

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 Bruzos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

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

Form C-103  
Revised May 08, 2003

WELL API NO. 30-015-33059
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-5654
7. Lease Name or Unit Agreement Name TDC Cowtown State
8. Well Number 1
9. OGRID Number 23032
10. Pool name or Wildcat Runyan Ranch, Morrow

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG A WELL IN A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-100) 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 N, Ft. Worth, TX 76102

4. Well Location  
Unit Letter P : 660 feet from the South line and 660 feet from the East line  
Section 6 Township 19S Range 23E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
4056' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Intermediate casing & cement <input checked="" type="checkbox"/>	

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 1730'. Reached TD at 11:00 PM 3-5-2004. Ran 40 joints of 8-5/8" 32# & 24# casing as follows: 8 joints of 8-5/8" 32# ST&C (347.30') ; 30 joints of 8-5/8" 24# ST&C (1289.19') and 2 joints of 8-5/8" 32# ST&C (86.51') (Total 1723') of casing set at 1723'. Regular guide shoe set at 1723'. Float collar set at 1680'. Cemented with 180 sacks RFC H10-1, 10#/sack D-24 and .0125#/sack D-130 (yield 1.62, weight 14.2) and 800 sacks 65-35 Poz C, 5% D-20, 2% S-1, 5#/sack D-24 and .0125#/sack D-130 (yield 2.08, weight 12.4). Tailed in with 200 sacks Class C, 3% S-1 and .0125#/sack D-130 (yield 1.32, weight 14.8). PD 12:44 PM 3-6-2004. Bumped plug to 390 psi, OK. Cement did not circulate. WOC 4 hours. Ran Temperature Survey and found top of cement at 970'. Ran 1". Tagged cement at 970'. Spotted 25 sacks Class C with 3% CaCl<sub>2</sub>. PD 10:30 PM 3-6-2004. WOC 2 hours. Ran 1". Tagged cement at 970'. Spotted 25 sacks Class C with 4% CaCl<sub>2</sub>. PD 1:45 AM 3-7-2004.

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 3/31/04

Type or print name Rusty Klein Telephone No. (505) 513-0318

(This space for State use)

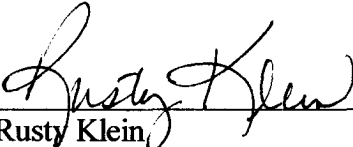
APPROVED BY FOR RECORDS ONLY DATE JUL 1 4 2004

Conditions of approval, if any:

THRESHOLD DEVELOPMENT COMPANY  
TDC Cowtown State #1  
Section 6-T19S-R23E  
Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

WOC 1-3/4 hours: Ran 1". Tagged cement at 875'. Spotted 50 sacks Class C with 4% CaCl<sub>2</sub>. PD 3:30 AM 3-7-2004. WOC 3 hours. Ran 1". Tagged cement at 865'. Spotted 25 sacks Class C with 4% CaCl<sub>2</sub>. PD 9:15 AM 3-7-2004. WOC 2-1/2 hours. Ran 1". Tagged cement at 865'. Spotted 50 sacks Class C with 3% CaCl<sub>2</sub>. PD 2:00 PM 3-7-2004. WOC 2 hours. Ran 1". Tagged cement at 403'. Spotted 25 sacks Class C with 4% CaCl<sub>2</sub>. PD 5:30 PM 3-7-2004. WOC 2 hours. Ran 1". Tagged cement at 372'. Spotted 25 sacks Class C with 4% CaCl<sub>2</sub>. PD 7:30 PM 3-7-2004. WOC 1-1/4 hour. Ran 1". Tagged cement at 285'. Spotted 130 sacks Class C with 2% CaCl<sub>2</sub>. Cement circulated 5 sacks. WOC. Cut off and installed 8-5/8" head. Nippled up and tested BOP, OK. Drilled out at 10:00 PM 3-9-2004. WOC 81 hours and 15 minutes. Reduced hole to 7-7/8". Resumed drilling.

  
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Rusty Klein  
Agent  
March 31, 2004