

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
May 27, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address <b>BOLD ENERGY, LP</b> <b>415 W. Wall, Suite 500</b> <b>Midland, Texas 79701</b>		<sup>2</sup> OGRID Number <b>233545</b>
		<sup>3</sup> API Number <b>30 - 015 - 35853</b>
<sup>3</sup> Property Code <b>36782</b>	<sup>5</sup> Property Name <b>OXY Checker State</b>	<sup>6</sup> Well No. <b>2</b>
<sup>9</sup> Proposed Pool 1 <b>WILDCAT; UPPER PENN</b>		<sup>10</sup> Proposed Pool 2 <b>Palmilla; Wolfcamp, West</b>

<sup>7</sup> 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>E</b>	<b>8</b>	<b>19S</b>	<b>29E</b>		<b>1980</b>	<b>North</b>	<b>660</b>	<b>West</b>	<b>Eddy</b>

<sup>8</sup> Proposed 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

Additional Well Information

<sup>11</sup> Work Type Code <b>N</b>	<sup>12</sup> Well Type Code <b>G</b>	<sup>13</sup> Cable/Rotary <b>Rotary</b>	<sup>14</sup> Lease Type Code <b>S</b>	<sup>15</sup> Ground Level Elevation <b>3377'</b>
<sup>16</sup> Multiple <b>No</b>	<sup>17</sup> Proposed Depth <b>10,100'</b>	<sup>18</sup> Formation <b>Canyon</b>	<sup>19</sup> Contractor <b>N/A</b>	<sup>20</sup> Spud Date <b>Rig Availability</b>
Depth to Groundwater <b>&gt; 100'</b>		Distance from nearest fresh water well <b>&gt; 1000'</b>		Distance from nearest surface water <b>&gt; 1000'</b>
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 10,000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
<b>17.50"</b>	<b>13.375"</b>	<b>48.0#</b>	<b>375' 300'</b>	<b>400</b>	<b>Circulated</b>
<b>11"</b>	<b>8.625"</b>	<b>32.0#</b>	<b>3000'</b>	<b>1200</b>	<b>Circulated</b>
<b>7.875"</b>	<b>5.500"</b>	<b>17.0#</b>	<b>10,100'</b>	<b>800</b>	<b>2800'</b>

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any Use additional sheets if necessary.

Drill 17½" to 375' using FW spud mud and set 13 3/8" surface casing w/ 400 sx Class "C" w/ 2% CaCl<sub>2</sub> - cement to be circulated. If necessary, perform top job using 1" tbg to bring cement to surface. Install BOP, test BOP rams & casing to 1000 psi. Drill 11" hole to 3000' using brine w/ sweeps and set 8 5/8" intermediate casing w/ 600 sx 35:65 POZ - Class "C" cont'g 5% salt, 10% gel, 0.2% anti-foam & ¼ pps cello-flake followed by 200 sx Class "C" neat - cement to be circulated. If necessary, perform top job w/ 1" tbg to bring cement to surface. Install BOPE and test to 3000 psi (annular if used to 1500 psi) - test casing to 1500 psi. Drill 7 7/8 hole to 10,100' TD w/ FW & cut brine, adjusting MW - Vis - WL as needed to maintain hole stability and well control (expected max MW = 9.0 ppg) Run OH logs and set 5½" production casing @ TD and cement w/ TXI Lightweight cont'g 0.2% FLA, 0.2% dispersant and 0.4% retarder. Cement volume and additives to be adjusted to caliper log & hole conditions for TOC @ approximately 2800'.

BOP: 3000 psi double ram hydraulic preventer, annular and Rotating Head will be installed if deemed necessary by drilling conditions.

A H<sub>2</sub>S Contingency Plan will be developed and forwarded to NMOCD to include with filing.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved by:	
	<b>BRYAN G. ARRAÑT</b>	
	Title: <b>DISTRICT II GEOLOGIST</b>	
	Printed name: <b>Denise Menoud</b>	Approval Date: <b>OCT 1 2 2007</b>
Title: <b>Agent for BOLD ENERGY, LP</b>		
E-mail Address: <b>denise@graysurfacespecialties.com</b>		
Date: <b>1/17/07</b>	Phone: <b>432 / 685-9158</b>	Conditions of Approval Attached <input type="checkbox"/>

Operator to set surface casing above the Sealed.

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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 96072	Pool Name WILDCAT; UPPER PENN GAS
Property Code	Property Name OXY CHECKER STATE	Well Number 2
GRID No. 233545	Operator Name BOLD ENERGY, LP	Elevation 3377'

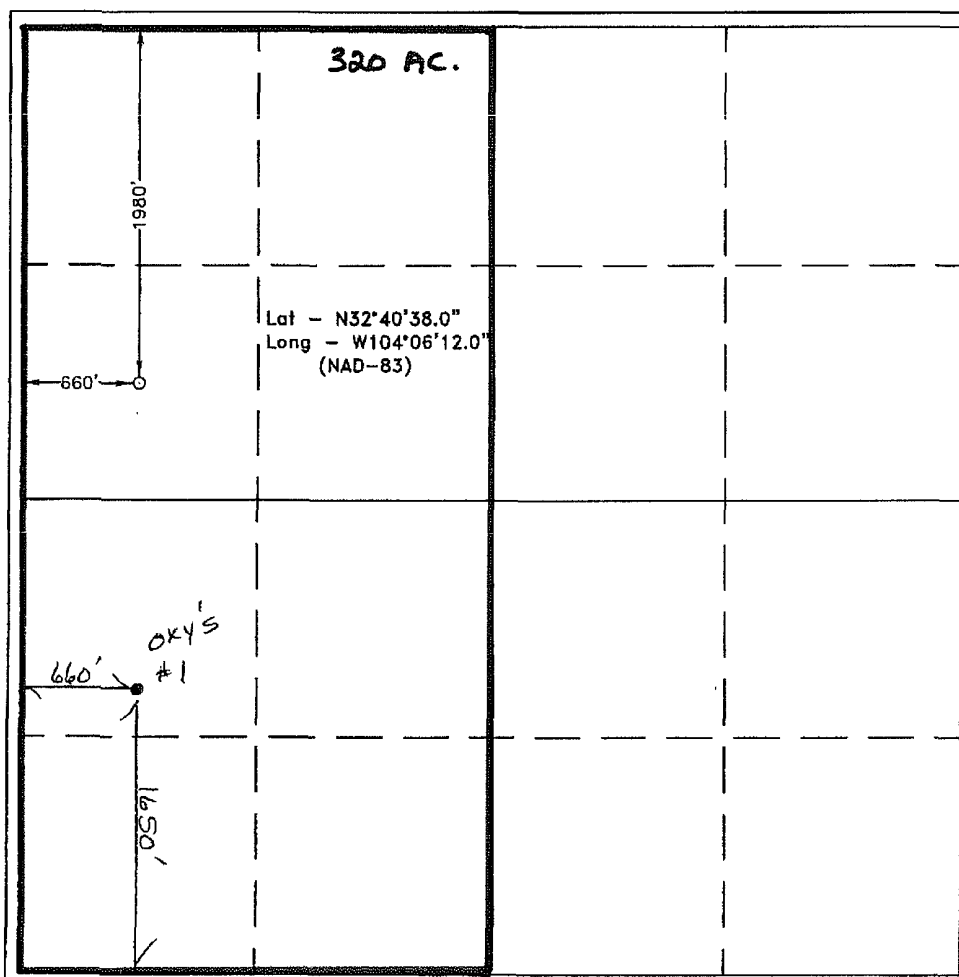
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	8	19 S	29 E		1980	NORTH	660	WEST	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
Dedicated Acres 320	Joint or Infill J	Consolidation Code	Order No.						

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>320 AC.</p> <p>Lat - N32°40'38.0" Long - W104°06'12.0" (NAD-83)</p> <p>OXY'S #1</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>Denise Menoud</i> 1-18-07 Signature Date DENISE MENOUD, AGENT FOR BOLD ENERGY, LP 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>JANUARY 3, 2007</p> <p>Date Surveyed Signature of Gary L. Jones Professional Surveyor No. 7977 Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
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# Drilling Prognosis

January 16, 2007

Operator: BOLD ENERGY, LP Field: Turkey Track (Canyon / WC)  
Well: OXY Checker State #2 API: 30 - 015 - Pending  
APD: NMOCD Approval: Pending AFE: Pending

## General Information

Location: 1980' FNL & 660' FWL of Section 8 – T19S – R29E Eddy County, New Mexico  
Elevation: 3377' GL TD: 10,100' RKB: 18'  
Objective: Canyon @ 9890' Drilling Contractor: Nabors Drilling #142  
Contractor Office: 432 / 550-7808 Superintendent: Don Nelson (664-9990)  
Toolpushers: Roy Brumfield / William Lewis Cell: 432 / 664-9942  
Sierra Supervisors: Frank Dowdy / Tony Vickery Cell: 432 / 557 - 1223 Trailer

## Drilling Program

Hole Size	Depth	Casing	Weight	Grade	Connect	Cement	TOC
17½"	375'	133/8"	48.0	H-40	STC	400 sx	Surface
11"	3000'	85/8"	32.0	J-55	STC	1200 sx	Surface
77/8"	10,100'	5½"	17.0	P-110	LTC	800 sx	2800'

## Wellhead / BOPE

Wellhead	135/8" - 3K x SOW	135/8" - 3K x 11" - 5K	11" - 5K x 71/16" - 5K
BOPE	SRRA	135/8" - 5K Stack	RH as needed

## Mud Program

Interval	Type	MW	VIS	FL
0' - 375'	FW - Spud	8.4 – 8.9	32 - 34	NC
375' - 3000'	Brine	10.0 – 10.2	28 - 30	NC
3000' – 10,100'	FW / Cut Brine	8.4 – 8.6	28 - 30	NC

Company: NOVA MUD, INC. 432 / 570-6663 Office: Dale Welch / Tech Advisor 432 / 557-1228  
Engineer: Rick Rippy 505 / 631-9597  
Warehouse: 800 / 530-8786

**Geological Data**

**Geologist:** John Worrall 505 / 622-5893 office 432 / 230-9431 cell 505 / 622-2768 home

**Estimated Formation Tops: (RKB = 3394')**

Formation	MD	Formation	MD	Formation	MD
Salt - Top	400' – 450'	Grayburg	2100'	Wolfcamp	8890'
Salt – Base	650' – 700'	San Andres	2700'	Cisco	9580'
Yates	855'	BS Limestone	4860'	Canyon	9880'
Seven Rivers	1110'	BS Dolomite	6650'	TD	10,100'
Queen	1760'	BS 2 <sup>nd</sup> Sd	7530'		
Penrose	2030'	BS 3 <sup>rd</sup> Sd	8480'		

**Evaluation Program**

**Mud Logs:** 3000' to TD **Mud Logger:** WOODCO Logging / Paul Amancio

**Phone:** Jim Wood 505 / 887-2469 office 505 / 361-3059 cell

**DST / Coring Intervals:** None Anticipated. Wireline RFT and SWC data as directed by BOLD.

**E-Log Suite:** Triple Combo (GR - DSN, SDL, DLL/MSFL) w/ CSNGP; pull GR-N to surface.

**Logging Company:** Halliburton **Contact:** Richard Kelley

**Service Location:** Artesia, New Mexico **Phone:** 505 / 748-1753 (office) 505 / 914-0324 (cell)

**Completion**

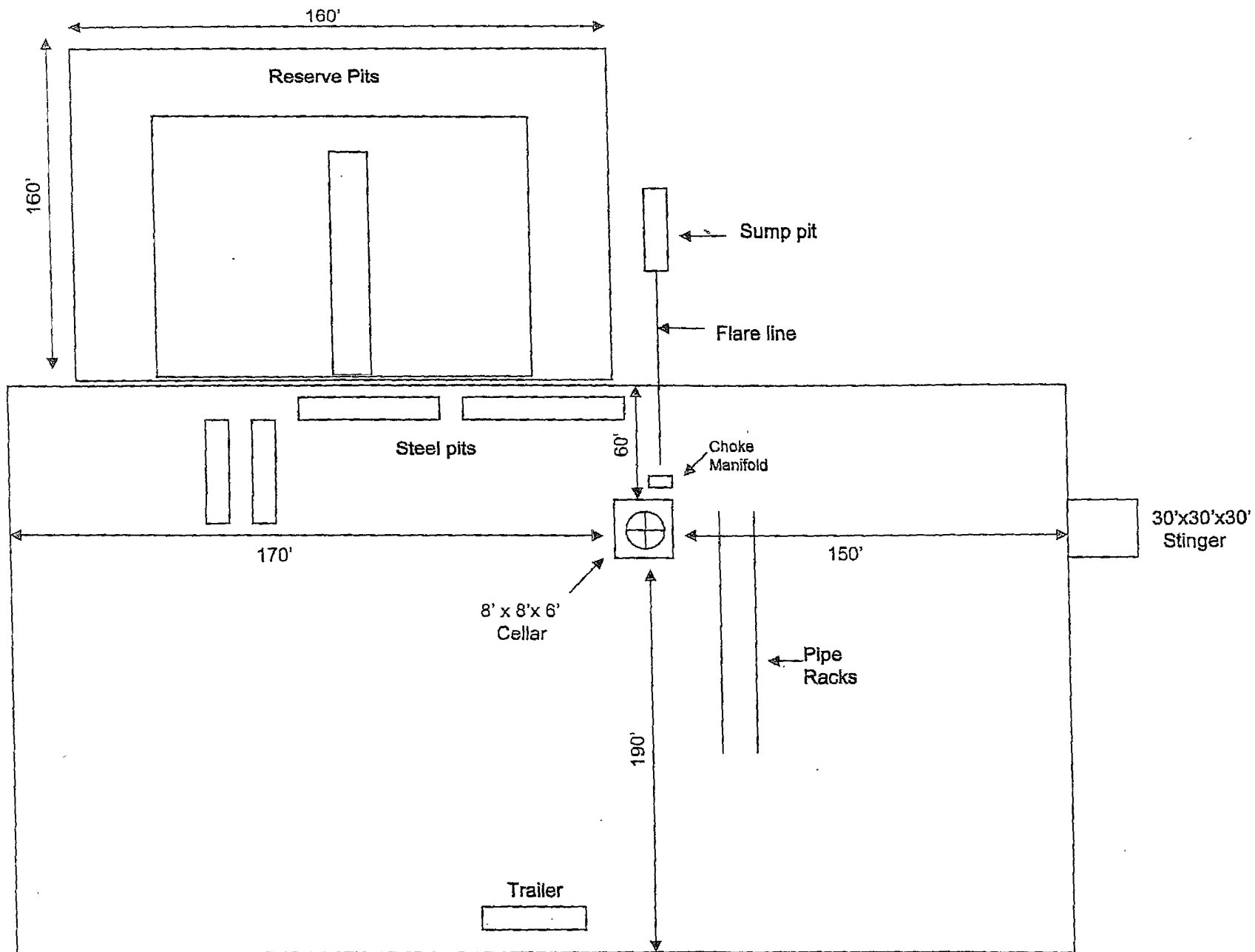
Selectively perf, isolate and fracture Canyon and Wolfcamp pay zones. Completion assembly will utilize 2 7/8" EUE 8R L-80 tubing and 10K packer with O/O tool.

**Emergency Contacts / Notifications**

Sierra Engineering	Drilling Superintendent	Russ Ginanni	432 / 425-7450 cell 432 / 683-8000 off
Sierra Engineering	HSE Manager	Montie Low	432 / 559-8950 cell 432 / 683-8000 off
Bold Energy, LP	Operations Engineering Mgr	Shannon Klier	432 / 296-8602 cell 432 / 686-1100 off
Bold Energy, LP	Production Superintendent	Donny Money	432 / 661-8803 cell
Bold Energy, LP	President	Joe Castillo	432 / 230-0202 cell 432 / 686-1100 off
Bold Energy, LP	Production Supt.	Donny Money	432 / 661-8803 cell
NMOCD	District 2 - Artesia	Notifications	505 / 748-1283

**Directions**

From the intersection of US Highway 62 / 180 and State Highway 360 west of Hobbs, New Mexico: **(1)** go north on State Highway 360 approx 5.8 miles to intersection with County Road 235 (Curry Comb); **(2)** turn left onto CR 235 and continue WNW for 8.8 miles to lease road; **(3)** go north on lease road for 1.5 miles to lease road on left; **(4)** turn left and continue west for 0.2 mile to newly constructed road to right that leads into location.





3106 N. Big Spring St. Ste. 100  
Midland, TX 79705  
Tel: (432) 685-9158

A diagonal stamp with the word 'COPY' in a bold, sans-serif font, accompanied by a small icon of a document with a checkmark.

December 28, 2006

Oxy USA WTP LP  
P. O. Box 4294  
Houston, TX 77210-4294

RE: Rule 104 Notification to Multiple Operators in Shared Proration Unit  
for Permit to Drill New Well  
Oxy Checker State #2  
1980' FNL & 660' FWL, Unit E  
Sec 8, T19S, R29E, Eddy County, NM  
Turkey Track Canyon

Dear Sirs:

Bold Energy, LP is planning to drill the above referenced well on a 320-acre proration unit containing the W/2 of Section 8, as shown on the attached plat, which is shared by the 320-acre proration unit occupied by the Oxy Checker State #1 and operated by Oxy USA. In compliance with New Mexico State Rule 104, addressing multiple operators sharing the same proration unit, Bold hereby gives official notification twenty (20) days in advance of submitting the Application to Drill to the New Mexico Oil Conservation Division. If no written objection is received to Bold Energy, LP within the twenty days of receipt of this notification, the application will be submitted.

An administrative approval may be obtained if non-objection waivers are included with the application. Bold Energy, LP respectfully requests that, if you have no objection, you sign below and return this letter at your earliest convenience. If you have any questions, or if there is anything I can do to expedite this request, please contact me at (432) 685-9158. Thank you.

A handwritten signature in cursive script, appearing to read 'Denise Menoud'.

Denise Menoud, Regulatory Specialist  
Gray Surface Specialties,  
Agent for Bold Energy, LP

Oxy USA WTP, LP has no objection to the 320-acre proration unit assignment to the above well drilling application.

---

(Signature and Title)

---

(Date)



3106 N. Big Spring St. Ste. 100  
Midland, TX 79705  
Tel: (432) 685-9158

December 28, 2006

New Mexico State Land Office  
602 N. Canal Street, Suite B  
Carlsbad, NM 88220  
Attn: Jim Carr

RE: Rule 104 Notification to Multiple Operators in Shared Proration Unit  
for Permit to Drill New Well  
Oxy Checker State #2  
1980' FNL & 660' FWL, Unit E  
Sec 8, T19S, R29E, Eddy County, NM  
Turkey Track Canyon

*Jim said reserve to Santa Fe.  
Joni Bailey / 1/5/07  
Did 1/4/07.*

Dear Mr. Carr:

Bold Energy, LP is planning to drill the above referenced well on a 320-acre proration unit containing the W/2 of Section 8, as shown on the attached plat, which is shared by the 320-acre proration unit occupied by the Oxy Checker State #1 and operated by Oxy USA. In compliance with New Mexico State Rule 104, addressing multiple operators sharing the same proration unit, Bold hereby gives official notification to the State Land Office as Surface Owner, twenty (20) days in advance of submitting the Application to Drill to the New Mexico Oil Conservation Division. If no written objection is received to Bold Energy, LP within the twenty days of receipt of this notification, the application will be submitted.

An administrative approval may be obtained if non-objection waivers are included with the application. Bold Energy, LP respectfully requests that, if you have no objection, you sign below and return this letter at your earliest convenience. If you have any questions, or if there is anything I can do to expedite this request, please contact me at (432) 685-9158. Thank you.

*Denise Menoud*

Denise Menoud, Regulatory Specialist  
Gray Surface Specialties,  
Agent for Bold Energy, LP

The New Mexico State Land Office has no objection to the 320-acre proration unit assignment to the above well drilling application.

\_\_\_\_\_  
(Signature and Title)

\_\_\_\_\_  
(Date)

7006 0810 0000 3501 5149

Sent To  
 Street, Apt. No.,  
 or PO Box No. Oxy USA WTP, LP  
 City, State, ZIP+4 PO Box 4294  
 Houston, TX 77200-4294

Postage \$ .39  
 Certified Fee 2.40  
 Return Receipt Fee (Endorsement Required) 1.85  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$ 4.64

For delivery information visit our website at www.usps.com  
 Domestic Mail Only. No Insurance Coverage Provided

**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only. No Insurance Coverage Provided)

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Oxy USA WTP, LP  
 PO Box 4294  
 Houston, TX 77200-4294

2. Article Number  
 (Transfer from service label) 7006 0810 0000 3501 5149

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-154

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
☒ Signature ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery  
 G. Williams JAN 10 2005

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

Sent To  
 Street, Apt. No.,  
 or PO Box No. NM State Land Office / Jim Carr  
 City, State, ZIP+4 602 N. Canal, Ste. B  
 Carlsbad, NM 88220

Postage \$ .39  
 Certified Fee 2.40  
 Return Receipt Fee (Endorsement Required) 1.85  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$ 4.64

For delivery information visit our website at www.usps.com  
 Domestic Mail Only. No Insurance Coverage Provided

**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only. No Insurance Coverage Provided)

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 NM State Land Office  
 Attn: Jim Carr  
 602 N. Canal, Ste. B  
 Carlsbad, NM 88220

2. Article Number  
 (Transfer from service label) 7006 0810 0000 3501 7112

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-154

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
☒ Signature ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery  
 JIM CARR

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only. No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$ .39  
 Certified Fee 2.40  
 Return Receipt Fee (Endorsement Required) 1.85  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$ 4.64

Postmark  
Here

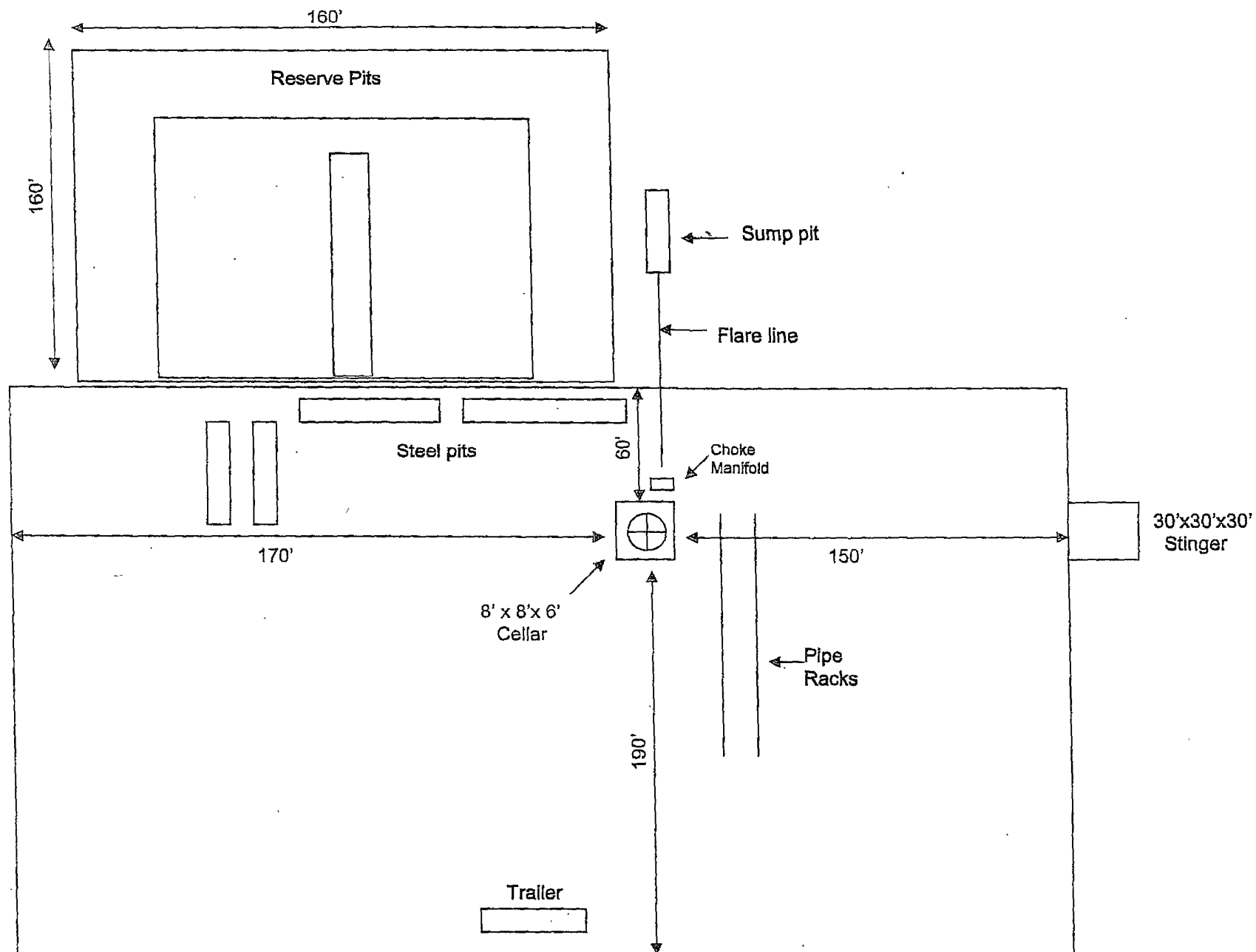
Sent To  
 Street, Apt. No.,  
 or PO Box No. NM SLO / Jamie Bailey  
 City, State, ZIP+4 PO Box 1148  
 Santa Fe, NM 87504-1148

PS Form 3800, June 2002

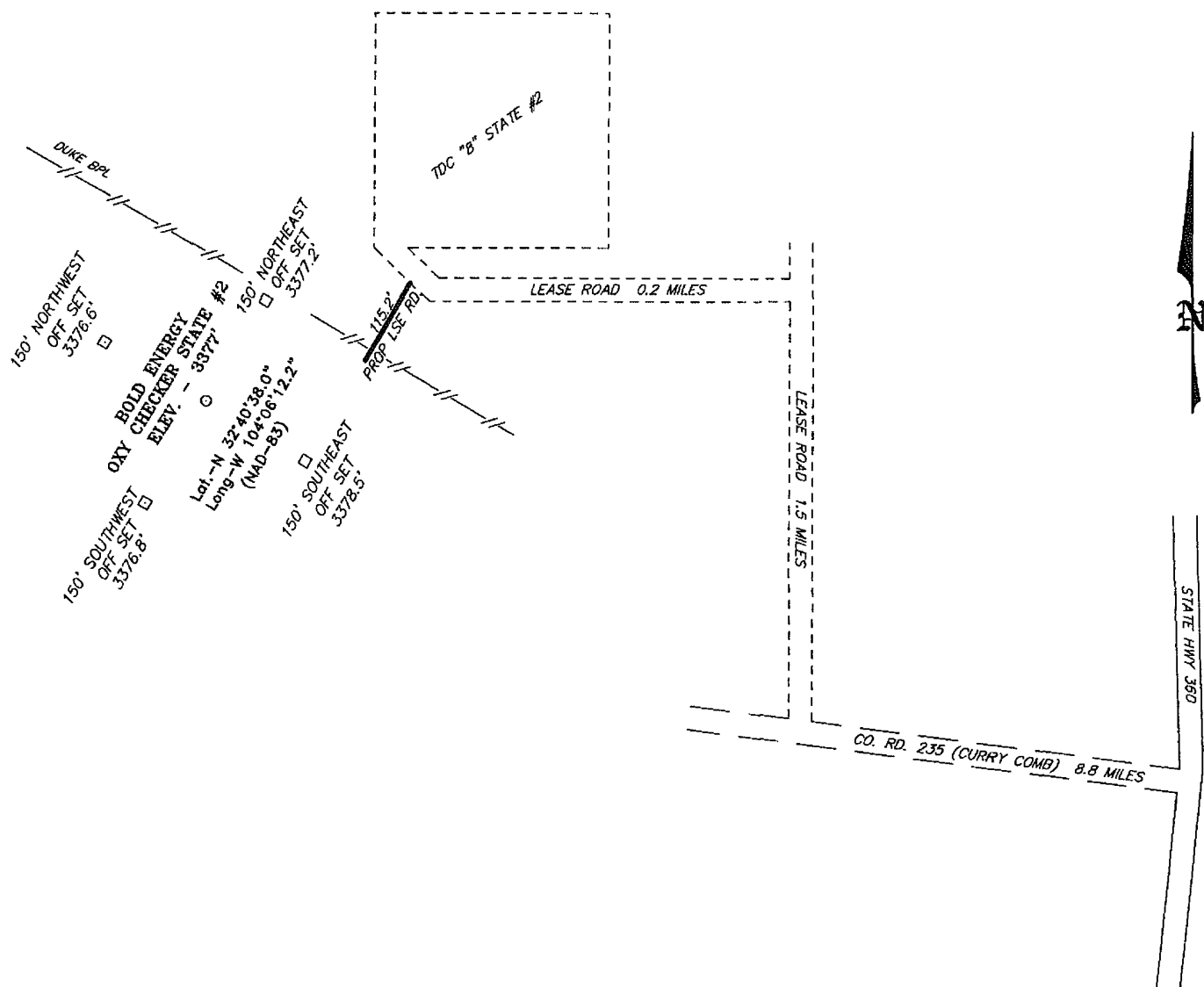
See Reverse for Instructions

6602 105E 0000 0780 9002



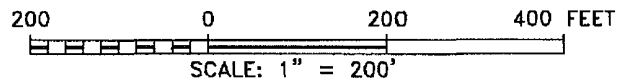


SECTION 8, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



Directions to Location:

ON STATE ROAD 360, PROCEED 0.8 MILES PAST MILE MARKER 5 TO CO. RD. 235 (CURRY COMB), ON CO. RD. 235 GO WESTERLY 8.8 MILES TO LEASE ROAD, ON LEASE ROAD PROCEED NORTH 1.5 MILES TO LEASE ROAD, ON LEASE ROAD GO WEST 0.2 MILES TO PROPOSED LEASE ROAD.



**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 17614

Drawn By: J. M. SMALL

Date: 0-09-2007

Disk: JMS 17614W

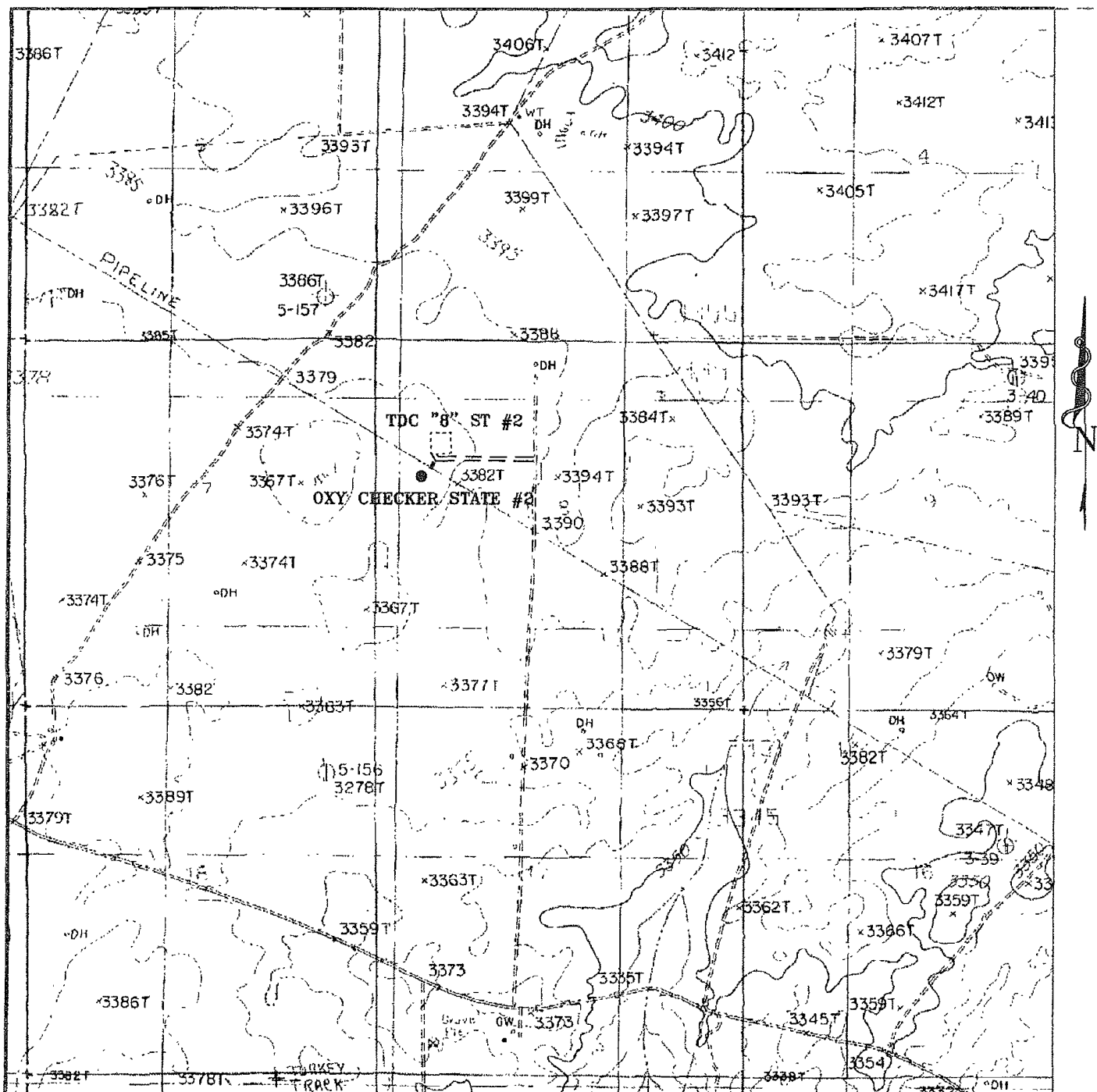
**BOLD ENERGY, LP**

REF: OXY CHECKER STATE #2 / WELL PAD TOPO

THE OXY CHECKER STATE No. 2 LOCATED 180' FROM  
THE NORTH LINE AND 660' FROM THE WEST LINE OF  
SECTION 8, TOWNSHIP 19 SOUTH, RANGE 29 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 01-03-2007

Sheet 1 of 1 Sheets



### OXY CHECKER STATE #2

Located 1980' FNL and 660' FWL

Section 8, Township 19 South, Range 29 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) 393-7516 Office  
(505) 392-3074 Fax  
basinsurveys.com

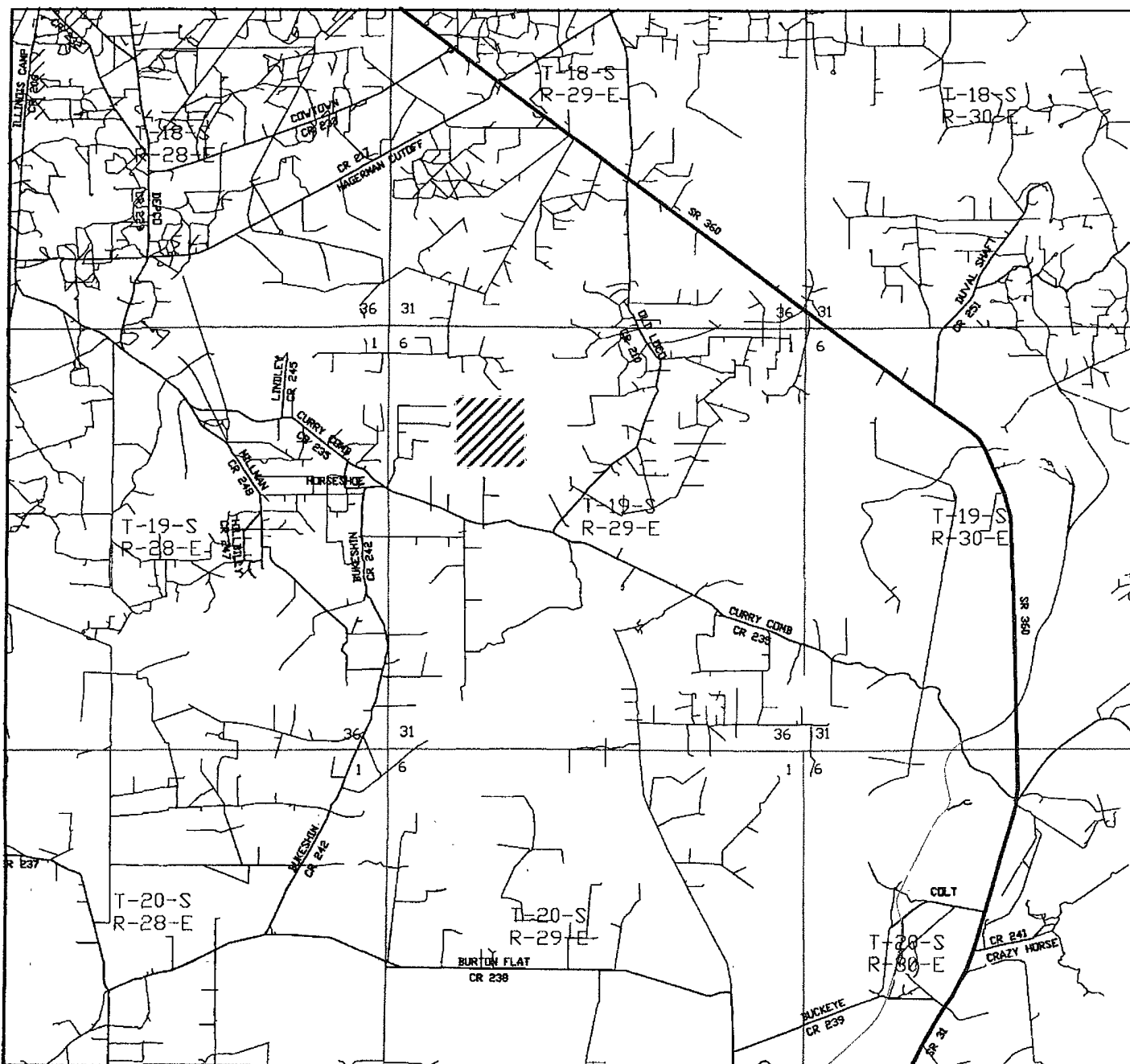
W.D. Number: JMS 17614T

Survey Date: 01-03-2007

Scale: 1" = 2000'

Date: 01-09-2007

**BOLD  
ENERGY, LP**



# OXY CHECKER STATE #2

Located 1980' FNL and 660' FWL

Section 8, Township 19 South, Range 29 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: JMS 17614TR

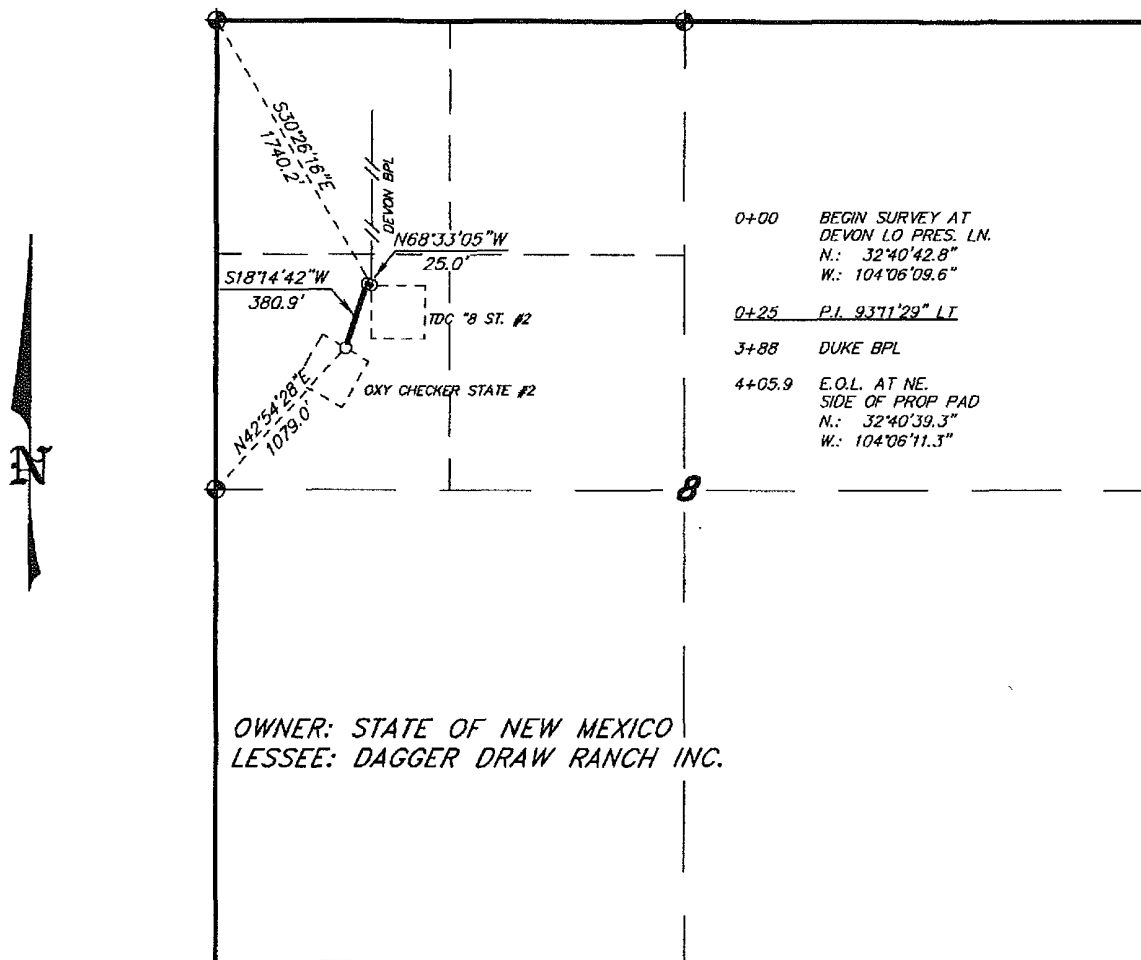
Survey Date: 01-03-2007

Scale: 1" = 2 MILES

Date: 01-09-2007

**BOLD**  
**ENERGY, LP**

SECTION 8, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



OWNER: STATE OF NEW MEXICO  
LESSEE: DAGGER DRAW RANCH INC.

LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 8, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY. BEGINNING AT A POINT WHICH LIES S.30°26'16"E., 1740.2 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 8; THENCE N.68°33'05"W., 25.0 FEET; THENCE S.18°14'42"W., 380.9 FEET TO THE END OF THIS LINE WHICH LIES N.42°54'28"E., 1079.0 FEET FROM THE WEST QUARTER CORNER OF SAID SECTION 8. SAID STRIP OF LAND BEING 405.9 FEET OR 24.60 RODS IN LENGTH AND CONTAINING 0.28 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SW/4 NW/4 = 24.60 RODS = 0.28 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF A PERSONAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED IN THIS STATE.

GARY L. JONES  
TEXAS P.L.S.

No. 7977  
No. 5074

**BASIN SURVEYS** P.O. BOX 1786--HOBBS, NEW MEXICO

W.O. Number: 17614 Drawn By: J. M. SMALL

Date: 01-09-2007 Disk: JMS 17614P

1000 0 1000 2000 FEET

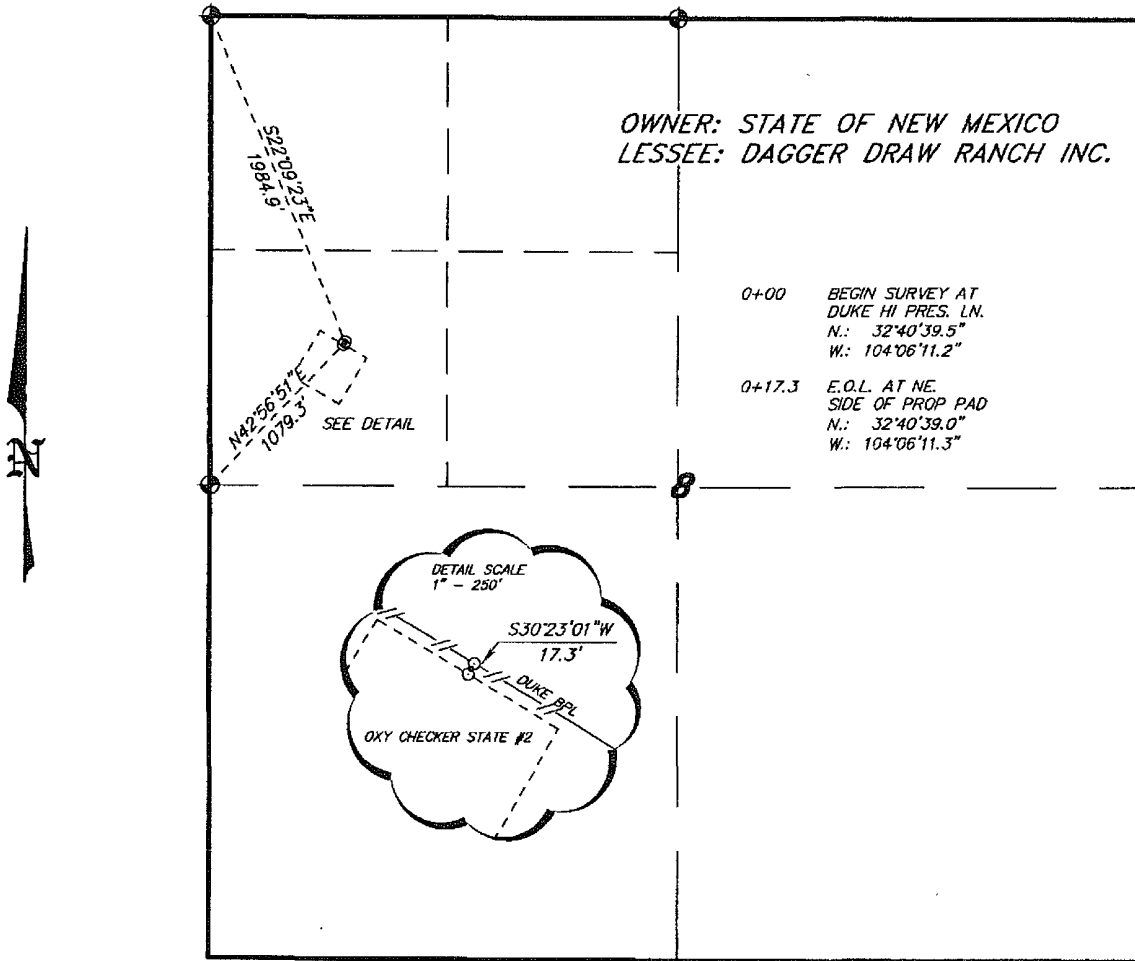
**BOLD ENERGY, LP**

REF: PROPOSED PIPELINE TO THE BOLD - OXY CHECKER STATE #2

A PIPELINE CROSSING STATE LAND IN  
SECTION 8, TOWNSHIP 19 SOUTH, RANGE 29 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 01-03-2007 Sheet 1 of 1 Sheets

SECTION 8, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 8, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY. BEGINNING AT A POINT WHICH LIES S.22°09'23\"E., 1984.9 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 8; THENCE S.30°23'01\"W., 17.3 FEET TO THE END OF THIS LINE WHICH LIES N.42°56'51\"E., 1079.3 FEET FROM THE WEST QUARTER CORNER OF SAID SECTION 8. SAID STRIP OF LAND BEING 17.3 FEET OR 1.05 RODS IN LENGTH AND CONTAINING 0.01 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SW/4 NW/4 = 1.05 RODS = 0.01 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED IN THIS STATE.

GARY L. JONES  
No. 7977  
No. 5074

**BASIN SURVEYS** P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 17614 Drawn By: J. M. SMALL

Date: 01-09-2007 Disk: JMS 17614P

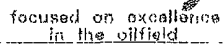
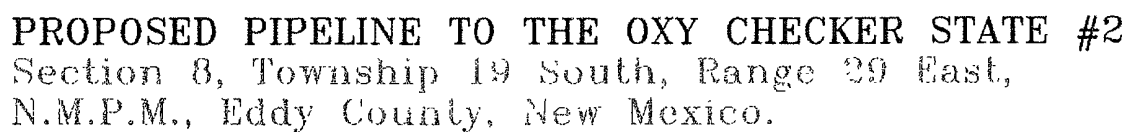
1000 0 1000 2000 FEET

**BOLD ENERGY, LP**

REF: PROPOSED PIPELINE TO THE BOLD - OXY CHECKER STATE #2

A PIPELINE CROSSING STATE LAND IN  
SECTION 8, TOWNSHIP 19 SOUTH, RANGE 29 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 01-03-2007 Sheet 1 of 1 Sheets



Date, 01-09-2007

BOLD  
ENERGY, LP

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruce@aol.com](mailto:jamesbruce@aol.com)

RECEIVED

AUG 20 2007

August 15, 2007

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Jami Bailey  
Oil and Gas Division  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Re: Bold Energy, LP  
OXY Checker State Well No. 2  
1980 feet FSL & 660 feet FWL  
W½ §8-19S-29E  
Eddy County, New Mexico

Dear Ms. Bailey:

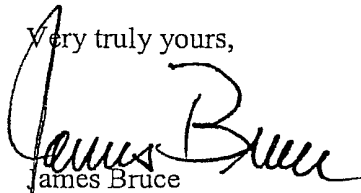
Bold Energy, LP ("Bold") is planning to drill the above well on a 320 acre spacing unit comprised of the W½ of Section 8, as shown on the attached Form C-102. The well will test the Wolfcamp and Cisco/Canyon formations. The W½ of Section 8 is currently dedicated, in the Wolfcamp and Cisco/Canyon formations, to the Oxy Checker State Well No. 1, located in the NW¼SW¼ of Section 8, operated by Oxy USA WTP Limited Partnership ("OXY"). In compliance with Oil Conservation Division Rule 104.E, regarding multiple operators in the same spacing unit, Bold hereby gives notice of its request to allow two operators in the W½ of Section 8. You are required to notify the Division within twenty days if you object to Bold operating the OXY Checker State Well No. 2. The Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505.

As you are aware, proceedings were instituted at the Oil Conservation Division between Bold and Oxy (in Case Nos. 13877 and 13950) regarding the drilling and operation of the OXY Checker State Well No. 2. Those cases have now been settled, under which OXY has consented to Bold drilling the well. Copies of those settlement documents are enclosed with this letter.



Bold would like to commence the well in the next three weeks, so please call me if you have any questions regarding this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce". The signature is written in a cursive style with a large, stylized "J" and "B".

James Bruce

Attorney for Bold Energy, LP

7006 3450 0001 431A 9452

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

For delivery information visit our web site at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$	\$0.58
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>\$5.38</b>



<b>Sent To</b>	Jami Bailey
<b>Street, Apt. No., or PO Box No.</b>	Oil and Gas Division Commissioner of Public Lands 310 Old Santa Fe Trail
<b>City, State, ZIP+4</b>	Santa Fe, New Mexico 87501

PS Form 3800, AUGUST 2006

See Reverse for Instructions