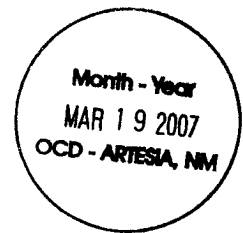


3001534693

# **BOLD ENERGY, LP**

415 W. WALL, SUITE 500  
MIDLAND, TEXAS 79701



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

March 16, 2007

New Mexico Oil Conservation Division  
1301 W. Grand  
Artesia, NM 88210

Attn: Mr. Ron Harvey

Subject: Letter of Violation  
Absent Well Identification Signs (Rule 103)  
Sarah State #1 (30-015-34693)

This letter is to inform the OCD that the absent well identification violation has been corrected. The appropriate lease sign for the subject well was replaced on 3/14/07.

Regards,

A handwritten signature in black ink, appearing to read "Shannon Klier".

Shannon Klier  
Operations Engineering Manager



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

*Field Inspection Program*

*"Preventable Accidents for Oil Environment"*

**RECEIVED**

01-Mar-07

MAR 07 2007

**BOLD ENERGY, L.P.**

415 WEST WALL

MIDLAND TX 79701

**LOV NO. 02 42 07**

## LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

### INSPECTION DETAIL SECTION

**SARAH STATE No.001**

O-10-19S-29E

**30-015-34693-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/01/2007	Routine/Periodic	Ron Harvey	Yes	No	4/2/2007	iREH0706040500
<b>Violations</b>						
Absent Well Identification Signs (Rule 103)						
<b>Comments on Inspection:</b> Pit closed, surface contoured. Location and equipment ok. No well sign on or near location in violation of Rule 103.						