

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

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

Form C-103
Revised May 08, 2003

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 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 2 - Ft. 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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Perforate, acidize & frac <input checked="" type="checkbox"/>	

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.

8-21-2003 - Cleaned location and set anchors. Moved in pulling unit.
8-22-2003 - Rigged up pulling unit. Nipped up BoP. Unloaded tubing. RIH with bit, scraper and tubing and tagged up at 2889'. Pumped 350 gallons 15% acid down tubing followed with 42 bbls fresh water. Pumped 70 bbls 2% KCL water down backside, circulating fresh water and acid to pit. Left well loaded with 2% KCL water. POOH with tubing, scraper and bit. Shut well in for night.
8-23-2003 - Rigged up wireline and ran CBL log. RIH and perforated 2271-2306' w/70 .42" holes (2 SPF - Penrose Sand). TOOH and rigged down wireline. RIH with packer, tubing and 2 joints of tailpipe. Set with tailpipe at 2241'. Seating nipple at approximately 2169'. Swabbed. Shut well in for weekend.
8-26-2003 - Unset packer and TOOH. Rigged up wireline. RIH and perforated 2190-2250' w/49 .42" holes as follows: 2190-2210' and 2223-2250' (1 SPF). TOOH and rigged down wireline. RIH with packer and tubing and set packer at 2258'. Swabbed. Shut well in for weekend.

CONTINUED ON NEXT PAGE:

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 11/2/03

Type or print name Rusty Klein Telephone No. 748-2159

(This space for State use)

APPROVED BY [Signature] FOR RECORDS ONLY DATE DEC 17 2003

Conditions of approval, if any:

THRESHOLD DEVELOPMENT COMPANY

TDC 8 State #1

Section 8-T19S-R29E

Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

8-27-2003 – Swabbed. Acidized perforations 2190-2250' with 1000 gallons 15% acid and ball sealers. Swabbed. Shut well in for night.

8-28-2003 – Swabbed. Unset packer and TOO. RIH with packer and RBP. Set RBP at 2265' and packer at 2257'. Pressure tested packer and plug to 2000 psi, OK. Unset packer. Loaded hole and spotted 2 bbls 15% acid. Pulled packer up and set at 2089'. Acidized perforations 2190-2250' with 3000 gallons 15% acid and ball sealers. Swabbed. Shut well in for night.

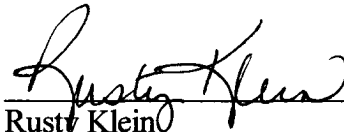
8-29-2003 – Swabbed. RIH and unset packer and RIH to catch RBP. Circulated balls off RBP. Latched onto RBP and released. POOH with tools. RIH with tubing and POOH. Nipped down BOP and wellhead. Shut well in for night.

8-30-9-2-2003 – Prep to frac on 9-2-2003.

9-3-2003 – Frac'd perforations 2190-2306' (Penrose Sand) via 5-1/2" casing with 73500 gallons 25# Borate Viking crosslinked gel and 151500# 16-30 Brady sand. Flowed well back for cleanup. Shut well in for night. Prep to clean out to PBTD.

9-4-2003 – Nipped down frac valve and nipped up BOP. TIH with notched collar and tubing and tagged sand at 2791'. Circulated and washed sand to 2890' (PBTD). TOO. TIH with production equipment as follows: 1 joint of 2-7/8" tubing with bull plug on bottom, 2-7/8" x 3' perforated nipple, seating nipple at 2008', 64 joints 2-7/8" tubing. RIH with rods and pump. Spaced out.

9-5-2003 – Built base for pumping unit. Began beam pumping to frac tank.



Rusty Klein

Agent

November 2, 2003