

OCD-HOBBS

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

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 061374A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Bold Energy, LP		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 415 W. Wall, Suite 500 Midland, TX 79701		8. Lease Name and Well No. Bell Lake #25
3b. Phone No. (include area code) 432-686-1100		9. API Well No. 30-025-38175
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1650 FSL & 990 FWL At proposed prod. zone 1650 FSL & 990 FWL		10. Field and Pool, or Exploratory Bell Lake, Morrow (Gas); Atoka
14. Distance in miles and direction from nearest town or post office* Approximately 20 miles Southwest from Jal, NM		11. Sec., T. R. M. or Blk. and Survey or Area Sec 5, T24S, R34E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 990'	16. No. of acres in lease 954.80	12. County or Parish Lea
17. Spacing Unit dedicated to this well 320	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 7000'	13. State NM
19. Proposed Depth 13,900'	20. BLM/BIA Bond No. on file NMB #000349	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3599' GL	22. Approximate date work will start* 11/01/2006	23. Estimated days 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:

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

25. Signature <i>Denise Menoud</i>	Name (Printed/Typed) Denise Menoud, Agent for Bold Energy, LP	Date 9/13/06
Title Regulatory Specialist		
Approved by (Signature) <i>/s/ Don Peterson</i>	Name (Printed/Typed)	Date NOV 17 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.

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.

OCD approval to drill and produce from Morrow.
CANNOT produce from the Atoka as there already is a well in Unit F with stand-up 320 acres that is producing from Bell Lake Atoka South.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

CARLSBAD CONTROLLED WATER BASIN

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED



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

October 13, 2006

Bureau of Land Management
620 E. Greene Street
Carlsbad, New Mexico 88220
Attn: Linda Denniston

Re: Bell Lake #25
Section 5, T24S, R34E
1650 FSL & 990 FWL
Lea County, New Mexico

Linda,

Effective October 13, 2006, Bold Energy, LP has reached a Surface Use Agreement with Bert Madera, surface owner of the above drill site concerning the well pad, roads, pipelines, and electric lines. Please

If you have questions, please feel free to call or email me. Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'Denise Menoud'.

Denise Menoud,
Agent for Bold Energy LP
denise@graysurfacespecialties.com
(432) 685-9158

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 061374A

Legal Description of Land: Section 5, T24S, R34E
1650' FSL & 990' FWL
Lea County, NM
Bell Lake #25

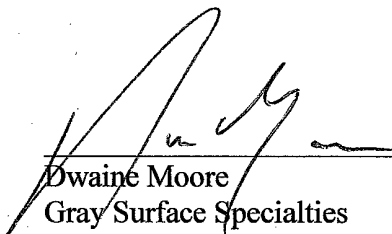
Formation(s) (if applicable): Bell Lake, Morrow (Gas)

Bond Coverage: \$25,000 statewide bond of Bold Energy, LP

BLM Bond File No: NMB 000314

Date

9/26/06


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

Drilling Prognosis

September 8, 2006

Operator: Bold Energy, LP Field: Bell Lake (Morrow)
Well: Bell Lake Unit #25 API: 30 - 025 -
Drilling Permit Approved by NMOCD - AFE: N/A

General Information

Location: 1650' FSL & 990' FWL, Section 5 - T24S - R34E Lea County, New Mexico
Elevation: 3602' GL est TD: 13,900 RKB: 3620' est
Objective: Atoka @12580, Mrw B, D 13540', 13710 Drilling Contractor: Nabors Drilling #142
Contractor Office: 432 / 550-7808 Superintendent: _____
Rig Phone: 432 / 664-9947 Toolpushers: Hoss Crutcher / Roy Brumfield
Sierra Supervisor: _____ Rig Site / Cell: _____

Drilling Program

Hole Size	Depth	Casing	Weight	Grade	Connect	Cement	TOC
17 1/2"	700'	133/8"	48	H-40	STC	700 sx	Surface
12 1/4"	5100'	95/8"	40	HCK-55 J-55	LTC LTC	1700 sx	Surface
8 3/4"	12,000'	7"	26	HCP-110	LTC	900 sx	4800'
6 1/8"	13,900'	4 1/2"	13.5	P-110	LTC	250 sx	11,500'

Wellhead / BOPE

Wellhead	135/8" - 3K SOW	13 5/8" - 3K x 11" - 5K	11" - 5K x 7 1/16" - 10K
BOPE	SRRAG	135/8" - 5K Stack	RH as needed - 5K

Mud Program

Interval	Type	MW	VIS	FL
0 - 700'	FW - Spud	8.4 - 9.2	32 - 34	NC
700 - 5100'	Brine	10.0	28 - 30	NC
5100 - 11,400'	FW / Cut Brine	8.4 - 9.0	28 - 30	NC
11,400 - 12,000'	Cut Brine - Polymer & Starch	9.0 - 9.6	36 - 40	< 20
12,000 - 13,900	Brine - Polymer & Starch	10.0 - 12.5	36 - 40	< 10

Company: Baroid Drilling Fluids, Inc. Office: 432 / 686-4574 Fax 432 / 686-4590

Engineers: _____

Warehouse: _____

Geological Data**Geologist:** John Worrall**Phone:** 505 / 622-5893 office 432-230-9431 cell
Home: 505-622-2768**Estimated Formation Tops: (KB=3620)****MAIN OBJECTIVES:** Atoka Bank@12580, Mrw A Sd @ 13380, B Sd @ 13540, C Sd @ 13640, D Sd @ 13710

Formation	Subsea	MD	Formation	Subsea	MD
Rustler	2420'	1200'	Atoka Bank	-8960'	12580'
Anhydrite	-1220'	4840'	Morrow A	-9760'	13380'
Delaware	-1480'	5100'	Morrow B	-9920'	13540'
Bone Spring	-5170'	8790'	Morrow C	-10020'	13640'
Wolfcamp	-7860'	11480'	Morrow D	-10090'	13710'
Strawn	-8530'	12150'	Lower Morrow	-10200'	13820'
Atoka	-8730'	12350'	TD	-10280'	13900'

Evaluation Program**Mud Logs:** 5100' to TD **Mud Logger:** WOODCO Logging / Paul Amancio**Phone:** Jim Wood 505 / 887-2469 office 505 / 361-3059 cell**DST / Coring Intervals:** None Anticipated**E-Log Suite:** Triple Combo (2 runs) from TD - 9 5/8" shoe. Pull GR - N to surface. SWC & RFT as directed**Logging Company:** Halliburton **Contact:** Richard Kelley**Location:** Hobbs, New Mexico **Phone:** 505 / 914-0324 (cell) 505 748-1753 (office)**Completion**

Completion is expected to be a single Morrow gas well. Morrow will be selectively perfed and stimulated down 4 1/2" casing. Completion assembly will consist of 23/8" tbg open-ended.

Emergency Contacts / Notifications

Sierra Engineering	Drilling Superintendent	Russ Ginanni	432 / 425-7450 cell 432 / 683-8000 off
Bold Energy, LP	President	Joe Castillo	432 / 230-0202 cell 432 / 686-1100 off
Bold Energy, LP	VP - Engineering	David Cox	432 / 230-9778 cell 432 / 686-1100 off
NMOCD	District 1 - Hobbs	Notifications After Hours Pager	505 / 393-6161 505 / 370-7106

Directions

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

**Bold Energy, LP
Bell Lake #25
Section 5, T-24-S, R-34-E
Lea County, New Mexico**

LOCATED

Approximately 20 miles Northwest of Jal, New Mexico

OIL & GAS LEASE

NMLC 061374A

OIL & GAS LESSEE

Kaiser Francis Oil Company
P. O. Box 21468
Tulsa, OK 74121-1468

BOND COVERAGE

\$25,000 statewide bond of Bold Energy, LP

ACRES IN UNIT

5727.58

SURFACE OWNER AND GRAZING LESSEE – All Sec 5

Rubert and Loys E. Madera Trust
130 N. Madera Road
Jal, NM 88252
505-395-2912

% Bert Madera
505-392-2861

MINERAL OWNER – Units K through N

Bureau of Land Management

POOL

Bell Lake, Morrow (Gas)

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

This well will be drilled to a depth of approximately 13,900'

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 junction of County Road 21 and State Highway 128, proceed north on County Road 21 for 3.0 miles to Shell Road. On Shell Road proceed east 0.9 miles to lease road. On lease road proceed south 0.4 miles to well pad and proposed lease road.

2. ACCESS ROADS

- A. Length and Width: 1902' long and 30' wide

The access road will be built and is shown on Exhibit B.

- 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 D.

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

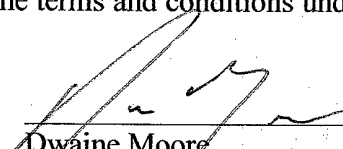
11. OPERATOR'S REPRESENTATIVE

Dwaine Moore
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 preformed 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.

10/6/06
Date


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

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

Form C-102
Revised October 12, 2005

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-38175	Pool Code 71960	Pool Name Bell Lake Morrow, South <GAS>
Property Code 35983	Property Name BELL LAKE	Well Number 25
OGRID No. 233545	Operator Name BOLD ENERGY	Elevation 3599'

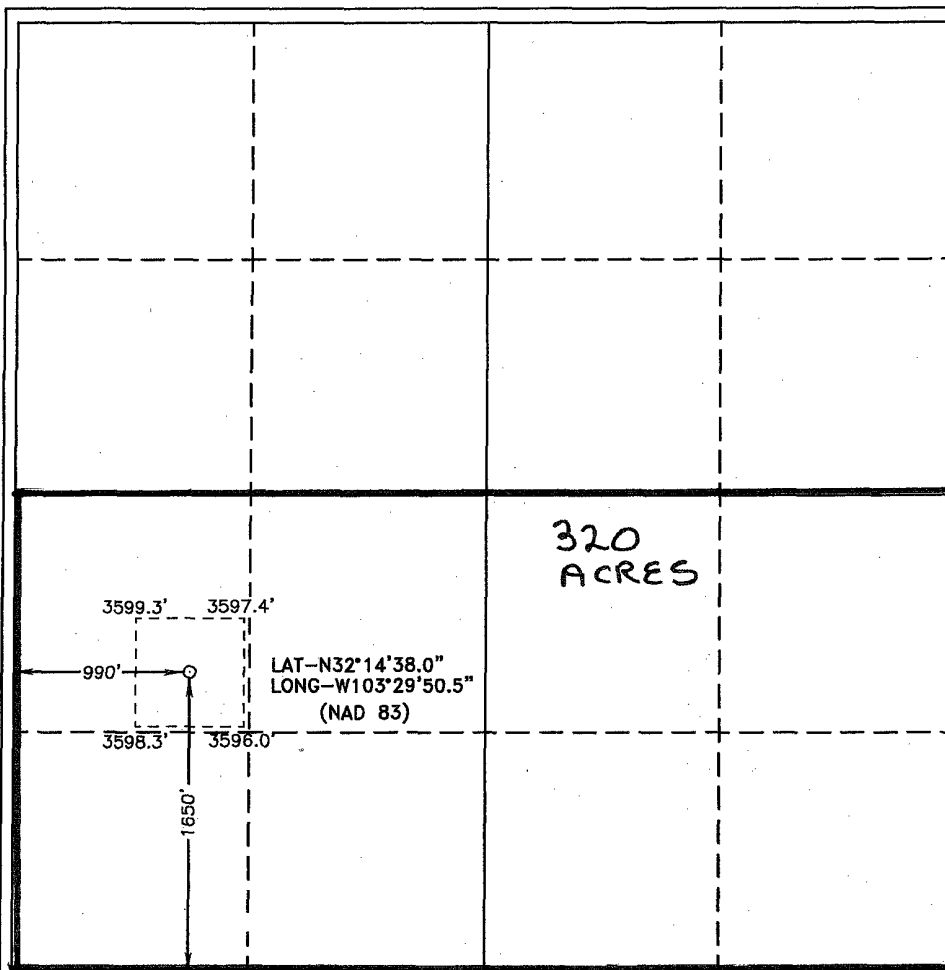
Surface Location

UL or lot No. L	Section 5	Township 24 S	Range 34 E	Lot Idn	Feet from the 1650	North/South line SOUTH	Feet from the 990	East/West line WEST	County LEA
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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	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



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.

Denise Menoud 9/26/06
Signature Date

Denise Menoud, Agent
for Bold Energy, LP
Printed Name

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

SEPTEMBER 6, 2006

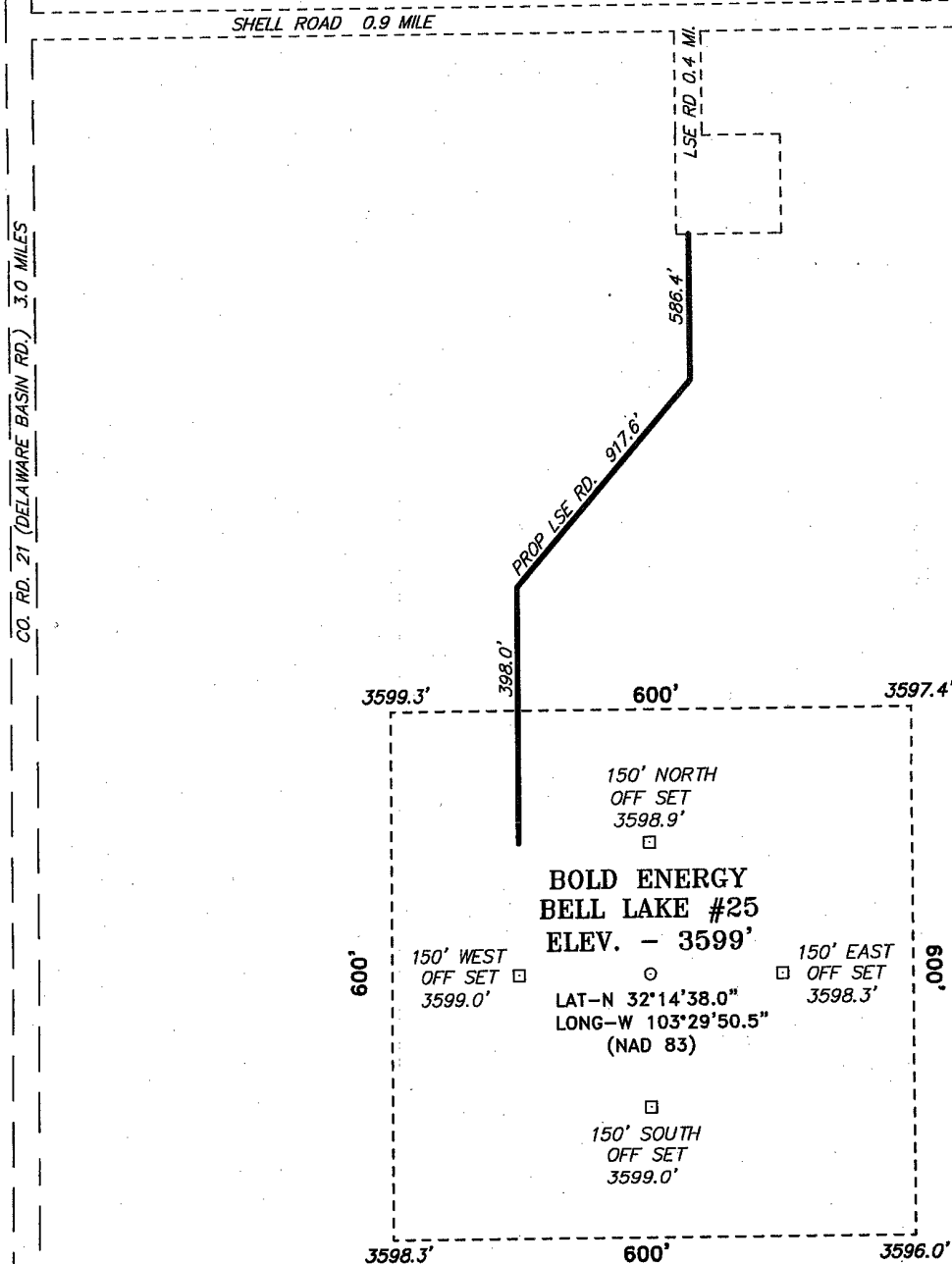
Date Surveyed
Signature of Seal
Professional Surveyor



Certificate No. Gary L. Jones 7977

Basin Surveys

SECTION 5, TOWNSHIP 24 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



STATE HWY #128

200 0 200 400 FEET

SCALE: 1" = 200'

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 21 AND STATE HWY 128, PROCEED NORTH ON CO. RD. 21 FOR 3.0 MILES TO SHELL ROAD, ON SHELL ROAD PROCEED EAST 0.9 MILE TO LEASE ROAD, ON LEASE ROAD PROCEED SOUTH 0.4 MILE TO WELL PAD AND PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786—HOBBS, NEW MEXICO

W.O. Number: 7123

Drawn By: J. SMALL

Date: 09-07-2006

Disk: JMS 7123W

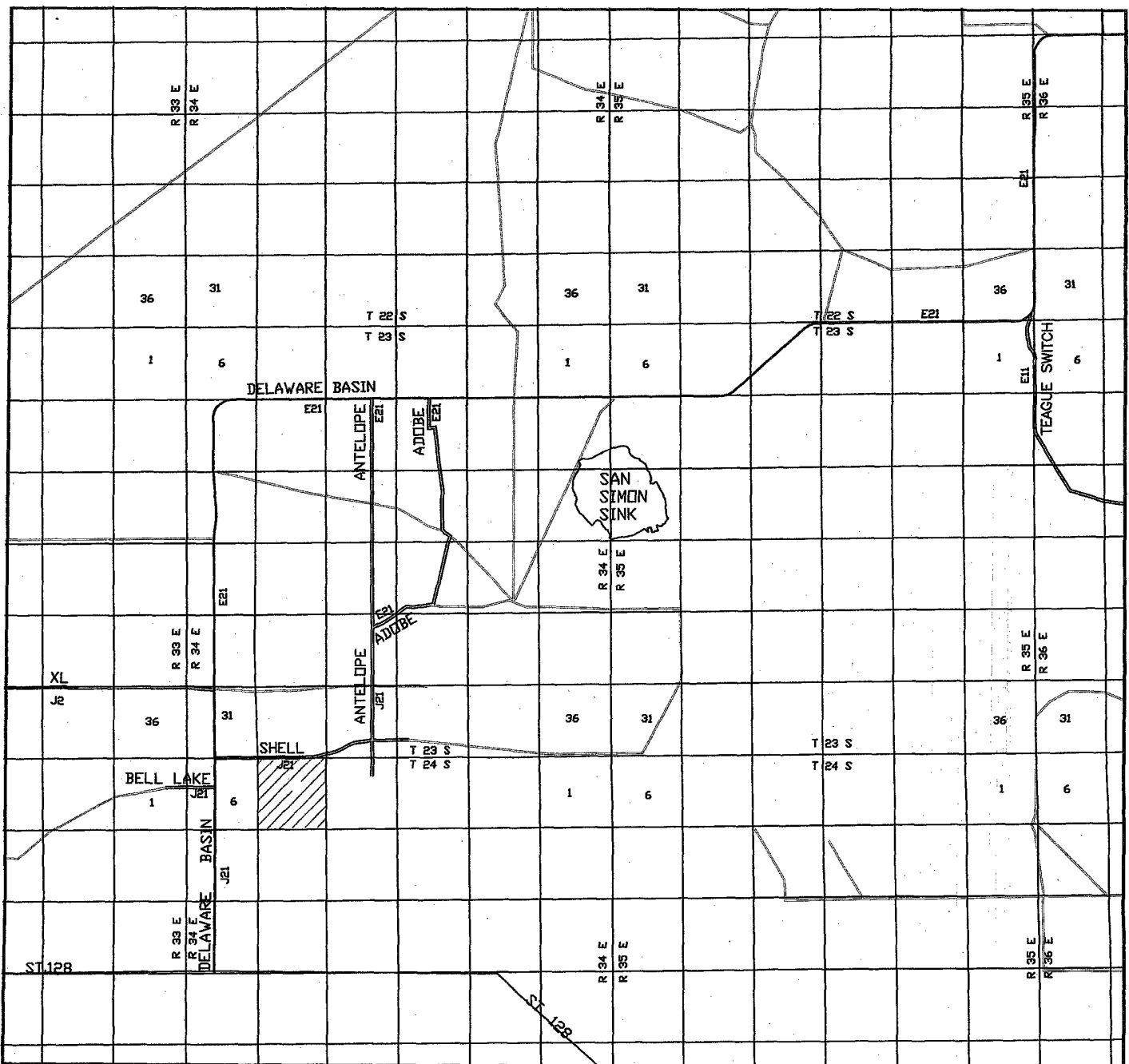
BOLD ENERGY

REF: BELL LAKE No. 25 / Well Pad Topo

THE BELL LAKE No. 25 LOCATED 1650' FROM THE SOUTH LINE AND 990' FROM THE WEST LINE OF SECTION 5, TOWNSHIP 24 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

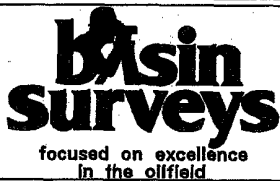
Survey Date: 09-06-2006

Sheet 1 of 1 Sheets



BELL LAKE #25

Located at 1650' FSL and 990' FWL
 Section 5, Township 24 South, Range 34 East,
 N.M.P.M., LEA County, New Mexico.



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

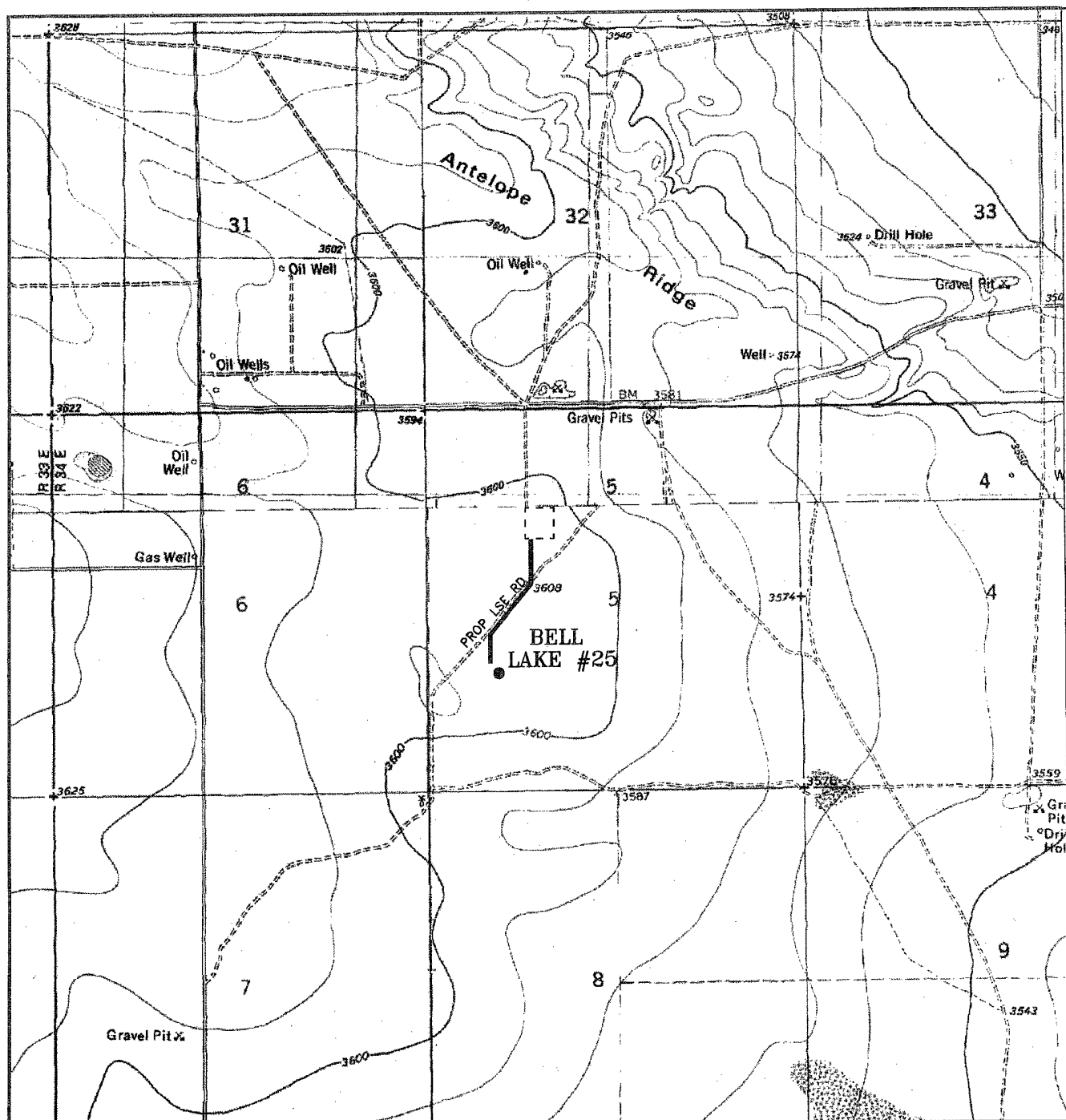
W.O. Number: 7123T

Survey Date: 09-06-2006

Scale: 1" = 2 MILES

Date: 09-08-2006

**BOLD
 ENERGY**



BELL LAKE #25

Located at 1650' FSL and 990' FWL
 Section 5, Township 24 South, Range 34 East,
 N.M.P.M., LEA County, New Mexico.



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

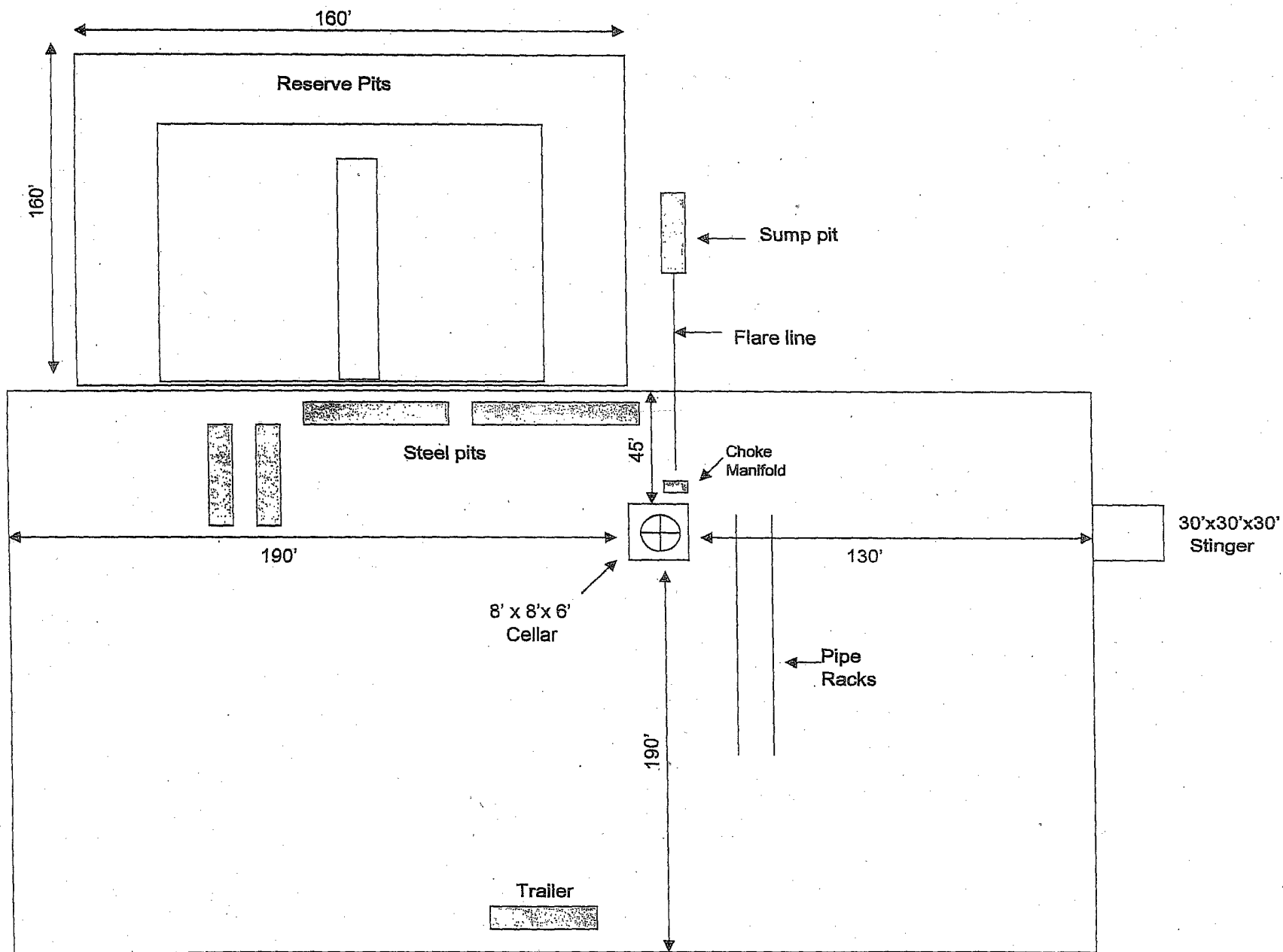
W.O. Number: 7123T

Survey Date: 09-06-2006

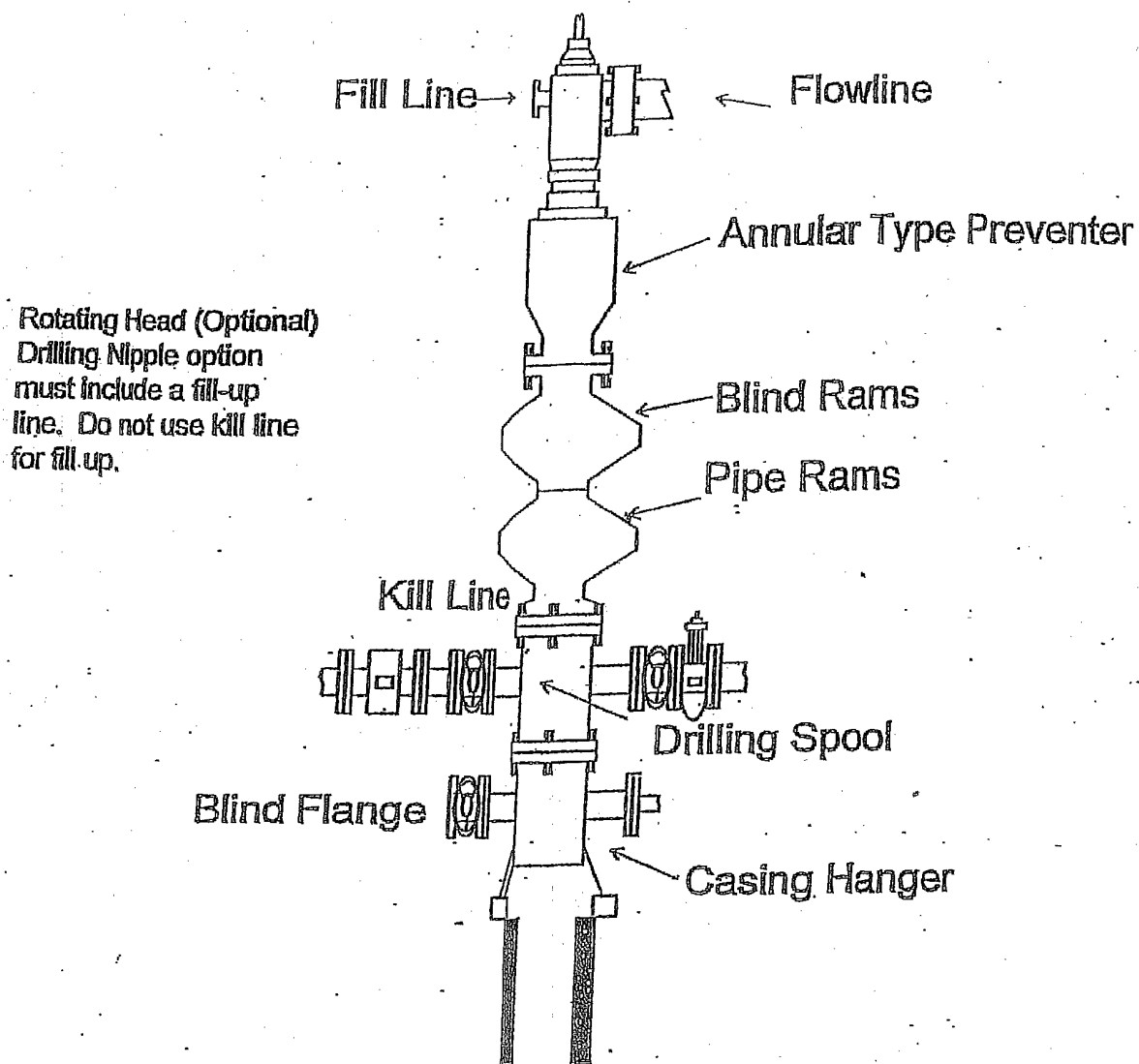
Scale: 1" = 2000'

Date: 09-08-2006

**BOLD
 ENERGY**



BOPE SCHEMATIC

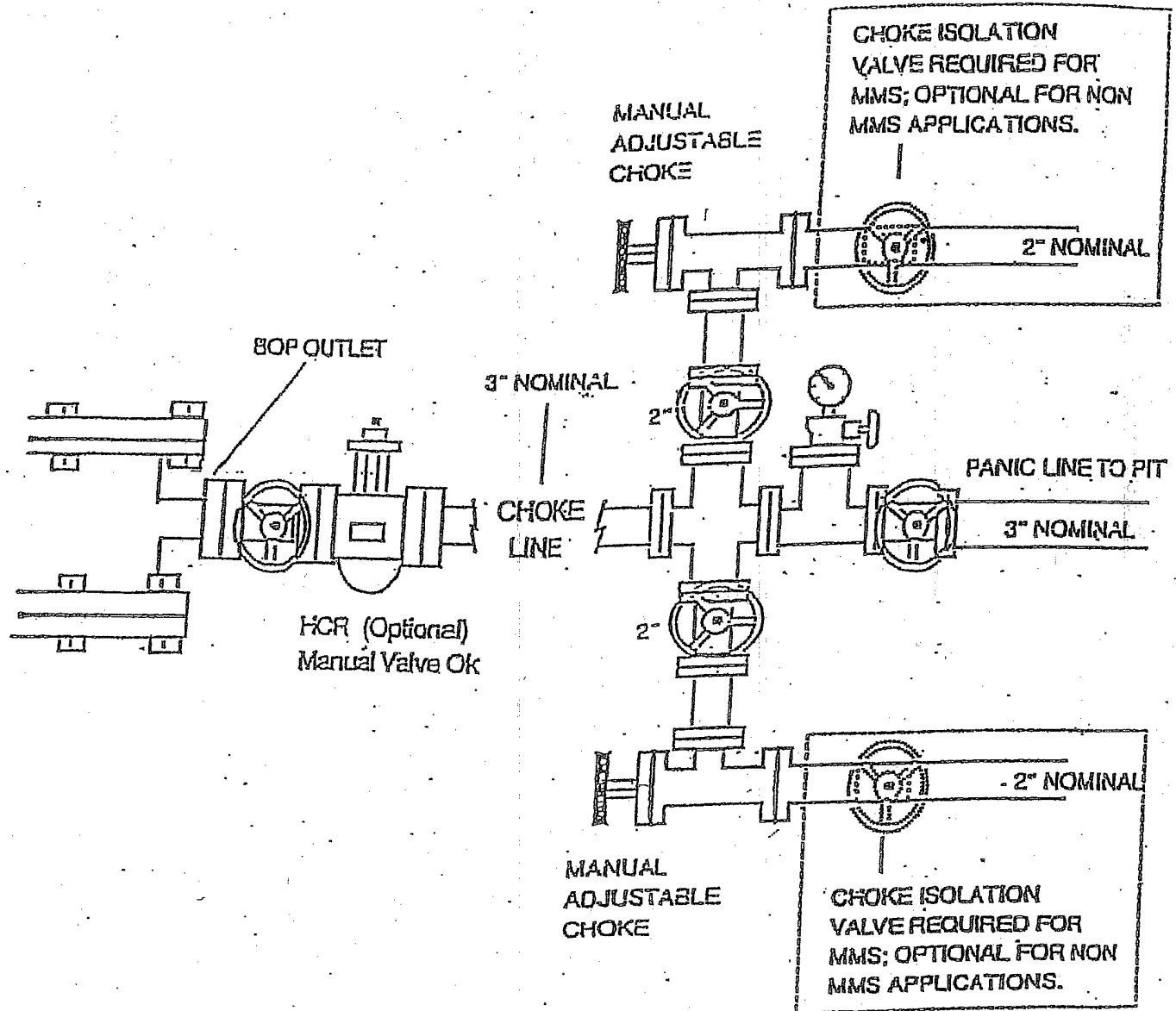


Rotating Head (Optional)
Drilling Nipple option
must include a fill-up
line. Do not use kill line
for fill up.

900 SERIES

CHOKE MANIFOLD

3M SERVICE



BOLD ENERGY, LP

415 W. WALL, SUITE 500
MIDLAND, TEXAS 79701

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

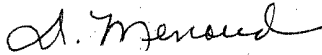
September 12, 2006

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 Bell Lake #25. The current plan is to complete this well in the Bell Lake, Morrow (Gas), and I do not anticipate encountering any H2S bearing formations during drilling operations; however, H2S monitoring equipment will be in use as a precaution.

Sincerely,



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

CONDITIONS OF APPROVAL - DRILLING

Well Name & No. **Bell Lake 25**
Operator's Name: **Bold Energy LP**
Location: **1650FSL, 990FWL, Section 5, T-24-S, R-34-E**
Lease: **NMLCo61374A**

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) 234-5972 or (505) 361-2822 (After hours) - for wells in Eddy County in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 13-3/8 inch 9-5/8 inch 7 inch 4-1/2 inch

C. BOP tests

2. A Hydrogen Sulfide (H₂S) Drilling Plan should be activated prior to drilling into the Delaware Formation. A copy of the plan shall be posted at the drilling site. **Hydrogen Sulfide has been reported in gas streams from wells in sections 3, 5, 6, 10, 14, 15, 19, 20, 21, 30, 31, and 34 in the amounts of 100-500 ppm.**

3 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.

4. Submit a Sundry Notice (Form 3160-5, one original and four 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.

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

6. 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.

7. Gamma-Ray/Neutron logs shall be run from the base of the Salado Formation to the surface; cable speed not to exceed 30 feet per minute.

II. CASING:

1. The 13-3/8 inch surface casing shall be set at 700 feet (Lea County Alternative), below usable water 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.

Fresh water mud to be used to the top of the Rustler formation approximately 1188 feet.

Possible lost circulation in the Delaware and Bone Spring formations. Low karst. However, the San Simon Swale to the northeast is a large sink and has a high potential.

2. The minimum required fill of cement behind the 9-5/8 inch salt protection casing is circulate cement to the surface.

3. The minimum required fill of cement behind the 7 inch intermediate casing is cement shall extend upward a minimum of 300 feet into the 9-5/8 inch casing approximately 4800 feet.

4. The minimum required fill of cement behind the 4-1/2 inch production casing is cement shall extend upward a minimum of 500 feet into the 7 inch casing string.

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 13-3/8 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) required for drilling the surface and salt protection casing shall be 3M psi. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling below the 9-5/8 inch casing shall be 5M psi. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling below the 7 inch casing shall be 10M psi.

Possible abnormal pressures in the Wolfcamp and high pressure gas through the Pennsylvanian section.

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.
 - BOPE must be tested prior to drilling into the Wolfcamp Formation by an independent service company.

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:

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

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-144
June 1, 2004

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

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

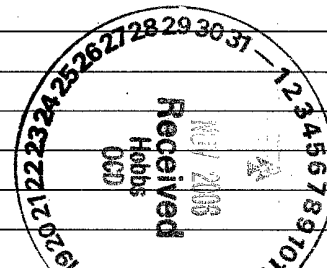
Operator: Bold Energy LP Telephones: Agent: 432-685-9158; Bold: 432-686-1100 e-mail address: denise@graysurfacespecialties.com
Address: 415 W. Wall, Suite 500, Midland, TX 79701
Facility or well name: Bell Lake #25 API #: 30-025-38175 U/L or Qtr/Qtr: L Sec 5 T24S R34E
County: Lea Latitude: N32 deg, 14', 38.0" Longitude: W103 deg, 29', 50.5" NAD: 1927 ☐ 1983 X
Surface Owner: Federal State Private X (Madera) Indian ☐

Pit	Below-grade tank
Type: Drilling X Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined X Unlined <input type="checkbox"/> Liner type: Synthetic X Thickness _____ mil Clay <input type="checkbox"/> Pit Volume 20,000 bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) <u>65'-75' >100'</u>	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet <u>10</u> (10 points) 100 feet or more 0 (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No 0 (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more 0 (0 points)
	Ranking Score (Total Points) <u>8</u> <u>10</u>

WTR 3
65'

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 11/02/2006

Printed Name/Title: Denise Menoud, Regulatory Specialist, Agent for BC Operating

Signature: Denise Menoud

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title: CHRIS WILLIAMS / DIST. SUPERV.

Signature: Chris Williams

Date: 11/21/06