

DATE IN 9/20/06	SUSPENSE 10/6/06	ENGINEER W Jones	LOGGED IN 9/21/06	TYPE 3WD 1049	APP NO. PTDSOL 20550510
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application is One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
e-mail Address			

BOLD ENERGY, LP

415 W. WALL, SUITE 500
MIDLAND, TEXAS 79701

2006 SEP 20 AM 10 47

MAIN: 432-686-1100
FAX: 432-686-1104

September 18, 2006

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico

Attention: David Catanach

RE: **Application for Salt Water Disposal**
Antelope Ridge Unit No. 4
Delaware Formation
Unit Letter "B", Section 4, T24S, R34E
Lea County, New Mexico

Bold Energy, LP respectfully requests administrative approval for the attached C-108 application on its Antelope Ridge Unit No. 4 well for the purpose of disposing of produced fluids in the non-commercial Delaware interval. This work will allow Bold Energy to supplement the disposal for the Antelope Ridge Unit and dispose of produced water that is anticipated from work to be performed on wells within the unit. The installation of the proposed disposal well will lower the current economic limit on each well and ultimately allow Bold Energy to recover additional reserves that would otherwise be left in place.

Bold Energy respectfully requests that this application be approved administratively at the earliest possible time. This is requested so that the necessary operations can be advanced in a prudent manner. If you have any questions concerning the application, please contact me at 432-685-9158, or the Operations Engineering Manager, Shannon Klier, at 432-686-1100.

Thank you,



Denise Menoud
Regulatory Specialist
Gray Surface Specialties

Attachments

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance Disposal _____ Storage
Application qualifies for administrative approval? Yes _____ No

II. OPERATOR: **Bold Energy, LP**

ADDRESS: **415 W Wall Street Suite 500 Midland Texas 79701**

CONTACT PARTY: **Shannon L. Klier, Operations Engineering Mgr.** PHONE: **(432) 686-1100**

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: **Shannon L. Klier** TITLE: **Ops Engineering Mgr.**

SIGNATURE: *Shannon L. Klier* DATE: **9/8/06**

E-MAIL ADDRESS: **shannon.klier@boldenergy.com**

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

OPERATOR: Bold Energy, LP

WELL NAME & NUMBER: ARU #4

WELL LOCATION: 990' FNL & 2310' FEL
FOOTAGE LOCATION

Unit Letter "B"
UNIT LETTER

Section 4
SECTION

T24S
TOWNSHIP

R34E
RANGE

WELLBORE SCHEMATIC

Schematic attached

WELL CONSTRUCTION DATA
Surface Casing

Hole Size: 15" Casing Size: 11-3/4"

Cemented with: 530 sx. or ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 11" Casing Size: 8-5/8"

Cemented with: 400 sx. or ft³

Top of Cement: 3,800' Method Determined: Calculated

Production Casing

Hole Size: 7-7/8" Casing Size: 5-1/2"

Cemented with: 500 sx. or ft³

Top of Cement: XXXX Method Determined: Bond Log

Total Depth: 12,005' (5-1/2" setting depth) PBTD 11,252'

Injection Interval

5,170' feet to 6,300'

Perforations:
5,170' - 5,190'
5,200' - 5,250'
5,290' - 5,310'
5,600' - 5,620'
5,680' - 5,750'
5,790' - 5,810'
6,040' - 6,060'
6,100' - 6,140'
6,160' - 6,180'
6,230' - 6,250'
6,280' - 6,300'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-7/8" 6.5 lb/ft L-80 Lining Material: Plastic

Type of Packer: Baker 5-1/2" AL2 Lockset w/ L316 o/o tool and stainless 2.310" profile (Nickel Plated and Plastic Coated ID)

Packer Setting Depth: 5,150'

Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? Yes No

If no, for what purpose was the well originally drilled? Producing Gas Well

2. Name of the Injection Formation: Delaware and Cherry Canyon

3. Name of Field or Pool (if applicable): Antelope Ridge

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

Morrow (12,759' - 13,208') CIBP w/40' CMT; Atoka (12,160' - 12,636') CIBP w/38' CMT

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

Tops - Delaware: 5,158' Bone Spring: 8,718' Wolfcamp: 11,522'

Tops - Pennsylvanian: 11,903' Des Moines: 11,989'

Perforated - Atoka: 12,160' - 12,636' Morrow: 12,759' - 13,208'

BOLD ENERGY, LP
Antelope Ridge Unit #4 – SWD
Items for form C-108

- III. Well data form complete and attached.
- V. A map of the area surrounding the Antelope Ridge Unit #4 (proposed salt water disposal well) is attached. The map shows all wells within a 2 mile radius. A second map is attached showing those wells within a ½ mile radius of the proposed SWD well (area of review).
- VI. To date, one well exists within a ½ mile radius of the proposed SWD well. A wellbore schematic and well history of the Antelope Ridge Unit #2 is attached.
- VII. Proposed Operation:

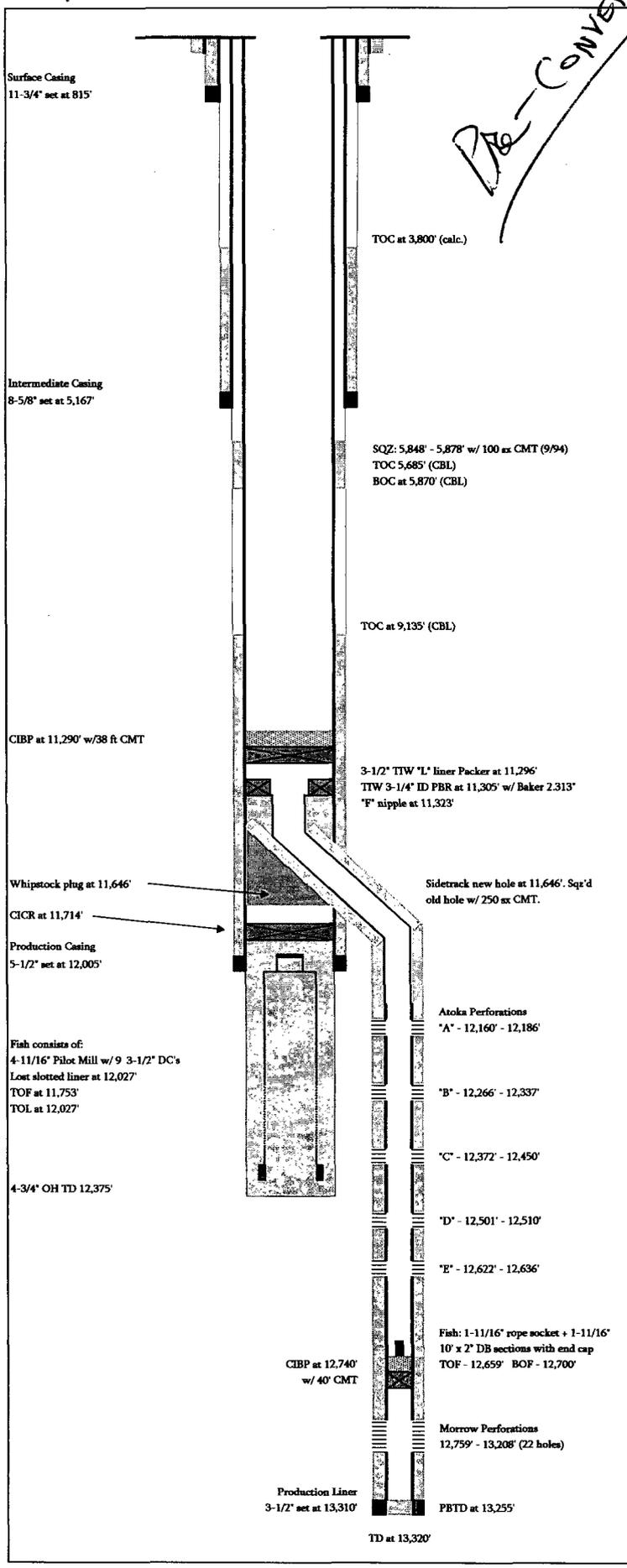
Squeeze work will be performed to ensure that zonal isolation exists immediately above and below the proposed injection interval. Results will be evaluated by CBL and submitted to the Division.

1. Based on current field production the anticipated average daily injection rate is 0.69 bbls/minute for a total daily volume of 1,000 bbls. Based on future anticipated field production the maximum anticipated daily injection rate is 1.39 bbls/minute for a maximum daily volume of 2,000 bbls.
2. The injection system proposed for this well is open.
3. The maximum injection pressure will not exceed 1,034 psi (0.2 psi/ft OCD allowable rate) until a step rate test is performed to establish a higher limit.
4. Attached is a water analysis for the Antelope Ridge Unit facility which will be the point from which produced water will be sent to the proposed disposal well.
5. Attached is existing literature describing the chemical properties of produced water from the proposed Delaware injection zone.

BOLD ENERGY, LP
Antelope Ridge Unit #4 – SWD
Items for form C-108

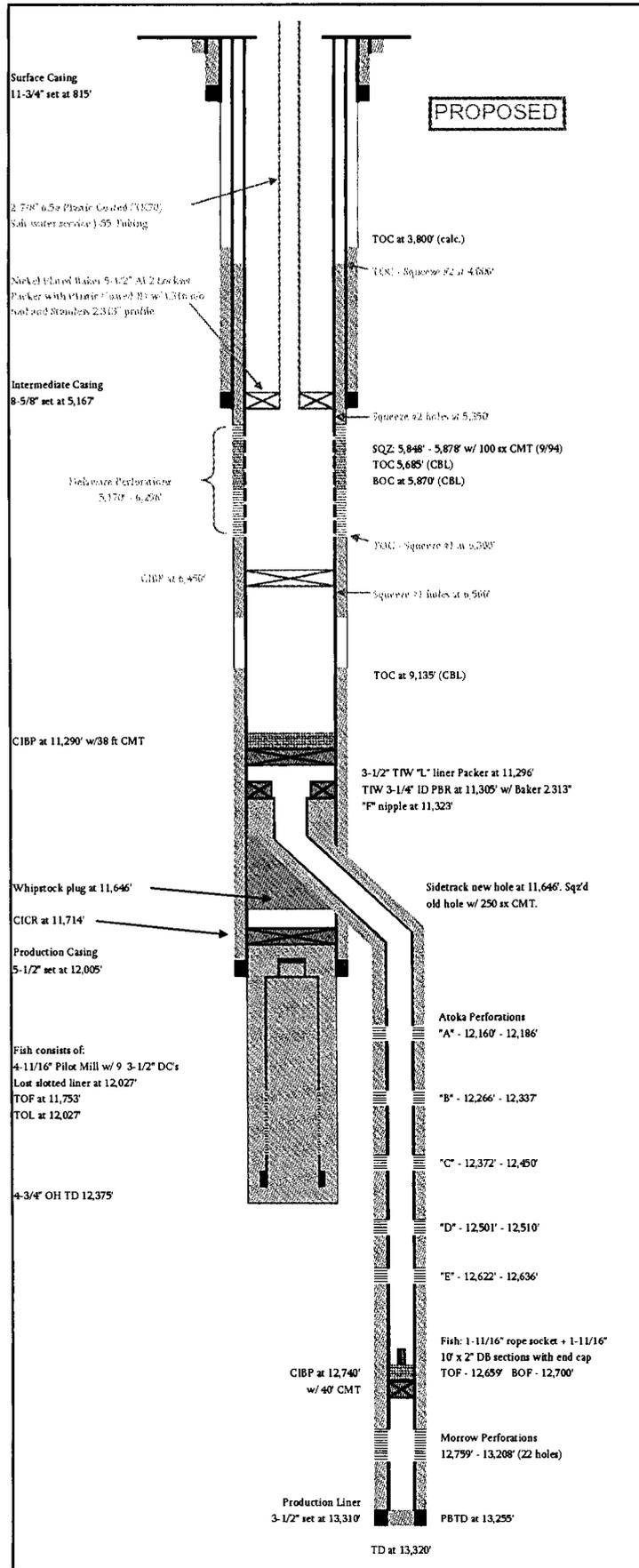
- VIII. The proposed injection zone are Bell Canyon and Cherry Canyon formation sandstones of the Delaware Mountain Group, . The top of the Delaware Mountain Group is the Bell Canyon formation at 5158 feet. The Bell Canyon formation is 862 feet thick. The top of the underlying Cherry Canyon formation is present at 6020 feet. Attached is a section of the log of this well showing the tops and proposed perforations. There is no fresh water aquifers below the injection zone. The closest fresh water well produces water from an aquifer in the Triassic sandstone present at 475 feet measured depth.
- IX. Stimulation Program: After perforating all intervals, a coiled tubing conveyed straddle packer assembly will be used to individually treat each perforation set with 50 gallons/ft of 15% HCL acid and each will over-displaced with 500 gallons of fresh water.
- X. The following logs have been filed with the Division and are available on line:
- Schlumberger Dual-induction Lateral Log
Schlumberger Micorlog
Geo Atlas Corp Gamma Ray Neutron Log
- XI. It was determined one fresh water well exists within the one-mile radius (map attached). A fresh water analysis of that water is attached.
- XII. Bold Energy, LP finds no evidence of any hydrologic connection, fault or other mechanism by which there will be any hydrologic connection between the disposal zone and underground sources of drinking water.
- XIV. Proof of notice: attached.

PAC-CONVERSION



Casing	Hole	Weight	Grade	Top	Bottom	Burst	80% Burst	TOC
Conductor								
11-3/4"	15'	42#	H-40/J-55	0'	815'	1,980	1584	Surface (circ)
8-5/8"	11'	32#	J-55	0'	5,167'	3,990	3144	3,800' (calc)
5-1/2"	7-7/8"	17#	N-80/J-55	0'	12,005'	5,320	4256	9,135' (CBL)
3-1/2"	4-3/4"	9.3#	N-80	11296'	13,320'	10,160	8128	11,296' (circ)

Date	Event
12/8/1964	Spud
2/4/1965	Original completion in Atoka OH from 12,005' - 12,375'. CAOF = 30 MMcf/d
	Four point test results
	Time (hrs) Choke Rate (mcf/d) Cond (bbls) GLR FTP
	2 10/64 4,516 8.8 42,873 4,155
	2 13/64 5,539 11.7 39,521 4,090
	2 16/64 6,781 15 37,591 3,974
	2 19/64 9,568 22.5 35,004 3,717
3/8/1966	BHP bombs: Survey showed 5,162 psi at 12,250'. Corrected to 5,115 psi at 11,826'
9/5/1968	Letter from Shell to NMOCD reporting 1,300 bwpd and 1,000 Macfd
10/1/1972	Deepen to Morrow. SITP 2,200 psi. Killed with 10# brine. POOH with LSA. Try to fish 4" slotted liner. Could not pull liner. Left fish in hole + 1-11/16" KR pilot mill and 9 3-1/2" DC's. TOF at 11,753' Sqr from 11,714' - 12,375'. Set whipstock and sidetracked original hole at 11,646' with 4-3/4" bit. Set 3-1/2" casing at 13,320' with TOL at 11,296'. RIH with 2-7/8" tbg and perf with 2" tubing guns: Morrow: 12,759; 12,762; 12,763; 12,780; 12,781; 12,789; 12,790; 12,792; 12,958; 12,961; 12,964; 12,967; 12,970; 12,972; 12,975; 12,977; 13,023; 13,025; 13,182; 13,184; 13,206; 13,208 (22 holes) 16 hour SITP = 6,600 psi. Flowed 24 hours at 750 psi - 637 Macfd. Acidized Morrow with 2K gal 20% HCL w/ nitrogen.
2/1/1973	Flowing Morrow at 600 psi at 12 bopd, 0 bwpd and 750 Macfd. Frac'd Morrow with 10K gal 50# linear gel pad and 15K gal 1.0 ppa slurry with 20/40 sand + 1K gal 15% HCL acid w/10 BS - then repeated. All fluid contained 300 scf/bbl N2. Averaged 8.3 bpm at 7,700 psi. ISIP = 5,700 psi 15 min SIP = 5,000 psi.
4/1/1973	Flowing Morrow at 600 psi at 4 bopd, 8 bwpd and 765 Macfd after frac.
3/1/1977	Flowing Morrow at 267 Macfd, 4 bopd, 1 bwpd. Ran PBU test. BHP = 4,561 psi. Tagged w/ WL at 13,191'. Skin damage reported in PBU analysis.
10/1/1991	FTP = 200 psi. Swabbed 4 runs and recovered 6-10 bbls black water.
8/1/1994	Plug back from Morrow to Atoka. Set CIBP over Morrow. Left WL fish in hole. Located hole in casing at 5,848' - 5,878' and squeezed off. Perforated the Atoka as follows with 2" tubing guns, 4 spf, 60 deg phasing, 389 holes total "C" 12,372' - 12,382'; 12,401' - 12,403'; 12,408' - 12,414'; 12,417' - 12,423'; 12,426' - 12,434'; 12,442' - 12,450' "D" 12,501' - 12,510'; 12,514' - 12,516'; 12,552' - 12,566'; 12,576' - 12,584'; 12,591' - 12,601' "E" 12,622' - 12,627'; 12,630' - 12,636' Noted slight blow on tubing after perforating 12,552' - 12,584'. Overnight SITP = 1,190 psi. Flowed well 7.5 hrs Recovered fluid for first two hours with FTP 300 to 600 psi.
9/24/1994	SI waiting on compressor. SITP from 9/24 to 9/30 - 1,700 psi to 3,850 psi.
10/13/1994	Begin gas lift.
11/29/1994	Ran flowing gradient survey showing BHFP at 12,513' is 896 psi - flow coming from bottom GLV at 11,297' RIH w/ CT. Spotted 10 bbls 7-1/2% MSR to btm perfs. Pumped 0.3 bpm at 4,400 psi. ISIP = 3,850 psi. 15 min SIP = 805 psi. Pull above perfs and pump 18 bbls 7-1/2% MSR. Displace acid while reciprocating CT. Reverse out. Well flowing on gas lift. No net gas production after 3 days.
12/3/1994	Perforated Atoka "B" 12,316' - 12,337' w/ 2" tubing guns. Well went from vacuum to slight blow in 10 minutes. Started gas lift. Fluid to surface in 1 hour. Flowing 6 hours with 25 bw, 570 Mcf.
12/17/1994	From 12/18/94 to 1/6/95 gas increased from 0 to 131 Macfd and from 0 to 158 bwpd.
1/8/1995	SITP = 250 psi, SICP = 1,240 psi. Perforate Atoka "A" 12,160' - 12,162'; 12,168' - 12,176'; 12,181'; 12,186'; 12,266' - 12,270'; 12,272' - 12,274'; 12,281' - 12,284'; 12,286' - 12,289'; 12,291' - 12,303' 2" tubing guns, 2 spf w/180 deg phasing. Tubing pressure increased to 500 psi after 2nd run. FL at 2,450'. TP increased to 600 psi after 3rd run. Final SITP = 650 psi. CP = 1,240 psi. From 1/10/95 to 1/22/95 rate increased from 119 to 157 Macfd and decreased from 120 to 105 bwpd.
3/1/1995	BHP = 5,518 psi from 72 hour BHP buildup.
9/11/1996	Spotted 60 bbls of 15% MSR 100. Acidized Atoka perfs. Formation broke at 4,960 psi at 2.5 bpm. Max pressure = 6,150 psi at 8.0 bpm. ISIP = 1,000 psi. 15 min SIP = 160 psi.
9/12/1996	SITP = 675 psi. Swabbed - SFL 500' FFL 2,000'. Well kicked off after 4 runs. 16/64" CK at 775 psi. SI for evaluation. 14 hour SITP = 1,200 psi.
9/15/1996	TA'd well with CIBP over Atoka.
4/11/2002	Casing integrity test performed and witnessed by BLM.
3/1/2006	Re-establish Atoka production: Cut over and retrieved CIBP. Polished PBR at 11,296'. Ran GYRO survey showing BHL at 12,659' is 154.7' at 102.7 degrees. Ran seal assembly on 3-1/2" work string. Shut in well.
3/21/2006	4 day SITP = 1,250 psi. Frac'd Atoka (12,160' - 12,636') with 1,930 bbls Slickwater & 11,981 lb 20/40 CarboProp at a pump rate of 22 - 30 bpm and 7,883 to 8,530 psi. ISIP = 3,650 psi. Opened to test tank on 32/64" CK. First 14 hours of flowback recovered 505 bw with FTP of 240 psi on 34/64" CK. Recovered over 100% of frac load by second day of flowback.
3/24/2006	MIRU test separator and continue flowback. 275 psi on 32/64" CK 130 Macfd and 840 bwpd
3/25/2006	245 psi on 28/64" CK 121 Macfd and 1,017 bwpd
3/26/2006	220 psi on 28/64" CK 93 Macfd and 884 bwpd
3/27/2006	200 psi on 28/64" CK 103 Macfd and 1,086 bwpd
3/28/2006	Final reading 200 psi on 28/64" CK 103 Macfd and 1,008 bwpd
3/29/2006	Ran SLB production log. Set down at 12,322'. Log showing all flow coming from below 12,322' (no spinner data)
3/29/2006	Ran impression block - sand impression. Made 1' in 3 bailer runs. SI and let build over night.
3/30/2006	Open to test tank and flow well overnight.
3/31/2006	Ran in with bailer. No progress in 6 bailer runs. SI well.
4/3/2006	SITP = 2,750 psi. Flowed well to test tank. Pull 3-1/2" work string. Set 5-1/2" CBP at 11,290' w/38" CMT.
8/19/2006	Ran CBL to identify cement tops in 5-1/2" casing string.



BOLD ENERGY, LP				ARU #4			
WE: 50.0%		NRL: 42.5%		API: 30-025-21037		Surface Location: 990' FNL & 2310' FEL	
Elevation: 3,550'		KB: 13'		Legal Description: Section 4 - T24S - R34E		Field: Antelope Ridge	
Mess. TD: 13,320'		TVD: 13,320'		Country: Lea County		State: New Mexico	
FBD: 13,255' (FC)		Zone: Atoka					

Casing	Hole	Weight	Grade	Top	Bottom	Burst	80% Burst	TOC
Conductor								
11-3/4"	15"	42#	H-40/J-55	0'	815'	1,980	1584	Surface (circ)
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3/1/1977	Flowing Morrow at 267 Mcfd, 4 bopd, 1 bwpd. Ran PBU test. BHP = 4,561 psi. Tagged w/WL at 13,191'. Skin damage reported in PBU analysis.
10/1/1991	FTP = 200 psi. Swabbed 4 runs and recovered 6-10 bbls black water.
8/1/1994	Plug back from Morrow to Atoka. Set CIBP over Morrow. Left WL fish in hole. Located hole in casing at 5,848' - 5,878' and squeezed off. Perforated the Atoka as follows with 2" tubing guns, 4 spf, 60 deg phasing, 389 holes total "C" 12,372 - 12,382; 12,401' - 12,403; 12,408' - 12,414; 12,417' - 12,423; 12,426' - 12,434; 12,442' - 12,450' "D" 12,501' - 12,510; 12,514' - 12,516; 12,552' - 12,566; 12,576' - 12,584; 12,591' - 12,601' "E" 12,622' - 12,627; 12,630' - 12,636' Noted slight blow on tubing after perforating 12,552' - 12,584'. Overnight SITP = 1,190 psi. Flowed well 7.5 hrs Recovered fluid for first two hours with FTP 300 to 600 psi. SI waiting on compressor. SITP from 9/24 to 9/30 - 1,700 psi to 3,850 psi.
9/24/1994	SI waiting on compressor. SITP from 9/24 to 9/30 - 1,700 psi to 3,850 psi.
10/13/1994	Begin gas lift.
11/29/1994	Ran flowing gradient survey showing BHFP at 12,513' is 896 psi - flow coming from bottom GLV at 11,297' RIH w/ CT. Spotted 10 bbls 7-1/2% MSR to btm perf. Pumped 0.3 bpm at 4,400 psi. ISIP = 3,850 psi. 15 min SIP = 805 psi. Pull above perfs and pump 18 bbls 7-1/2% MSR. Displace acid while reciprocating CT. Reverse out. Well flowing on gas lift. No net gas production after 3 days.
12/3/1994	Well flowing on gas lift. No net gas production after 3 days.
12/17/1994	Perforated Atoka "B" 12,316' - 12,337' w/2" tubing guns. Well went from vacuum to slight blow in 10 minutes. Started gas lift. Fluid to surface in 1 hour. Flowing 6 hours with 25 bw, 570 Mcf. From 12/18/94 to 1/6/95 gas increased from 0 to 131 Mcfd and from 0 to 158 bwpd.
1/8/1995	SITP = 250 psi, SICP = 1,240 psi. Perforate Atoka "A" 12,160' - 12,162; 12,168' - 12,176; 12,181; 12,186; 12,266' - 12,270; 12,272' - 12,274; 12,281' - 12,284; 12,286' - 12,289; 12,291' - 12,303' 2" tubing guns, 2 spf w/180 deg phasing. Tubing pressure increased to 500 psi after 2nd run. FL at 2,450'. TP increased to 600 psi after 3rd run. Final SITP = 650 psi. CP = 1,240 psi. From 1/10/95 to 1/22/95 rate increased from 119 to 157 Mcfd and decreased from 120 to 105 bwpd.
3/1/1995	BHP = 5,518 psi from 72 hour BHP buildup.
9/1/1996	Spotted 60 bbls of 15% MSR 100. Acidized Atoka perf. Formation broke at 4,960 psi at 2.5 bpm. Max pressure = 6,150 psi at 8.0 bpm. ISIP = 1,000 psi. 15 min SIP = 160 psi.
9/12/1996	SITP = 675 psi. Swabbed - SFL 500' FFL 2,000'. Well kicked off after 4 runs. 16/64" CK at 775 psi. SI for evaluation. 14 hour SITP = 1,200 psi.
9/15/1996	TA'd well with CIBP over Atoka.
4/11/2002	Casing integrity test performed and witnessed by BLM.
3/1/2006	Re-establish Atoka production: Cut over and retrieved CIBP. Polished PBR at 11,296'. Ran GYRO survey showing BHL at 12,659' is 154.7 at 102.7 degrees. Ran seal assembly on 3-1/2" work string. Shut in well.
3/21/2006	4 day SITP = 1,250 psi. Frac'd Atoka (12,160 - 12,636') with 1,930 bbls Slickwater & 11,981 lbs 20/40 CarboProp at a pump rate of 22 - 30 bpm and 7,883 to 8,530 psi. ISIP = 3,650 psi. Opened to test tank on 32/64" CK. First 14 hours of flowback recovered 505 bw with FTP of 240 psi on 34/64" CK. Recovered over 100% of frac load by second day of flowback.
3/24/2006	MIRU test separator and continue flowback. 275 psi on 32/64" CK 130 Mcfd and 840 bwpd
3/25/2006	245 psi on 28/64" CK 121 Mcfd and 1,017 bwpd
3/26/2006	220 psi on 28/64" CK 93 Mcfd and 884 bwpd
3/27/2006	200 psi on 28/64" CK 103 Mcfd and 1,086 bwpd
3/28/2006	Final reading 200 psi on 28/64" CK 103 Mcfd and 1,008 bwpd
3/29/2006	Ran SLB production log. Set down at 12,322'. Log showing all flow coming from below 12,322' (no spinner data)
3/30/2006	Ran impression block - rand impression. Made 1" in 3 bailer runs. SI and let build over night.
3/31/2006	Open to test tank and flow well overnight.
4/3/2006	Ran in with bailer. No progress in 6 bailer runs. SI well.
8/19/2006	SITP = 2,750 psi. Flowed well to test tank. Pull 3-1/2" work string. Set 5-1/2" CBP at 11,290' w/38" CMT.

BOLD ENERGY, LP

Antelope Ridge Unit #4
990' FNL & 2310' FEL, Sec 4-T24S-R34E
Antelope Ridge Field
Lea County, New Mexico

See Attached Wellbore Schematic

Well Status: Well was TA'd in 1996 with a "Plugwell" CIBP set at 11,240 ft in the 5-1/2" 17# intermediate casing. In March of 2006 the CIBP was cut out and recompleted to the Atoka. After stimulating and a non-commercial flowtest the well was abandoned with a CIBP set at 11,290' with 38' of cement. The current WH connection is a 7-1/16" tubing head flange with a dry hole cap.

Scope: Perform squeeze cement work above and below Delaware interval to isolate for SWD injection. Perforate and stimulate Delaware intervals. Perform injection test and size injection facility accordingly.

Directions: From Eunice, NM go south to Delaware Basin Road. Go approximately 22 miles West to Antelope Road. Turn South and go approximately 4 miles to Shell road. Continue south past CG to the first lease road on right and follow to location.

Contact Information				
Service	Company	Name	Office	Mobile
Field Foreman	Sierra Engineering	Joe Thomas	432-208-7868	505-703-6699
Engineering	Bold Energy	Shannon Klier	432-686-1100	432-296-8602
Cement Squeeze Work	Schlumberger	Hank Horton	505-393-6186	505-910-2464
Perforating / CBL / CIBP	EM Hobbs	Bill Carter	432-683-1131	432-664-3600
Acidizing / Step-rate-test	Weatherford	Roger Farrington	432-425-8465	432-425-8465
Injection Packer	Baker Oil Tools	Mike Cornett	432-563-1900	

PROCEDURE TO CONVERT TO SWD IN DELAWARE FORMATION

- Procure the following prior to beginning workover:
 - Baker 5-1/2" AL2 Lockset Packer w/ L316 o/o tool and stainless 2.313" profile nickel plated and plastic coated ID (contact Mike Cornett w/ Baker at 432-563-7979).
 - 2-7/8" 6.5# Plastic Coated L-80 tubing.
- Re-Establish road and clear location as required. Install or pull test rig anchors as required.
- All fluids used will be contained in steel pits or test tanks. Avoid any spills. Immediately report all spills to Donny Money at 432-661-8803.
- MIRU pump truck. Load casing with fresh water and pressure test to 500 psi. Document pressure falloff rate for 15 minutes. Bleed casing pressure to 0 psi.
- MIRU pulling unit, reverse unit and steel pit.
- ND dry hole cap. NU BOP.
- Move in +/- 7,000 ft of 2-7/8" 6.5# L80 work string from Bold Energy pipe yard.

8. MIRU **EM Hobbs** WL unit with lubricator and packoff. RIH with 3-1/8" casing guns and perforate squeeze holes from 6,495' – 6,500' 4 spf 20 holes 0.42" EHD.
9. POOH with guns and STBY WL unit.
10. RIH with cement retainer on 2-7/8" tubing. Set retainer at 6,475'.
11. MIRU Schlumberger squeeze cement crew including 500 gallons of 7-1/2% HCL acid. See attached Schlumberger squeeze procedure.
12. Establish injection rate down tubing using fresh water. If an acceptable injection rate is not achieved, sting out of retainer, circulate acid to EOT, sting into retainer, displace acid and establish new injection rate.
13. Once injection is established, pump 10 bbls FW and 10 bbls CW7 Chemical Wash ahead.
14. Mix up and pump cement slurry – 100 sks Class C (24 bbls) per SLB recommendation.
15. Displace slurry with fresh water at 1.5 to 2.0 bpm (max).
16. With the last 3 bbls of slurry in the tubing a series of short shut-downs followed by very slow pumping should be used to build 1,500 psi squeeze pressure. If a running squeeze occurs and pressure reaches 1,500 psi, sting out of retainer and immediately reverse remaining slurry to the pit.
17. TOOH with tubing.
18. The following day RIH with bit and tubing to drill out cement and retainer.
19. Pressure test casing to 500 psi.
20. RU **EM Hobbs** WL unit with lubricator and packoff. RIH with 3-1/8" casing guns and perforate squeeze holes from 5,345' – 5,350' 4 spf 20 holes 0.42" EHD.
21. RIH with cement retainer on 2-7/8" tubing. Set retainer at 5,325'.
22. RU **Schlumberger** squeeze cement crew. See attached Schlumberger squeeze procedure.
23. Establish injection rate down tubing into squeeze perms with fresh water attempting to break circulation to surface through open annulus valve.
24. Pump 20 bbls fresh water and 10 bbls CW7 Chemical Wash ahead.
25. Mix up and pump cement slurry – 150 sks Class C (36 bbls) per Schlumberger recommendation.
26. Displace one bbl short of EOT with fresh water at 3 – 5 bpm.
27. Sting out of the retainer and reverse out to completely clear the tubing string.
28. POOH with tubing.
29. The following morning RIH with bit on 2-7/8" tubing to drillout the squeeze cement and retainer. Clean out to 6,700' minimum. Circulate hole to fresh water.
30. RU **EM Hobbs** WL unit and run CBL from 6,700' (or bottom of sqz cmt whichever is deeper) to TOC.
31. Contact engineering with results of CBL. If cement squeeze work has provided sufficient isolation above and below proposed injection zone, release pulling unit and prepare to perforate.

Note: if isolation is not sufficient additional squeeze work will be required.

32. RU **EM Hobbs** WL unit, lubricator and packoff. Correlate to PGAC Gamma Ray Neutron Log dated 1-22-65.
33. Set CIBP at 6,450' and Perforate Delaware as follows with 3-1/8" Slick Casing Guns loaded 6 spf, 120° phasing with 19 gm SDP EXP-3319-322T charges for 0.42" EHD:

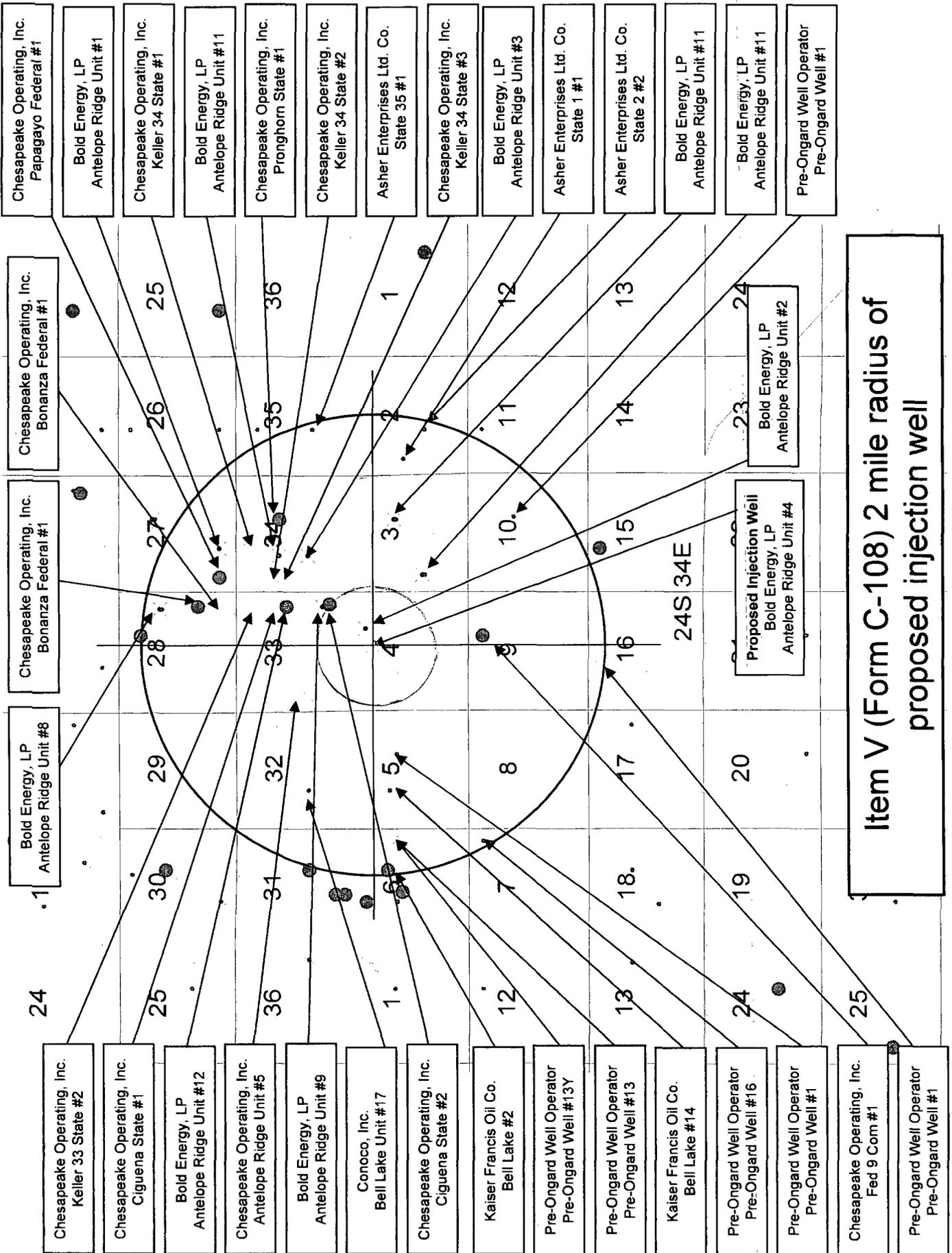
Delaware Perforation Schedule						
5170	to	5186	6 spf	120° Phasing	96 Shots	over 16 feet
5200	to	5212	6 spf	120° Phasing	72 Shots	over 12 feet
5230	to	5240	6 spf	120° Phasing	60 Shots	over 10 feet
5290	to	5305	6 spf	120° Phasing	90 Shots	over 15 feet
5599	to	5606	6 spf	120° Phasing	42 Shots	over 7 feet
5612	to	5618	6 spf	120° Phasing	36 Shots	over 6 feet
5680	to	5720	6 spf	120° Phasing	240 Shots	over 40 feet
5728	to	5740	6 spf	120° Phasing	72 Shots	over 12 feet
5795	to	5811	6 spf	120° Phasing	96 Shots	over 16 feet
6036	to	6060	6 spf	120° Phasing	144 Shots	over 24 feet
6102	to	6137	6 spf	120° Phasing	210 Shots	over 35 feet
6160	to	6172	6 spf	120° Phasing	72 Shots	over 12 feet
6232	to	6254	6 spf	120° Phasing	132 Shots	over 22 feet
6280	to	6296	6 spf	120° Phasing	96 Shots	over 16 feet
Total					1458 Shots	243 feet

34. RDMO WL unit.
35. Spot 1 frac tank with fresh water. Spot 1 lined frac tank and have **Weatherford** supply 19,000 gallons 15% HCL acid + 2 gpt surfactant + 1 gpt friction reducer + corrosion inhibitor for 130° F.
36. TIH with RBP and treating packer on 2-7/8" work string.
37. Set RBP at 6,350'. Set packer at 5,950'.
38. RU **Weatherford** breakdown equipment including computer monitoring equipment and HHP capable of achieving 15 bpm at 5,000 psi. Pressure test lines to 5,000 psi. Pump 8,175 gallons (195 bbls) of 15% HCL acid at 15 bpm (or maximum rate below 5,000 psi). Displace acid with exactly 100 bbls (includes over-displacement volume).
39. Bleed pressure to zero if necessary and reset RBP at 5,850'. Reset packer at 5,500'.
40. Pump 6,075 gallons (145 bbls) of 15% HCL acid at 15 bpm (or maximum rate below 5,000 psi). Displace acid with exactly 100 bbls (includes over-displacement volume).
41. Bleed pressure to zero if necessary and reset RBP at 5,350'. Reset packer at 5,100'.
42. Pressure test lines to 5,000 psi. Pump 3,975 gallons (95 bbls) of 15% HCL acid at 15 bpm (or maximum rate below 5,000 psi). Displace acid with exactly 100 bbls (includes over-displacement volume). Download pressure and rate data in 1-second intervals from all three treatments and e-mail to shannon.klier@boldenergy.com.
43. RDMO breakdown equipment.
44. POOH laying down RBP, packer and 2-7/8" workstring.

45. PU and TIH with Nickel Plated Baker 5-1/2" AL2 Lockset Packer with Plastic Coated ID w/ L316 o/o tool and Stainless 2.313" profile on 2-7/8" 6.5# Plastic Coated L-80 tubing.
46. Set packer at 5,130'. Space out for 12K lbs compression and NU 5K psi wellhead.
47. Leave well shut in overnight.
48. RU slickline unit. RIH with tandem pressure gauges to mid perf at 5,733'. Leave gauges on bottom for 1 hour. Pull gauge and download data. Email pressure data to shannon.klier@boldenergy.com.
49. MIRU 2 transports each containing 120 bbls of ARU lease production water and **Weatherford** pump truck and computer van for performing step rate injection test. Pump truck must be capable of maintaining rates from 0.25 to 3.0 bpm.
50. Perform injection test per the following schedule:

Injection Test						
	Rate (bpm)	Time (min)	Cumm. Time (min)	Volume (bbls)	Cumm. Vol (bbls)	Equivalent Rate (bpd)
Load Tubing	5.00	6	6	30.0	30	
Step Up 1	0.25	5	11	1.3	31	360
Step Up 2	0.50	5	16	2.5	34	720
Step Up 3	1.00	5	21	5.0	39	1440
Step Up 4	1.50	5	26	7.5	46	2160
Step Up 5	2.00	5	31	10.0	56	2880
Step Up 6	2.50	5	36	12.5	69	3600
Step Up 7	3.00	5	41	15.0	84	4320
Step Down 1	2.50	5	46	12.5	96	3600
Step Down 2	2.00	5	51	10.0	106	2880
Step Down 3	1.50	5	56	7.5	114	2160
Step Down 4	1.00	5	61	5.0	119	1440
Step Down 5	0.50	5	66	2.5	121	720
Step Down 6	0.25	5	71	1.3	123	360

51. Download pressure and rate data in 1-second intervals and e-mail to shannon.klier@boldenergy.com.
52. RDMO pump truck and transports.
53. Turn well over to Donny Money.



Item V (Form C-108) 2 mile radius of proposed injection well

- Chesapeake Operating, Inc. Keller 33 State #2
- Chesapeake Operating, Inc. Ciguena State #1
- Bold Energy, LP Antelope Ridge Unit #12
- Chesapeake Operating, Inc. Antelope Ridge Unit #5
- Bold Energy, LP Antelope Ridge Unit #9
- Conoco, Inc. Bell Lake Unit #17
- Chesapeake Operating, Inc. Ciguena State #2
- Kaiser Francis Oil Co. Bell Lake #2
- Pre-Ongard Well Operator Pre-Ongard Well #13Y
- Pre-Ongard Well Operator Pre-Ongard Well #13
- Kaiser Francis Oil Co. Bell Lake #14
- Pre-Ongard Well Operator Pre-Ongard Well #16
- Pre-Ongard Well Operator Pre-Ongard Well #1
- Chesapeake Operating, Inc. Fed 9 Com #1
- Pre-Ongard Well Operator Pre-Ongard Well #1

- Chesapeake Operating, Inc. Papagayo Federal #1
- Bold Energy, LP Antelope Ridge Unit #1
- Chesapeake Operating, Inc. Keller 34 State #1
- Bold Energy, LP Antelope Ridge Unit #11
- Chesapeake Operating, Inc. Pronghorn State #1
- Chesapeake Operating, Inc. Keller 34 State #2
- Asher Enterprises Ltd. Co. State 35 #1
- Chesapeake Operating, Inc. Keller 34 State #3
- Bold Energy, LP Antelope Ridge Unit #3
- Asher Enterprises Ltd. Co. State 1 #1
- Asher Enterprises Ltd. Co. State 2 #2
- Bold Energy, LP Antelope Ridge Unit #11
- Bold Energy, LP Antelope Ridge Unit #11
- Pre-Ongard Well Operator Pre-Ongard Well #1

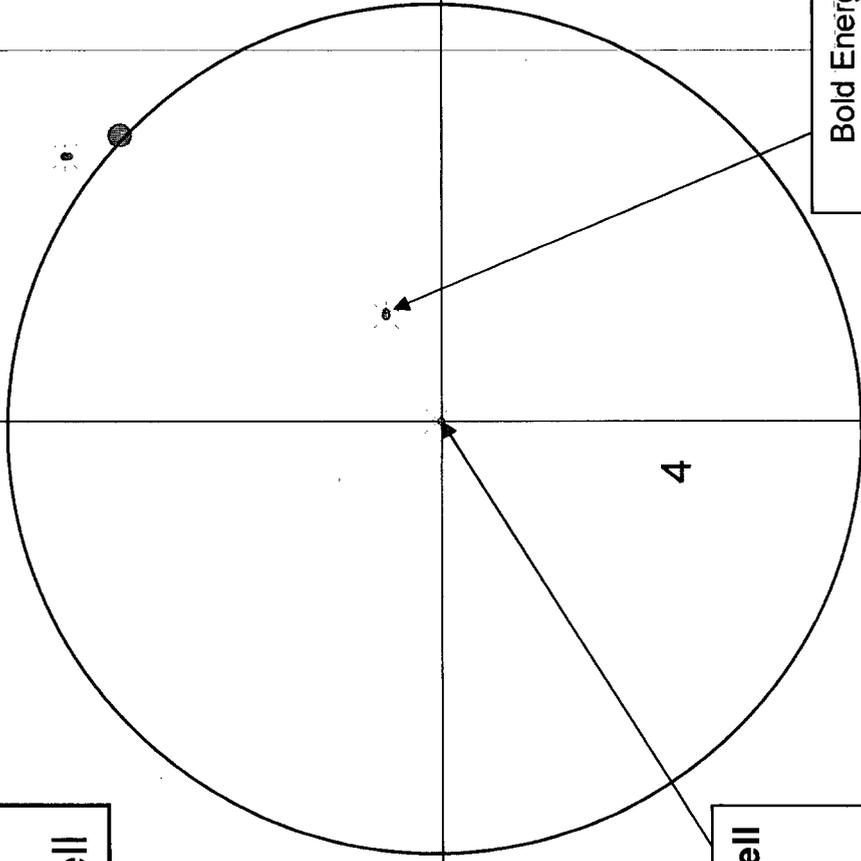
- Chesapeake Operating, Inc. Bonanza Federal #1
- Chesapeake Operating, Inc. Bonanza Federal #1
- Chesapeake Operating, Inc. Bonanza Federal #1
- Bold Energy, LP Antelope Ridge Unit #8
- Proposed Injection Well Bold Energy, LP Antelope Ridge Unit #4
- Bold Energy, LP Antelope Ridge Unit #2

32

Item V (Form C-108)
1/2 mile radius of
proposed injection well

33

34



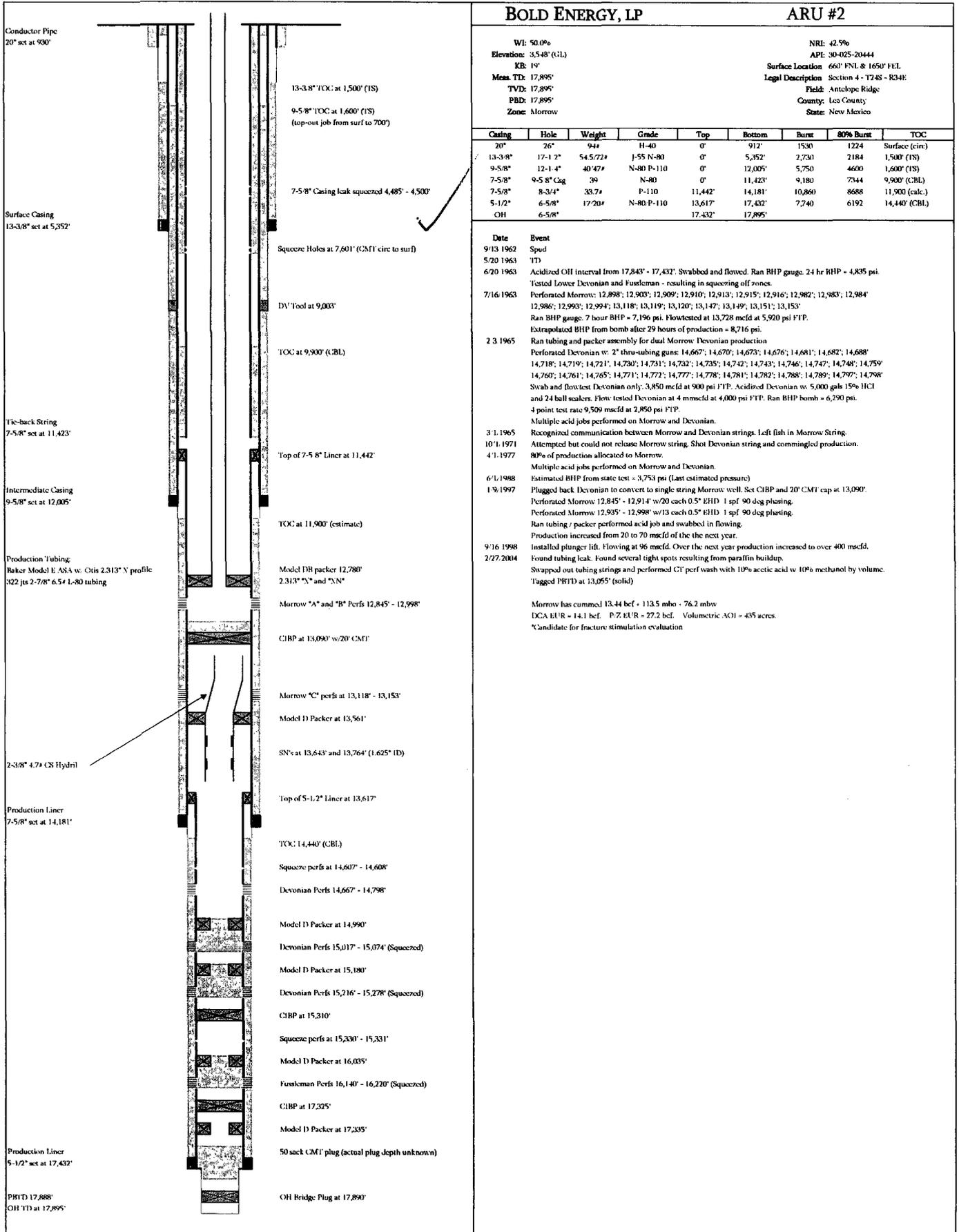
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Proposed Injection Well
Bold Energy, LP
Antelope Ridge Unit #4
API 3002521037
Eddy County, NM
Section 4 T24S R34E
990 FNL & 2310 FEL

3

Bold Energy, LP
Antelope Ridge Unit #2
API3002520444
Eddy County, NM
Section 4 T24S R34E
660 FNL & 1650 FEL

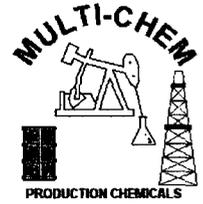
Item #VI (Form C-108) - Antelope Ridge Unit #2



Water Analysis

The following analysis is calculated using the following water analyses in the indicated proportions:

Analysis #	Percent	Field	Lease	Well #
8380	5		Curry Federal # 2	
8382	95		Bold Energy ARU #11	



THE GAS ENHANCEMENT COMPANY

DISSOLVED SOLIDS

CATIONS	mg/l	meq/l
Sodium, Na (calc)	18,153.05	789.26
Calcium, Ca	2,360.00	117.41
Magnesium, Mg	1,215.00	99.59
Barium, Ba	16.79	0.24
Iron, Fe	0.00	0.00

ANIONS	mg/l	meq/l
Hydroxyl, OH	0.00	0.00
Carbonate, CO3	0.00	0.00
Bicarbonate, HCO3	197.64	3.23
Sulfate, SO4	592.00	12.14
Chloride, Cl	31,650.00	891.55
Sulfide, S	0.00	0.00

OTHER PROPERTIES

pH	6.8
Specific Gravity	1.0406
Dissolved Oxygen, (mg/l)	0.00
Dissolved Carbon Dioxide	109.41
Sulfide as H2S, (ppm)	7.75

Total Dissolved Solids (mg/l)	54,184.48
Total Ionic Strength	1.07
Maximum CaSO4, (calc.)	852
Maximum BaSO4, (calc.)	29
Total Hardness	10,850.00

Multi-Chem Scale Trak

ESTIMATED MINERAL CONTENT AT SAMPLE TEMPERATURE

	meq/l	mg/l	lbs/kbbl
CaCO3	0.00	0	0
CaSO4	12.52	852	299
BaSO4	0.25	29	10

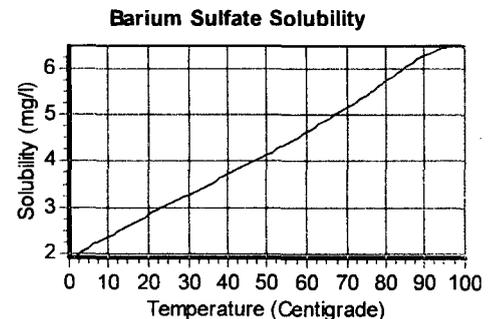
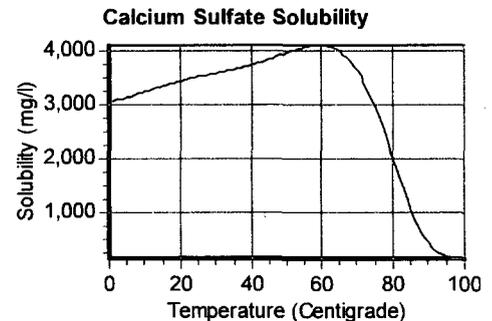
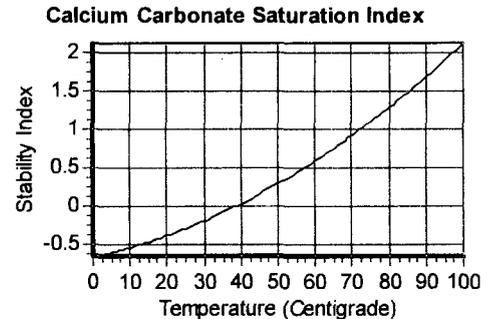
Note:
Since scale forming molecules can exist in solution, refer to the CaCO3 saturation index for CaCO3, or the solubilities for CaSO4 and BaSO4, and compare with the calculated amounts above to determine if precipitated scale may be possible.

Conclusion:

Calcium Carbonate scaling index is positive above 39 degrees Centigrade.
Calcium Sulfate scale is indicated above 87 degrees Centigrade.
Barium Sulfate scale is indicated at all temperatures.

Remarks:

Scaling Indices vs. Temperature



NM WAIDS



Water Samples for Well BELL LAKE UNIT 002

API = 3002508439

Formation = DEL

Field = SWD

Current Water Production Information

Instructions:

- Click For general information about this sample.
- Click For scale calculation pages (Stiff-Davis or Oddo Tomson methods).
- Click To select **this water sample** for water mixing. It will lead to the main page, and add the sample ID to the mixing table.
- Click 664 Click the hyperlinked sample number to make a .csv for that sample, or select several check boxes and click Submit for multiple samples
The ions are in (mg/L) units.

Item # VII 5 (Form C-108)
Disposal Zone (Delaware) Formation Water Analysis

Section 30 T23S R34E
660' FSL and 3300' FEL

SampleID	T	R	S	SO4	CL	CO3	HCO3	K	Na	Ca	Mg
<input type="checkbox"/> <u>4296</u>	23S	34E	30	529	32200	null	451	null	null	null	null

SELECT/DESELECT ALL

Water Samples for Well BELL LAKE UNIT 007

API = 3002508367

Formation = DEL

Field = SWD

Current Water Production Information

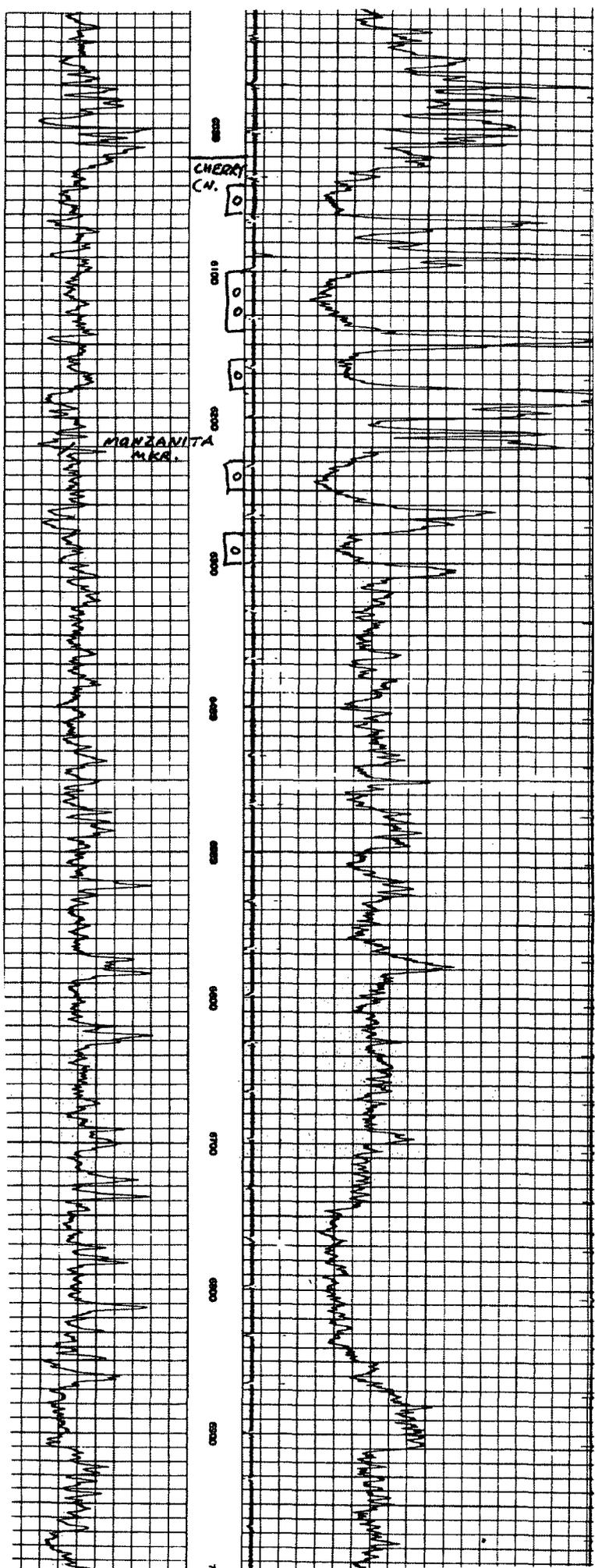
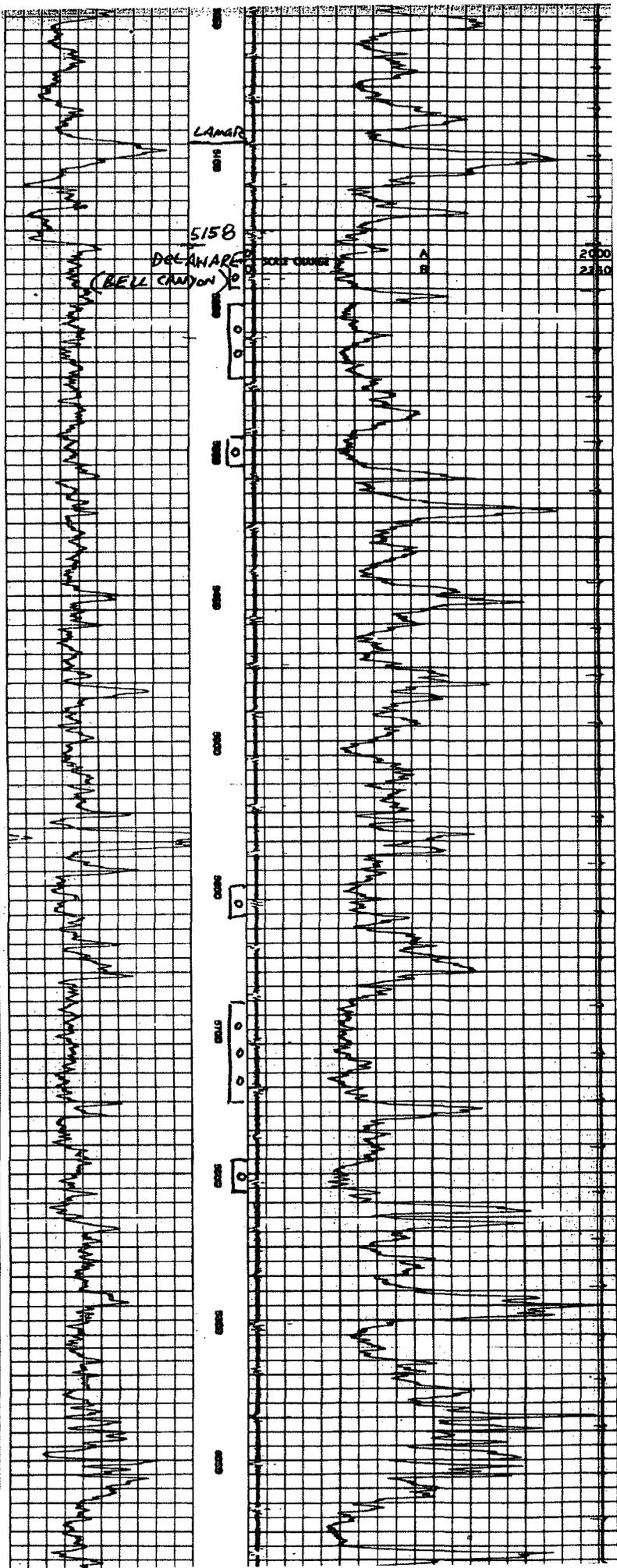
Instructions:

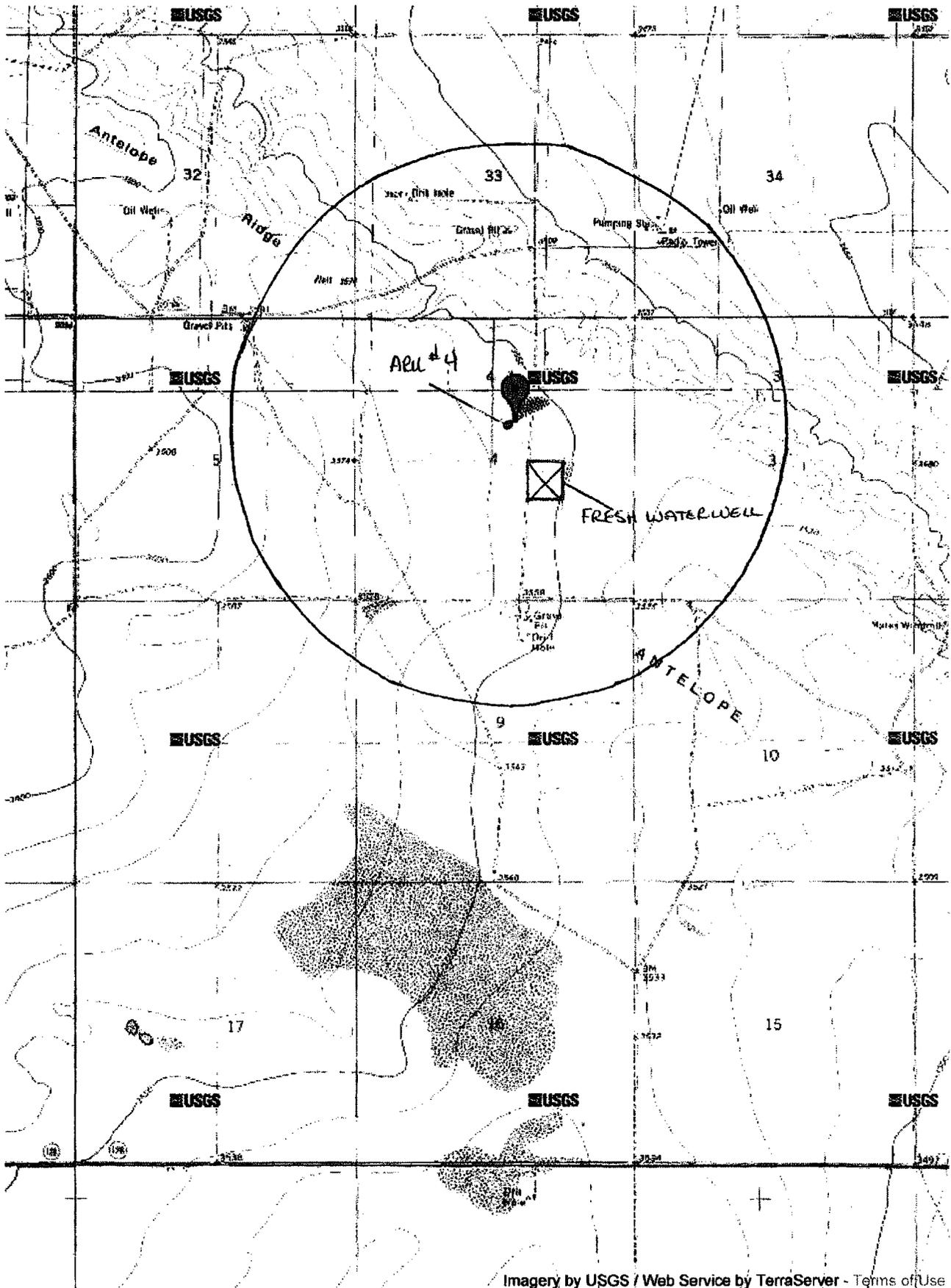
- Click For general information about this sample.
- Click For scale calculation pages (Stiff-Davis or Oddo Tomson methods).
- Click To select **this water sample** for water mixing. It will lead to the main page, and add the sample ID to the mixing table.
- Click 664 Click the hyperlinked sample number to make a .csv for that sample, or select several check boxes and click Submit for multiple samples
The ions are in (mg/L) units.

Section 1 T24S R33E
660' FNL and 660' FEL

SampleID	T	R	S	SO4	CL	CO3	HCO3	K	Na	Ca	Mg
<input type="checkbox"/> <u>4347</u>	24S	33E	01	749	53920	null	391	null	null	null	null

SELECT/DESELECT ALL





DATE: 9/13/2006

OMEGA TREATING CHEMICALS, INC.
2605 GARDEN CITY HWY.
MIDLAND, TEXAS 79701

WATER ANALYSIS REPORT

COMPANY NAME: BOLD ENERGY
LEASE NAME: MADERA FRESH WATER STA
WELL#\SAMPLE POINT: #1

1. WELLHEAD pH	6.98
2. H2S (QUALITATIVE)	0.00 PPM
3. CALCIUM (Ca)	160.00 Mg/L
4. MAGNESIUM (Mg)	24.30 Mg/L
5. IRON (Fe)	0.05 PPM
6. SODIUM	-39.67 Mg/L
7. CHLORIDE (Cl)	177.50 Mg/L
8. BICARBONATE (HCO3)	195.20 Mg/L
9. SULFATE (SO4)	3.2 Mg/L
10. TOTAL HARDNESS	500.00 Mg/L
11. TOTAL DISSOLVED SOLIDS	520.59 Mg/L
12. RESISTIVITY	9.35
13. CARBONATE SCALING TENDENCY	0.04
14. SULFATE SCALING TENDENCY	-21.18

BOPD _____ BWPD _____

REMARKS: _____

COPIES TO: JOHN NOGELMEIER, BILLY HOBBS

LEGAL NOTICE

APPLICATION FOR WATER DISPOSAL

Bold Energy LP, 415 W. Wall Suite 500, Midland, Texas 79701, (Contact: Shannon Klier 432-686-1100) has filed Application with the Oil Conservation Division, Energy, Minerals and Natural Resources Department, State of New Mexico, for Administrative Approval and authority to inject salt water into the Antelope Ridge Unit No. 4 well located 1990' FNL and 2310' FEL of Section 4, Township 24 South, Range 34 East, Lea County, New Mexico.

The purpose of the water injection well is to dispose of salt water produced from the Antelope Ridge Atoka field as currently designated by the Oil Conservation Division.

Water to be disposed will be injected into the Delaware formation at an interval between 5,170 feet and 6,300' from surface.

The minimum injection rate is expected to be 500 barrels of water per day. The maximum injection rate is expected to be 2000 barrels of water per day.

The minimum injection pressure is expected to be 100 psi. The maximum injection pressure is expected to be 1034 psi.

Any interested party may file an objection to the Application or may request a public hearing. Any objection or request for hearing must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Sante Fe, New Mexico 87505 within 15 days from the date of publication.

By: *Denise Menoud*
Denise Menoud, Agent for
Bold Energy, L.P.

**SURFACE OWNER, GRAZING LESSEE, LEASE OWNER,
AND OFFSET OPERATORS**

**Antelope Ridge Unit No. 4
1990' FNL & 2310' FEL
Unit Letter "B", Sec 4, T24S, R34E
Lea County, NM**

Surface Owner of Well Site

Bureau of Land Management
1474 E. Rodeo Road
Santa Fe, NM 87505

Grazing Lessee of Well Site

Rubert Madera Trust
Bert Madera
Box 1224
Jal, NM 88252

Operators of Record

Bold Energy, L.P.
415 W. Wall, Suite 500
Midland, TX 79701

District
1625 N. French Dr., Hobbs, NM
88240

State of New Mexico
Energy, Minerals and Natural Resources

Form C-104A
Permit 15355

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Change of Operator

Previous Operator Information

OGRID: 4537
Name: CITATION OIL & GAS CORP
Address: PO BOX 690688
Address:
City, State, Zip: HOUSTON, TX 77269

New Operator Information

Effective Date: 09/01/2005
OGRID: 233545
Name: BOLD ENERGY, L.P.
Address: 415 W. Wall Suite 500
Address:
City, State, Zip: Midland, TX 79705

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Previous Operator

Signature: Sharon Ward
Printed Name: Sharon Ward
Title: Regulatory Administrator
Date: 9/8/05 Phone: 281-517-7800

New Operator

Signature: Joseph Castillo
Printed Name: Joseph Castillo
Title: President
Date: 9/9/05 Phone: 432-686-1100

NMOCD Approval
Electronic Signature: Paul Kautz, District 1
Date: November 02, 2005

BOLD ENERGY, LP

**415 W. WALL, SUITE 500
MIDLAND, TEXAS 79701**

**MAIN: 432-686-1100
FAX: 432-686-1104**

September 8, 2006

Lovington Daily Leader
P.O. Box 1717
Lovington, NM 88260-1717

Re: Legal Publications

Enclosed herewith please find Legal Notice to be published (1) time only in your newspaper at the earliest possible date. Please forward an Affidavit of Publication along with your invoice to Bold Energy to the following address:

Gray Surface Specialties
Attn: Denise Menoud
3106 N. Big Spring, Suite 100
Midland, TX 79705

Should you have any questions regarding this matter, please contact me at 432-685-9158.
Thank you.

Sincerely,



Denise Menoud
Regulatory Specialist
Gray Surface Specialties

Encl

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **Bold Energy, L.P.**

3a. Address
415 W. Wall St, Suite 500, Midland, TX 79701

3b. Phone No. (include area code)
432-696-1100

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990' FNL & 2310' FEL, Sec 4, T24S, R34E

5. Lease Serial No.
NM021422

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
Antelope Ridge Unit #4

9. API Well No.
30-025-21037

10. Field and Pool, or Exploratory Area
Antelope Ridge

11. County or Parish, State
Lea County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Convert to SWD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BJA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Convert to Salt Water Disposal.

Attached: Schematic, Injection Well Data Sheets (2), and Proposed Operation to convert well to Salt Water Disposal.

COPY

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

Denise Menoud, Agent for Bold Energy, LP

Title **Regulatory Specialist**

Signature

Denise Menoud

Date

09/18/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)



September 18, 2006

Rubert Madera Trust
% Bert Madera
Box 1224
Jal, NM 88252

RE: Antelope Ridge Unit #4
Unit B, Section 4, T-24-S, R-34-E
990' FNL & 2310' FEL
Lea County, NM

To Whom It May Concern:

In accordance with the Rules and Regulations of the Oil Conservation Division of the State of New Mexico, you are being provided a copy of the C-108 Application for Authorization to Inject into the above captioned well.

Any questions about the permit can be directed to Ellis Gray or myself at 432-685-9158. Any objections or request for hearing must be filed with the Oil Conservation Division within fifteen (15) days from the date received. The OCD address is P.O. Box 6429, 1220 S. Saint Francis Drive, Santa Fe, NM 87504, 505-476-3440.

Thank you.

Denise Menoud
Regulatory Specialist
Gray Surface Specialties,
Agent for Bold Energies, LP

7006 0810 0000 3501 5107

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

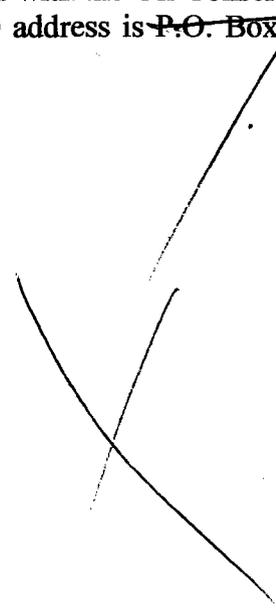
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 1.35	Postmark Here
Certified Fee	2.40	
Return Receipt Fee (Endorsement Required)	1.85	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.60	

Sent To
Rubert MADERA Trust (Bert Madera)
Street, Apt. No.,
or PO Box No. Box 1224
City, State, ZIP+4
JAL, NM 88252

PS Form 3800, June 2002 (See Reverse for Instructions)





September 18, 2006

Bureau of Land Management
1474 E. Rodeo Road
Santa Fe, NM 87505

RE: Antelope Ridge Unit #4
Unit B, Section 4, T-24-S, R-34-E
990' FNL & 2310' FEL
Lea County, NM

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In accordance with the Rules and Regulations of the Oil Conservation Division of the State of New Mexico, you are being provided a copy of the C-108 Application for Authorization to Inject into the above captioned well.

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Thank you.

Denise Menoud
Regulatory Specialist
Gray Surface Specialties,
Agent for Bold Energies, LP

U.S. Postal Service CERTIFIED MAIL RECEIPT
OFFICIAL USE
Postage \$ 1.35
Certified Fee 2.40
Return Receipt Fee 1.85
Total Postage & Fees \$ 5.60
Sent To Bureau of Land Management
1474 E. Rodeo Rd.
Santa Fe, Nm 87505

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, September 28, 2006 3:35 PM
To: 'Denise'
Subject: RE: ARU #4 - JUST ONE MORE QUESTION - PS

Denise:
I have reviewed this application and have the following questions or requests:

- 1) Fax or mail or email a "Post-Conversion" wellbore diagram showing the well as it will be after conversion.
- 2) For future applications, keep in mind the OCD does not have a PO box in Santa Fe (you have this in your letter to the BLM and the Surface Owner).
- 3) Does BOLD Energy have all acreage within the Delaware within 1/2 mile of this well leased?

William V. Jones Engineering Bureau Oil Conservation Division Santa Fe

From: Denise [mailto:denise@graysurfacespecialties.com]
Sent: Thursday, September 28, 2006 10:52 AM
To: Jones, William V., EMNRD
Subject: FW: ARU #4 - JUST ONE MORE QUESTION - PS

Attached is the corrected list of those affected Will, showing Mr. Madera as surface owner. He was notified with a complete packet, nothing changed there.
So will wait on your answer for below. Thanks much.

Denise Menoud
Regulatory Specialist, Gray Surface Specialties
Phone: 432-685-9158; Fax: 432-218-7396
denise@graysurfacespecialties

From: Denise [mailto:denise@graysurfacespecialties.com]
Sent: Thursday, September 28, 2006 11:08 AM
To: WILLIAM JONES (william.v.jones@state.nm.us)
Subject: ARU #4 - JUST ONE MORE QUESTION

Will, after our phone conversation, still had another question.

If Mr. Madera is the surface owner, not the grazing lessee, but he **WAS** notified with a certified, return receipt letter, will the 15 days start over? And if so, from when? Or will the 15 days start stay the same16 days from 9/20 ?

Denise Menoud
Regulatory Specialist, Gray Surface Specialties
Phone: 432-685-9158; Fax: 432-218-7396

Jones, William V., EMNRD

From: Denise [denise@graysurfacespecialties.com]
Sent: Thursday, September 28, 2006 10:52 AM
To: Jones, William V., EMNRD
Subject: FW: ARU #4 - JUST ONE MORE QUESTION - PS
Attachments: List of surface owner-Grazing Lessee-Lease Holder-Offsets - ARU #4.doc

Attached is the corrected list of those affected Will, showing Mr. Madera as surface owner. He was notified with a complete packet, nothing changed there.
So will wait on your answer for below. Thanks much.

Denise Menoud

Regulatory Specialist, Gray Surface Specialties
Phone: 432-685-9158; Fax: 432-218-7396
denise@graysurfacespecialties

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Denise Menoud

Regulatory Specialist, Gray Surface Specialties
Phone: 432-685-9158; Fax: 432-218-7396
denise@graysurfacespecialties

**SURFACE OWNER, GRAZING LESSEE, LEASE OWNER,
AND OFFSET OPERATORS**

**Antelope Ridge Unit No. 4
1990' FNL & 2310' FEL
Unit Letter "B", Sec 4, T24S, R34E
Lea County, NM**

Surface Owner of Well Site

Rubert Madera Trust
Bert Madera
Box 1224
Jal, NM 88252

Mineral Owner, Ditches, and Canals

Bureau of Land Management
1474 E. Rodeo Road
Santa Fe, NM 87505

Operators of Record

Bold Energy, L.P.
415 W. Wall, Suite 500
Midland, TX 79701

Rubert Madera Trust B
524 Antelope Ridge
Jal, New Mexico 88252
(505) 390-2861
Email: bertmaderajnm@yahoo.com

October 13, 2006

Oil Conservation Division
Attn: David Catanach
1220 South St. Francis Drive
Santa Fe, New Mexico

RE: Antelope Ridge Unit #4
Delaware Formation
Unit B, Section 4, T-24-S, R-34-E
990' FNL & 2310' FEL
Lea County, NM

2006 OCT 19 PM 12 44

Dear Sir:

Reference is made to the proposed Bold Energy, LP Salt Water Disposal well located at the above referenced location. Earlier this month, we lodged an objection to this disposal well. However, since that time, we have come to an agreement with Bold Energy and many of our fears and concerns have been addressed and/or resolved. Therefore, we would like to withdraw our objection to the SWD permit effective immediately.

If you have any questions or need to speak with me personally regarding the above, please feel free to call me.

Very truly yours,



Bert Madera

cc: **Bold Energy, LP**
Attn: Joe Castillo
joseph.castillo@boldenergy.com

Rubert Madera Trust B
524 Antelope Ridge
Jal, New Mexico 88252
(505) 390-2861
Email: bertmaderajnm@yahoo.com

October 2, 2006

Oil Conservation Division
Attn: David Catanach
1220 South St. Francis Drive
Santa Fe, New Mexico

RE: Antelope Ridge Unit #4
Delaware Formation
Unit B, Section 4, T-24-S, R-34-E
990' FNL & 2310' FEL
Lea County, NM

2006 OCT 5 PM 12 28

Dear Sir:

Reference is made to the proposed Bold Energy, LP Salt Water Disposal well located at the above referenced location. This proposed disposal well is situated approximately 200 yards from my residence and about 100 yards from my existing fresh water station. The approval and implementation of this well will greatly and adversely affect my lifestyle because of the associated pipelines, water trucks, tank installation, injection pumps, etc.

At this point, I wish to protest this application for Salt Water Disposal well. Please notify me at the above number and address if you need anything further regarding this matter.

Very truly yours,



Bert Madera

cc: Gray Surface Specialties
Agent for Bold Energies, LP
Attn: Denise Menoud
3106 N. Big Spring St., Ste. 100
Midland, Texas 79705

Jones, William V., EMNRD

From: Denise [denise@graysurfacespecialties.com]
Sent: Wednesday, October 04, 2006 10:23 AM
To: Ezeanyim, Richard, EMNRD
Cc: Catanach, David, EMNRD; Jones, William V., EMNRD
Subject: FW: CHPKE Consent to Convert ARU #4
Attachments: CHPKE Consent to Convert ARU #4.pdf

Dear Mr. Ezeanyim:

Below is the email from Will Jones stating the SWD permit on the Antelope Ridge #4 would be ready for release this week; however, we were informed that Bold's partner, Chesapeake, had the interest in the Delaware. They have signed a waiver for Bold giving them rights to inject (please see attached). Hopefully, this will complete the review and we can get approval on the APD from you, since Will is gone and Bold would like to proceed as soon as possible.

Please let me know if you have any questions. Thank you.

Denise:
Thank you for this.
The order is ready to release the end of next week. Richard E. will release this, since I will be gone.

Will

William V. Jones Engineering Bureau Oil Conservation Division Santa Fe

Denise Menoud
Regulatory Specialist, Gray Surface Specialties
Phone: 432-685-9158; Fax: 432-218-7396
denise@graysurfacespecialties.com

From: Denise [mailto:denise@graysurfacespecialties.com]
Sent: Tuesday, October 03, 2006 8:02 AM
To: WILLIAM JONES (william.v.jones@state.nm.us)
Cc: LEEANN ROLLINS (leeann@graysurfacespecialties.com); DWAIN MOORE (dwaine@graysurfacespecialties.com)
Subject: FW: CHPKE Consent to Convert ARU #4

RE: Antelope Ridge Unit #4 SWD APD

Hi Will. Bold informed me that Chesapeake (Bold's partner) has rights in the Delaware (it did not show up on State Land Records); therefore, they have attached a consent from Chesapeake giving permission to inject.

Please let me know if this creates a problem. Thank you.

Denise Menoud
Regulatory Specialist, Gray Surface Specialties
Phone: 432-685-9158; Fax: 432-218-7396

denise@graysurfacespecialties.com

From: Joseph Castillo [mailto:joseph.castillo@boldenergy.com]
Sent: Monday, October 02, 2006 4:46 PM
To: 'Ellis Gray'; Denise
Cc: Bobby Kennedy; 'Peggy Kerr'; 'Shannon Klier'
Subject: CHPKE Consent to Convert ARU #4

Ellis, Denise,

Attached please find Chesapeake's consent and agreement to not contest the SWD conversion of the ARU #4. Hopefully, this will help expedite the BLM's permitting process.

Thanks,

Joe Castillo
Bold Energy

10/16/2006

BOLD ENERGY, LP

415 W. WALL, SUITE 500
MIDLAND, TEXAS 79701

MAIN: 432-686-1100
FAX: 432-686-1104

MEMO

September 29, 2006

Mr. Kevin Pfister
Chesapeake Energy Corporation
6100 N. Western Ave.
Oklahoma City, OK 73118-1044

Re: ARU # 4 SWD - Waiver for Disposal into Delaware Formation (Lea County, NM)

Dear Mr. Pfister:

Bold Energy requests your permission, as leasehold owner in the Delaware Formation of Bold's ARU # 4 well located 990' FNL and 2310' FEL of Sec. 4, T24S, R 35E, in the Antelope Ridge Field in Southeast New Mexico to allow Bold to dispose of salt water into the Delaware Formation within this wellbore.

Chesapeake acknowledges that it is the owner of leasehold rights in the Delaware Formation in the surrounding lands identified in Sec. 3 and 4 of T24S, R34E and the S/2 of Sec. 33 of T23S, R34E.

Chesapeake waives its right to object to the conversion of the ARU # 4 to a Salt Water Disposal Well.

Please indicate your approval in the space provided below and fax one copy to 432- 686-1104 along with returning one original copy of this letter to the address shown above.

Yours very truly,

Peggy Kerr
Land Manager

AGREED TO AND ACCEPTED THIS 2ND DAY OF OCTOBER, 2006

Chesapeake Energy Corporation

By: Kevin Pfister

Name: KEVIN PFISTER

Title: Land Manager

Injection Permit Checklist

SWD Order Number 1049 Dates: Division Approved _____ District Approved _____

Information Request Letter or Email sent _____

Well Name/Num: Adelphi RIDGE UNIT #4 Date Spudded: _____

API Num: (30-) 025-21637 County: Law

Footages 990 FNL/230 FEL Sec 4 Tsp 24S Rge 34E

Operator Name: BOLD ENERGY, L.P. Contact Shannon L. KLER

Operator Address: 415 W WALL, SUITE 500, MIDLAND, TX 79701

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	15 11 3/4		530	
Intermediate	11 8 5/8		400	3800 cdc.
Production	7 7/8 5 1/2	12,005	500	135 BOND LOG will be run
Last DV Tool				
Open Hole/Liner				
Plug Back Depth				

Diagrams Included (Y/N): Before Conversion After Conversion NO 276" TBS

Checks (Y/N): Well File Reviewed _____ ELogs in Imaging

Intervals:	Depths	Formation	Producing (Yes/No)
Salt/Potash			
Capitan Reef			
Cliff House, Etc:			
Formation Above			
Top Inj Interval	5170	Belle Can Dolomite	1034 PSI Max. WHIP
Bottom Inj Interval	6300	Dolery Cr	NO Open Hole (Y/N)
Formation Below			NO Deviated Hole (Y/N)

Fresh Water Site Exists (Y/N) Yes Analysis Included (Y/N):

Salt Water Analysis: Injection Zone (Y/N/NA) _____ Disposal Waters (Y/N/NA) Types: _____

Affirmative Statement Included (Y/N): Newspaper Notice Adequate (Y/N) _____ Well Table Adequate (Y/N) _____

Surface Owner BEM MODER TRUST Noticed (Y/N) _____ Mineral Owner(s) _____

AOR Owners: None Noticed (Y/N) _____

CID/Potash/Etc Owners: _____ Noticed (Y/N) _____

AOR Num Active Wells 1 Repairs? NO Producing in Injection Interval in AOR _____

AOR Num of P&A Wells 0 Repairs? _____ Diagrams Included? _____

Data to Generate New AOR Table _____ New Table Generated? (Y/N) _____

	STR	E-W Footages	N-S Footages
Wellsite			
Northeast			
North			
Northwest			
West			
Southwest			
South			
Southeast			
East			

Conditions of Approval:

- _____
- _____
- _____
- _____

RBDMS Updated (Y/N) _____
 UIC Form Completed (Y/N) _____
 This Form completed _____