<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

State of New Mexico

Form C-101 Permit 35945

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. Ope BO: | 2. OGRID Number 233545 3. API Number | |
|---------------------------|--|--------------|
| 4: | | |
| MIDLAND, TX 79701 | | 30-025-38059 |
| 4. Property Code | 5. Property Name | 6. Well No. |
| 35915 DINWIDDIE STATE COM | | 001 |

| 3 | UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|---|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | M | 16 | 25S | 36E | M | 660 | S | 660 | W | LEA |

8. Pool Information

| JAL;STRAWN, WEST (ASSOC) | 33810 |
|--------------------------|-------|
|--------------------------|-------|

Additional Well Information

| | 300 | Ziddiwolidi il'eli liliolili | duon | 4.9 |
|--------------------------|-----------------------------|--------------------------------------|-------------------------|------------------------------------|
| 9. Work Type New Well | 10. Well Type GAS | 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3100 |
| 14. Montriple N | 15. Proposed Depth 12200 | 16. Formation 17. Contraction Strawn | | 18. Spud Date 8/20/2006 |
| Depth to Ground | S 34 | Distance from nearest fresh water | well | Distance to nearest surface water |
| 480 | 0.001000 | > 1000 | | > 1000 |
| it: Liner: Synthetic | | Clay Pit Volume: 12000 bbls | | Na. 11001 Na. 11 Grant C |
| Closed Loop System | n l | | Fresh Water X Brine I | Diesel/Oil-based Gas/Air |

19. Proposed Casing and Cement Program

| Туре | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 48 | 800 | 625 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 5300 | 1600 | 0 |
| Int2 | 8.75 | 7 | 26 | 11250 | 750 | 5000 |
| Prod | 6.125 | 4.5 | 13.5 | 12200 | 200 | 11000 |

Casing/Cement Program: Additional Comments

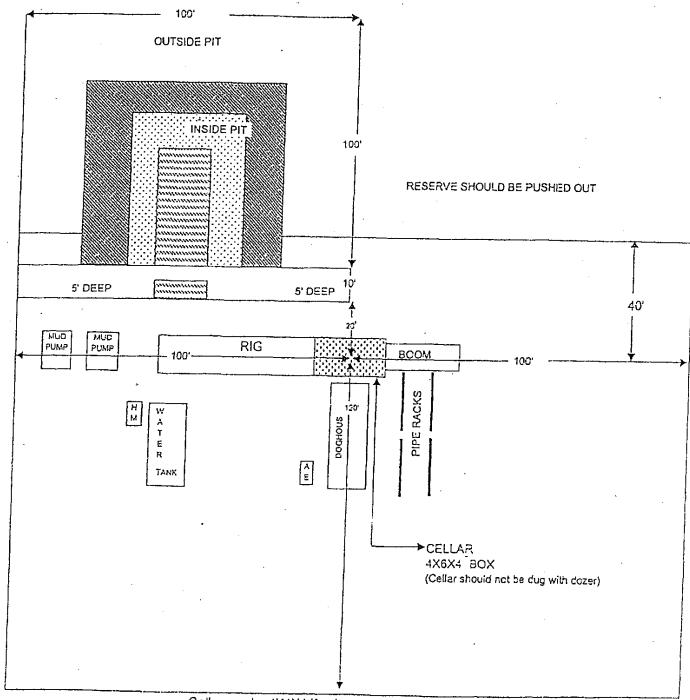
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Proposed Blowout Prevention Program

| | C | | |
|-----------|------------------|---------------|--------------|
| Туре | Working Pressure | Test Pressure | Manufacturer |
| Annular | 5000 | 5 | unknown |
| DoubleRam | 10000 | 10 | unknown |

| of my knowledge and belief. | ation given above is true and complete to the best hing pit will be constructed according to | OIL CONSERVATION DIVISION | | |
|---|---|-----------------------------|----------------------------|--|
| NMOCD guidelines X, a ge OCD approved plan | neral permit , or an (attached) alternative | Approved By: Paul Kautz | | |
| Printed Name: Electronic | ally filed by Peggy Kerr | Title: Geologist | | |
| Title: Vice President | | Approved Date: 8/11/2006 | Expiration Date: 8/11/2007 | |
| Email Address: peggy.ke | n@boldenergy.com | (a) | | |
| Date: 8/10/2006 Phone: 432-686-1100 | | Conditions of Approval Atta | ched | |

CapStar Drilling, Inc. LOCATION SPECIFICATIONS AND RIG LAYOUT FOR EARTH PITS



Cellar can be 4X4X4 if using a screw-on wellhead Working Pits dug 5' below ground level

- Wind Direction Indicators (wind sock or streamers)
- △ H2S Monitors
 (alarms at bell nipple and shale shaker)

 Location Specs
- Briefing Areas
- Remote BOP Closing Unit
- Sign and Condition Flags

DISTRICT I 1625 N. French Dr., Hobbs, NM 86240 DISTRICT II 1801 W. Grend Avenue, Artesia, NM 68816

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

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

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL TOCATION AND ACT

| | | | METT TI | UCATION | AND ACRE | AGE DEDICAT | ION PLAT | | |
|--|---------|-----------------------|---------------------|-----------|---------------------------|---------------------------------|---------------------------------------|------------------------|--------|
| API | Number | | - | Pool Code | | | Pool Name | | |
| Property | Code | | Property Name | | | | Tell N | umber | |
| ogrid n | | | · | DIN | WIDDIE STAT | | | 1 | |
| | | | | | Operator Nat BOLD ENER | | | Eleva 310 | |
| | | | | | Surface Loc | ation | · · · · · · · · · · · · · · · · · · · | | |
| UL or lot No. | Section | Township | Range | Let Idn | Feet from the | North/South line | Feet from the | 1 9 | T |
| М | 16 | 25 S | 36 E | | 660 | SOUTH | 660 | East/West line WEST | County |
| | | | Bottom | Hole Loc | ation If Diffe | rent From Sur | face | | |
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Fest from the | East/West line | County |
| Dedicated Acres Joint or Infill Consolidation Code Order No. | | | | | | | | | |
| NO ALLO | WABLE W | TLL BE AS: OR A NO | SIGNED T ON-STAN | O THIS O | COMPLETION U | NTIL ALL INTER APPROVED BY T | ESTS HAVE BE | EN CONSOLIDA | TED |
| | Т | | | | | | | | |

| | | | | The state of the s |
|--|----------------|-------|------|--|
| | | | | OPERATOR CERTIFICATION 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 unlessed mittered 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 posting order heretofore entered by the division. |
| | | | | Signature Date Printed Name |
| | İ | 320 | | SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of |
| | | ACRES | | actual surveys made by me or under my supervison and that the same is true and correct to the best of my better. |
| LAT-N32'07'29.7" LONG-W103'16'35.3" (NAD 83) | + | | | Date Surveyor MEXIC Signature & Sal of Professional Surveyor |
| 000 - 0 | | | | Certificate No. Serv. L. Jones 7977 |
| | | | | L BASIN SURVEYS |

Permit Comments

Operator: BOLD ENERGY, L.P., 233545 Well: DINWIDDIE STATE COM #001

API: 30-025-38059

| Created By | Comment | Comment Date |
|---------------|--|-----------------|
| PKERR | Drilling Superintendent: Mike Langford, Sierra Engineering Operations Engineering Manager: Shannon Klier, Bold Energy, LP | 8/10/2006 |
| PKERR | | 8/10/2006 |
| PKERR | Pool Code #33810 | 8/10/2006 |

Permit Conditions of Approval

Operator: BOLD ENERGY, L.P., 233545 Well: DINWIDDIE STATE COM #001

API: 30-025-38059

| OCD Reviewer | Condition |
|-----------------|---|
| Inkautz | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| pkautz | prior to any pit construction notify Gary Wink at 505-393-6161 ext114 |