

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, 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 ResourcesOil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-015-332899

5. Indicate Type of Lease

STATE ☒ FEE ☐State Oil & Gas Lease No.
B-8096

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:

OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐ **OCD-ARTESIA**

b. Type of Completion:

NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF.
WELL OVER BACK RESVR. ☐ OTHER ☐

7. Lease Name or Unit Agreement Name

TDC 8 State

2. Name of Operator

Threshold Development Company

8. Well No.

2

3. Address of Operator

777 Taylor St. - Penthouse II - Fort Worth, TX 76102

9. Pool name or Wildcat

Millman Yates-SR-Q-GB-SA, East

4. Well Location

Unit Letter E : 1650 Feet From The North Line and 990 Feet From The West LineSection 8 Township 19S Range 29E NMPM Eddy County

10. Date Spudded

3-15-2004

11. Date T.D. Reached

3-23-2004

12. Date Compl. (Ready to Prod.)

4-27-2004

13. Elevations (DF& RKB, RT, GR, etc.)

3378' GR

14. Elev. Casinghead

15. Total Depth

3100'

16. Plug Back T.D.

3050'

17. If Multiple Compl. How Many
Zones?18. Intervals
Drilled By

Rotary Tools

0-3100'

Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name

1222-2624' Yates-Seven Rivers-Queen-Grayburg-San Andres

20. Was Directional Survey Made

No

21. Type Electric and Other Logs Run

CNL/LDC & DLL

22. Was Well Cored

No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	327'	12-1/4"	480 sx - circ	
5-1/2"	15.5#	3100'	7-7/8"	725 sx - circ	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 7/8"	2676'	

26. Perforation record (interval, size, and number)

1222-1244' w/44 .50" holes

2614-2624' w/20 .50" holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL

AMOUNT AND KIND MATERIAL USED

SEE ATTACHED SHEET

28. PRODUCTION

Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)			Well Status (Prod. or Shut-in)		
4-28-2004		Pumping			Producing		
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
5-18-2004	242			26	31	252	1192:1
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	
			266	31	252	N/A	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Will be sold

Test Witnessed By

Ray Selby

30. List Attachments

Deviation Survey & Logs

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature

Printed

Name Rusty Klein

Title Agent

Date 6-9-2004

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy	T. Canyon
T. Salt	T. Strawn
B. Salt 745'	T. Atoka
T. Yates	T. Miss
T. 7 Rivers 1196'	T. Devonian
T. Queen 1880'	T. Silurian
T. Grayburg 2262'	T. Montoya
T. San Andres	T. Simpson
T. Glorieta	T. McKee
T. Paddock	T. Ellenburger
T. Blinebry	T. Gr. Wash
T. Tubb	T. Delaware Sand
T. Drinkard	T. Bone Springs
T. Abo	T.
T. Wolfcamp	T.
T. Penn	T.
T. Cisco (Bough C)	T.

Northwestern New Mexico

T. Ojo Alamo	T. Penn. "B"
T. Kirtland-Fruitland	T. Penn. "C"
T. Pictured Cliffs	T. Penn. "D"
T. Cliff House	T. Leadville
T. Menefee	T. Madison
T. Point Lookout	T. Elbert
T. Mancos	T. McCracken
T. Gallup	T. Ignacio Otzte
Base Greenhorn	T. Granite
T. Dakota	T.
T. Morrison	T.
T. Todilto	T.
T. Entrada	T.
T. Wingate	T.
T. Chinle	T.
T. Permian	T.
T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....

No. 3, from.....to.....

No. 2, from.....to.....

No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from to feet.

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology

From	To	Thickness In Feet	Lithology

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

#27: ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETCE

DEPTH INTERVAL

TREATMENT

1222-1244'	Acidized with 2000 gallons 15% IC HCL acid and ball sealers
2614-2624'	Acidized with 2000 gallons 15% IC HCL acid and ball sealers. Flushed with 2% KCL water. Frac'd with 18000 gallons 30# borate crosslinked treated water and 40000# 16-30 Ottawa sand. Flushed with treated water.

WELL NAME AND NUMBER TDC State "8" No. 2

RECEIVED

LOCATION Section 8, T19S, R29E, Eddy County NM

JUN 10 2004

OPERATOR Threshold Development Company

OCD-ARTESIA

DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation tests and obtained the following results:

<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>
<u>1/2° 866'</u>	<u> </u>	<u> </u>
<u>1/2° 1502'</u>	<u> </u>	<u> </u>
<u>1/2° 1997'</u>	<u> </u>	<u> </u>
<u>1/2° 2490'</u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Drilling Contractor United Drilling, Inc.By: George A. Aho

George A. Aho

Title: Business Manager

Subscribed and sworn to before me this 30th day of March,
2004.

Carlene Martin

Notary Public

My Commission Expires: 10-04-04Chaves New Mexico
County State