

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

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

Form C-103
Revised May 08, 2003

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.)		WELL API NO. 30-015-33059
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Threshold Development Company		6. State Oil & Gas Lease No. V-5654
3. Address of Operator 777 Taylor St. - Penthouse II - Ft. Worth, TX 76102		7. Lease Name or Unit Agreement Name TDC Cowtown State
4. Well Location Unit Letter <u>P</u> : <u>660</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Section <u>6</u> Township <u>19S</u> Range <u>23E</u> NMPM <u>Eddy</u> County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4056' R		9. OGRID Number 23032
		10. Pool name or Wildcat Undesigned Abo

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 type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: Perforate & acidize <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.

5-3-2004 - Rigged up wireline. RIH with perforating guns and perforated 6178-6198' w/80 .50" holes (4 SPF - Cisco Lime). TOOH with perforating guns and rigged down wireline. RIH with packer, on/off tool, 2.25" nipple and tubing. Spotted 4 bbls 15% acid. Reversed acid. Set packer at 5980'. Pressured annulus to 1500 psi. Pressured and bled in three bbls acid in 1 hour. Released on/off tool and circulated acid to packer. Established injection rate of .1 BPM at 3200 psi. Flushed with 2% KCL water. Flowed back. Swabbed. Shut well in for night.
5-4-2004 - Bled well down to tank. Swabbed. Shut well in for night.
5-5-2004 - Acidized perforations 6178-6198' (Cisco Lime) with 19400 gallons 15% IC HCL acid and ball sealers. Flushed with 48 bbls fresh water. Opened well up and began flowing back. Left open to tank overnight.
5-6-2004 - Swabbed. Left open to tank overnight.
5-7-2004 - Swabbed. Shut well in for weekend.

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 6/5/04

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

(This space for State use)

APPROVED BY FOR RECORDS ONLY DATE JUL 14 2004

Conditions of approval, if any:

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

SUNDRY NOTICE CONTINUED:

5-10-2004 – Swabbed. Loaded tubing with 2% KCl water. Released packer. TOOH with tubing and packer. Rigged up wireline. RIH with CIBP and set CIBP at 5980'. Tested CIBP to 2000 psi. Capped CIBP with 35' of cement. Rigged up wireline and lubricator. TIH with casing guns and perforated 4411-4524' w/62 .38" holes as follows: 4411-4414' w/7 holes, 4418-4424' w/13 holes, 4434-4445' w/21 holes, 4504-4506' w/5 holes, 4514-4518' w/9 holes and 4521-4524' w/7 holes (2 SPF – Abo). TOOH with casing guns and rigged down wireline and lubricator. Started in hole with packer and tubing. Shut well in for night.

5-11-2004 – Finished TIH with packer and tubing. Set packer at 4320'. Swabbed. Shut well in for night.

5-12-2004 – Bled well down to tank. Acidized perforations 4411-4524' (Abo) with 2500 gallons 15% HCL acid and ball sealers. Flowed well back. Swabbed. Shut well in for night.

5-13-2004 – Flow testing.

5-14-2004 – Loaded tubing with 30 bbls 2% KCL water. Released packer. TOOH with tubing and packer. TIH and spaced out and set packer at 4380'. Nipple down BOP and nipple up flanged tubing head. Swabbed down to 4300'. Shut well in for night.

5-15-2004 – Bled well down to pit. Frac'd perforations 4411-4524' (Abo) (via tubing) with 18600 gallons crosslinked gel and 42400# 20-40 Brady sand. Flushed with base gel. Started flowback. Force closed. Rigged down frac equipment. Rigged up valve and choke. Opened well to tank and began flowing well back. Shut well in for night.

5-16-2004 – Shut well in.

5-17-2004 – Made sinker bar run to seating nipple. Swabbed. Shut well in. Rigged down pulling unit and released all rental equipment.

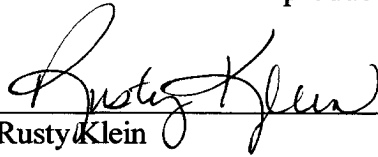
5-18-2004 – Bled well down to tank. Swabbed. Shut well in for night.

5-19-2004 – Bled well down to tank. Swabbed. Shut well in for night.

5-20-2004 – Blow down to flare. Swabbed. Released swab unit. Flow tested. Shut well in for night.

5-21-23-2004 – Blow down to tanks. Flow tested. Shut well in for night.

6-2-2004 – Agave set and calibrated meter. Released well to production department.


Rusty Klein
Agent
June 5, 2004