

Submit 1 Copy To Appropriate District Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

**HOBBS OCD**  
State of New Mexico  
Energy, Minerals and Natural Resources  
JUL 15 2013  
**RECEIVED**  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Amended

Form C-103  
Revised August 1, 2011

WELL API NO. 30-025-08569	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. E-8322	
7. Lease Name or Unit Agreement Name Jalmat Field Yates Sand Unit	
8. Well Number 102	
9. OGRID Number 243874	
10. Pool name or Wildcat Artesia; Queen-Grayburg-San Andres	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3612' GR	

**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 ☐ Injection

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 P : 330 feet from the South line and 330 feet from the East line  
Section 3 Township 22S Range 35E NMPM Lea County

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 ☐

**SUBSEQUENT REPORT OF:**  
REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Mechanical Integrity Test ☒

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.

Injection well re-activated. Mechanical integrity test dated 05/30/13, (555) psi, chart attached.  
Test witnessed by Mark Whitacker, NMOCD Hobbs office.

Spud Date:

Rig Release Date:

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

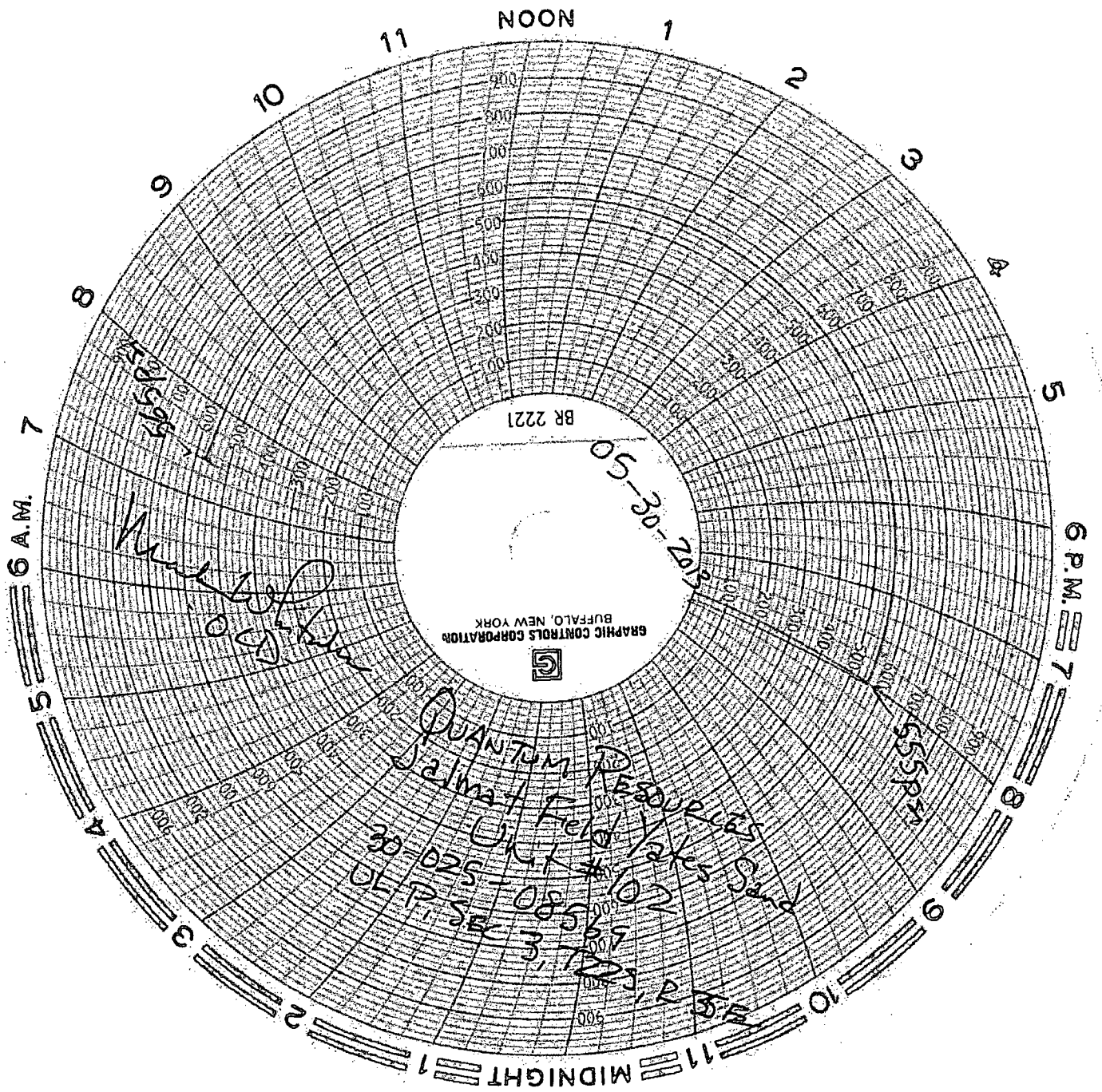
SIGNATURE Celeste G. Dale TITLE Sr. Regulatory Analyst DATE 06/10/13

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

For State Use Only

APPROVED BY: Mahey & Brown TITLE Compliance Officer DATE 7/16/2013  
Conditions of Approval (if any)

JUL 16 2013



State of New Mexico  
Energy, Minerals and Natural Resources Department

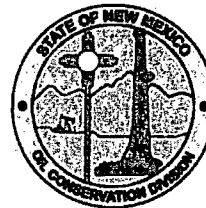
---

Susana Martinez  
Governor

John H. Bemis  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Jami Bailey, Division Director  
Oil Conservation Division



*Letter of Violation*  
**IMMEDIATE DIRECTIVE**

RECEIVED

March 28, 2013

APR 03 2013

Quantum Resources Management, LLC.  
1401 McKinney Street  
Ste. 2400  
Houston, TX 77010

Attn: Regulatory Department

RE: CONE JALMAT YATES (CJYPU) #111, S13-T22S-R35E UNIT P  
JALMAT YATES SAND UNIT (JYSU) # 102, S3-T22S-R35E UNIT P

Dear Operator:

After conducting the Annual UIC Testing, it has come to our attention that the above referenced wells presently are out of compliance with OCD Rules and Regulations.

According to records, the OCD District I office has not yet received a Subsequent Report C103 stating a workover attempt, performed in February of 2012 on the CJYPU #111. According to field information, clean out work and tubing construction was/has been modified to well #111 and the packer has been set above the allowed depth.

In order to bring CJYPU #111 into compliance with OCD Injection Rules 19.15.26.10; 19.15.26.11 and the EPA UIC requirements, please do the following:

- Submit a Subsequent Report C103 stating in detail work performed February 2012.
- A packer setting depth must be submitted and approval from Santa Fe must be obtained, if the packer is set more than 100' above the top perforation.
- Please note that wells out of compliance with NMOCD Rule 19.15.5.9 will be listed on the Inactive Well List.

March 28, 2013

Page 2

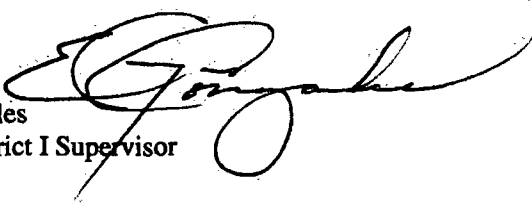
In reference to JYSU #102 the Temporarily Abandonment status has expired. According to OCD Rule 19.15.25.13; 19.15.25.14 Operator must do the following:

- Submit NOI C103 and wellbore schematic requesting an extension of TA Status for 1 year only.
- After approval of NOI, perform a mechanical integrity test on JYSU #102. (500#/30 mins)
- Submit Subsequent Report C103 with detailed information and pressure test chart for approval.

If you have any questions, please contact EL Gonzales, at 575-393-6161 x102.

Sincerely,

EL Gonzales  
OCD District I Supervisor

A handwritten signature in black ink, appearing to read 'EL Gonzales', is written over the typed name and title.