



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

8 January 2004

Threshold Development Corporation
777 Taylor Street
Penthouse II
Fort Worth, TX 76102
Attn: To Linda Brown or to Whom It May Concern

RE:

- **Mescalero '28' Federal #1 well, located in Section 28, T-25-S R-18-E of Unit C, Otero County, New Mexico API # 30-035-20033**
- **Chiricahua 'R-21' Federal #1 well, located in Section 21, T-24-S R-18-E of Unit D, Otero County, New Mexico API # 30-035-20034**

Dear Ms. Brown or to Whom It May Concern:

In regards to the above, the New Mexico Oil Conservation Division (NMOCD) has yet to receive a **complete set** of electric logs run for each well. In addition, the NMOCD is also lacking **all** required federal regulatory reports dated after August 29th, 2003 requesting to drill deeper on the Chiricahua well and **all** required federal regulatory reports dated after August 13, 2003 requesting to lay a 'fast line' on the Mescalero well.

Please refer to the NMOCD's Rules and Regulations 1105.A and 1128.A.

Rule 1128.A, pertains to regulatory forms required by the NMOCD on Federal lands.

As you may remember, I have contacted your office by phone numerous times in December of 2003 and as of this date, Threshold Development Corporation has failed to meet NMOCD's requirements.

Failure to comply with NMOCD's Rules and Regulations with this matter may result in civil penalties being imposed.

Please call our office if you have any questions.

Respectfully yours,

Bryan G. Arrant
PES-OCD District II

E-Mail: Tim Gum-District Supervisor, Artesia
David Brooks-Legal Council, Santa Fe