

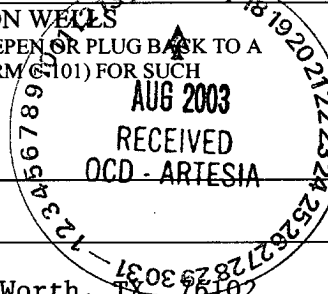
Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised June 10, 2003

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

WELL API NO. 30-015-32898
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-8096
7. Lease Name or Unit Agreement Name TDC 8 State
8. Well Number 30-015-32898
9. OGRID Number 23032
10. Pool name or Wildcat Und. Queen-Grayburg-San Andres

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Threshold Development Company	
3. Address of Operator 777 Taylor St. - Penthouse II - Fort Worth, TX 76102	
4. Well Location Unit Letter L : 1650 feet from the South line and 330 feet from the West line Section 8 Township 19S Range 29E NMPM Eddy County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3375' GR	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
OTHER: Spud & surface casing & cement ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Spudded a 12-1/4" hole with rotary tools at 7:00 PM 8-6-2003.

TD 312'. Reached TD at 7:00 AM 8-7-2003. Ran 7 joints of 8-5/8" 24# J-55 (297.7') of casing set at 311'. 1-cement nosed guide shoe set at 311'. Insert float set at 296'. Cemented with 195 sacks Class C cement with 2% CaCl<sub>2</sub> (yield 1.32, weight 14.8). PD 11:45 AM 8-7-2003. Bumped plug to 500 psi for 30 minutes, OK. Cement did not circulate. WOC 6 hours. Ran Temperature Survey and found top of cement at 150'. Ran 1". Tagged cement at 150'. Spotted 150 sacks Class C cement with 2% CaCl<sub>2</sub>. PD 8:00 PM 8-7-2003. Circulated 10 sacks to pit. WOC. Nippled up and tested to 500 psi for 30 minutes, OK. Installed wellhead and flow nipple. Drilled out at 2:00 AM 8-8-2003. WOC 14 hours and 15 minutes. Reduced hole to 7-7/8". Resumed drilling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Rusty Klein TITLE Agent DATE Aug. 15, 2003

Type or print name Rusty Klein E-mail address: koyote@plateautel.net Telephone No. 748-2159

(This space for State use)

APPROVED BY Jim W. Gurn TITLE District Supervisor DATE AUG 18 2003

Conditions of approval, if any:

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5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-8096
7. Lease Name or Unit Agreement Name TDC 8 State
8. Well Number 1
9. OGRID Number 23032
10. Pool name or Wildcat Und. Queen-Grayburg-San Andres

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator  
Threshold Development Company

3. Address of Operator  
777 Taylor St. - Penthouse II - Fort Worth, TX 76102

4. Well Location  
Unit Letter L : 1650 feet from the South line and 330 feet from the West line  
Section 8 Township 19S Range 29E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3375' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐

OTHER:

OTHER: Production casing & cement ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

TD 3050'. Reached TD at 11:10 AM 8-13-2003. Ran 75 joints of 5-1/2" 15.5# (3055') of casing set at 3050'. Guide shoe set at 3050'. Insert float set at 3010'. Pumped 20 bbls of mud clean ahead of 360 sacks 65-35-6 Poz, 5% salt, 1/4#/sack celloflake and 310 sacks 15-61-11 Poz, 1% FL-62, .2% BA-10 and 5% salt. PD 7:10 AM 8-14-2003. Circulated 5 sacks cement. Released rig at 1:15 PM 8-14-2003.

Waiting on completion unit.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Busty Klein TITLE Agent DATE Aug. 15, 2003

Type or print name Busty Klein E-mail address: koyote@plateautel.net Telephone No. 748-2159  
(This space for State use)

APPROVED BY Jim W. Green TITLE District Supervisor DATE AUG 18 2003  
Conditions of approval, if any: