

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

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.

5 Lease Serial No
NM LC ~~06104~~ **065194**
6 If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE – Other instructions on page 2

1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7 If Unit of CA/Agreement, Name and/or No N/A
2 Name of Operator Bold Energy, LP 233545		8 Well Name and No Bell Lake #24
3a Address 415 West Wall Street Suite 100 Midland TX 79075	3b Phone No (include area code) 432-686-1100	9 API Well No 30-025-38291
4 Location of Well (Footage, Sec., T, R, M or Survey Description) 660' FNL & 1980' FEL- Unit Letter B Section 7, T23S, R34E, Lea Co., NM		10 Field and Pool or Exploratory Area <u>Undesignated (Delaware)</u>
		11 Country or Parish, State Lea Co., New Mexico

12 CHECK THE 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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<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 type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <u>Change TD,</u> also change from Gas Well to Oil well

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 recomplete 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/BIA Required subsequent reports must 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 must be filed once testing has been completed Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection)

Bold Energy,LP respectfully requests to change the Bottom Hole Target from the Bell Lake; Marrow, North (Gas) to the Undesignated (Delaware). TD is changing from 13550' to a TD of 8600', to make the objective the Delaware Sands (6700'- 8460'). This change also changes well from a Gas well to an "OIL" well.

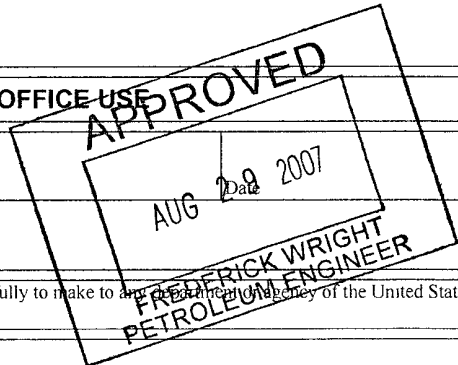
With this change the Drilling Program is also changed to add contingency string to the already approved 2-string permit. Please find attached a copy of the new drilling and cementing program along with the new copy of the C-102.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed)	Title Agent for Bold Energy, LP
Signature <i>[Handwritten Signature]</i>	Date 08/24/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title
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	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 Federal Agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

[Handwritten initials]

DISTRICT I
1625 N French Dr., Hobbs, NM 80240

DISTRICT II
1501 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 30-025-38291	Pool Code ✓	Pool Name Wildcat Undesignated (Delaware)
Property Code 35983-	Property Name BELL LAKE	Well Number 24
OGRID No. 233545-	Operator Name BOLD ENERGY	Elevation 3468'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	7	23 S	34 E		660	NORTH	1980	EAST	LEA

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 40	Joint or Infill	Consolidation Code	Order No.
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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>NMLC 065194</p> <p>LAT-N32°19'28.5" LONG-W103°30'25.7" (NAD 83)</p>	<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>Lee Ann Rollins</i> 8/21/06 Signature Date</p> <p>Lee Ann Rollins 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>SEPTEMBER 6, 2006</p> <p>Date Surveyed</p> <p><i>Gary L. Jones</i> Signature Professional Surveyor</p>
	<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

BOLD ENERGY, LP

Bell Lake #24

660' FNL & 1980' FEL

Sec 7 – T23S – R34E

Lea County, New Mexico

DRILLING PROGRAM

1. Geologic Name of Surface Location:

A. Permian

2. Estimated Tops of Geological Markers and Depth of Anticipated Fresh Water, Oil or Gas:

Formation	Depth	Expected Fluid
Permian Sands	0' – 850'	Water
Rustler	1030'	
Salt	1200'	
Anhydrite	3130'	
Salt	3850'	
Anhydrite	4360'	
Delaware	4870'	
Cherry Canyon	5845'	
Bs Manzanita	5975'	
Target Sand	6790' – 7015'	Oil
Target Sand	7790' – 7805'	Oil
Target Sand	8240' – 8265'	Oil
Target Sand	8270' – 8275'	Oil
Target Sand	8350' – 8370'	Oil
Target Sand	8450' – 8460'	Oil
Bone Spring	8480'	Oil

Only the target Delaware Sands are expected to yield oil or gas in measurable quantities. All freshwater sands will be protected by setting 13 3/8" casing @ 1060' and circulating cement. The salt section will be protected by either (1) setting 8 5/8" intermediate casing @ 4850' and circulating cement to surface or (2) cementing 5 1/2" production casing back to above the surface casing shoe using a two-stage cementing operation.

3. Casing Program:

Hole Size	Depth Interval	Casing OD	Weight PPF	Grade	Conn
17½"	0' - 1060'	13 3/8"	48	H-40	STC
11"	0' - 3700'	8 5/8"	32	J-55	LTC
11"	3700' - 4850'	8 5/8"	32	HCK-55	LTC
7 7/8"	0' - 8600'	5½"	17	L-80	LTC

Minimum Design Factors:

Collapse = 1.3

Burst = 1.0

Tensile = 2.0

All pipe will be new and manufactured to API specs.

The 8 5/8" intermediate is a contingency string. If not needed, the hole will be reduced to 7 7/8" @ 4850' and the well continued to TD. If intermediate is not set, the 5½" production casing will be cemented in two stages to bring TOC to approx 850'.

4. Cementing Program:

A. 13 3/8" Surface

Cement to surface with 600 sx 35:65 POZ : Class "C" cont'g 2% CaCl₂, 6% gel, & ¼ pps cello-flake (12.8 ppg, 1.83 yield) followed by 250 sx Class "C" w/ 2% CaCl₂ & ¼ pps cello-flake (14.8 ppg, 1.34 yield). Excess cement volume = 100%.

B. 8 5/8" Intermediate

Cement to surface with 500 sx 50:50 POZ : Class "C" cont'g 5% salt, 10% gel, 0.125 pps cello-flake and 5 pps LCM-1 (11.8 ppg, 2.45 yield) followed by 250 sx Class "C" cont'g 2% CaCl₂ (14.8 ppg, 1.34 yield). Excess cement volume = 50%. A fluid caliper may be run to more accurately determine required volumes.

C. 5½" Production

Cement with 150 sx 50:50 POZ : Class "H" cont'g 5% salt, 10% gel & 0.3% FL52-A (11.8 ppg, 2.45 yield) followed by 525 sx Class 50:50 POZ : Class "H" cont'g 5% salt, 2% gel, 0.5% FL52-A & 0.2% Sodium Metasilicate (14.2 ppg, 1.30 yield). Excess cement volume = 50% and the plan to bring the TOC to 4500'. The volumes will be adjusted based on an open hole caliper log.

Alternate Cementing Plan (if hole conditions allow elimination of the 8 5/8" intermediate)

D. 13 3/8" Surface

No change to the program.

E. 5 1/2" Production

The intermediate has been eliminated, therefore, the hole size will be reduced from 11" to 7 7/8" @ 4850' and drilling continued to 8600' TD. The casing will be cemented in two stages with the DV stool placed at approximately 5500':

Stage #1

600 sx 50:50 POZ : Class "H" cont'g 5% salt, 2% gel, 1/4 pps cello-flake, 0.2% D167 FLA & 0.2% D800 retarder (14.2 ppg, 2.45 yield). Excess cement volume = 50%; final volume will be adjusted based on open hole caliper log + 25% excess.

Stage #2 - DV Tool @ 5500'

1550 sx Class 35:65 POZ : Class "H" cont'g 5% salt, 6% gel, (12.4 ppg, 2.15 yield) followed by 100 sx Class "H" neat (15.6 ppg, 1.18 yield)

Excess cement volume = 50% with a planned overall TOC @ 850' and the expectation that cement will be circulated to the DV tool on Stage #1 and to the surface on Stage #2. These volumes will be adjusted based on the open hole caliper log.

5. Pressure Control Equipment

Based on the maximum expected BHP of 3650 psi at 8480', the blowout prevention equipment as depicted by the attached schematic will have a minimum working pressure rating of 2000 psi and will consist of (1) a double ram blowout preventer (BOP) with the bottom rams as the blinds and the top rams sized for 4 1/2" drill pipe; (2) annular preventer; (3) rotating head; and (4) choke manifold. Both the ram and annular preventer will be hydraulically operated. The blowout prevention equipment will be installed and operational after setting the 13 3/8" surface casing; the rotating head body will be installed but the rubber will be installed when it becomes operationally necessary.

SEE
COA

Since the contingent intermediate casing may not be set, which would make this a two-string drilling program, a variance is requested to allow testing of the surface casing and BOP equipment with the rig pump to 1200 psi (70% of surface casing burst rating) prior to drilling out the surface casing shoe. However, if the intermediate is not set, all equipment will again be tested by a third party when the hole size is reduced from 11" to 7 7/8", which occur at approximately 4850'.

The pipe rams will be functionally tested during each 24 hour period; the blind rams will be functionally tested on each trip out of the hole. These functional tests will be documented on the Daily Driller's Log.

Other accessory equipment (BOPE) will include an upper Kelly cock valve, safety valve and subs as needed to fit all drill strings, and a 2" kill line and valve.

The BOP and BOPE will be tested by a third party upon installation of the 8 5/8" intermediate casing or at 4850' if hole conditions allow elimination of this intermediate string. All equipment will be tested to 2000 psi (high) and 250 psi (low), except the annular will be tested to one-half of its rated working pressure (high) and also to 250 psi (low).

6. Mud Program

Interval	Type	MW	VIS	FL
0 – 1060'	FW - Spud	8.4 - 9.2	32 - 34	NC
1060' – 4850'	Brine w/ sweeps	10.0	28 - 30	NC
4850' – 8600'	FW / Cut Brine	8.4 - 9.2	28 - 30	NC

If the intermediate casing is not set @ 4850', the fluid will continue to be brine with sweeps for the interval from 4850' – 8600'.

The necessary mud products for weight addition and fluid loss control will be on location at all times.

7. Auxiliary Well Control and Monitoring Equipment:

- A. A Kelly cock will be in the drill string at all times.
- B. A full opening drill pipe safety valve having the correct connections for the string in use will be on the floor at all times.
- C. Hydrogen Sulfide monitoring equipment will be installed and operational before drilling out the surface casing shoe and remain operational until production casing is cemented. A H₂S Contingency Plan was included with the original permit filing.

8. Logging, Coring & Testing Program

A. No drill stem testing is planned.

B. Open Hole Logging

Total Depth to either 4850' or Intermediate Casing Shoe: Dual Laterlog – Micro Laterlog, Compensated Neutron / Density log with GR and Caliper. SWC's may be taken after evaluating OH logs.

C. No conventional coring operations are planned.

9. Potential Hazards

No abnormally high pressured zones are expected. Hydrogen Sulfide is not expected to be encountered in this wellbore, however should this occur operations will comply with the provisions of Onshore Oil and Gas Order No. 6.

10. Anticipated Starting Date and Duration of Operations

Road and location construction will not begin until approval of the APD by the BLM. Commencement of operations will be dependent upon the availability of suitable equipment and drilling operations are expected to require 22 days from spud to rig release. An additional 30 days may be needed for completion operations and construction of surface production facilities.

BOLD ENERGY, LP

Bell Lake No. 24

Lea County, New Mexico

1 3/8" - 3000 PSI WP Stack

