

District 11625 N. French Dr., Hobbs, NM
88240**State of New Mexico**
Energy, Minerals and Natural Resources

Form C-104A

Permit 11996

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Change of Operator**Previous Operator Information**

OGRID: 7377
Name: FOG RESOURCES INC
Address: PO Box 2267
Address: _____
City, State, Zip: Midland, TX 79702

New Operator Information

Effective Date: 06/09/2005
OGRID: 23032
Name: THRESHOLD DEVELOPMENT COMPANY
Address: 777 Taylor Street
Address: Suite II-D
City, State, Zip: Fort Worth, TX 76102

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Previous Operator

Signature: *D. H. McCRIGHT*
Printed Name: D. H. McCRIGHT
Title: Sr. Landman
Date: 06-09-05 Phone: 432-686-3779

New Operator

Signature: *Cory Timmore*
Printed Name: Cory Timmore
Title: Vice President
Date: 06-14-05 Phone: 817-870-1483

NMOCD ApprovalElectronic Signature: Chris Williams, District 1Date: June 16, 2005