State of New Mexico Submit 3 Copies Form C-103 to Appropriate District Office Energy, which als and Natural Resources Department Revised 1-1-89 OIL CONSERVATION DIVISION P.O. Box 1980, Hobbs, NM 88240 WELL API NO. P.O. Box 2088 30-025-34807 DISTRICT II Santa Fe, New Mexico 87504-2088 P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease STATE FEE __ 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. V04576 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: STATE 2-M WELL Drilling 2. Name of Operator 8. Well No. Threshold Development Co. Address of Operator 9. Pool name or Wildcat 777 Taylor St., Suite II-D, Ft. Worth, TX 76102 OSUDO: Morrow, West (6as Unit Letter K 660 Feet From The SOUTH Feet From The 35 E Range **NMPM** 10. Elevation (Show whether DF, RKB, RT, GR, etc.) County 3689 KB Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS PLUG AND ABANDONMENT PULL OR ALTER CASING CASING TEST AND CEMENT JOB OTHER: OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed 1/11/00 to 1/23/00 - Drill 12/4 hole from 653 to 5250 1/24/00 - Ran 136 1ts 95/8" 53.50 + N80 LTEC W/FC, FS & 14 central 12ers. Land esq e 5249'KB. Cement w/2525 5x 35/65 foz + 5% Satt, tail-in w/155 5x C1 C'+ 116 CaC1Z. Circ 450 5x to pit. Plug down 11:20 am 1/25/00 - TEST BOP'S to 3000 #, held o.k., test cag to 1500 # held o.k. drill 10' new formation, test asy shoe to 12 " MWE, held O.K. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

TITLE P.E.

DATE 1/27/00

TYPE OR PRINT NAME Alan T. Davis

(This space for State Use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY: