

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

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

| | | |
|---|--|---|
| 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.) | | WELL API NO. 30-025-41942 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator Quantum Resources Management, LLC | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator 1401 McKinney St., Suite #2400, Houston, TX 77010 | | 7. Lease Name or Unit Agreement Name Encore M State |
| 4. Well Location Unit Letter N : 579 feet from the South line and 2042 feet from the West line Section 20 Township 22-S Range 37-E NMPM County Lea | | 8. Well Number 014 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3377' GR | | 9. OGRID Number 243874 |
| | | 10. Pool name or Wildcat Blinebry Oil & Gas (Oil) & Drinkard |

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: ☐

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 pools in accordance with Rule 303C(4)(b).

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

(ii) Blinebry Oil & Gas (Oil) (#6660) & Drinkard (#19190)

(iii) Blinebry Perfs: 5511-5955', Drinkard Perfs: 6291'-6646'

(iv) Allocation Method: Identical for each Pool; 1/2 Oil, 1/2 Gas, 1/2 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: 09/18/14

Rig Release Date: 09/25/14

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

SIGNATURE Yolanda Perez TITLE Regulatory Manager DATE 09/12/14

Type or print name Yolanda Perez E-mail address: yperez@qracc.com PHONE: 713-634-4696

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 09/25/14
Conditions of Approval (if any):

SEP 25 2014

SEP 22 2014

Revised June 10, 2003

☐ AMENDED REPORT

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| | | | | |
|---------------|-----------------------------------|-----------|---------------------------|-------------|
| API Number | | Pool Code | Pool Name | |
| | | 6660 | Blinbry Oil and Gas (Oil) | |
| Property Code | Encore M State | | Property Name | Well Number |
| 307932 | | | | 14 |
| Well No. | Operator Name | | | Elevation |
| 243874 | Quantum Resources Management, LLC | | | 3377' |

| | | | | | | | | | |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot 14th | Feet from the | North/South line | Feet from the | East/West line | County |
| N | 20 | 22 S | 37 E | | 579 | South | 2042 | West | Lea |

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

| 13 Dedicated Account | 14 Acct. or Invt | 15 Consolidation Code | 16 Order No. |
|----------------------|------------------|-----------------------|--------------|
|----------------------|------------------|-----------------------|--------------|

9 SL
BHL
M State Lease

M STATE 14
Elev. 3377'
NAD 83 NM East
N= 500843
E= 895257
NAD 83
Lat. = 32° 22' 18.03"
Long. = -103° 11' 13.20"

12
72
1
74
75
1035'
To Lease Corner
2042'
14
579'
47
70
3228'
To Lease Line
1
37

16

17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
Yolanda Perez
Signature
Yolanda Perez
Printed Name
Regulatory Manager
yperez@qracq.com
Title and E-mail Address
06/19/14
Date

18 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.
06-02-2014
Date of Survey
Signature and Seal of Professional Surveyor
Michael L. Stanford
10324
Certificate Number

MICHAEL L. STANFORD
NEW MEXICO
REGISTERED
10324
PROFESSIONAL LAND SURVEYOR

File No. A-9185

SEP 22 2014

Form C-102

District I
1825 N. French Dr., Hobbs NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Asteo, 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

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 | ² Pool Code 19190 | ³ Pool Name Drinkard |
| ⁴ Property Code 307932 | ⁵ Property Name Encore M State | ⁶ Well Number 14 |
| ⁷ GRID No. 243874 | ⁸ Operator Name Quantum Resources Management, LLC | ⁹ Elevation 3377' |

¹⁰Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 20 | 22 S | 37 E | | 579 | South | 2042 | 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 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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

| | | |
|--|--|---|
| | | <p>¹⁷OPERATOR CERTIFICATION</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> Signature Yolanda Perez</p> <p>Printed Name Regulatory Manager yperez@qracq.com</p> <p>Title and E-mail Address</p> <p>06/19/14 Date</p> |
| <p>M STATE 14 Elev. 3377' NAD 83 NM East N= 500843 E= 895257 NAD 83 Lat. = 32° 22' 18.03" Long. = -103° 11' 13.20"</p> | | <p>¹⁸SURVEYOR CERTIFICATION</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>06-02-2014 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>Michael L. Stanford</i> 10324 Certificate Number</p> |

4.8 Miles SW of Eunice, New Mexico.

File No. A-9185