

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-103
August 1, 2011
Permit 157558

WELL API NUMBER	30-025-40749
5. Indicate Type of Lease	S
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	ENCORE M STATE
8. Well Number	009
9. OGRID Number	243874
10. Pool name or Wildcat	

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: O

2. Name of Operator
QUANTUM RESOURCES MANAGEMENT, LLC

3. Address of Operator
1401 McKinney St, Suite 2400, Houston, TX 77010

4. Well Location
Unit Letter D : 468 feet from the N line and 300 feet from the W line
Section 20 Township 22S Range 37E NMPM Lea County

11. Elevation (Show whether DR, KB, BT, GR, etc.)
3404 GR

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 OF PLANS

PULL OR ALTER CASING MULTIPLE COMPL

Other: _____

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTER CASING

COMMENCE DRILLING OPNS. PLUG AND ABANDON

CASING/CEMENT JOB

Other: **Drilling/Cement**

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.
Well was drilled and casing set as per the attached WBD.10/7/2012 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
10/10/12	Surf		17.5	13.375	54.5	J-55	0	1169	1050		C				
10/16/12	Int1		12.25	8.625	32	J-55	700	4002	960						
10/21/12	Prod		7.875	5.5	17	L-80	3300	6874	500						

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 Electronically Signed _____ TITLE Regulatory Supervisor _____ DATE 11/7/2012

Type or print name Yolanda Perez _____ E-mail address yperez@qracq.com _____ Telephone No. 713-634-4696

For State Use Only:
APPROVED BY: ELIDIO GONZALES _____ TITLE HOBBS STAFF MANAGER _____ DATE 11/8/2012 6:39:51 AM

Drilling Comments

OGRID: [243874] QUANTUM RESOURCES MANAGEMENT, LLC

Permit Number: 157558

Permit Type: Drilling

Created By	Comment	Comment Date
YOPEREZ	TOC' estimated at 700'	11/7/2012