J-06-36

OCD-ARTESIA

RECEIVED AUG 2006 OCD-ARTESIA

Form 3160-3
(February 2005)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. **108920**

6. If Indian, Allotee or Tribe Name **N/A**

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No. **N/A**

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No. **Hannah 33 Federal** #4 36006

2. Name of Operator **Bold Energy, LP.** 233545

9. API Well No. 30-015-35087

3a. Address **415 W. Wall, Ste. 500 Midland, TX 70701**

3b. Phone No. *(include area code)* **432-686-1100**

10. Field and Pool, or Exploratory Wildcat; Wolfcamp 96084

4. Location of Well *(Report location clearly and in accordance with any State requirements.** Subject to Like Approval By State

At surface **660' FNL & 660' FEL**

At proposed prod. zone **660' FSL & 660' FEL**

11. Sec., T. R. M. or Blk. and Survey or Area **Sec 33, T18S, R21E**

14. Distance in miles and direction from nearest town or post office* **Approximately 8 miles SW of Hope, NM**

12. County or Parish **Eddy**

13. State **NM**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **660'**

16. No. of acres in lease **1199.0**

17. Spacing Unit dedicated to this well **320**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **N/A**

19. Proposed Depth **TVD-4400'; TMD-'8100**

20. BLM/BIA Bond No. on file **NMB # 00314**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **4264' GL**

22. Approximate date work will start* **08/20/2006**

23. Estimated duration **60 Days**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature | Name *(Printed/Typed)* **W. E. (Ellis) Gray, Jr.** | Date 7/26/06

Title **Gray Surface Specialties, Agent for Bold Energy, LP.**

Approved by *(Signature)* **/s/ James Stovall** | Name *(Printed/Typed)* **/s/ James Stovall** | Date AUG 15 2006

Title ACTING FIELD MANAGER | Office CARLSBAD FIELD OFFICE

Application approval 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.
Conditions of approval, if any, are attached. APPROVAL FOR 1 YEAR

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 department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

***(Instructions on page 2)**

Roswell Controlled Water Basin

Witness Surface Casing

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Bold Energy, LP
415 W. Wall, Suite 500
Midland, Texas 79701

The undersigned accepts all applicable terms, conditions, stipulations and restrictions covering operations conducted on the leased land or portion thereof, as described below:

Lease No:	NMLC 108920
Legal Description of Land:	Section 33, 18S, 21E 660' FNL & 660' FEL - SL 660' FSL & 660' FEL - BHL Eddy County, NM
Formation(s) (if applicable):	Hope
Bond Coverage:	$25,000 statewide bond of Bold Energy, LP
BLM Bond File No:	NMB 000314

8/8/06.
Date

Denise Menoud
Gray Surface Specialties
Agent for Bold Energy, L.P.

EXHIBIT "A"

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

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

Form C-102
Revised October 12, 2005

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	96086	Wildcat ; Wolfcamp

Property Code	Property Name	Well Number
	HANNAH "33" FEDERAL	4

OGRID No.	Operator Name	Elevation
	BOLD ENERGY	4264'

Surface Location

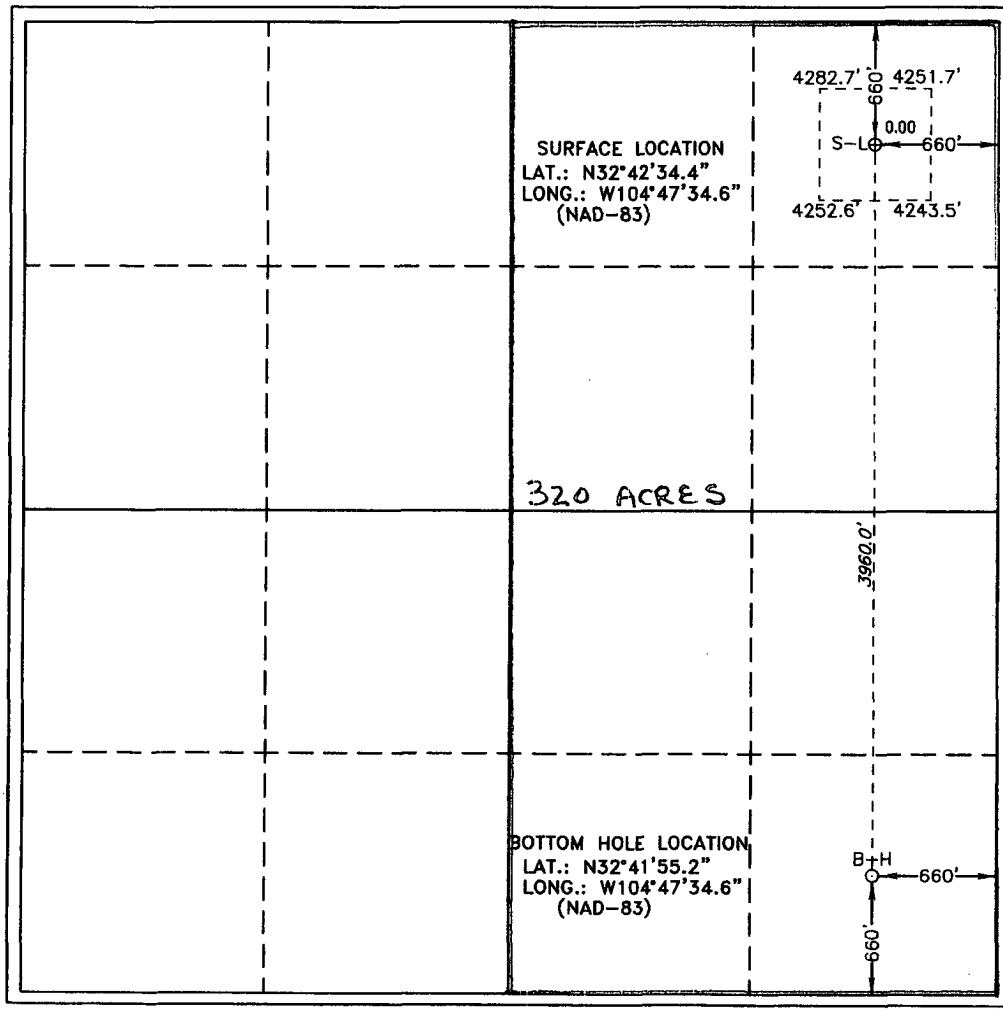
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	18 S	21 E		660	NORTH	660	EAST	EDDY

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
P	33	18 S	21 E		660	SOUTH	660	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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



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 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.

Signature — Date: 7/25/06

W.E. GRAY, JR.
Printed Name
AGENT FOR BOLD ENERGY, LP.

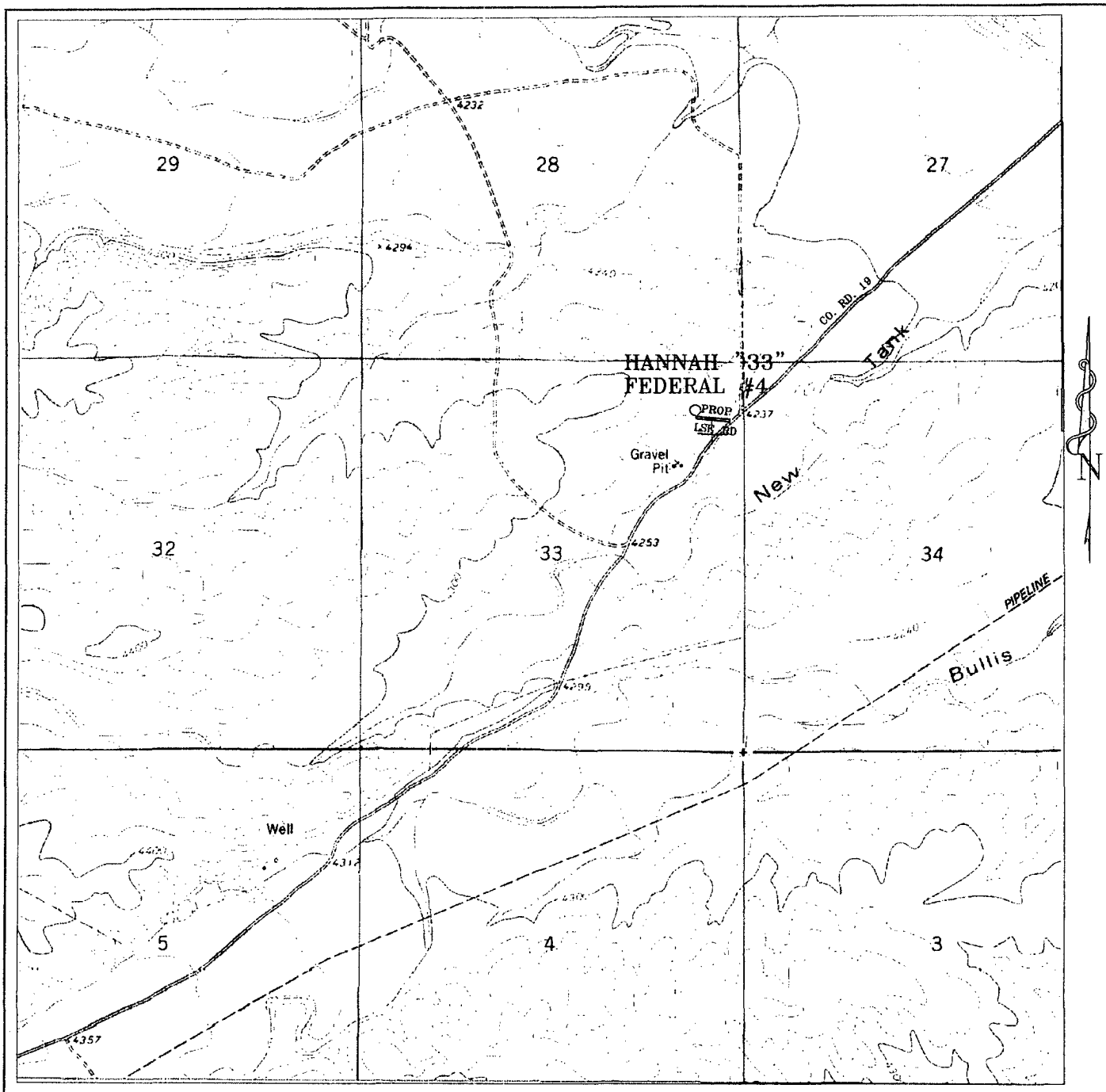
SURVEYOR CERTIFICATION

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 supervison, and that the same is true and correct to the best of my belief.

Date Surveyed: JUNE 13, 2006
Signature & Seal of Professional Surveyor
NEW MEXICO 7977 REGISTERED PROFESSIONAL SURVEYOR
W.O. NO. 6788
Certificate No. Gary L. Jones 7977

BASIN SURVEYS

EXHIBIT "B"



HANNAH "33" FEDERAL #4
Located at 660' FNL and 660' FEL
Section 33, Township 18 South, Range 21 East,
N.M.P.M., EDDY County, New Mexico.

basin surveys
focused on excellence in the oilfield

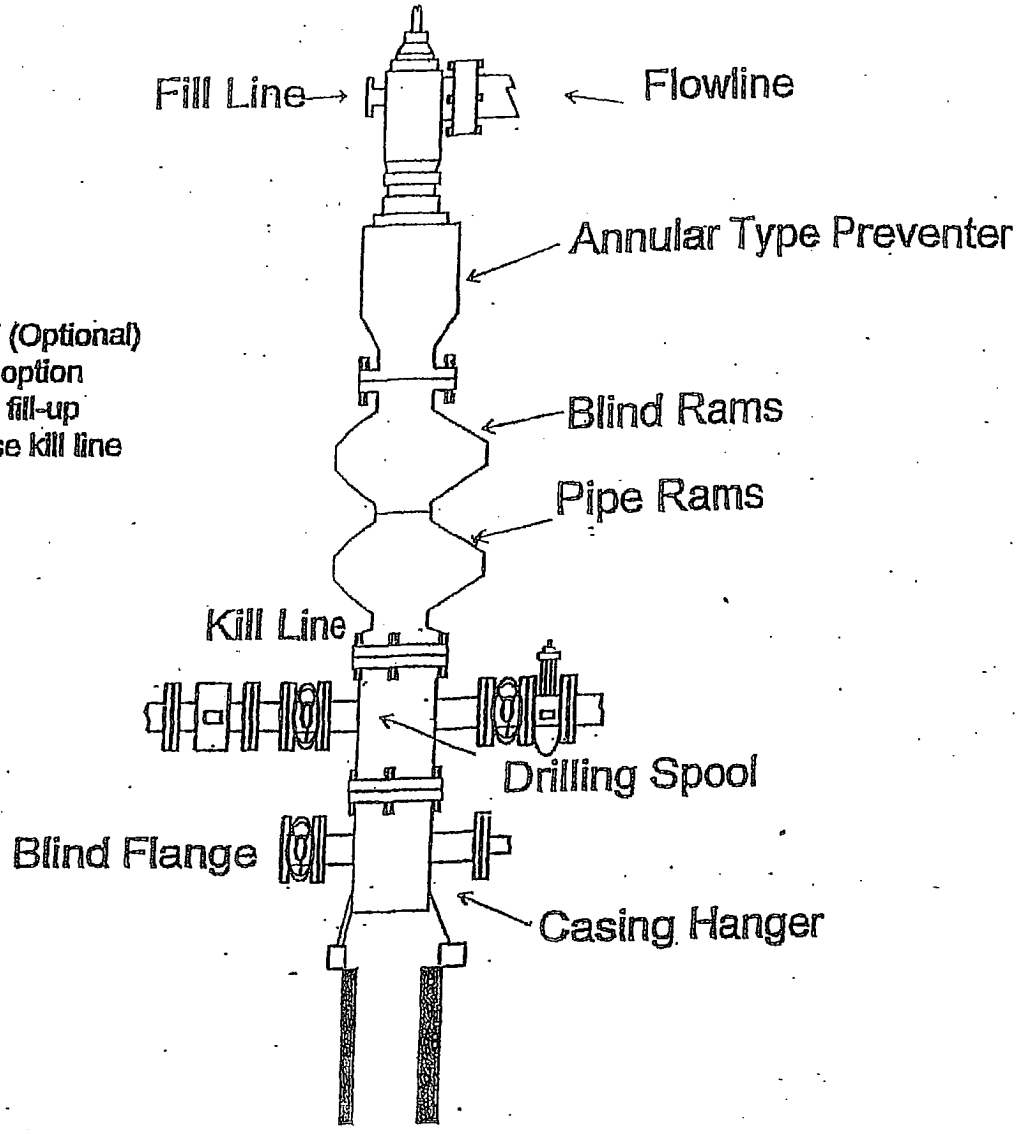
P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number:	6788T
Survey Date:	07-13-2006
Scale:	1" = 2000'
Date:	07-17-2006

BOLD ENERGY

EXHIBIT "F"

BOPE SCHEMATIC

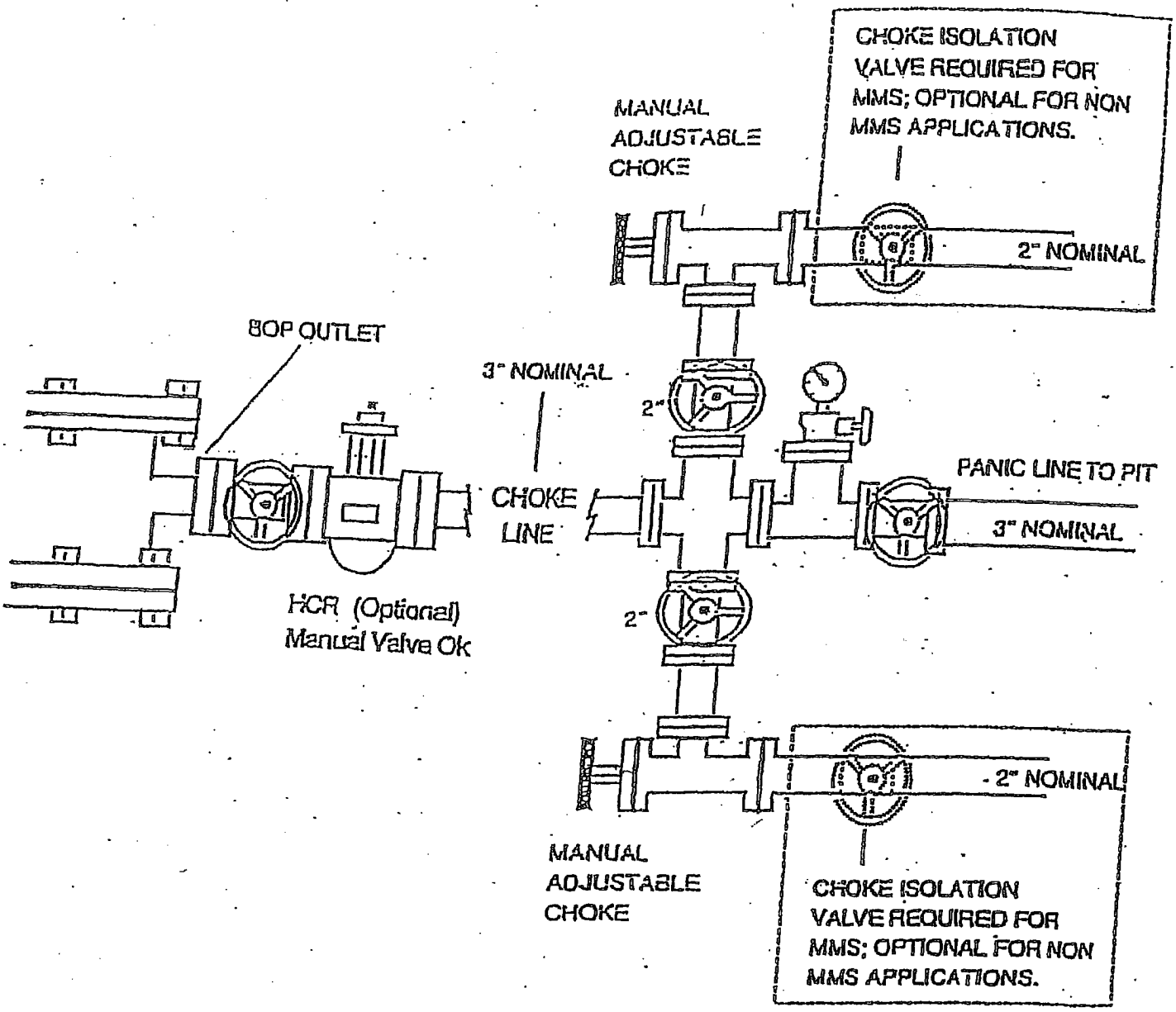


900 SERIES

EXHIBIT "F-1"

CHOKE MANIFOLD

3M SERVICE



+Attachment to Form 3160-3

BOLD ENERGY, LP

HANNAH "33" FEDERAL #4

Surface Location: 660' FNL & 660' FEL, SEC 33, T18S, R21E
Bottomhole Location: 660' FSL & 660' FEL, SEC 33, T18S, R21E
County / State: Eddy County, New Mexico

DRILLING PROGRAM

1. GEOLOGIC NAME OF SURFACE FORMATION

San Andres — Dolomite with anhydrite and limestone

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

Glorieta	1270 to 1330	White-gray sandstone
Yeso	1330 to 2615	Dolomite with anhydrite
Tubb sand	2615 to 2730	Gray white sandstone, red sandstone
Lower Yeso	2730 to 3200	Tan Gray Dolomite
Abo	3200 to 3350	Red and Green Shale
Abo Dolomite	3350 to 4030	Tan Gray Dolomite with anhydrite
Wolfcamp	4030 to 4180	Dolomite and Limestone ***MAIN OBJECTIVE
Wolfcamp Shale	4180 to 4310	Shale
TD	4400 TVD (Pilot Hole)	

3. ESTIMATED DEPTHS OF ANTICIPATED FRESH WATER, OIL, OR GAS

Fresh water >500'
Oil and Gas Wolfcamp 4140' to 4800'
No H2S gas should be encountered

4. CASING AND CEMENTING PROGRAM

Casing Size	From To	Weight	Grade	Joint
20"	0' - 40'	Conductor	N/A	N/A
9.625"	0' - 1300'	36.0#	J-55	STC
7.000"	0' - 4250' MD	23.0#	L-80	STC
4½"	3575' - 7857' MDTD	11.6#	L-80	LTC

Note:
If dictated by hole conditions, 13 3/8" 48# H-40 STC csg will be set @ approx 300' and cemented to surface.

Equivalent or adequate grades and weights of casing may be substituted at time casing is run, depending on availability.

9 5/8" Surface Casing - Cementing Program WITNESS

Lead: 250 sx Schlumberger PVL cement cont'g 12% gel, 3% salt, 0.2% anti-foamer &LCM as dictated by hole conditions. Tail: 200 sx Class "C" w/ 2% $CaCl_2$.

7" Intermediate Casing - Cementing Program

Lead: 300 sx Schlumberger PVL cont'g 12% gel, 0.3% antifoam, 0.1% FLA & 0.1% pps cello-flakes. Tail: 225 sx Schlumberger PVL w/ 0.3% FLA, 0.2% dispersant & 0.2% anti-foam (bring TOC to 1100' = 200' above surface pipe shoe).

Drilling Procedure

A. Set 20" conductor pipe @ 40' using rat hole unit & cement to surface w/ redi-mix.

B. Spud w/ 17½" bit and drill to 300'; if hole is stable reduce hole size to 12¼ " and drill to 1300' casing point using FW and viscous sweeps for hole cleaning. (Note: if upper hole is unstable, 13 3/8" structural casing will be set and cmt'd to surface w/ 270 sx 35:65 POZ-Class "C" w/ additives followed by 225 sx Class "C" w/ 2% CaCl.)

C. Set 9 5/8" casing @ 1300' & cement to surface as listed above. If necessary, bring cement to surface using Class "C" pumped via 1" tubing.

D. Cut 9 5/8" casing, install WH equip and BOP. Test BOP & csg w/ 650 psi.

E. Drill 8¾" hole to 4800' TVD w/ cut brine, adjusting MW – VIS - WL as needed to maintain hole stability and well control.

F. Log and determine optimum depth for lateral into Wolfcamp zone.

G. Plug back wellbore per BLM & NMOCD requirements to desired KOP, build curve to approx 75° at approx 4250' and set 7" casing per cementing program described above.

H. Set slips, cut casing and install WH & BOP. Test BOP w/ 3000 psi (high) & 250 psi (low) and casing to 1500 psi.D

I. Drill out 7" shoe and continue to build angle to 90° at approx 4373' TVD with an azimuth of 0°. Drill +/- 4000' lateral into Wolfcamp producing interval, estimated TD = 8100' MD.

J. Run 4½" liner from approx 3575' – 7857' with a series of open hole packers and mechanically shifted sliding sleeves to allow frac stimulation of the Wolfcamp horizontal.

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

The BOP stack will consist of a 3,000 psi working pressure, dual ram type preventer and annular.

A BOP sketch is attached.

6. TYPES AND CHARACTERS OF THE PROPOSED MUD SYSTEM

A. Spud and drill to 1300' with fresh water and viscous sweeps for hole cleaning.

B. The production section from 1,300' to 3,500' will utilize a cut brine mud system.

C. The remaining production section from 3,500' to TD will be a starch mud system with mud weight sufficient to control formation pressures.

7. AUXILLARY WELL CONTROL AND MONITORING EQUIPMENT

None Required

8. EVALUATION PROGRAM

Mud logs as well as DLL/CNL/LDT/CAL/GR logging is planned. DST and coring is not anticipated.

9. ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES & POTENTIAL HAZARDS

None anticipated. All zones are normally pressured.

10. ANTICIPATED STARTING DATE:

ASAP after receiving regulatory approvals and dependent on availability of services and equipment. Drilling operations are expected to require approx 30 days and completion operations may require an additional 30 days.

SURFACE USE AND OPERATIONS PLAN FOR DRILLING, COMPLETION, AND PRODUCING

Bold Energy, LP
Hannah 33 Federal #4
Section 33, T-18-S, R-21-E
Eddy County, New Mexico

LOCATED

Approximately 8 miles Southwest of Hope, New Mexico

OIL & GAS LEASE

NMLC 108920

RECORD LESSEE

The Allar Company
P. O. Box 1567
Graham, TX 76450

BOND COVERAGE

$25,000 statewide bond of Bold Energy, LP

ACRES IN LEASE

1199.00

GRAZING LEASE

William Crockett
P. O. Box 265
Artesia, NM 88210

Jon Phyllis Crockett
P.O. Box C
Hope, NM 88250

POOL

Hope

EXHIBITS

A. Well Location & Acreage Dedication Map
B. Area Road Map
C. Vicinity Oil & Gas Map
D. Topographic & Location Verification Map
E. Drilling Rig Layout
F. BOPE Schematic
F-1. Choke Manifold Schematic
G. Directional Plan

This well will be drilled to a depth of approximately 4,400'.

1. **EXISTING ROADS**

   A. Exhibit B is a portion of a section map showing the location of the proposed well as staked.

   B. Exhibit C is a plat showing existing roads in the vicinity of the proposed well site.

   C. Directions to well location:
   From the town of Hope, take County Road 12 south to County Road 19 (Trails End); On County Road 19 proceed west 3.6 miles to proposed lease road.

2. **ACCESS ROADS**

   A. Length and Width

   The access road will be built and is shown on Exhibit D

   B. Surface Material

   Existing

   C. Maximum Grad

   Less than five percent

   D. Turnouts

   None necessary

   E. Drainage Design

   Existing

   F. Culverts

   None necessary

   G. Gates and Cattle Guards
   None needed

3. **LOCATION OF EXISITING WELLS**

   Existing wells in the immediate area are shown in Exhibit C.

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

   Necessary production facilities for this well will be located on the well pad.

5. **LOCATION AND TYPE OF WATER SUPPLY**

   It is not contemplated that a water well will be drilled. Water necessary for drilling will be purchased and hauled to the site over existing roads shown on Exhibit D.

6. **METHODS OF HANDLING WASTE DISPOSAL**

   A. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

   B. Water produced during tests will be disposed of in the drilling pits.

   C. Oil produced during tests will be stored in test tanks.

   D. Trash will be contained in a trash trailer and removed from well site.

   E. All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.

7. **ANCILLARY FACILITIES**

   None required.

8. **WELL SITE LAYOUT**

   Exhibit E shows the relative location and dimensions of the well pad, mud pits, reserve pit, and trash pit, and the location of major rig components.

9. PLANS FOR RESTORATION OF THE SURFACE

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. The well site will be cleaned of all trash and junk to leave the site in an as aesthetically pleasing condition as possible.

B. After abandonment, all equipment, trash, and junk will be removed and the site will be clean.

10. OTHER INFORMATION

A. Topography

The land surface at the well site is rolling native grass with a regional slope being to the east.

B. Soil

Topsoil at the well site is sandy soil.

C. Flora and Fauna

The location is in an area sparsely covered with mesquite and range grasses.

D. Ponds and Streams

There are no rivers, lakes, ponds, or streams in the area.

E. Residences and Other Structures

There are no residences within a mile of the proposed well site.

F. Archaeological, Historical, and Cultural sites

None observed on this area.

G. Land Use

Grazing

H. Surface Ownership

Bureau of Land Management

11. OPERATOR'S REPRESENTATIVE

W.E (Ellis) Gray Jr.
3106 N. Big Spring St, Ste. 100
Midland, Texas 79705
Office: (432) 685-9158

12. CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by the Bold Energy, L.P. Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

8/8/06
Date

Dwaine Moore
Gray Surface Specialties
Agent for Bold Energy, L.P.

Bold Energy

Field: Eddy County / Nad 83
Site: Lot A, Sec 33, T 18S, R 21E
Well: Hannah 33 Fed #4
Wellpath: OH
Plan: Plan #1 7-20-06

PATHFINDER

WELLPATH DETAILS

OH

Rig:
Ref. Datum: SITE 4264.00ft

V.Section Angle	Origin +N/-S	Origin +E/-W	Starting From TVD
180.25°	0.00	0.00	0.00

SITE DETAILS

Lot A, Sec 33, T 18S, R 21E

Ground Level: 4264.00
Positional Uncertainty: 0.00
Convergence: -0.25

ANNOTATIONS

No.	TVD	MD	Annotation
1	3622.54	3622.54	KOP @ 3623' MD / TVD Build 12°/100'
2	4100.00	4372.54	EOC @ 4373' MD / 4100' TVD

TARGET DETAILS

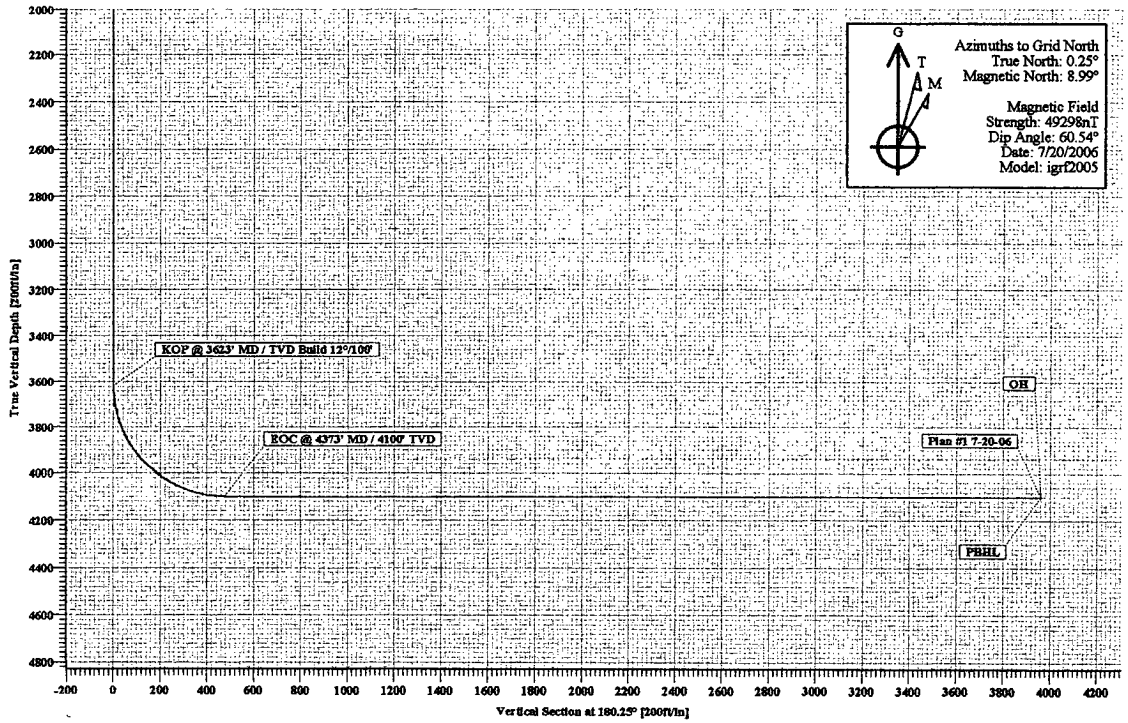
Name	TVD	+N/-S	+E/-W	Shape
PBHL	4100.00	-3961.53	-17.17	Point

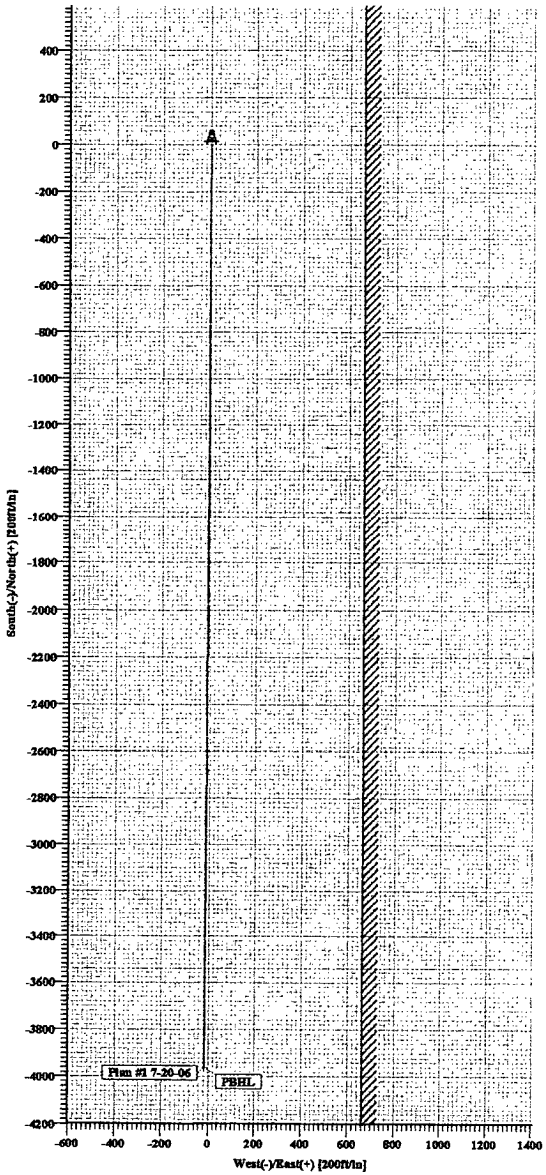
SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	3622.54	0.00	0.00	3622.54	0.00	0.00	0.00	0.00	0.00	
3	4372.54	90.00	180.25	4100.00	-477.46	-2.08	12.00	180.25	477.46	
4	7856.65	90.00	180.25	4100.00	-3961.53	-17.17	0.00	-87.58	3961.57	PBHL

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Shape
PBHL	4100.00	-3961.53	-17.17	Point





Pathfinder Energy
Planning Report

Company:	Bold Energy	**Date:** 7/25/2006	**Time:** 16:40:28	**Page:**	1
Field:	Eddy County / Nad 83	**Co-ordinate(NE) Reference:**	Well: Hannah 33 Fed #4, Grid North		
Site:	Lot A, Sec 33, T 18S, R 21E	**Vertical (TVD) Reference:**	SITE 4264.0		
Well:	Hannah 33 Fed #4	**Section (VS) Reference:**	Well (0.00N,0.00E,180.25Azi)		
Wellpath:	OH	**Plan:**	Plan #1 7-20-06		

Field: Eddy County / Nad 83

Map System:	US State Plane Coordinate System 1983	**Map Zone:**	New Mexico, Eastern Zone
Geo Datum:	GRS 1980	**Coordinate System:**	Well Centre
Sys Datum:	Mean Sea Level	**Geomagnetic Model:**	igrf2005

Site: Lot A, Sec 33, T 18S, R 21E

Site Position:		**Northing:**	ft	**Latitude:**	
From:	Lease Line	**Easting:**	ft	**Longitude:**	
Position Uncertainty:	0.00 ft			**North Reference:**	Grid
Ground Level:	4264.00 ft			**Grid Convergence:**	-0.25 deg

Well: Hannah 33 Fed #4 **Slot Name:**

Well Position:	+N/-S	0.00 ft	**Northing:**	622175.34 ft	**Latitude:**	32	42	34.400	N
	+E/-W	0.00 ft	**Easting :**	399971.82 ft	**Longitude:**	104	47	34.600	W
Position Uncertainty:		0.00 ft							

Wellpath: OH **Drilled From:** Surface
Tie-on Depth: 0.00 ft
Current Datum: SITE **Height** 4264.00 ft **Above System Datum:** Mean Sea Level
Magnetic Data: 7/20/2006 **Declination:** 8.74 deg
Field Strength: 49298 nT **Mag Dip Angle:** 60.54 deg

Vertical Section: Depth From (TVD) ft	+N/-S ft	+E/-W ft	Direction deg
0.00	0.00	0.00	180.25

Plan: Plan #1 7-20-06 **Date Composed:** 7/20/2006
Version: 1
Principal: Yes **Tied-to:** From Surface

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3622.54	0.00	0.00	3622.54	0.00	0.00	0.00	0.00	0.00	0.00	
4372.54	90.00	180.25	4100.00	-477.46	-2.08	12.00	12.00	0.00	180.25	
7856.65	90.00	180.25	4100.00	-3961.53	-17.17	0.00	0.00	0.00	-87.58	PBHL

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00	
1000.00	0.00	0.00	1000.00	0.00	0.00	0.00	0.00	0.00	0.00	
1100.00	0.00	0.00	1100.00	0.00	0.00	0.00	0.00	0.00	0.00	
1200.00	0.00	0.00	1200.00	0.00	0.00	0.00	0.00	0.00	0.00	
1300.00	0.00	0.00	1300.00	0.00	0.00	0.00	0.00	0.00	0.00	
1400.00	0.00	0.00	1400.00	0.00	0.00	0.00	0.00	0.00	0.00	
1500.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.00	0.00	0.00	
1600.00	0.00	0.00	1600.00	0.00	0.00	0.00	0.00	0.00	0.00	

Pathfinder Energy
Planning Report

Company:	Bold Energy	**Date:** 7/25/2006 **Time:** 16:40:28 **Page:**	2
Field:	Eddy County / Nad 83	**Co-ordinate(NE) Reference:**	Well: Hannah 33 Fed #4, Grid North
Site:	Lot A, Sec 33, T 18S, R 21E	**Vertical (TVD) Reference:**	SITE 4264.0
Well:	Hannah 33 Fed #4	**Section (VS) Reference:**	Well (0.00N,0.00E,180.25Azi)
Wellpath:	OH	**Plan:**	Plan #1 7-20-06

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
1700.00	0.00	0.00	1700.00	0.00	0.00	0.00	0.00	0.00	0.00	
1800.00	0.00	0.00	1800.00	0.00	0.00	0.00	0.00	0.00	0.00	
1900.00	0.00	0.00	1900.00	0.00	0.00	0.00	0.00	0.00	0.00	
2000.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	0.00	0.00	
2100.00	0.00	0.00	2100.00	0.00	0.00	0.00	0.00	0.00	0.00	
2200.00	0.00	0.00	2200.00	0.00	0.00	0.00	0.00	0.00	0.00	
2300.00	0.00	0.00	2300.00	0.00	0.00	0.00	0.00	0.00	0.00	
2400.00	0.00	0.00	2400.00	0.00	0.00	0.00	0.00	0.00	0.00	
2500.00	0.00	0.00	2500.00	0.00	0.00	0.00	0.00	0.00	0.00	
2600.00	0.00	0.00	2600.00	0.00	0.00	0.00	0.00	0.00	0.00	
2700.00	0.00	0.00	2700.00	0.00	0.00	0.00	0.00	0.00	0.00	
2800.00	0.00	0.00	2800.00	0.00	0.00	0.00	0.00	0.00	0.00	
2900.00	0.00	0.00	2900.00	0.00	0.00	0.00	0.00	0.00	0.00	
3000.00	0.00	0.00	3000.00	0.00	0.00	0.00	0.00	0.00	0.00	
3100.00	0.00	0.00	3100.00	0.00	0.00	0.00	0.00	0.00	0.00	
3200.00	0.00	0.00	3200.00	0.00	0.00	0.00	0.00	0.00	0.00	
3300.00	0.00	0.00	3300.00	0.00	0.00	0.00	0.00	0.00	0.00	
3400.00	0.00	0.00	3400.00	0.00	0.00	0.00	0.00	0.00	0.00	
3500.00	0.00	0.00	3500.00	0.00	0.00	0.00	0.00	0.00	0.00	
3600.00	0.00	0.00	3600.00	0.00	0.00	0.00	0.00	0.00	0.00	
3622.54	0.00	0.00	3622.54	0.00	0.00	0.00	0.00	0.00	0.00	KOP @ 3623' MD / TVD Bui
3625.00	0.30	180.25	3625.00	-0.01	0.00	0.01	12.00	12.00	0.00	
3650.00	3.30	180.25	3649.98	-0.79	0.00	0.79	12.00	12.00	0.00	
3675.00	6.30	180.25	3674.89	-2.88	-0.01	2.88	12.00	12.00	0.00	
3700.00	9.30	180.25	3699.66	-6.27	-0.03	6.27	12.00	12.00	0.00	
3725.00	12.30	180.25	3724.22	-10.95	-0.05	10.95	12.00	12.00	0.00	
3750.00	15.30	180.25	3748.49	-16.91	-0.07	16.91	12.00	12.00	0.00	
3775.00	18.30	180.25	3772.42	-24.13	-0.11	24.13	12.00	12.00	0.00	
3800.00	21.30	180.25	3795.94	-32.60	-0.14	32.60	12.00	12.00	0.00	
3825.00	24.30	180.25	3818.99	-42.28	-0.18	42.29	12.00	12.00	0.00	
3850.00	27.30	180.25	3841.49	-53.16	-0.23	53.16	12.00	12.00	0.00	
3875.00	30.30	180.25	3863.40	-65.20	-0.28	65.20	12.00	12.00	0.00	
3900.00	33.30	180.25	3884.65	-78.37	-0.34	78.37	12.00	12.00	0.00	
3925.00	36.30	180.25	3905.17	-92.64	-0.40	92.64	12.00	12.00	0.00	
3950.00	39.30	180.25	3924.93	-107.96	-0.47	107.96	12.00	12.00	0.00	
3975.00	42.30	180.25	3943.85	-124.29	-0.54	124.29	12.00	12.00	0.00	
4000.00	45.30	180.25	3961.89	-141.59	-0.62	141.59	12.00	12.00	0.00	
4025.00	48.30	180.25	3979.01	-159.81	-0.70	159.81	12.00	12.00	0.00	
4050.00	51.30	180.25	3995.14	-178.90	-0.78	178.90	12.00	12.00	0.00	
4075.00	54.30	180.25	4010.26	-198.81	-0.87	198.81	12.00	12.00	0.00	
4100.00	57.30	180.25	4024.31	-219.48	-0.96	219.49	12.00	12.00	0.00	
4125.00	60.30	180.25	4037.26	-240.86	-1.05	240.87	12.00	12.00	0.00	
4150.00	63.30	180.25	4049.08	-262.89	-1.15	262.90	12.00	12.00	0.00	
4175.00	66.30	180.25	4059.72	-285.51	-1.25	285.51	12.00	12.00	0.00	
4200.00	69.30	180.25	4069.17	-308.65	-1.35	308.66	12.00	12.00	0.00	
4225.00	72.30	180.25	4077.39	-332.26	-1.45	332.26	12.00	12.00	0.00	
4250.00	75.30	180.25	4084.37	-356.26	-1.55	356.27	12.00	12.00	0.00	
4275.00	78.30	180.25	4090.08	-380.60	-1.66	380.60	12.00	12.00	0.00	
4300.00	81.30	180.25	4094.51	-405.20	-1.77	405.20	12.00	12.00	0.00	
4325.00	84.30	180.25	4097.64	-430.00	-1.88	430.00	12.00	12.00	0.00	
4350.00	87.30	180.25	4099.47	-454.93	-1.99	454.93	12.00	12.00	0.00	
4372.54	90.00	180.25	4100.00	-477.46	-2.08	477.46	12.00	12.00	0.00	EOC @ 4373' MD / 4100' TV
4400.00	90.00	180.25	4100.00	-504.92	-2.20	504.92	0.00	0.00	0.00	

Pathfinder Energy
Planning Report

Company:	Bold Energy	**Date:** 7/25/2006 **Time:** 16:40:28	**Page:** 3
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Well:	Hannah 33 Fed #4	**Section (VS) Reference:** Well (0.00N,0.00E,180.25Azi)	
Wellpath:	OH	**Plan:** Plan #1 7-20-06	

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
4500.00	90.00	180.25	4100.00	-604.92	-2.64	604.92	0.00	0.00	0.00	
4600.00	90.00	180.25	4100.00	-704.92	-3.08	704.92	0.00	0.00	0.00	
4700.00	90.00	180.25	4100.00	-804.92	-3.51	804.92	0.00	0.00	0.00	
4800.00	90.00	180.25	4100.00	-904.92	-3.95	904.92	0.00	0.00	0.00	
4900.00	90.00	180.25	4100.00	-1004.92	-4.38	1004.92	0.00	0.00	0.00	
5000.00	90.00	180.25	4100.00	-1104.91	-4.82	1104.92	0.00	0.00	0.00	
5100.00	90.00	180.25	4100.00	-1204.91	-5.25	1204.92	0.00	0.00	0.00	
5200.00	90.00	180.25	4100.00	-1304.91	-5.69	1304.92	0.00	0.00	0.00	
5300.00	90.00	180.25	4100.00	-1404.91	-6.12	1404.92	0.00	0.00	0.00	
5400.00	90.00	180.25	4100.00	-1504.91	-6.56	1504.92	0.00	0.00	0.00	
5500.00	90.00	180.25	4100.00	-1604.91	-6.99	1604.92	0.00	0.00	0.00	
5600.00	90.00	180.25	4100.00	-1704.91	-7.42	1704.92	0.00	0.00	0.00	
5700.00	90.00	180.25	4100.00	-1804.91	-7.86	1804.92	0.00	0.00	0.00	
5800.00	90.00	180.25	4100.00	-1904.91	-8.29	1904.92	0.00	0.00	0.00	
5900.00	90.00	180.25	4100.00	-2004.91	-8.73	2004.92	0.00	0.00	0.00	
6000.00	90.00	180.25	4100.00	-2104.90	-9.16	2104.92	0.00	0.00	0.00	
6100.00	90.00	180.25	4100.00	-2204.90	-9.59	2204.92	0.00	0.00	0.00	
6200.00	90.00	180.25	4100.00	-2304.90	-10.03	2304.92	0.00	0.00	0.00	
6300.00	90.00	180.25	4100.00	-2404.90	-10.46	2404.92	0.00	0.00	0.00	
6400.00	90.00	180.25	4100.00	-2504.90	-10.89	2504.92	0.00	0.00	0.00	
6500.00	90.00	180.25	4100.00	-2604.90	-11.32	2604.92	0.00	0.00	0.00	
6600.00	90.00	180.25	4100.00	-2704.90	-11.76	2704.92	0.00	0.00	0.00	
6700.00	90.00	180.25	4100.00	-2804.90	-12.19	2804.92	0.00	0.00	0.00	
6800.00	90.00	180.25	4100.00	-2904.90	-12.62	2904.92	0.00	0.00	0.00	
6900.00	90.00	180.25	4100.00	-3004.90	-13.05	3004.92	0.00	0.00	0.00	
7000.00	90.00	180.25	4100.00	-3104.90	-13.48	3104.92	0.00	0.00	0.00	
7100.00	90.00	180.25	4100.00	-3204.89	-13.91	3204.92	0.00	0.00	0.00	
7200.00	90.00	180.25	4100.00	-3304.89	-14.34	3304.92	0.00	0.00	0.00	
7300.00	90.00	180.25	4100.00	-3404.89	-14.78	3404.92	0.00	0.00	0.00	
7400.00	90.00	180.25	4100.00	-3504.89	-15.21	3504.92	0.00	0.00	0.00	
7500.00	90.00	180.25	4100.00	-3604.89	-15.64	3604.92	0.00	0.00	0.00	
7600.00	90.00	180.25	4100.00	-3704.89	-16.07	3704.92	0.00	0.00	0.00	
7700.00	90.00	180.25	4100.00	-3804.89	-16.50	3804.92	0.00	0.00	0.00	
7800.00	90.00	180.25	4100.00	-3904.89	-16.93	3904.92	0.00	0.00	0.00	
7856.65	90.00	180.25	4100.00	-3961.53	-17.17	3961.57	0.00	0.00	0.00	PBHL

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<---- Latitude ----> Deg Min Sec	<--- Longitude ---> Deg Min Sec
PBHL			4100.00	-3961.53	-17.17	618213.81	399954.65	32 41 55.200 N	104 47 34.600 W

Annotation

MD ft	TVD ft	
3622.54	3622.54	KOP @ 3623' MD / TVD Build 12°/100'
4372.54	4100.00	EOC @ 4373' MD / 4100' TVD

BOLD ENERGY, LP
415 W. WALL, SUITE 500
MIDLAND, TEXAS 79701

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

July 19, 2006

Bureau of Land Management
620 East Greene Street
Carlsbad, NM 88220

To Whom It May Concern:

I am writing to request a waiver for the inclusion of an H2S Contingency Plan for the Hannah 33 Federal #4. The current plan is to complete this well in the Hope, which is sweet, and I do not anticipate encountering any H2S bearing formations during drilling operations.

Sincerely,

Dan Dodd
Drilling Engineer

CONDITIONS OF APPROVAL - DRILLING

Operator's Name:	**Bold Energy, LP**
Well Name & No.	**Hannah 33 Federal Com #4**
SH Location:	**660' FNL, 660' FEL, Section 33, T. 18 S., R. 21 E., Eddy County, New Mexico**
BH Location:	**660' FSL, 660' FEL, Section 33, T. 18 S., R. 21 E., Eddy County, New Mexico**
Lease:	**NM-108920**

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:

   A. Well spud

   B. Cementing casing: **9-5/8** inch **7** inch **4-1/2** inch liner

   NOTE: 13-3/8 in surface casing will be set at approximately 300 feet if hole conditions require.

   C. BOP tests

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15-day time frame.

4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

5. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

II. CASING:

1. The **9-5/8** inch surface casing shall be set at **approximately 1300 feet** and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the **7** inch production casing is **to reach at least 200 feet above the surface casing shoe**.

3. The minimum required fill of cement behind the **4-1/2** inch production liner is **to reach the top of the liner.**

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the **9-5/8** inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be **2000** psi.

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3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- Recording pit level indicator to indicate volume gains and losses.
- Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
- Flow-sensor on the flow-line to warn of abnormal mud returns from the well.

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