

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

Form C-101
 Permit 45190

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address BOLD ENERGY, L.P. 415 WEST WALL MIDLAND, TX 79701		2. OGRID Number 233545
		3. API Number
4. Property Code	5. Property Name OXY CHECKER STATE	6. Well No. 002

7. Surface Location

UL - Lot E	Section 8	Township 19S	Range 29E	Lot Idn E	Feet From 1980	N/S Line N	Feet From 660	E/W Line W	County EDDY
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8. Pool Information

WC;UPPER PENN 96072

Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3377
14. Multiple N	15. Proposed Depth 10100	16. Formation Canyon	17. Contractor	18. Spud Date 3/1/2007
Depth to Ground water 110	Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000	
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 10000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	375	400	0
Intl	11	8.625	32	3000	1200	0
Prod	7.875	5.5	17	10100	800	2800

Casing/Cement Program: Additional Comments

BOP: 3000 psi double ram hydraulic preventer, annular and Rotating Head will be installed if deemed necessary by drilling conditions. An H2S Contingency Plan will be developed by Calaway Safety and hand delivered to NMOCD to include with filing.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	SRRA

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that the drilling pit will be constructed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

Printed Name: Electronically filed by Peggy Kerr

Title: Vice President

Email Address: peggy.kerr@boldenergy.com

Date: 1/18/2007

Phone: 432-686-1100

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date:

Expiration Date:

Oil Conservation Division

Case No. _____

Exhibit No. 1

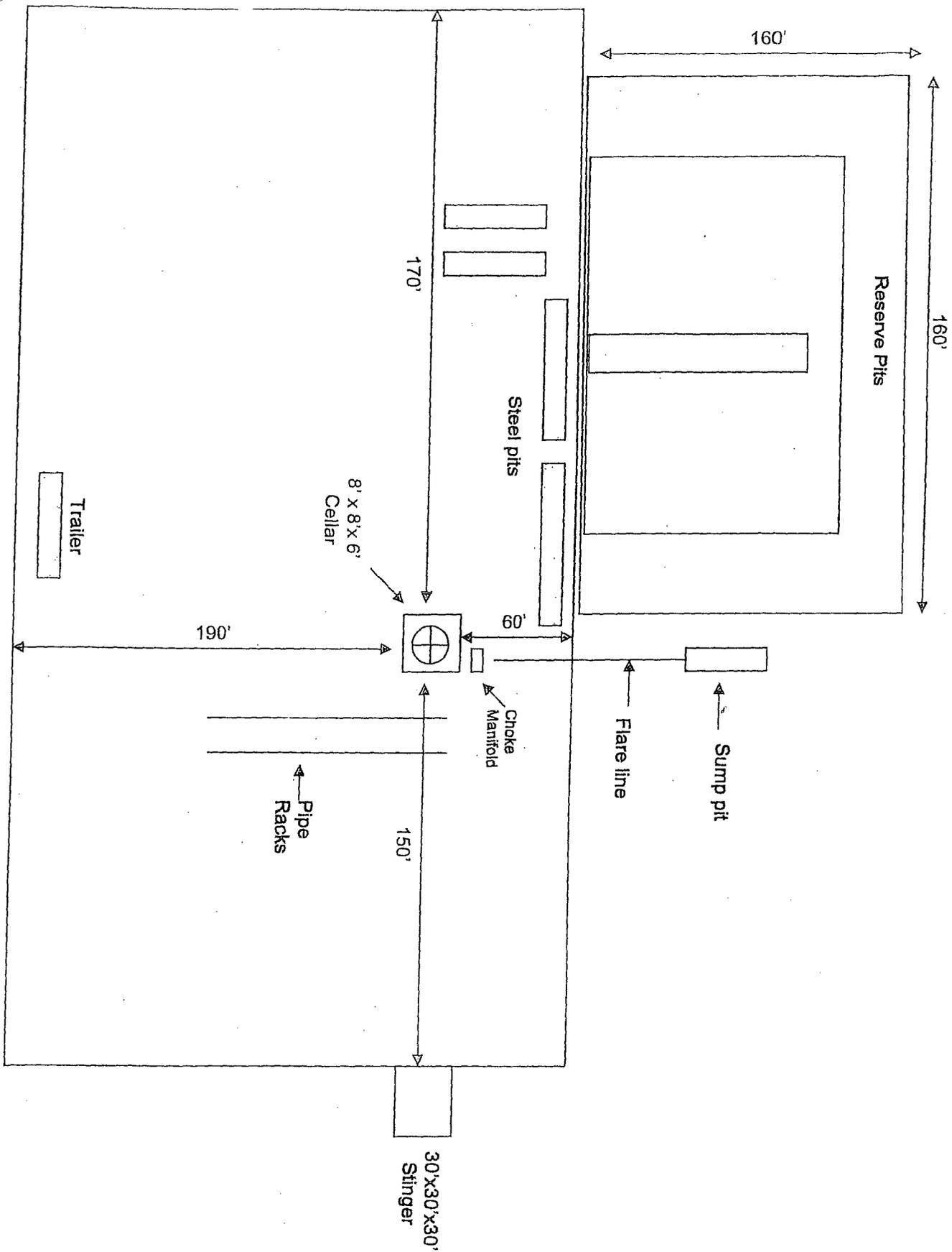
Permit Comments

Operator: BOLD ENERGY, L.P. , 233545

Well: OXY CHECKER STATE #002

API:

Created By	Comment	Comment Date
PKERR	Drill 17½" to 375' using FW spud mud and set 13 3/8" surface casing w/ 400 sx Class "C" w/ 2% CaCl2 - cement to be circulated. If necessary, perform top job using 1" tbg to bring cement to surface. Install BOP, test BOP rams & casing to 1000 psi. Drill 11" hole to 3000' using brine w/ sweeps and set 8 5/8" intermediate casing w/ 600 sx 35:65 POZ - Class "C" cont'g 5% salt, 10% gel, 0.2% anti-foam & ¼ pps cello-flake followed by 200 sx Class "C" neat - cement to be circulated. If necessary, perform top job w/ 1" tbg to bring cement to surface. Install BOPE and test to 3000 psi (annula)	1/18/2007
PKERR	Oxy USA shares this 320 acre standup proration unit with their well, Oxy Checker State Com #1, API 30-015-29463, 1650 FSL & 660 FWL. Certified notification was mailed 12/28/2006 to Oxy and the State Land Office. A protest from Oxy has been mailed to Will Jones with the NM OCD in Santa Fe. A hearing will be requested by Bold Energy.	1/18/2007
PKERR	Drill info continued (#2): (annular if used to 1500 psi) - test casing to 1500 psi. Drill 7 7/8 hole to 10,100' TD w/ FW & cut brine, adjusting MW - Vis - WL as needed to maintain hole stability and well control (expected max MW = 9.0 ppg). Run OH logs and set 5 1/2" prod casing @ TD and cement w/ TXI Lightweight cont'g 0.2% FLA, 0.2% dispersant and 0.4% retarder. Cement volume and additives to be adjusted to caliper log & hole conditions for TOC @ approx 2800'.	1/18/2007
PKERR	Pools listed by engineer: Turkey Track; Canyon and Turkey Track; Wolfcamp. Pools advised by OCD: Wildcat; Upper Penn (G) and Undesignated Wolfcamp (G)	1/18/2007



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name OXY CHECKER STATE	Well Number 2
OGRID No. 233545	Operator Name BOLD ENERGY, LP	Elevation 3377'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	8	19 S	29 E		1980	NORTH	660	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill J	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Denise Menould</i> 1-18-07 Signature Date DENISE MENOULD, AGENT FOR BOLD ENERGY, LP. Printed Name</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JANUARY 3, 2007 Date Surveyed Signature of Gary L. Jones Professional Surveyor No. 13814 Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>