

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

Form C-103
May 27, 2004

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

WELL API NO. 30-025-36668
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Alma 33 State
8. Well Number 1
9. OGRID Number 23032
10. Pool name or Wildcat Alton Ranch; Morrow, Northeast (Gas)

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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other Dry Hole

2. Name of Operator
Threshold Development Company

3. Address of Operator
777 Taylor Street, Suite II-D, Fort Worth, Texas 76102

4. Well Location
Unit Letter F : 1707 feet from the North line and 1625 feet from the West line
Section 33 Township 13N Range 35E NMPM County Lea

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

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER:

OTHER: ☒

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.

8/26/05 - SITP - 2,250 psig, SICP - 0. RU BJS. NU treesaver. Seat and test gel frac tanks. Test treating lines to 13,500 psi. Hold safety meeting with all on location. Test kill switches and check valves, Open tubing. Start binary foam 16 bpm. Tubing loaded and injection pressure of 10,500 psi at 16 bpm. Pump frac as per procedure. 75,000 gallons 70% Q binary Foam. Increasing net pressure plot throughout job. Screen out to 12,000 psi with 58,500# 20/40 bauxite in formation. ISIP - 9,100 psig. 5-min - 6,830, 10 min - 6,090, 15 min - 5,640. TLTR 456 bbls. Total gas used - 149 tons CO2 # 793,000. 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 12345678910111213141516171819202122232425262728293031
Scf N2. Rig down frac equipment. RU flowback manifold. Leave shut in 3 hrs.
3 hour SITP - 3600 psig, SICP - 2174 psig. Start flowback on 14/64" choke @ 3:30 pm. Sand cutting chokes.
Proppant in tubing recovered in two hours.

8/27/05 - Continue Flowback
8/28/05 - Continue Flowback
8/29/05 - RU Separator w/2" meter tube and Barton dry flow meter.
SITP - 1,700 psig, SICP - 1,520 psig. Open to separator for production test
8/30/05 - Continue flow test
8/31/05 - Plan to flare to pit on Thursday. Plan to start new production test through separator starting Friday AM w/50 psig back pressure.

CONTINUED ON NEXT PAGE

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Linda Brown TITLE Regulatory Analyst DATE September 8, 2005

Type or print name Linda Brown E-mail address: lbrown@thresholddevelopment.com Telephone No. 817-870-1483

For State Use Only

OC FIELD REPRESENTATIVE / STATE MANAGER

APPROVED BY Hayden Wink TITLE DATE

Conditions of Approval (if any):

SEP 12 2005

THRESHOLD DEVELOPMENT COMPANY

Alma 33 State #1

Section 33, T13S, R35E

Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

9/1/05 – Flare to pit on 14/64" – 16/64" choke. Flow to pit – 3 hrs. 1-2 mmcf/gpd rate. Turn to separator. Plan to repeat procedure Friday and continue with 96 hour production test if tubing shows dry.

9/2/05 – SITP-1,750 psig, SICP-1,425. Open to pit on 10/64" choke, work ice in choke. Put through separator in 35 minutes @ 1,600 psig. Start production test.

9/2/05 – Continue flow test

9/3/05 – Continue flow test

9/4/05 – Continue flow test

9/5/04 – Continue flow test – Take gas sample, send to Hobbs lab. SI @ 10:00 am