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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 MAY 25 2004
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	
<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/></p> <p>CASING TEST AND CEMENT JOB <input type="checkbox"/></p> <p>OTHER: Perforate, acidize & frac <input checked="" type="checkbox"/></p>

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.

4-15-2004 - Moved in and rigged up pulling unit. Nipped up BOP. Picked up bit, casing scraper and tubing. Shut down for night.

4-16-2004 - TIH with bit, casing scraper and tubing and tagged float collar at 3043'. Circulated casing with 2% KCL water with surfactant. TOOH. Rigged up wireline and ran CBL log. TOOH with logging tools. TIH with perforating gun and perforated 1222-1244' w/44 .50" holes (2 SPF - Seven Rivers Dolomite). TOOH with perforating guns and rigged down wireline. TIH with tubing and packer and set packer at 1150'. Swabbed. Shut well in for weekend.

4-19-2003 - Swabbed. Spotted 3 bbls acid across perforations 1222-1244'. Reversed tubing clear. Reset packer at 1121'. Acidized perforations 1222-1244' (Seven Rivers) with 2000 gallons 15% IC HCL acid with ball sealers. Swabbed. Shut well in for night.

4-20-2004 - Swabbed. Released packer and ran down thru perforations. TOOH and laid down packer. TIH to PBTD. Laid down tubing to 2000'. Swabbed. Shut well in for night.

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 4/30/04

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

(This space for State use)

APPROVED BY FOR RECORDS ONLY DATE MAY 31 2004
Conditions of approval, if any:

THRESHOLD DEVELOPMENT COMPANY
TDC 8 State #2
Section 8-T19S-R28E
Eddy County, New Mexico

RECEIVED
MAY 25 2004
OCD-ARTESIA

SUNDRY NOTICE CONTINUED:

4-21-2004 – Swabbed. Shut well in for night.

4-22-2004 – Loaded tubing with 35 bbls. Circulated casing full. Rigged up wireline. RIH with perforating guns and perforated 2614-2624' w/20 .50" holes (2 SPF – Lower Grayburg). TOOH with perforating guns and rigged down wireline. RIH with packer and tubing and set packer at 2541'. Swabbed. Spotted 3 bbls acid across perforations. Reversed and reset packer at 2541'. Acidized perforations 2614-2624' (Lower Grayburg) with 2000 gallons 15% IC HCL acid and ball sealers. Flushed with 2% KCL water. Swabbed. Left well open to tank overnight. Shut down for night.

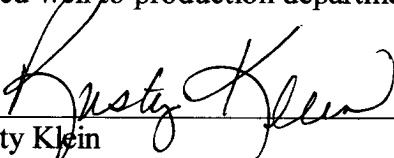
4-23-2004 – Swabbed. Shut well in for night.

4-24-2004 – Loaded tubing. Released packer. Reset packer at 1450'. Frac'd perforations 2614-2624' (Lower Grayburg) with 18000 gallons 30# Borate crosslinked treated wwater with 40000# 16-30 Ottawa sand. Flushed with treated water. Forced closed in 2 minutes. Shut well in for night.

4-25-2004 – Shut in.

4-26-2004 – Loaded casing. Picked up tubing. RIH and tagged sand at 2978'. Washed sand to 3050' (PBTD). Circulating up oil and gas. Loaded casing with KCL water. TOOH. RIH with production string. Seating nipple at 2645', end of tubing at 2676'. Rigged down pulling unit. Prep location for beam pump.

4-27-2004 – Set pump jack. Released well to production department.


Rusty Klein
Agent for Threshold Development Company
April 30, 2004