

Submit 1 Copy 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
October 13, 2009

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. 30-025-36668
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		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. VA2343
3. Address of Operator 777 Taylor St. PII-D, Fort Worth, TX 76102		7. Lease Name or Unit Agreement Name ALMA 33 STATE
4. Well Location Unit Letter F : 1707 feet from the North line and 1655 feet from the West line Section 33 Township 13S Range 35E NMPM County LEA		8. Well Number #1
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 023032
		10. Pool name or Wildcat ATOKA

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 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.

Intent to plug by setting a CIBP above the ATOKA formation with ^{35'}20' of cement above that and plug back well in accordance to OCD procedures.

The Oil Conservation Division Must be notified
24 hours prior to the beginning of plugging operations.

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 Jerry K Ross TITLE CFO DATE 4-26-2011

Type or print name Jerry Ross E-mail address: j_ross@thresholddevelopment.com PHONE: 817-870-1483

For State Use Only

APPROVED BY: [Signature] TITLE STAFF MGR DATE 5-5-2011

Conditions of Approval (if any):

Threshold Development Co.

ALMA 33 St. #1

API 30-025-36668

1. POH w/pkr - RIH w/CIBP set @ 12,850 - Cap w/35' cmt.
2. Circ hole w/MLF - set 25 sx cmt. plug @ 9725'
3. Perf & SQ 35 sx @ 7225' - WOC - TAG
4. Perf & SQ 40 sx cmt. @ 4600' - WOC - TAG (4480')
5. Spot 25 sx. cmt @ 2100' - Perf @ 600' - Circ. cmt
TO SURFACE -
6. RD Bop's - Cut off wellhead - weld on
Dryhole marker -

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

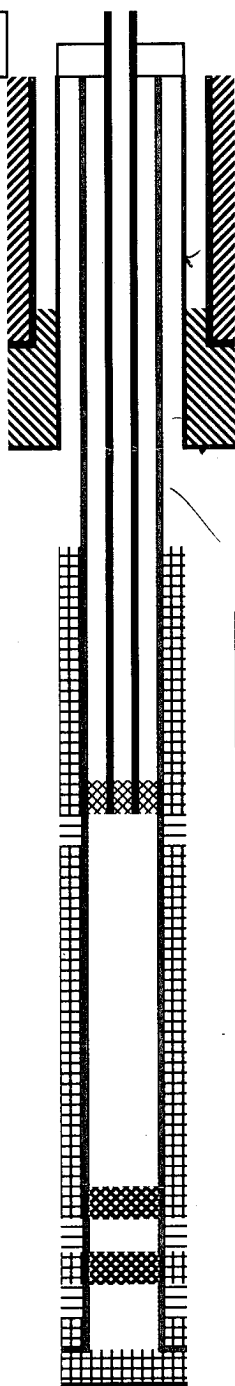
7 7/8" hole

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 O/O, 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 - 456bbls. 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/ 20' 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.

Per Morris Keith, EOG should have used a nitrogen assist in the cement to push that far up back side of pipe. Without it, he claimed they would in effect cement back into the formation and kill all chances of making a well. He said he tried to get the supervisor on location to listen to him but he would only say that these were his instructions from the main office.

NOT TO SCALE

Spud Date:

5/2/2004

Initial production date:

Initial production rate:

BHP measurement:

Cumulative production:

Current production rate: