

Submit 1 Copy To Appropriate District Office

District I - (575) 393-6161

District II - (575) 748-1283

District III - (505) 334-6178

District IV - (505) 476-3460

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

Revised August 1, 2011

WELL API NO.
30-025-41061

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Encore M State

8. Well Number 010

9. OGRID Number
243874

10. Pool name or Wildcat
Drinkard / Wantz; Abo

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
Quantum Resources Management, LLC

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

4. Well Location

Unit Letter M : 770 feet from the South line and 770 feet from the West line
Section 17 Township 22-S Range 37-E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3396' GR

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 ☐
DOWNHOLE COMMINGLE ☒

OTHER: ☐

SUBSEQUENT REPORT OF:

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

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Quantum Resources Management, LLC requests authority to Downhole Commingle production pursuant to Rule 303C(4)(b).

(i) Ref. Division Order No. R-11363

(ii) Drinkard (#19190) & Wantz; Abo (#62700)

(iii) Drinkard Perfs: 6490'-6648', Abo Perfs: 6710'-6757'

(iv) Allocation Method: Identical for each Pool; 50% Oil, 50% Gas, 50% Water

(v) Commingling production from each of these pools will not reduce the value of the total remaining production

(vi) All Working, Royalty, and Overriding Royalty Interests are identical between the two commingled zones

(vii) A copy of this Form C-103 has been sent to the Commissioner of Public Lands for the State of New Mexico

Spud Date: 05/17/13

Rig Release Date: 06/04/13

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

SIGNATURE Celeste G. Dale TITLE Sr. Regulatory Analyst DATE 06/24/13

Type or print name Celeste G. Dale E-mail address: cdale@qracq.com PHONE: 432-683-1500

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer

Conditions of Approval (if any): DATE JUN 26 2013

JUN 26 2013

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

¹ API Number 30-025-41061	² Pool Code 19190	³ Pool Name Drinkard
⁴ Property Code 307932	⁵ Property Name ENCORE M STATE	⁶ Well Number 10
⁷ GRID No. 243874	⁸ Operator Name Quantum Resources Management, LLC	⁹ Elevation 3396'

¹⁰Surface Location

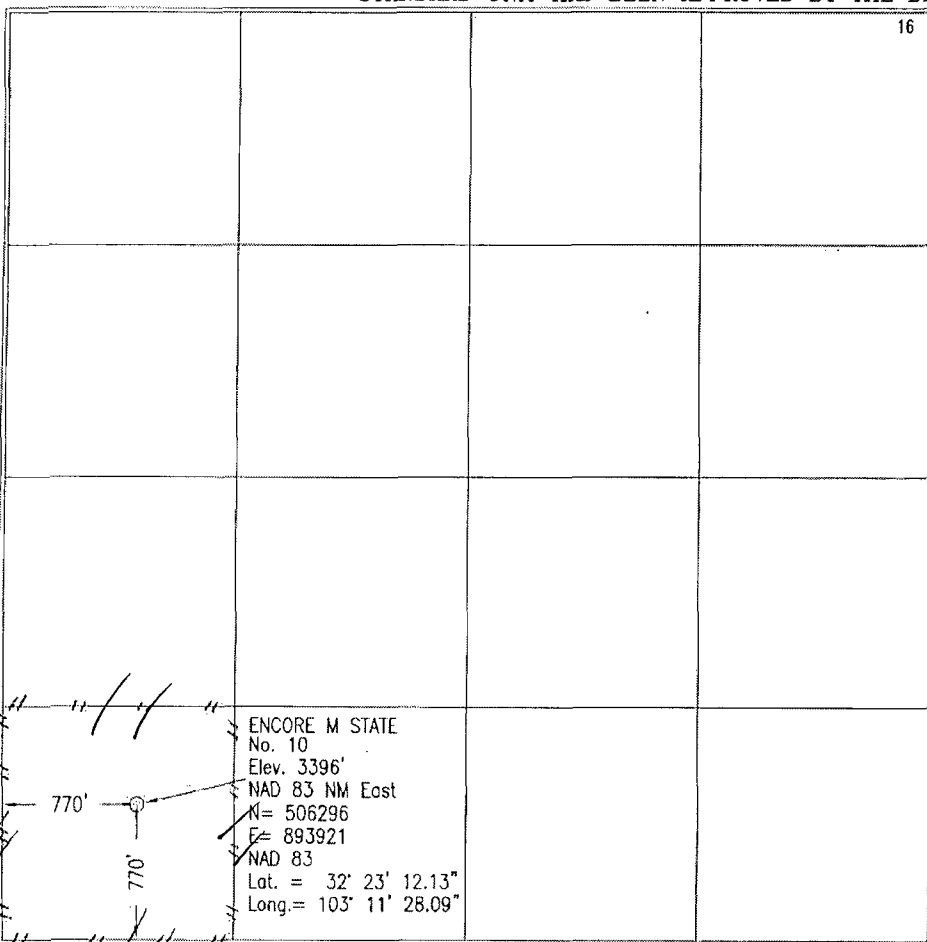
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	22 S	37 E		770	South	770	West	Lea

¹¹Bottom 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. DHC-HOB-518
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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>¹⁷OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Celeste G. Dale</i> Signature</p> <p>Celeste G. Dale Printed Name Sr. Regulatory Analyst cdale@gracq.com Title and E-mail Address</p> <p>06/26/13 Date</p> <p>¹⁸SURVEYOR CERTIFICATION</p> <p>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.</p> <p>03-09-2013 Date of Survey</p> <p>Signature and Seal of Professional Land Surveyor <i>Michael L. Stanford</i> 10324 Certificate Number</p>	

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41061	² Pool Code 62700	³ Pool Name Wantz; Abo
⁴ Property Code 307932	⁵ Property Name ENCORE M STATE	
⁷ GRID No. 243874	⁸ Operator Name Quantum Resources Management, LLC	⁶ Well Number 10 ⁹ Elevation 3396'

¹⁰Surface Location

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4.1 Miles SW of Eunice, New Mexico.

File No. A-7069