe, as Attorney in Fact, on behalf of OXY USA INC. as General Partner of OXY USA WTP LIMITED PARTNERSHIP, a Delaware Limited Partnership

\_\_\_\_\_  
Notary Public

STATE OF TEXAS           )  
  ) SS.  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by Leland A. Hodges, as President of MONARCH RESOURCES, INC., a \_\_\_\_\_ Corporation.

\_\_\_\_\_  
Notary Public

STATE OF TEXAS                    )  
  ) SS.  
COUNTY OF MIDLAND            )

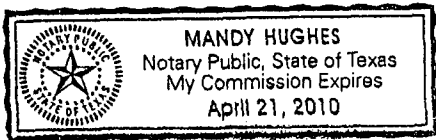
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by Thomas M. Beall and wife, Carolyn Read Beall

\_\_\_\_\_  
Notary Public

STATE OF TEXAS                    )  
  ) SS.  
COUNTY OF MIDLAND            )

The foregoing instrument was acknowledged before me this 26 day of June, 2007, by Herbert F. Boles and wife, Norma Jean Boles

Mandy Hughes  
Mandy Hughes  
\_\_\_\_\_  
Notary Public



## STIPULATION OF INTEREST

Reference is here made for all purposes to those certain leases (the "Leases") and lands (the "Lands") described below:

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                              State of New Mexico VB-0455

Lessee:                   Continental Oil Company  
                              Mitchell Energy Corporation  
                              Ameristate Oil and Gas, Inc...

Dated:                    April 10, 1939  
                              December 1, 1991  
                              December 1, 1995

Recording Data:         Not Available

Lands:                   All of Section 8, as to all depths below three thousand feet subsurface,  
                              and Section 9, as to all depths below five thousand feet subsurface,  
                              Township 19 South, Range 29 East, N.M.P.M., Eddy County, New  
                              Mexico

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- c) The ownership of the Leases, insofar as the same cover Section 8, T-19-S, R-29-E, NMPM, in depths below the base of the Bone Spring Formation down to 100 feet below the total depth drilled respectively in the earning well drilled on each of the E/2 Unit and W/2 Unit shall be as follows:

	WI	NRI
Herbert T. Boles	.00290625	.0022524
Monarch Resources	.05521875	.0427945
Thomas M. Beall	.03477500	.0260813
Fuel Products, Inc.	.03477500	.0260812
Bold Energy, LP	.40687500	.3037031
Oxy USA WTP Limited Partnership	.46545000	.3490875

- d) Ownership of the Leases and Lands, insofar as the same cover Section 8, T-19-S, R-29-E, NMPM, in depths below 3,000 feet subsurface down to and including, but not below, the base of the Bone Spring Formation:

	WI	NRI
Herbert T. Boles	.00312500	.0024219
Monarch Resources	.05937500	.0460156
Thomas M. Beall	.03250000	.0243750
Fuel Products, Inc.	.03250000	.0243750
Bold Energy, LP	.43750000	.3265625
OXY USA WTP Limited Partnership	.43500000	.3262500

- e) The ownership of the Leases, insofar as the same cover Section 9, T-19-S, R-29-E, NMPM, in depths below the base of the Bone Spring Formation down to 100 feet below the total depth drilled respectively in the earning well drilled on the S/2 Unit shall be as follows:

	WI	NRI
Herbert T. Boles	.00290625	.0022524
Monarch Resources	.05521875	.0427945
Thomas M. Beall	.03477500	.0260813
Fuel Products, Inc.	.03477500	.0260812
Bold Energy, LP	.40687500	.3037031
Oxy USA WTP Limited Partnership	.46545000	.3490875

- f) The ownership of the Leases, insofar as the same cover Section 9, T-19-S, R-29-E, NMPM, in depths below the base of the Bone Spring Formation down to 100 feet below the total depth drilled respectively in the earning well drilled on the N/2 Unit shall be as follows:

	WI	NRI
Herbert T. Boles	.00290625	.0023161
Monarch Resources	.05521875	.0440027
Thomas M. Beall	.03477500	.0268962
Fuel Products, Inc.	.03477500	.0268962
Bold Energy, LP	.40687500	.3133299
Oxy USA WTP Limited Partnership	.46545000	.3599964

- g) Ownership of the Leases and Lands, insofar as the same cover Section 9, T-19-S, R-29-E, NMPM, in depths below 5,000 feet subsurface down to and including, but not below, the base of the Bone Spring Formation:

	WI	NRI
Herbert T. Boles	.00312500	.0024219
Monarch Resources	.05937500	.0460156
Thomas M. Beall	.03250000	.0243750
Fuel Products, Inc.	.03250000	.0243750
Bold Energy, LP	.43750000	.3265625
Oxy USA, WTP Limited Partnership	.43500000	.3262500

The Owners hereby GRANT, CONVEY, SELL, TRANSFER, AND ASSIGN, without warranty of title, one to the other such interest in the Leases, as to the Lands as is necessary to give effect to the above stipulated ownership percentages, together with:

- a) A like undivided interest in, to or under or by virtue of the presently existing and valid unitization, communitization, and pooling agreements and the properties covered and the units and pooled and communitized acres created thereby (including, but not limited to, all units formed under orders, regulations, rules or other official

acts of any federal, state or other governmental agency), insofar and only insofar as such agreements, properties and units relate to the Leases and Lands and for which ownership is stipulated herein;

- b) A like undivided interest in or to all improvements, easements, surface leases, permits, rights-of-way, licenses, servitudes and other similar interests necessary or useful to or used in connection with the exploration, development or operation of the Leases or the Lands for which ownership is stipulated herein;
- c) A like undivided interest in or to all personal property, fixtures and improvements appurtenant to or located on or near the Lands, or used or held for use in connection with the production, treatment, storage or transportation of oil, gas, casinghead gas, condensate, distillate or other liquid or vaporous hydrocarbons or other minerals from the Leases for which ownership is stipulated herein; such personal property, fixtures and improvements shall include, but shall not be limited to, all Hydrocarbons in tanks, and all wells, tanks, boilers, buildings, plants, fixtures, machinery and other equipment, pipelines, powerlines, telephone lines, roads and other appurtenances pertaining to the Leases for which ownership is stipulated herein; and
- d) A like undivided interest in or to all rights, duties and obligations attributable to or arising from any valid oil, casinghead gas and gas sales, purchase, exchange and processing contracts and agreements, insofar and only insofar as the same are appurtenant or relate to the Leases or production therefrom or attributable thereto.

This Stipulation is expressly made subject to:

- a) A proportionate part of the covenants, provisions, royalties and terms of the Leases;
- b) The terms and conditions of all existing orders, rules and regulations and ordinances of federal, state and other governmental agencies having jurisdiction;
- c) Any valid and subsisting oil, casinghead gas and gas sales, purchase, exchange and processing contracts and agreements, insofar and only insofar as the same are appurtenant or relate to the Leases;
- d) A proportionate part of all conditions, limitations, agreements and other matters, if any, which are of record in the state and county above named and which affect the properties, rights or interests herein assigned; and
- e) That certain Operating Agreement dated March 27, 1997, by and between OXY USA Inc. as Operator, and Threshold Development Company, et al., as Non-Operators, the contract area for which is the Lands; Provided, however, that this Stipulation shall have no effect on the rights of the parties pursuant to the Operating Agreement, as to existing accounts, elections, including without limitation elections previously made to participate, or not participate in any proposed operation, or existing rights, duties or obligations of the parties pursuant thereto.

This Stipulation shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.

As used in this Stipulation of Interest, the terms "WT" and "NRI" shall mean respectively "working interest" and "net revenue interests".

This instrument may be executed in any number of counterparts, no one of which need bear the signature of all the parties, but any one of which may serve as an original for all purposes. This instrument shall not be binding on any executing party, until signed by all parties.

Dated this <sup>July</sup>25<sup>th</sup> day of May, 2007, to be effective, however, as of the date each well drilled under the March 27, 1997 Letter Agreement reached payout status.

BOLD ENERGY, LP

OXY USA WTP LIMITED PARTNERSHIP  
By: OXY USA INC., General Partner



Joseph Castillo, President

William B. Bledsoe, Attorney in Fact

MONARCH RESOURCES, INC.

FUEL PRODUCTS, INC.

\_\_\_\_\_  
Leland A. Hodges  
President

\_\_\_\_\_  
*Thomas M. Beall*  
Thomas M. Beall, President

\_\_\_\_\_  
Thomas M. Beall

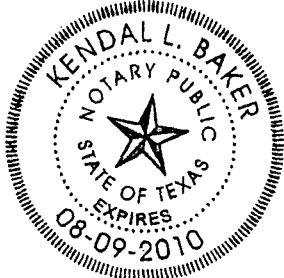
\_\_\_\_\_  
Carolyn Read Beall

\_\_\_\_\_  
Herbert F. Boles

\_\_\_\_\_  
Norma Jean Boles

STATE OF TEXAS                    )  
  ) SS.  
COUNTY OF MIDLAND            )

The foregoing instrument was acknowledged before me this 25<sup>th</sup> day of July, 2007, by Joseph Castillo, as President, on behalf of BOLD ENERGY, LP, a Limited Partnership.



\_\_\_\_\_  
*Kendall L. Baker*  
Notary Public

STATE OF TEXAS                    )  
  ) SS.  
COUNTY OF MIDLAND            )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by William B. Bledsoe, as Attorney in Fact, on behalf of OXY USA INC. as General Partner of OXY USA WTP LIMITED PARTNERSHIP, a Delaware Limited Partnership

\_\_\_\_\_  
Notary Public

STATE OF TEXAS                    )  
  ) SS.  
COUNTY OF \_\_\_\_\_

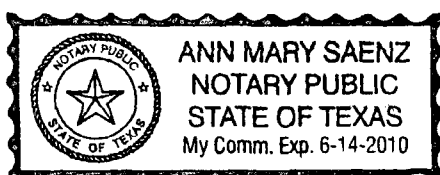
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by Leland A. Hodges, as President of MONARCH RESOURCES, INC., a \_\_\_\_\_ Corporation.

\_\_\_\_\_  
Notary Public

STATE OF TEXAS  
COUNTY OF Midland ) SS.

The foregoing instrument was acknowledged before me this 25 day of July, 2007, by Thomas M. Beall, as President of Fuel Products, Inc., a New Mexico Corporation.

\_\_\_\_\_  
*Ann Mary Saenz*  
Notary Public



STATE OF TEXAS            )  
                                      ) SS.  
COUNTY OF MIDLAND        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
2007, by Thomas M. Beall and wife, Carolyn Read Beall

\_\_\_\_\_  
Notary Public

STATE OF TEXAS            )  
                                      ) SS.  
COUNTY OF MIDLAND        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
2007, by Herbert F. Boles and wife, Norma Jean Boles

\_\_\_\_\_  
Notary Public

## STIPULATION OF INTEREST



Reference is here made for all purposes to those certain leases (the "Leases") and lands (the "Lands") described below:

Lessor: State of New Mexico B-8096  
State of New Mexico VA-0465  
State of New Mexico VB-0455

Lessee: Continental Oil Company  
Mitchell Energy Corporation  
Ameristate Oil and Gas, Inc...

Dated: April 10, 1939  
December 1, 1991  
December 1, 1995

Recording Data: Not Available

Lands: All of Section 8, as to all depths below three thousand feet subsurface, and Section 9, as to all depths below five thousand feet subsurface, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

Under that certain Letter Agreement (the "1997 Agreement") dated March 27, 1997, Threshold Development Company, Broad Street Financial Company, Leland Hodges and Herbert F. Boles, ("Farmors") farmed out to OXY USA Inc., an interest in Section 8, as to all depths below three thousand feet subsurface, and Section 9 as to all depths below five thousand feet subsurface in Township 19 South, Range 29East, Eddy County, New Mexico.

OXY USA Inc. has performed pursuant to the 1997 Agreement, and received assignments, as therein provided, subject to certain after payout rights of the Farmors. Whereas, certain Assignments reflecting after payout rights as provided for in the 1997 Agreement as to Section 8 were executed, delivered or filed of record in Book 629, Page 553 and Book 629, Page 555 of the Public Records of Eddy County, New Mexico.

Through various conveyances, the ownership of the rights in the Leases and Lands are now vested in Bold Energy LP, Monarch Resources, Inc., Herbert F. Boles, Thomas M. Beall, Fuel Products, Inc. and OXY USA WTP Limited Partnership (collectively, the "Owners").

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owners identified above do hereby covenant, stipulate and agree that:

- a) Payout has occurred for all wells drilled under the 1997 Agreement.
- b) Pursuant to the 1997 Agreement:
  - (i) The OXY Checker State Com No. 1 well was drilled in the W/2 of Section 8, T-19-S, R-29-E, NMPM, to a total depth of 11,470' subsurface, and the W/2 of said Section 8 was established as the earned spacing unit for such well (the "W/2 Unit");
  - (ii) The OXY Auto State No. 1 well was drilled in the E/2 of Section 8, T-19-S, R-29-E, NMPM, to a total depth of 11,460' subsurface, and the E/2 of said Section 8 was established as the earned spacing unit for such well (the "E/2 Unit");
  - (iii) The OXY Champion State No. 1 well was drilled in the N/2 of Section 9, T-19-S, R-29-E, NMPM, to a total depth of 11,500' subsurface, and the N/2 of said Section 9 was established as the earned spacing unit for such well (the "N/2 Unit"); and
  - (iv) The OXY Sparkplug State No. 1 well was drilled in the S/2 of Section 9, T-19-S, R-29-E, NMPM, to a total depth of 11,550' subsurface, and the S/2 of said Section 9 was established as the earned spacing unit for such well (the "S/2 Unit").



- c) The ownership of the Leases, insofar as the same cover Section 8, T-19-S, R-29-E, NMPM, in depths below the base of the Bone Spring Formation down to 100 feet below the total depth drilled respectively in the earning well drilled on each of the E/2 Unit and W/2 Unit shall be as follows:

	WI	NRI
Herbert T. Boles	.00290625	.0022524
Monarch Resources	.05521875	.0427945
Thomas M. Beall	.03477500	.0260813
Fuel Products, Inc.	.03477500	.0260812
Bold Energy, LP	.40687500	.3037031
Oxy USA WTP Limited Partnership	.46545000	.3490875

- d) Ownership of the Leases and Lands, insofar as the same cover Section 8, T-19-S, R-29-E, NMPM, in depths below 3,000 feet subsurface down to and including, but not below, the base of the Bone Spring Formation:

	WI	NRI
Herbert T. Boles	.00312500	.0024219
Monarch Resources	.05937500	.0460156
Thomas M. Beall	.03250000	.0243750
Fuel Products, Inc.	.03250000	.0243750
Bold Energy, LP	.43750000	.3265625
OXY USA WTP Limited Partnership	.43500000	.3262500

- e) The ownership of the Leases, insofar as the same cover Section 9, T-19-S, R-29-E, NMPM, in depths below the base of the Bone Spring Formation down to 100 feet below the total depth drilled respectively in the earning well drilled on the S/2 Unit shall be as follows:

	WI	NRI
Herbert T. Boles	.00290625	.0022524
Monarch Resources	.05521875	.0427945
Thomas M. Beall	.03477500	.0260813
Fuel Products, Inc.	.03477500	.0260812
Bold Energy, LP	.40687500	.3037031
Oxy USA WTP Limited Partnership	.46545000	.3490875

- f) The ownership of the Leases, insofar as the same cover Section 9, T-19-S, R-29-E, NMPM, in depths below the base of the Bone Spring Formation down to 100 feet below the total depth drilled respectively in the earning well drilled on the N/2 Unit shall be as follows:

	WI	NRI
Herbert T. Boles	.00290625	.0023161
Monarch Resources	.05521875	.0440027
Thomas M. Beall	.03477500	.0268962
Fuel Products, Inc.	.03477500	.0268962
Bold Energy, LP	.40687500	.3133299
Oxy USA WTP Limited Partnership	.46545000	.3599964

- g) Ownership of the Leases and Lands, insofar as the same cover Section 9, T-19-S, R-29-E, NMPM, in depths below 5,000 feet subsurface down to and including, but not below, the base of the Bone Spring Formation:

	WI	NRI
Herbert T. Boles	.00312500	.0024219
Monarch Resources	.05937500	.0460156
Thomas M. Beall	.03250000	.0243750
Fuel Products, Inc.	.03250000	.0243750
Bold Energy, LP	.43750000	.3265625
Oxy USA, WTP Limited Partnership	.43500000	.3262500

The Owners hereby GRANT, CONVEY, SELL, TRANSFER, AND ASSIGN, without warranty of title, one to the other such interest in the Leases, as to the Lands as is necessary to give effect to the above stipulated ownership percentages, together with:

- a) A like undivided interest in, to or under or by virtue of the presently existing and valid unitization, communitization, and pooling agreements and the properties covered and the units and pooled and communitized acres created thereby (including, but not limited to, all units formed under orders, regulations, rules or other official

acts of any federal, state or other governmental agency), insofar and only insofar as such agreements, properties and units relate to the Leases and Lands and for which ownership is stipulated herein;

- b) A like undivided interest in or to all improvements, easements, surface leases, permits, rights-of-way, licenses, servitudes and other similar interests necessary or useful to or used in connection with the exploration, development or operation of the Leases or the Lands for which ownership is stipulated herein;
- c) A like undivided interest in or to all personal property, fixtures and improvements appurtenant to or located on or near the Lands, or used or held for use in connection with the production, treatment, storage or transportation of oil, gas, casinghead gas, condensate, distillate or other liquid or vaporous hydrocarbons or other minerals from the Leases for which ownership is stipulated herein; such personal property, fixtures and improvements shall include, but shall not be limited to, all Hydrocarbons in tanks, and all wells, tanks, boilers, buildings, plants, fixtures, machinery and other equipment, pipelines, powerlines, telephone lines, roads and other appurtenances pertaining to the Leases for which ownership is stipulated herein; and
- d) A like undivided interest in or to all rights, duties and obligations attributable to or arising from any valid oil, casinghead gas and gas sales, purchase, exchange and processing contracts and agreements, insofar and only insofar as the same are appurtenant or relate to the Leases or production therefrom or attributable thereto.

This Stipulation is expressly made subject to:

- a) A proportionate part of the covenants, provisions, royalties and terms of the Leases;
- b) The terms and conditions of all existing orders, rules and regulations and ordinances of federal, state and other governmental agencies having jurisdiction;
- c) Any valid and subsisting oil, casinghead gas and gas sales, purchase, exchange and processing contracts and agreements, insofar and only insofar as the same are appurtenant or relate to the Leases;
- d) A proportionate part of all conditions, limitations, agreements and other matters, if any, which are of record in the state and county above named and which affect the properties, rights or interests herein assigned; and
- e) That certain Operating Agreement dated March 27, 1997, by and between OXY USA Inc. as Operator, and Threshold Development Company, et al., as Non-Operators, the contract area for which is the Lands; Provided, however, that this Stipulation shall have no effect on the rights of the parties pursuant to the Operating Agreement, as to existing accounts, elections, including without limitation elections previously made to participate, or not participate in any proposed operation, or existing rights, duties or obligations of the parties pursuant thereto.

This Stipulation shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.


As used in this Stipulation of Interest, the terms "WI" and "NRI" shall mean respectively "working interest" and "net revenue interests".

This instrument may be executed in any number of counterparts, no one of which need bear the signature of all the parties, but any one of which may serve as an original for all purposes. This instrument shall not be binding on any executing party, until signed by all parties.

Dated this \_\_\_\_ day of May, 2007, to be effective, however, as of the date each well drilled under the March 27, 1997 Letter Agreement reached payout status.

BOLD ENERGY, LP

OXY USA WTP LIMITED PARTNERSHIP  
By: OXY USA INC., General Partner

  
\_\_\_\_\_  
Joseph Castillo, President

\_\_\_\_\_  
William B. Bledsoe, Attorney in Fact

MONARCH RESOURCES, INC.

\_\_\_\_\_  
Leland A. Hodges  
President

Thomas M. Beall  
Thomas M. Beall

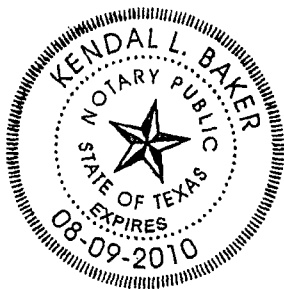
Carolyn Read Beall  
Carolyn Read Beall

\_\_\_\_\_  
Herbert F. Boles

\_\_\_\_\_  
Norma Jean Boles

STATE OF TEXAS           )  
                                      ) SS.  
COUNTY OF MIDLAND    )

The foregoing instrument was acknowledged before me this 19 day of June, 2007, by Joseph Castillo, as President, on behalf of BOLD ENERGY, LP, a Limited Partnership.



Kendal L. Baker  
Notary Public

STATE OF TEXAS           )  
                                      ) SS.  
COUNTY OF MIDLAND    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by William B. Bledsoe, as Attorney in Fact, on behalf of OXY USA INC. as General Partner of OXY USA WTP LIMITED PARTNERSHIP, a Delaware Limited Partnership

\_\_\_\_\_  
Notary Public

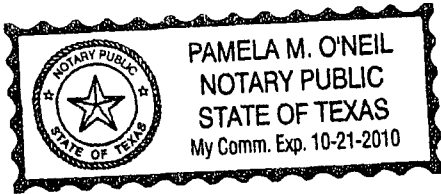
STATE OF TEXAS           )  
                                      ) SS.  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by Leland A. Hodges, as President of MONARCH RESOURCES, INC., a \_\_\_\_\_ Corporation.

\_\_\_\_\_  
Notary Public

STATE OF TEXAS           )  
  ) SS.  
COUNTY OF MIDLAND    )

The foregoing instrument was acknowledged before me this 20<sup>th</sup> day of June, 2007, by Thomas M. Beall and wife, Carolyn Read Beall



Pamela M. O'Neil  
Notary Public

STATE OF TEXAS           )  
  ) SS.  
COUNTY OF MIDLAND    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by Herbert F. Boles and wife, Norma Jean Boles

\_\_\_\_\_  
Notary Public