30-025-41061

State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

John Bemis Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey Division Director Oll Conservation Division



March 14, 2013

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Quantum Resources Management, LLC Attn: Yolanda Perez 1404 McKinney St, Suite 2400 Houston, TX 77010 Email: <u>yperez@gracg.com</u> Fax: 713-634-4697

Re: Quantum Resources Management, LLC (OGRID 243874) Inactive Well Report March 2013

Dear Operator:

Rule 19.15.5.9 NMAC provides that the listing of a well on the Oil Conservation Division's (OCD's) inactive well list as a well inactive for more than one year plus 90 days creates a rebuttable presumption that the well is out of compliance with 19.15.25.8 NMAC.

An operator may rebut that presumption by providing evidence that the well is in compliance with 19.15.5 NMAC.

The wells identified in attachment "A" currently appear on the OCD's inactive well list as wells inactive for more than one year plus 90 days. Quantum Resources Management, LLC (Quantum) has provided sufficient information to rebut inactivity.

Although these attachment "A" wells still appear on the inactive well list, the OCD should not consider them as out of compliance with 19.15.5.9 NMAC or include them in calculating Quantum's compliance with Rule 19.15.25.8 NMAC. This letter rebutting presumption expires May 14, 2013.

Sincerely.

Daniel Sanchez, Compliance and Enforcement Manager

Ec: E.L. Gonzales, District I Randy Dade, District II Charlie Perrin, District III Denise Gallegos, Financial Assurance Administrator

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Attachment "A"

Well Current status and Plan of Action

- 1. Dunn B Federal #007 (30-015-02683) well was put back on production in January; will be reflected in C-115s
- Dunn B Federal #021 (30-015-01826) well was put back on production in January; will be reflected in C-115s
- Dunn B Federal #026 (30-015-01828) well was put back on production in January; will be reflected in C-115s
- Guajalote State #002 (30-015-24930) well is active SWD; corrected C-115 to be filed shortly
- 5. State 14A #002 (30-015-01854) well was P&A'd on 02/18/13
- 6. State 14C #001 (30-015-01838) well is currently producing; corrected C-115 to be filed shortly
- State 647 AC 711 #200 (30-015-10182) well needs to be P&A'd; will work with District office to complete plugging operations
- 8. State 647 AC 713 #115 (30-015-01877) currently being plugged
- 9. Vandeventer State #002 (30-015-20103) well was put back on production in January; will be reflected in C-115s