

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103

Revised August 1, 2011

HOBBS OCD  
 MAR 31 2014  
 RECEIVED

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

|   |
|---|
| WELL API NO.<br>30-025-36668  |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.  |
| 7. Lease Name or Unit Agreement Name<br>ALMA 33 STATE   |
| 8. Well Number<br>#001  |
| 9. OGRID Number<br>023032   |
| 10. Pool name or Wildcat<br>ATOKA   |

**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

2. Name of Operator  
THRESHOLD DEVELOPMENT COMPANY

3. Address of Operator  
777 TAYLOR STREET, PLL-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 13S Range 35E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
4,057' - GR

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

|  |  |  |  |
|--|--|--|--|
| <b>NOTICE OF INTENTION TO:</b>                 |  | <b>SUBSEQUENT REPORT OF:</b>                     |  |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input checked="" 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"/> | P AND A <input type="checkbox"/>         |
| PULL OR ALTER CASING <input type="checkbox"/>  | MULTIPLE COMPL <input type="checkbox"/>              | CASING/CEMENT JOB <input type="checkbox"/>       |  |
| DOWNHOLE COMMINGLE <input type="checkbox"/>    |  |  |  |
| OTHER: <input type="checkbox"/>                |  | OTHER: <input 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1) SET 5-1/2" CIBP @ 12,850'; CIRC. WELL W/ PXA FLUID; PUMP 35 SXS. CMT. @ 12,850'-12,630'.  
 2) PUMP 30 SXS. CMT. @ 9,750'-9,550' (T/WC); WOC X TAG CMT. PLUG.  
 3) PERF. X ATTEMPT TO SQZ. 75 SXS. CMT. @ 8,197'-8,017' (T/ABO). *WOC & TAG*  
 4) PERF. X ATTEMPT TO SQZ. 60 SXS. CMT. @ 6,437'-6,277' (T/GLOR.). *WOC & TAG*  
 5) CUT X PULL 5-1/2" CSG. @ +/-4,530'. 6) PUMP 65 SXS. CMT. @ 4,600'-4,460' (5-1/2" STUB X 8-5/8" SHOE); WOC X TAG.  
 7) PUMP 50 SXS. CMT. @ 3,092'-2,962' (T/YATES, B/SALT); WOC X TAG CMT. PLUG.  
 8) PUMP 45 SXS. CMT. @ 2,152'-2,032' (T/SALT, T/ANHY.); WOC X TAG CMT. PLUG.  
 9) PUMP 40 SXS. CMT. @ 559'-450' (11-3/4" CSG.SHOE).  
 10) PERF. X ATTEMPT TO CIRC. TO SURF. 70 SXS. CMT. @ 100'-3'.  
 11) DIG OUT X CUT OFF WELLHEAD 3' B.G.L.; WELD STEEL PLATE ONTO CSGS. X INSTALL DRY HOLE MARKER.

DURING THIS PROCEDURE WE WILL USE THE CLOSED-LOOP SYSTEM W/ A STEEL TANK AND HAUL CONTENTS TO THE REQUIRED DISPOSAL, PER OCD RULE 19.15.17.

Spud Date:  Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE David A. Eyer TITLE: AGENT DATE: 03/26/14

Type or print name: DAVID A. EYLER E-mail address: DEYLER@MILAGRO-RES.COM PHONE: 432.687.3033

**For State Use Only**

APPROVED BY: Melissa Brown TITLE: Compliance Officer DATE: 4/1/2014  
 Conditions of Approval (if any):

APR 02 2014

# Threshold Development Company

## ALMA 33 State #1

updated  
4/11/2008

Sec. 33-T13S-R35E  
1,707' FNL / 1,625' FWL - 320 acres  
Lea Co., NM  
Elevation 4,057'  
API# 30-025-36668

2 9/16" 10K tree  
extended neck hanger  
84' of 16" conductor

14 3/4" hole

11" hole

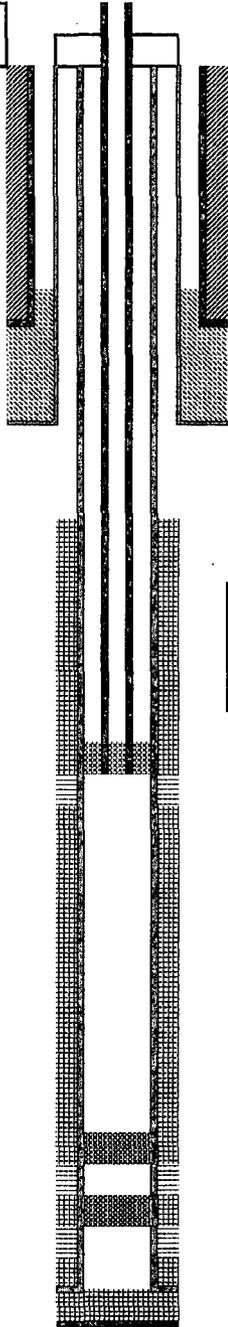
7 7/8" hole

### Formation tops:

|            |       |
|------------|-------|
| Rustler    | 2,092 |
| Yates      | 3,027 |
| San Andres | 4,182 |
| Glorieta   | 6,357 |
| Tubb       | 7,374 |
| Drinkard   | 7,690 |
| Abo        | 8,107 |
| Wolfcamp   | 9,650 |

|                 |        |
|-----------------|--------|
| Strawn          | 11,870 |
| Atoka           | 12,400 |
| Miss            | 13,614 |
| Chester         | 13,804 |
| Morrow Clastics | 13,228 |
| Lower Miss Lime | 13,943 |

TD = 13,980' (6/11/04)



11 3/4" @ 509' (11 jts) 42#, HCK-40,  
Cement to surface w/ 255 Prem Plus

TOC 436' TS

8 5/8" @ 4,530' (16jts-HCK-55 & 88jts J-55) 32#  
Cement w/ 1000C, 300 Prem Plus (did not circulate)

TOC - 8180' CBL dated 6/18/04 8,280'?

416jts 6.5# P-110 CD hydril tbg 12,767' crossover  
10K PLS packer w/ XL 0/0, 2.313 X profile  
10' pup joint 2 7/8" 2.313' XN profile w 2.205"  
no-go wireline re-entry guide

12,786' Packer

Perforations: 12,908'-12,918' 40 shots 4 spf, 120' phasing

Frac treatment:

TDC 8/24/05: frac 70,000# 20/40 bauxite proppant, start binary foam 16 bpm, pump 75,000 gallons 70% Q binary foam, increasing net pressure plot through job. Screen out to 12,000psi w/ 58,500# 20/40 bauxite in formation. ISP - 9,100psi, 5min - 6830, 10min - 6090, 15min - 5640. TLTR - 456bbbls. Total gas used 149 tons CO2 + 793,000 scf N2. **EOG: 8-7-04**

Acidized Brunson Atoka w/2,000gal of 60 Quality Foamed 7 1/2% HCL Acid. Perfs broke w/ 5,920psi @ 4.7bpm. Treat dropped from 6400psi to 5500psi @ 5bpm. Final treat rate 6.3bpm @ 5800psi, flush w/ 60Q foamed 3% KCL, final flush w/ 6.2bpm @ 5880psi.

PBTD @ 13,190' (7/16/04)

5 1/2" 10K Composit BP @ 13,210' topped w/ 30' cement

Perforated Mesa Morrow from 13,260' to 13,264' (7/14/04)

5 1/2" CIBP set @ 13,540' w/ 20' cement on top PBTD @ 13,520' w/ 4000gal foamed 7.5% HCL & CO2. (7/2/04)

300jts - 5 1/2" 17# HCP-110 casing @ 13,979' (6/17/04)

Cement w/ 1440 SX Premium lead, 580sx 50/50 POZ prem. tail.

NOT TO SCALE

Spud Date: 5/2/2004

Initial production date:

Initial production rate:

BHP measurement:

Cumulative production:

Current production rate:

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## ALMA 33 State #1

updated  
4/11/2008

Sec. 33-T13S-R35E  
1,707' FNL / 1,625' FWL - 320 acres  
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11" hole

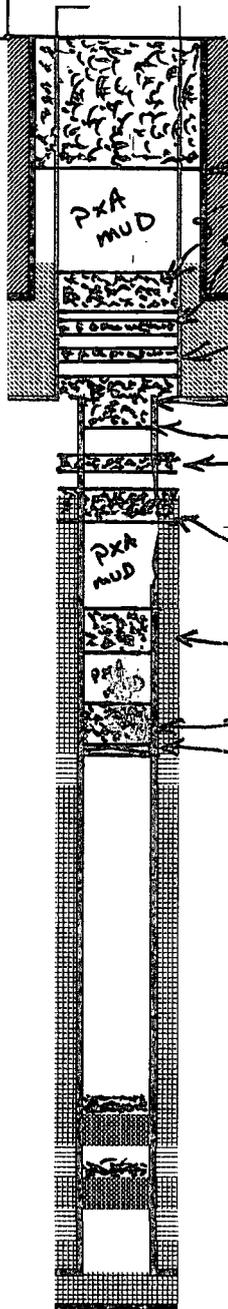
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| Chester         | 13,804 |
| Morrow Clastics | 13,228 |
| Lower Miss Lime | 13,943 |

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PERF. x SQ2. 70 SXS. CMT @ 100' - 3'  
 Pump 40 SXS. CMT @ 559' - 459'  
 Pump 45 SXS. CMT @ 2152' - 2032' - TAG  
 11 3/4" @ 509' (11 jts) 42# , HCK-40,  
 Cement to surface w/ 255 Prem Plus  
 TOC 436' TS Pump 50 SXS. CMT. 3092' - 2962' - TAG  
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 Pump 30 SXS. CMT @ 9950' - 9550' - TAG  
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NAS 03126113