

Arrant, Bryan, EMNRD

From: The Finchers [Finchers@grandecom.net]
Sent: Monday, November 06, 2006 4:13 PM
To: Arrant, Bryan, EMNRD
Subject: RE: Bold Energy, L.P.'s: Grandonoco # 1/API # 30-015-20460

Mr. Arrant,

Perhaps I've filed paperwork incorrectly. We did not do a recompletion procedure for this well. We added perfs to the existing Strawn interval. In March of 1998 this well was operated by Corine Grace and they returned the well to production by setting a CIBP @ 11,200' capped with 35' of cement, they perfd from 10,468-10,480. We did not file an intent because we didn't know it was necessary to do so since we were still in the Strawn. If it is necessary to do so, I request that the OCD allow us to do so after the fact.

As to the substandard acreage issue, again, we did not recomplete to a new zone, so did not file an intent. This well was not originally drilled by Bold Energy, it was drilled by Corine Grace and acquired by Bold Energy from Sandel Operating Co. and a change of operator was filed on September 15, 2005. Since Bold did not drill the well, what course of action is necessary for this issue to be resolved?

The paperwork was delinquent due to an oversight on my part for filing the paperwork. After the well was completed Bold waited on a pulling unit to swab down the tbg prior to testing. I neglected to check the daily report and note that they were testing and could file the paperwork. I would ask that you not penalize Bold Energy for an error on my part in timely filing.

I hope this addresses all the issues you have regarding this well. Please contact me and let me know what I need to do to gain approval for the C104 submitted. Thank you for your time.

Regards,

Shelli Fincher
Regulatory Agent for Bold Energy

From: Arrant, Bryan, EMNRD [mailto:bryan.arrant@state.nm.us]
Sent: Tuesday, October 31, 2006 3:56 PM
To: The Finchers
Cc: Sanchez, Daniel J., EMNRD; Macquesten, Gail, EMNRD; Gum, Tim, EMNRD
Subject: Bold Energy, L.P.'s: Grandonoco # 1/API # 30-015-20460

Dear Shelli Fincher,

Your "Emergency transport request", (Request for Allowable and Authorization to Transport) submitted on New Mexico Oil Conservation Division's (NMOCD's) C-104 cannot be approved at this time.

I do not see any regulatory information that should have been submitted by Bold Energy, L.P. for an approved re-completion attempt for the Strawn formation.

I researched our files on OCD's web site and do not see any approved forms.

In addition, this well location is classified as a non standard location according to NMOCD's Rule 19.15.3.104(C) (2).

This applies to gas wells (Wolfcamp or deeper in formation) in Chaves, Eddy, Lea and Roosevelt Counties in New Mexico.

11/9/2006

Hopefully, does Bold Energy, L.P. have the information I need for this well?

Also, this well was completed (ready to produce) back on August 8, 2006.

This well is non compliant with respect to NMOCD's rule 1105.A.

Regulatory information should have been submitted 20 days after recompletion @ August 28, 2006.

Please explain in writing why we have not received any missing regulatory information that may apply and other matters of concern I have noted in this e mail by November 6, 2006.

Respectfully yours,

Bryan G. Arrant
District II Geologist
NMOCD-Artesia
505-748-1283 ext. 103

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11/9/2006