

Amended  
7-23-07

CCD-HOBBS

Form 3160-3  
(February 2005)

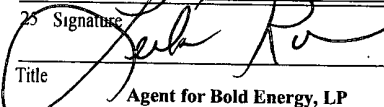
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

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

1a Type of work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <del>LC 06134A</del> <b>LC 061374A</b>
1b Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name <b>ce</b> N/A
2 Name of Operator <b>Bold Energy, LP 233545</b>		7 If Unit or CA Agreement, Name and No. N/A
3a Address <b>415 West Wall Street Midland, Tx 79701</b>	3b Phone No. (include area code) <b>432-686-1100</b>	8 Lease Name and Well No. <b>Bell Lake #27</b> <b>&lt;35983&gt;</b>
4 Location of Well (Report location clearly and in accordance with any State requirements.) At surface <b>1980' FSL &amp; 660' FWL</b> At proposed prod. zone <b>1980' FSL &amp; 660' FWL</b> <b>Unit L</b>		9 API Well No. <b>30-025-38562</b>
14 Distance in miles and direction from nearest town or post office* <b>Approximately 20 miles Southwest from Jal, New Mexico</b>		10 Field and Pool, or Exploratory <b>Undesignated (Delaware) South</b>
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) <b>660'</b>	16 No. of acres in lease <b>440</b>	11 Sec., T. R. M. or Bk. and Survey or Area <b>Section 5, T24S, R34E</b>
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft <b>7400'</b>	19 Proposed Depth <b>8950'</b>	12 County or Parish <b>Lea County</b>
21 Elevations (Show whether DF, KDB, RT, GL, etc.) <b>3599 GL</b>	22 Approximate date work will start* <b>09/13/2007</b>	13 State <b>NM</b>
17. Spacing Unit dedicated to this well <b>40</b>		
20 BLM/BLA Bond No. on file <b>NMB# 00314</b>		
23 Estimated duration <b>60 Days</b>		
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 	Name (Printed Typed) <b>Lee Ann Rollins</b>	Date <b>07/23/2007</b>
--	--	---------------------------

Approved by (Signature) <b>/s/ James Stovall</b>	Name (Printed/Typed) <b>/s/ James Stovall</b>	Date <b>SEP 10 2007</b>
Title <b>FIELD MANAGER</b>	Office <b>CARLSBAD FIELD OFFICE</b>	

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 TWO YEARS**

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)

Carlsbad Controlled Water Basin

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED



3106 N. Big Spring St., Ste. 100  
Midland, TX 79705  
Tel: (432) 685-9158  
Fax: (432) 218-7396  
ellis@graysurfacespecialties.com

August 28, 2007

Bureau of Land Management  
Carlsbad Field Office  
620 E. Greene Street  
Carlsbad, New Mexico 88220  
Attn: Don Peterson

Re: Bell Lake Unit #27 (LC 061374A)  
1980 FSL & 660 FWL,  
Section 5, T24S, R34E,  
Lea County, New Mexico

Dear Mr. Peterson,

Please note that the surface for the above referenced well location is owned by a Private Landowner and an agreement has been reached. The minerals are owned and administered by the U.S. Federal Government. The surface is of limited use except for the grazing of livestock and the production of oil and gas.

Landowner information is as follows.

Bert Madera  
524 Antelope Ridge  
Jal, New Mexico 88252  
(505) 392-2861  
(505) 395-2912

Please feel free to contact me at (432) 685-9158 if you need any additional information to assist you in regards to having received agreement from the private surface owner.

Thank you,

A handwritten signature in cursive script, appearing to read 'Lee Ann Rollins', is written over a horizontal line.

Lee Ann Rollins  
Gray Surface Specialties  
Agent for Bold Energy, LP