

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF OXY USA WTP-LIMITED PARTNERSHIP
FOR DENIAL OF AN APPLICATION FOR
PERMIT TO DRILL, EDDY COUNTY, NEW
MEXICO.

DIVISION CASE NO. 13950

IN THE MATTER OF THE DE NOVO APPLICATION
OF BOLD ENERGY, LP FOR APPROVAL OF AN
APPLICATION FOR PERMIT TO DRILL AND TO
ALLOW TWO OPERATORS ON A WELL UNIT,
EDDY COUNTY, NEW MEXICO.

COMMISSION CASE NO. 13877

ORDER NO. R-12747-B

ORDER OF THE DIVISION

BY THE DIVISION:

At the request of the Division, a Pre-Hearing Conference was held on July 9, 2007, at Santa Fe, New Mexico, before Examiner Richard I. Ezeanyim. Counsel for the Division, David K. Brooks, counsel for OXY USA WTP-Limited Partnership, William F. Carr and counsel for Bold Energy, LP, James Bruce were present for the Pre-Hearing Conference.

NOW, on this 18th day of July, 2007, the Division Director, having considered the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) OXY USA WTP-Limited Partnership ("OXY") filed an application for the denial of an Application for Permit to Drill, Eddy County, New Mexico (Division Case No. 13950). The application seeks an order denying the application of Bold Energy, LP for Permit to Drill the Checker State Well No. 2 in the SW/4 NW/4 (Unit E) of Section 8, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

(2) Bold Energy, LP ("Bold") has sought a De Novo hearing on its application for approval of an application for permit to drill and to allow two operators on a well unit, Eddy County, New Mexico which is currently scheduled to be heard at the Commission Hearing Docket on July 19, 2007 (Commission Case No. 13877). Bold seeks approval of

an application for permit to drill the OXY Checker State Well No. 2 in the W/2 of Section 8, Township 19 South, Range 29 East, NMPM. Bold also seeks to simultaneously dedicate the proposed well to the SW/4 NW/4 of Section 8 and to be the operator of said well during the drilling and completion of the well.

(3) As these cases involve the same application for a permit to drill, Examiner Ezeanyim recommends that Division Case No. 13950 and Commission Case No. 13877 be consolidated and continued to the August 16, 2007 Commission Hearing Docket.

(4) Examiner Ezeanyim also recommends that the respective parties be directed to advise the Division of their efforts to reach voluntary agreement every ten (10) days until the applications are heard by the Commission.

(5) Examiner Ezeanyim's recommendations are well-taken and should be adopted.

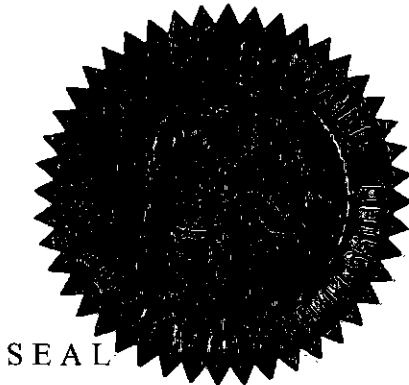
IT IS THEREFORE ORDERED THAT:

(1) Division Case No. 13950: *Application of OXY USA WTP-Limited Partnership for denial of an Application for Permit to Drill, Eddy County, New Mexico* and Commission Case No. 13877: *De Novo Application of Bold Energy, LP for approval of an application for permit to drill and to allow two operators on a well unit, Eddy County, New Mexico* should be consolidated and continued to the August 16, 2007 Commission Hearing Docket.

(2) The parties are hereby directed to advise the Division every ten (10) days regarding their efforts to reach voluntary agreement.

(3) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

MARK E. FESMIRE, P.E.
Director