

8-14-12 DATE IN	SUSPENSE	ENGINEER	DB	LOGGED IN	TYPE	NSL	APP NO. PKVR1223028934
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



*Quantum Resources  
Management  
Encore M St # 8*

### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

6674

#### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify \_\_\_\_\_

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
[B] ☐ Offset Operators, Leaseholders or Surface Owner  
[C] ☐ Application is One Which Requires Published Legal Notice  
[D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,  
[F] ☐ Waivers are Attached

*See Note  
on Ctr*

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

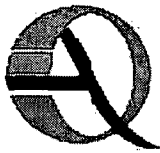
Yolanda Perez  
Print or Type Name

Yolanda Perez  
Signature

Regulatory Supervisor  
Title

8/14/12  
Date

yperez@grac9.com  
e-mail Address



Quantum Resources Management, LLC

Yolanda Perez  
Regulatory Supervisor

1401 McKinney St, Suite 2400  
Houston, TX 77010  
Office (713) 634-4696  
Cell (832) 506-7426  
Fax (713) 634-4697

August 14, 2012

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Attn: David Brooks

**RE: Application for Administrative Approval of Non-Standard Location  
Encore M State #008; New Drill API Not Yet Assigned  
Blinebry Oil and Gas (Oil) – 6660, Drinkard – 19190, Wantz; Abo – 62700 Pools  
Lea County, NM**

Dear Mr. Brooks,

Quantum Resources Management, LLC is requesting administrative approval of the non-standard location for the above-mentioned well located at 2340' FSL and 1650' FEL of Section 19, Township 22S, and Range 37E. The justification for the request is due to congestion of power lines and pipelines. This was the best well placement that would allow the drilling pad to be constructed in a way to avoid pad and rig equipment being placed on top of buried pipelines (see attached site map).

Quantum Resources Management, LLC operates the offset tract to the North of which this well encroaches on (see attached plats). The working interest is common for both tracts.

*also  
encroaches  
to NE*

If you have any questions and/or need additional information, please contact me (713) 634-4696 or by email at [yperez@qracq.com](mailto:yperez@qracq.com).

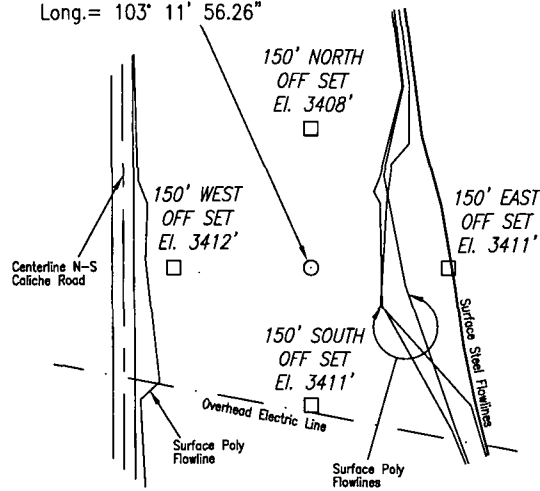
Sincerely,

Yolanda Perez  
Regulatory Supervisor

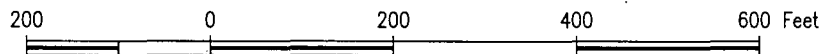
T-22-S, R-37-E  
N.M.P.M.

SECTION 19

ENCORE M STATE  
No. 8  
Elev. 3408'  
NAD 83 NM East  
N= 502563  
E= 891545  
NAD 83  
Lat. = 32° 22' 35.44"  
Long.= 103° 11' 56.26"



Site Map



Quantum Resources Management, LLC  
Encore M State No. 8 - 2340' FSL & 1650' FEL  
Section 19, T-22-S, R-37-E, N.M.P.M.  
Lea County, New Mexico

STANFORD SURVEYING COMPANY  
P.O. BOX 8490  
MIDLAND, TEXAS 79708-8490  
432-699-5708

DRAWN BY Adam Welch

DATE 08-06-2012

SCALE 1" = 200'

FILE NAME A-7067A

District I  
1625 N. French Dr., Hobbs NM 88240  
District II  
1301 W. Grand Avenue, 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 & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	6660	<sup>2</sup> Pool Code	Blinebry Oil & Gas (Oil)	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	307932	<sup>5</sup> Property Name	Encore M State	<sup>6</sup> Well Number
<sup>7</sup> OGRIID No.	243874	<sup>8</sup> Operator Name	Quantum Resources Management, LLC	<sup>9</sup> Elevation
				3408'

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	22 S	37 E		2340	South	1650	East	Lea

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				16	<p><b><sup>17</sup>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Yolanda Perez</i></p> <p>Signature</p> <p>Yolanda Perez</p> <p>Printed Name</p> <p>Regulatory Supervisor</p> <p>yperez@qracq.com</p> <p>Title and E-mail Address</p> <p>08/14/12</p> <p>Date</p>
		QRM M STATE No. 19-8 Elev. 3408' NAD 83 NM East N= 502563 E= 891545 NAD 83 Lat. = 32° 22' 35.44" Long.= 103° 11' 56.26"			
		40 acres		1650'	<p><b><sup>18</sup>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>7-28-2012</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>10324</p> <p>Certificate Number</p>
		2340'			

4.8 Miles SW of Eunice, New Mexico.

File No. A-7067

District I  
1825 N. French Dr., Hobbs NM 88240  
District II  
1301 W. Grand Avenue, 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 & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code 19190	<sup>3</sup> Pool Name Drinkard
<sup>4</sup> Property Code 307932	<sup>5</sup> Property Name Encore M State	<sup>6</sup> Well Number 008
<sup>7</sup> OGED No. 243874	<sup>8</sup> Operator Name Quantum Resources Management, LLC	<sup>9</sup> Elevation 3408'

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	22 S	37 E		2340	South	1650	East	Lea

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<sup>16</sup> QRM M STATE No. 19-8 Elev. 3408' NAD 83 NM East N= 502563 E= 891545 NAD 83 Lat. = 32° 22' 35.44" Long. = 103° 11' 56.26"	<b><sup>17</sup>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Yolanda Perez Printed Name Regulatory Supervisor yperez@qracq.com Title and E-mail Address 08/14/12 Date
	40 acres	<b><sup>18</sup>SURVEYOR CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> 7-28-2012 Date of Survey  Signature and Seal of Professional Surveyor  10324 Certificate Number
	1650' 2340'	

District I  
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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-40721		<sup>2</sup> Pool Code 62700	<sup>3</sup> Pool Name Wantz; Abo
<sup>4</sup> Property Code 307932	<sup>5</sup> Property Name Encore M State		<sup>6</sup> Well Number 008
<sup>7</sup> GRID No. 243874	<sup>8</sup> Operator Name Quantum Resources Management, LLC		<sup>9</sup> Elevation 3408'

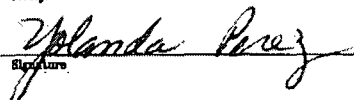
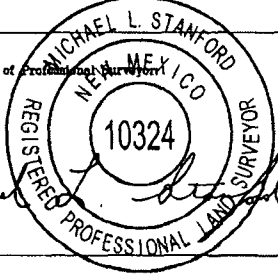
<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	22 S	37 E		2340	South	1650	East	Lea

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNITL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				<sup>16</sup> QRM M STATE No. 19-8 Elev. 3408' NAD 83 NM East N= 502563 E= 891545 NAD 83 Lat. = 32° 22' 35.44" Long.= 103° 11' 56.26"		<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Yolanda Perez Printed Name Regulatory Supervisor yperez@qracq.com Title and E-mail Address 08/14/12 Date	
						<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 7-28-2012 Date of Survey Signature and Seal of Professional Surveyor  10324 Certificate Number	

40 acres

1650'

2340'

4.8 Miles SW of Eunice, New Mexico.

File No. A-7087

**Brooks, David K., EMNRD**

---

**From:** Erick Rodriguez <erodriguez@qracq.com>  
**Sent:** Tuesday, August 14, 2012 4:32 PM  
**To:** Brooks, David K., EMNRD  
**Cc:** Yolanda Perez  
**Subject:** Encore M State #008 NSL Application  
**Attachments:** Encore M State 008 NSL Application.pdf

Mr. Brooks,

Please find attached NSL Application for the Encore M State #008.

Quantum Resources Management, LLC is applying for a Non-Standard Location on the Encore M State #008.

If additional information is needed, please contact me. Thanks in advance for your assistance.

Thanks,

*Erick A. Rodriguez*

Quantum Resources Management, LLC

Regulatory Analyst

O: 713.634.4612

F: 713.634.4615

C: 832.276.0464

[erodriguez@qracq.com](mailto:erodriguez@qracq.com)

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**Brooks, David K., EMNRD**

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**From:** Brooks, David K., EMNRD  
**Sent:** Friday, August 17, 2012 10:33 AM  
**To:** 'yperez@qracq.com'  
**Subject:** Encore M State #8 - NSL Application

Dear Ms. Perez

You have indicated that the spacing unit to the north of the proposed non-standard location (Unit G of Section 19), has common ownership with Unit J.

However, under our interpretation of the notice rule for NSL applications, the proposed location also encroaches diagonally to the northeast toward Unit H of Section 19. This is the case because the proposed location is closer to the common corner of Units H and J that would be a well at the closest standard location to that corner.

Please provide information concerning ownership of Unit H, and if that ownership is not common with J and G, proof of notice as appropriate.

Sincerely

David K. Brooks  
Legal Examiner



**Brooks, David K., EMNRD**

---

**From:** Yolanda Perez <yperez@qracq.com>  
**Sent:** Tuesday, August 21, 2012 6:33 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Encore M State #8 - NSL Application

Good morning, David!

Quantum Resources Management, LLC operates the offset tract, Unit H, and the interest is common in all tracts, Units J, G, & H.

Please let me know if you need any additional information.

Thanks,  
Yo

---

**From:** Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]  
**Sent:** Friday, August 17, 2012 11:33 AM  
**To:** Yolanda Perez  
**Subject:** Encore M State #8 - NSL Application

Dear Ms. Perez

You have indicated that the spacing unit to the north of the proposed non-standard location (Unit G of Section 19), has common ownership with Unit J.

However, under our interpretation of the notice rule for NSL applications, the proposed location also encroaches diagonally to the northeast toward Unit H of Section 19. This is the case because the proposed location is closer to the common corner of Units H and J that would be a well at the closest standard location to that corner.

Please provide information concerning ownership of Unit H, and if that ownership is not common with J and G, proof of notice as appropriate.

Sincerely

David K. Brooks  
Legal Examiner

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