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MAY 25 2004

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 May 08, 2003

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

WELL API NO. 30-015-33289
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 2
9. OGRID Number 23032
10. Pool name or Wildcat Millman-Yates-SR-Q-GB-SA, East

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 - Ft. Worth, TX 76102

4. Well Location  
 Unit Letter E : 1650 feet from the North line and 990 feet from the West line  
 Section 8 Township 19S Range 29E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3378' 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: 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 3100'. Reached TD at 9:30 AM 3-23-2004. Ran 70 joints of 5-1/2" 15.5# J-55 LT&C (3103') of casing set at 3100'. Guide shoe set at 3100'. Float collar set at 3060'. Cemented with 350 sacks 65-35-6 and 375 sacks Poz with additives (weight 14.8, yield 1.32). pd 4:30 am 3-24-2004. Circulated 2 sacks to pit. WOC. NOTE: Displaced casing with fresh water.

Waiting on completion unit.

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 3/30/04

Type or print name Rusty Klein Telephone No. (505) 365-4245

(This space for State use)

ORIGINAL SIGNED BY THE W. GUIN  
 DISTRICT II SUPERVISOR

APPROVED BY \_\_\_\_\_ DATE MAY 3 1 2004

Conditions of approval, if any: