

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Quantum
 RECEIVED
 243874

ADMINISTRATIVE APPLICATION CHECKLIST

JUL -5 A 10:45

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

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]

See 23474
225 35E
30-025-08634
30-025-08654
Wells 4019
665
R-2495
Cone Jactmat Yates
Pool
WFX's 180
324, 853

- [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

[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.

David Catanach Print or Type Name	<u>David Catanach</u> Signature	Agent-Quantum Resources Mgt. LLC Title
7/5/11 Date	drcatanach@netscape.com E-Mail Address	

UNDERGROUND INJECTION CONTROL PROGRAM

PERMIT SUMMARY PAGE

Nature of Permit

- New Permit
 Amend Existing Permit
 Injection Pressure Increase
 Renew Discharge Plan
 Other(Specify) _____

Number of Wells

- Single Well
 Multiple Wells
2 Specify Number Wells
30-025-08634 #401
30-025-08654 #605

Approval Process

- Administrative
 Hearing
If Hearing:
Case No. _____
Order No. R- _____

Reviewer

- Ezeanyim
 Brooks
 Jones
 Warnell

Quarter in which Permit Issued

- 1st (October-December)
 2nd (January-March)
 3rd (April-June)
 4th (July-September)

Type of Permit

- SWD Well
 Waterflood or Pressure
Maintenance Injection Well
 Class III Brine Well
 Other(Specify) _____

Final Outcome

- Application Approved
 Application Denied
 Application Returned

WFX Permit Number

889 Permit Date

Quantum Resources Operator

Area of Review (AOR) Well Data

Area of Review Wells

34 Total Number of Area of Review Wells
6 Plugged and Abandoned Area of Review Wells
25 Active Area of Review Wells

Area of Review Wells to be Repaired

0 P&A Wells
0 Active Wells

Injection/Disposal Well Classification

9 New Wells (Wells were Drilled After March 7, 1982 – New Mexico Primacy Date)
19 Existing Wells (Wells were Drilled Prior to March 7, 1982)

July 5, 2011

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG
Division Director

HAND DELIVERED

Re: Form C-108
Quantum Resources Management, LLC
Cone Jalmat Yates Pool Unit Wells No. 401 and 605
Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool
Lea County, New Mexico

WFX-853

Dear Ms. Bailey,

Enclosed please find a Division Form C-108 (Application for Authorization to Inject) to expand the Cone Jalmat Yates Pool Unit Waterflood Project. Division Order No. R-2495 dated June 11, 1963 approved secondary recovery operations within the Cone Jalmat Yates Pool Unit Area ("Unit Area"). The Unit Area was established by Division Order No. R-2494 dated June 11, 1963. Division Orders No. WFX-180 dated September 22, 1964, WFX-206 dated May 27, 1965, WFX-324 dated October 24, 1969 and WFX-853 dated May 6, 2009 permitted additional injection wells within the Unit Area. Quantum Resources Management, LLC proposes to convert the Cone Jalmat Yates Pool Unit Wells No. 401 and 605 to injection in order to complete an efficient production/injection pattern within the Unit Area. The ~~Cone Jalmat Yates Pool Unit~~ Wells No. 401 and 605 are located, respectively, in Sections 23 and 24, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico.

All the required information is enclosed. If additional information is needed, please contact me at (505) 690-9453.

Sincerely,



David Catanach-Agent
Quantum Resources Management, LLC
1401 McKinney Street, Suite 2400
Houston, Texas 77010

Xc: OCD-Hobbs

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No

II. OPERATOR: Quantum Resources Management, LLC

ADDRESS: 1401 McKinney Street, Suite 2400, Houston, Texas 77010

CONTACT PARTY: Mr. David Catanach-Agent PHONE: (505) 690-9423

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? Yes No
If yes, give the Division order number authorizing the project: R-2495 dated 6/11/63 (Also see WFX-180, 206, 324 and 853)

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: David Catanach TITLE: Agent-Quantum Resources Management, LLC

SIGNATURE:  DATE: 7/5/11

E-MAIL ADDRESS: drcatanach@netscape.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

C-108 Application
Quantum Resources Management, LLC
Cone Jalmat Yates Pool Unit ("CJYPU") Wells No. 401 and 605
Sections 23 & 24, T-22S, R-35E, NMPM
Lea County, New Mexico

- I. The purpose of the application is to request approval to convert two wells to injection within the Cone Jalmat Yates Pool Unit Waterflood Project in order to complete an efficient injection/production pattern.
- II. Quantum Resources Management, LLC ("Quantum")
1401 McKinney Street, Suite 2400
Houston, Texas 77010
Contact Party: Mr. David Catanach-Agent (505) 690-9453
- III. Injection well data sheets and wellbore diagrams for each injection well are attached showing the proposed wellbore configurations.
- IV. This is an expansion of the Cone Jalmat Yates Pool Unit Waterflood Project. This project was initially approved by Division Order No. R-2495 dated June 11, 1963. The Cone Jalmat Yates Pool Unit Area ("Unit Area") was approved by Division Order No. R-2494 dated June 11, 1963. Division Orders No. WFX-180 (9/22/1964), WFX-206 (5/27/1965), WFX-324 (10/24/1969) and WFX-853 (5/6/2009) permitted additional injection wells within the Unit Area.
- V. Enclosed is a map that identifies all wells/leases within a 2-mile radius of the Cone Jalmat Yates Pool Unit Wells No. 401 and 605. Maps are also attached that show the ½ mile "Area of Review" ("AOR") for both the Cone Jalmat Yates Pool Unit Wells No. 401 and 605.
- VI. AOR well data is attached. Well construction data is included for all existing wells within the AOR. Also included are wellbore diagrams for each PA'd well within the AOR. An examination of this data indicates that all AOR wells are adequately cased, cemented and/or plugged and abandoned in order to preclude the movement of fluid from the injection zone into other formations or fresh water aquifers.

(Note: In calculating cement tops, a standard yield of 1.32 cu. ft./sack was utilized in addition to a fill factor of 70%).

- VII. 1. The average injection rate is anticipated to be approximately 300 BWPD/Well. The maximum rate will be approximately 1000 BWPD/Well. If the average or maximum rates increase in the future, the Division will be notified.

2. This will be a closed system.
 3. Division Order No. IPI-394 dated March 18, 2011 (copy attached) granted a unit-wide surface injection pressure of 1,100 psi within the Cone Jalmat Yates Pool Unit. Quantum will inject into the Cone Jalmat Yates Pool Unit Wells No. 401 and 605 at 1,100 psi in conformance with Order No. IPI-394. If a higher injection pressure is necessary in the future, Quantum will conduct additional step rate injection tests within the Unit Area.
 4. Produced water from the Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool originating from wells within the Unit Area will be re-injected into the subject injection wells. A formation water analysis obtained from a Quantum producing well within the offset Jalmat Field Yates Sand Unit Area is enclosed. This formation water analysis shows total dissolved solids to be 80,968 mg/L. Quantum will also inject water produced from the Cone Jalmat Unit Water Supply Well No. 1, which produces water from the Santa Rosa formation. A water analysis of Santa Rosa formation water is also attached.
 5. Injection is to occur into a formation that is oil productive.
- VIII. Geologic data was presented in Case No. 2803. This case, and resulting Order No. R-2495 initially authorized the Cone Jalmat Yates Pool Unit Waterflood Project. The primary injection interval is the Yates-Seven Rivers formation which is Upper Guadalupian in age. Impermeable dolomite beds in between various sand members characterize this interval. The Ogallala aquifer is present in this area, and fresh water can be found at depths from surface to 200'.
- IX. No stimulation is planned.
- X. Logs were filed at the time of drilling.
- XI. According to data obtained from the New Mexico Office of the State Engineer (enclosed), there are no fresh water wells within ½ mile of the proposed injection wells. **(Please not that there is one fresh water well located in the NE/4 NE/4 of Section 14, T-22 South, R-35 East, and is reportedly 215' feet deep, with water present at a depth of 185'. A water analysis from this well is also enclosed for your review.)**
- XII. Affirmative statement is enclosed.
- XIII. Proof of Notice is enclosed.

INJECTION WELL DATA SHEET

OPERATOR: Quantum Resources Management, LLC

WELL NAME & NUMBER: Cone Jalmat Yates Pool Unit No. 401 (API No. 30-025-08634)

WELL LOCATION: 1980' FSL & 330' FEL I 23 22 South 35 East
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 12 1/4" Casing Size: 8 5/8" @ 332'
Cemented with: 250 Sx. or _____ ft³
Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2" @ 3,969'
1500 Cu. Ft. Pozmix +
Cemented with: 200 Sx. Neat Cmt. or _____ ft³
Top of Cement: Surface Method Determined: Circulated

Liner (Proposed)

Hole Size: N/A Casing Size: 4" @ 3,964'
Cemented with: 90 Sx. or _____ ft³
Top of Cement: 1,500' Method Determined: Calculated
Total Depth: 3,970'

Injection Interval

→ Perforated Interval - 3,818'-3,932'

CONE JALMAT YATES POOL UNIT 401
 JALMAT Field
 TANSILL / YATES Zone

API: 30-025-08634
 22S 35E 23I
 Lea County, NM

Proposed Wellbore Configuration

KB: '
 GL: 3592'

8-5/8" 22# spiralweld @ 332'
 w/ 250 sxs

Tubing Detail

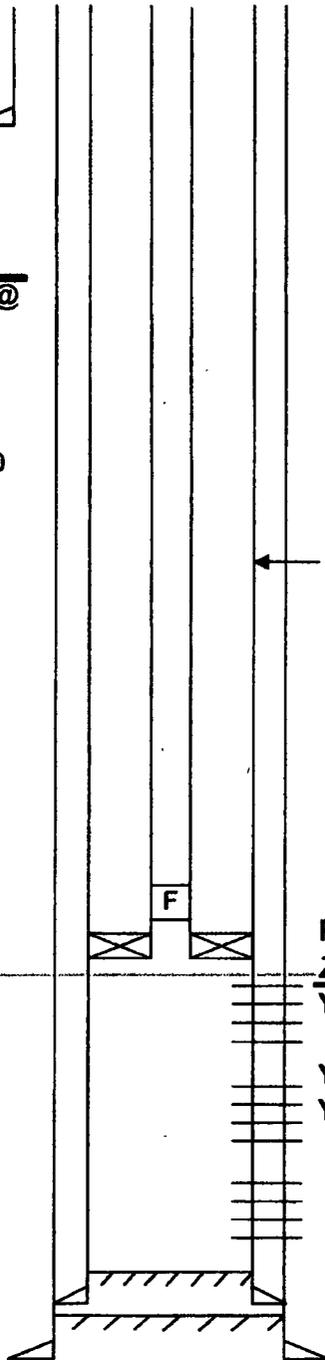
<i>jts</i>	<i>Component</i>	<i>Top @</i>
121	2-3/8" 4.7# J-55 IPC On-off tool 1.78" F-profile Arrowset 1X pkr	3,750

4" 10.64# J-55 flush jt set @ ~3964' w/
 90 sxs (TTOC @ 1500', no excess)

Perforations Zone	Total =		112	
	Top	Btm	SPF	Holes
Y-1	3,818	3,830	2	24
	3,840	3,846	2	12
Y-2	3,866	3,894	2	56
Y-3	3,922	3,932	2	20

3818
 x 12

 764 ✓



PBTD: 3966'
 TD: 3970'

5-1/2" 15.5# J-55 @ 3969' w/ 1500
 cf + 200 sxs

Proposed Wellbore Configuration

KB: '
 GL: 3579'

8-5/8" 24# J-55 @ 321' w/ 300
 sxs, circ cmt to sfc

Tubing Detail

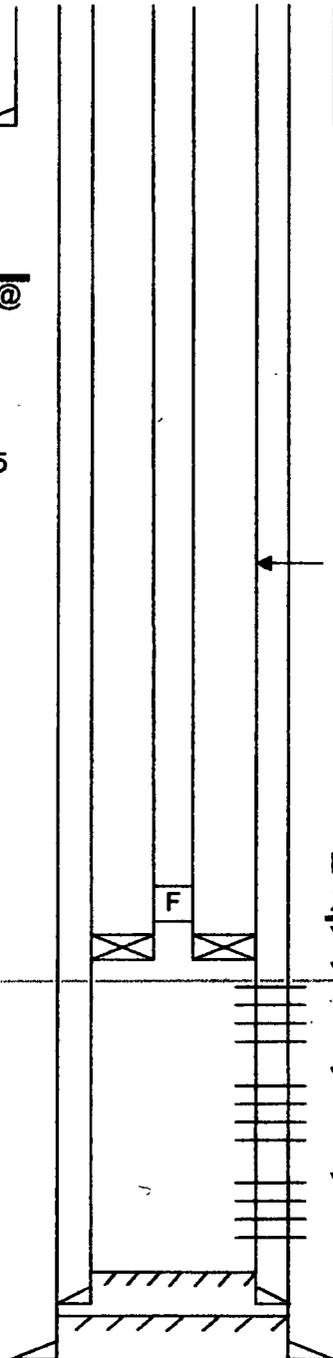
<i>jts</i>	<i>Component</i>	<i>Top @</i>
115	2-3/8" 4.7# J-55 IPC On-off tool 1.78" F-profile Arrowset 1X pkr	3,575

DV tool @ 1640'

4-1/2" 11.6# J-55 flush jt set @ ~3840'
 w/ 50 sxs (TTOC @ 1500', no excess)

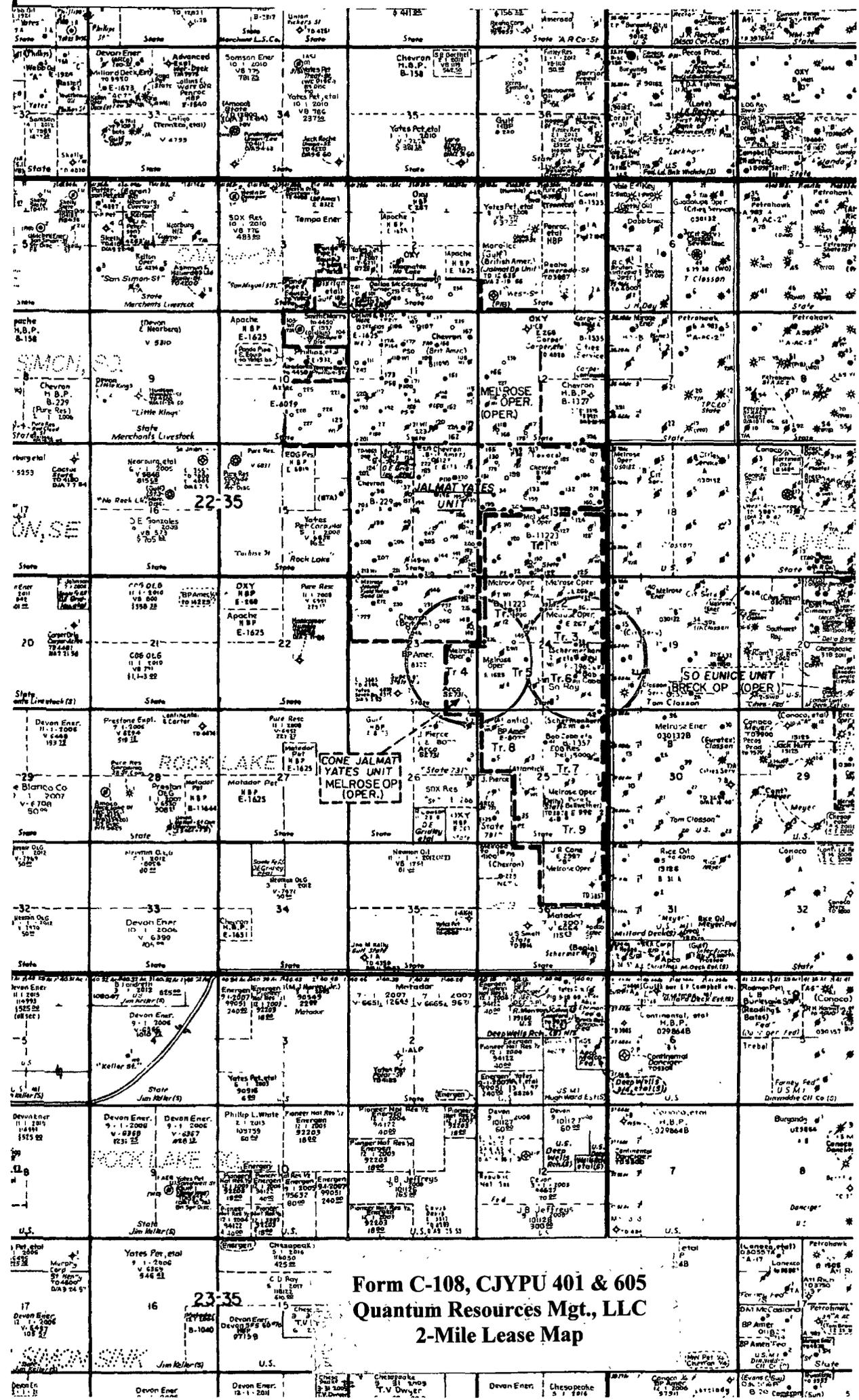
Perforations				Total =	136
<i>Zone</i>	<i>Top</i>	<i>Btm</i>	<i>SPF</i>	<i>Holes</i>	
Y-1	3,614	3,644	1	30	
Y-2	3,660	3,666	2	12	
	3,672	3,676	2	8	
	3,682	3,689	2	14	
Y-3	3,714	3,719	2	10	
	3,722	3,728	2	12	
	3,730	3,736	2	12	
Y-4	3,746	3,748	2	4	
	3,753	3,755	2	4	
	3,768	3,774	2	12	
	3,796	3,805	2	18	

3614
 723 ✓

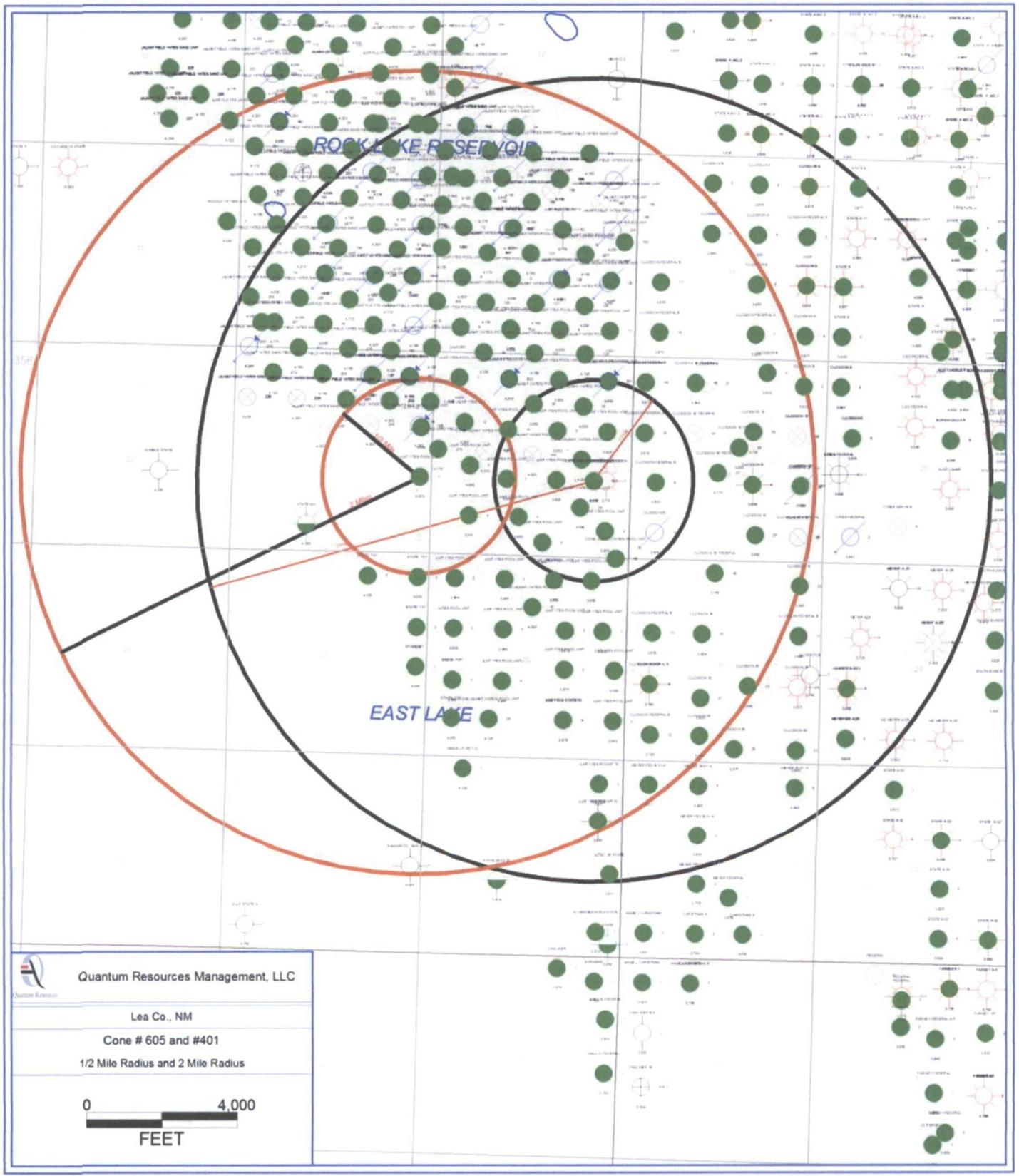


PBTD: 3842'
 TD: 3850'

5-1/2" 14# J-55 @ 3844' w/ 300 sxs
 Stage 1, 150 sxs Stage 2



**Form C-108, CJYPU 401 & 605
Quantum Resources Mgt., LLC
2-Mile Lease Map**



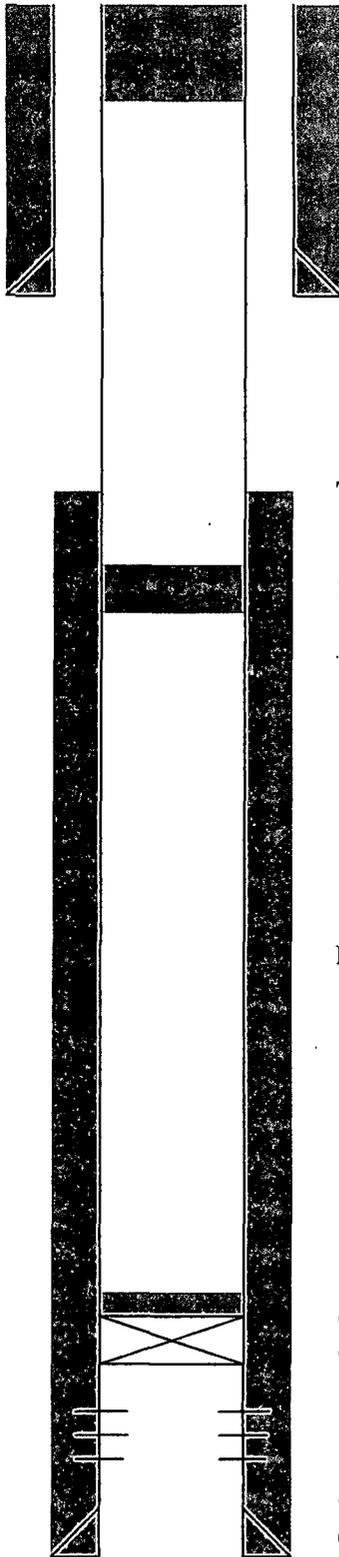
PETRA 5/25/2011 8:13:57 AM

**Form C-108, CJYPU 401 & 605
Quantum Resources Mgt., LLC
2-Mile & 1/2 Mile AOR Map**

QUANTUM RESOURCES MANAGEMENT, LLC
AREA OF REVIEW WELL DATA
CONE JALMAT YATES POOL UNIT WELLS NO. 401 & 605

API NUMBER	OPERATOR	LEASE NAME	WELL NO.	WELL TYPE	STATUS	FTG. N/S	N/S	FTG. E/W	E/W	UNIT	SEC.	TSH	RNG	DATE DRILLED	TOTAL DEPTH	HOLE SIZE	CSG SIZE	SET AT	SX. CMT.	CMT. TOP	MTD.	HOLE SIZE	CSG SIZE	SET AT	SX. CMT.	CMT. TOP	MTD.	COMPLETION	REMARKS
30-025-08635	Gulf Oil Corporation	JFYSU	148	I	PA	1980'	N	330'	E	H	23	22S	35E	Jun-56	3,948'	12 1/4"	8 5/8"	335'	175	Surface	Circ.	7 7/8"	5 1/2"	3,947'	Note	1,690'	T.S.	3,810'-3,928'	305 Sx. Cmt. + 462 Cu. Ft. Diacel "D" PA'd 6/74. Schematic Attached
30-025-08637	Quantum Resources	JFYSU	147	I	Active	660'	N	660'	E	A	23	22S	35E	Oct-52	8,160'	15"	13 3/8"	287'	365	Surface	Circ.	12 1/4" 8 3/4"	9 5/8" 5 1/2"	3,736' 4,080'	1500 125	Surface 3,510'	Circ. T.S.	3,816'-3,956'	PBTD-4,078'. Well was PA'd in 1952 & Re-entered in May, 1956.
30-025-37275	Quantum Resources	JFYSU	215	P	Active	1320'	N	100'	E	A	23	22S	35E	Jun-05	4,148'	12 1/4"	8 5/8"	400'	330	Surface	Circ.	7 7/8"	5 1/2"	4,123'	850	452'	CBL	3,816'-3,972'	
30-025-38711	Quantum Resources	JFYSU	232	P	Active	1310'	N	1155'	E	A	23	22S	35E	Apr-08	4,140'	12 1/4"	8 5/8"	442'	375	Surface	Circ.	7 7/8"	5 1/2"	4,136'	900	Surface	Calc.	3,828'-4,016'	
30-025-08639	Quantum Resources	CJYPU	501	P	Active	1980'	S	1980'	W	K	24	22S	35E	Mar-56	3,950'	12 1/4"	8 5/8"	315'	150	Surface	Circ.	7 7/8"	5 1/2"	3,950'	250	2,617'	Calc.	3,820'-3,856'	5 1/2" Annulus Cemented from 336'-Surface
30-025-08640	Quantum Resources	CJYPU	502	I	Active	2310'	S	990'	W	L	24	22S	35E	May-56	3,950'	12 1/4"	9 5/8"	296'	150	Surface	Circ.	7 7/8"	5 1/2"	3,950'	250	2,617'	Calc.	3,758'-3,830'	
30-025-08641	Quantum Resources	CJYPU	503	I	Active	990'	S	2310'	W	N	24	22S	35E	Jun-56	3,840'	12 1/4"	9 5/8"	293'	150	Surface	Circ.	7 5/8"	5 1/2"	3,840'	250	2,322'	Calc.	3,704'-3,830'	Csg. Leak 1,053'-1,149' repaired 1985.
30-025-08642	J. R. Cone	CJYPU Tract 5	4	P	PA	990'	S	990'	W	M	24	22S	35E	Jul-56	3,841'	12 1/4"	9 5/8"	304'	150	Surface	Circ.	8 3/4"	7"	3,841'	250	2,303'	Calc.	3,766'-3,826'	PA'd 8/86. Schematic Attached
30-025-08643	Quantum Resources	CJYPU	201	I	Active	660'	N	660'	E	A	24	22S	35E	Dec-54	3,910'	11"	8 5/8"	302'	225	Surface	Calc.	7 7/8"	5 1/2"	3,910'	600	713'	Calc.	3,622'-3,702'	
30-025-08645	Quantum Resources	CJYPU	303	I	Active	1980'	N	1980'	E	G	24	22S	35E	Sep-56	3,854'	11"	8 5/8"	292'	225	Surface	Circ.	7 7/8"	5 1/2"	3,849'	600	652'	Calc.	3,696'-3,803'	
30-025-08646	Quantum Resources	CJYPU	304	I	Active	1980'	N	660'	E	H	24	22S	35E	Nov-56	3,823'	11"	8 5/8"	296'	225	Surface	Circ.	7 7/8"	5 1/2"	3,823'	600	626'	Calc.	3,593'-3,782'	
30-025-08649	Quantum Resources	CJYPU	110	I	Active	1980'	N	1980'	W	F	24	22S	35E	Mar-57	4,010'	12 1/4"	8 5/8"	276'	150	Surface	Circ.	7 7/8"	5 1/2"	4,010'	800	Surface	Calc.	3,754'-3,876'	Csg. Leak @ 912' repaired 11/03
30-025-08650	Quantum Resources	CJYPU	1	Supply	Active	1980'	S	660'	E	I	24	22S	35E	Apr-55	3,710'	11"	8 5/8"	1,721'	1,000	Surface	Calc.	7 7/8"	5 1/2"	3,594'	250	2,261'	Calc.	OH-3,594'-3,710'	Plugged Back. See Schematic
30-025-08651	Quantum Resources	CJYPU	602	I	Active	1980'	S	1980'	E	J	24	22S	35E	Oct-56	3,900'	11"	8 5/8"	302'	300	Surface	Circ.	7 7/8"	5 1/2"	3,900'	300	2,301'	Calc.	3,670'-3,786'	DV Tool @ 1,682' Stage 1-300 Sx. Stage 2 150 Sx. Csg. Leak 540'-571' Repaired 1985.
30-025-08652	Quantum Resources	CJYPU	603	P	Active	330'	S	2310'	E	O	24	22S	35E	Dec-56	3,900'	11"	8 5/8"	300'	200	Surface	Circ.	7 7/8"	5 1/2"	3,900'	300	2,301'	Calc.	3,722'-3,844'	DV Tool @ 1,706' 1st-300 Sx. 2nd-150 Sx.
30-025-08653	J. R. Cone	CJYPU Tract 6	4	I	PA	660'	S	990'	E	P	24	22S	35E	Feb-57	3,850'	11"	8 5/8"	338'	300	Surface	Circ.	7 7/8"	5 1/2"	3,850'	300	2,251'	Calc.	3,695'-3,778'	DV Tool @ 1,710' 1st-300 Sx. 2nd-150 Sx. PA'd 8/85. Schematic Attached
30-025-20645	J. R. Cone	CJYPU Tract 1	12	P	PA	1815'	N	830'	W	E	24	22S	35E	Aug-64	4,000'	12 1/4"	8 5/8"	320'	175	Surface	Circ.	7 7/8"	5 1/2"	3,996'	450	1,595'	Calc.	3,781'-3,904'	PA'd 8/86. Schematic Attached
30-025-32523	Quantum Resources	CJYPU	133	P	Active	1310'	N	1310'	W	D	24	22S	35E	Jun-94	4,165'	12 1/4"	8 5/8"	475'	225	Surface	Circ.	7 7/8"	5 1/2"	4,162'	150	3,353'	Calc.	3,900'-3,930'	2 Stage Cmt. Job. 1st-150 Sx. 2nd-630 Sx. Well file does not show depth of DV tool. TOC calc. based on 1st stage only.
30-025-32524	Quantum Resources	CJYPU	634	P	Active	1310'	S	1310'	E	P	24	22S	35E	Jun-94	4,090'	12 1/4"	8 5/8"	1,270'	350	Surface	Circ.	7 7/8"	5 1/2"	4,090'	200	3,023'	Calc.	3,621'-3,896'	2 Stage Cmt. Job. 1st-200 Sx. 2nd. 800 Sx. Well file does not show depth of DV tool. TOC calc. based on 1st stage only.
30-025-33044	Quantum Resources	CJYPU	336	P	Active	1340'	N	1310'	E	H	24	22S	35E	Jul-95	4,050'	12 1/4"	8 5/8"	420'	350	Surface	Circ.	7 7/8"	5 1/2"	4,048'	125	207'	Calc.	3,625'-3,944'	2 Stage Cmt. Job. 1st-125 Sx. 2nd-600 Sx. DV Tool @ 3,380'.
30-025-33058	Quantum Resources	CJYPU	638	P	Active	2575'	S	1310'	E	I	24	22S	35E	Feb-96	3,915'	12 1/4"	8 5/8"	424'	350	Surface	Circ.	7 7/8"	5 1/2"	3,914'	550	982'	Calc.	3,644'-3,752'	
30-025-33059	Quantum Resources	CJYPU	239	P	Active	1310'	N	2630'	E	B	24	22S	35E	Feb-96	3,950'	12 1/4"	8 5/8"	454'	350	Surface	Circ.	7 7/8"	5 1/2"	3,949'	550	1,017'	Calc.	3,671'-3,826'	
30-025-37277	Quantum Resources	JFYSU	216	P	Active	2540'	N	140'	W	E	24	22S	35E	Sep-05	4,170'	12 1/4"	8 5/8"	420'	325	Surface	Circ.	7 7/8"	5 1/2"	4,170'	950	Surface	Circ.	3,806'-3,944'	
30-025-08960	Quantum Resources	Closson "B" Fed	15	P	Active	1980'	N	330'	W	E	19	22S	36E	Jan-60	3,810'	12 1/4"	8 5/8"	1,613'	850	Surface	Calc.	7 7/8"	5 1/2"	3,801'	600	705'	Calc.	3,554'-3,806'	
30-025-08961	Quantum Resources	Closson "B" Fed	18	SWD	Active	660'	S	660'	W	M	19	22S	36E	Jun-60	3,909'	12 1/4"	8 5/8"	1,622'	800	Surface	Calc.	7 7/8"	5 1/2"	3,909'	700	319'	Calc.	3,748'-3,834'	
30-025-08666	Quantum Resources	CJYPU	704	P	Active	660'	N	990'	E	A	25	22S	35E	Mar-57	3,850'	11"	8 5/8"	340'	300	Surface	Circ.	7 7/8"	5 1/2"	3,850'	300/150	2,251'/908'	Calc.	3,604'-3,812'	DV Tool @ 1,710'
30-025-33155	Quantum Resources	CJYPU	742	P	Active	10'	N	330'	E	A	25	22S	35E	Mar-96	3,920'	12 1/4"	8 5/8"	409'	325	Surface	Circ.	7 7/8"	5 1/2"	3,920'	550	Surface	Circ.	3,637'-3,786'	
30-025-38940	Quantum Resources	JFYSU	148	I	Active	1940'	N	362'	E	H	23	22S	35E	Dec-08	4,155'	12 1/4"	8 5/8"	413'	375	Surface	Circ.	7 7/8"	5 1/2"	4,150'	700	Surface	Circ.	3,812'-3,988'	Squeezed Perfs: 3,638'-3,784'
30-025-08958	Quantum Resources	Closson "B" Fed	8	P	Active	660'	N	330'	W	L	19	22S	36E	Feb-56	3,610'	12 1/4"	8 5/8"	1,592'	900	Surface	Circ.	7 7/8"	5 1/2"	3,540'	700	Surface	Circ.	3,531'-3,610'	
30-025-27452	ARCO Oil & Gas Co.	State "731"	2	P	PA	660'	N	330'	E	A	26	22S	35E	Sep-81	4,000'	12 1/4"	8 5/8"	1,751'	800	Surface	Circ.	7 7/8"	5 1/2"	3,997'	950	Surface	Circ.	3,788'-3,900'	PA'd 4/89. Schematic Attached
30-025-37506	Melrose Operating Co.	JFYSU	232A	P	ND	1310'	N	1155'	E	A	23	22S	35E																Well Never Drilled-APD Expired
30-025-38942	Quantum Resources	JFYSU	245G	P	ND	1941'	N	1651'	E	G	23	22S	35E																Well Never Drilled-APD Expired
30-025-38919	Quantum Resources	CJYPU	144	P	ND	2630'	N	2627'	E	G	24	22S	35E																Well Never Drilled-APD Expired
30-025-38920	Quantum Resources	CJYPU	145	P	ND	2560'	N	1410'	W	F	24	22S	35E																Well Never Drilled-APD Expired

Gulf Oil Corporation
JFYSU No. 148
API No. 30-025-08635
1980' FNL & 330' FEL, Unit H
Section 23, T-22S, R-35E



10 Sx. Cement. Surface-100'

12 1/4" Hole; 8 5/8" Csg. Set @
335'. Cemented w/175 Sx.
Cement circulated to surface.

Drilled: 6/56
Plugged: 6/74

TOC @ 1,690' by T.S.

15 Sx. 1,850'-2,000' across salt

Mud placed between plugs

CIBP @ 3,750'. Spot 5 Sx.
cement on top of CIBP

Perforations: 3,810'-3,928'

7 7/8" Hole; 5 1/2" Csg. Set @ 3,947'
Cemented w/ 305 Sx. Cmt. + 462 Cu. Ft. of
Diacel "D". TOC @ 1,690' by T.S.

T.D. 3,948'

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OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease
State Fee
5. State Oil & Gas Lease No.
13137

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. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- Water Injection Well Jalmat	7. Unit Agreement Name Field Yates Sand Unit
2. Name of Operator Gulf Oil Corporation	8. Farm or Lease Name
3. Address of Operator Box 670, Hobbs, New Mexico 88240	9. Well No. 148
4. Location of Well UNIT LETTER H , 1980 FEET FROM THE North LINE AND 330 FEET FROM THE East LINE, SECTION 23 TOWNSHIP 22-S RANGE 35-E NMPM.	10. Field and Pool, or Wildcat Jalmat
15. Elevation (Show whether DF, RT, GR, etc.) 3595' GL	12. County Lea

18. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input type="checkbox"/>

Plugged and abandoned.

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

3948' TD, 3938' PB.
Ran CI BP and set at 3750'. Loaded hole with gel water. Spotted 5 sack cement plug on top of BP. Spotted 15 sack cement plug from 2000' to 1850', across salt. Spotted 10 sack cement plug from 100' to surface. Installed dry hole marker and cleaned location. Plugged and abandoned June 18, 1974.

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

SIGNED [Signature] TITLE Area Engineer DATE June 18, 1974
APPROVED BY [Signature] TITLE Geologist DATE _____
CONDITION OF APPROVAL, IF ANY:

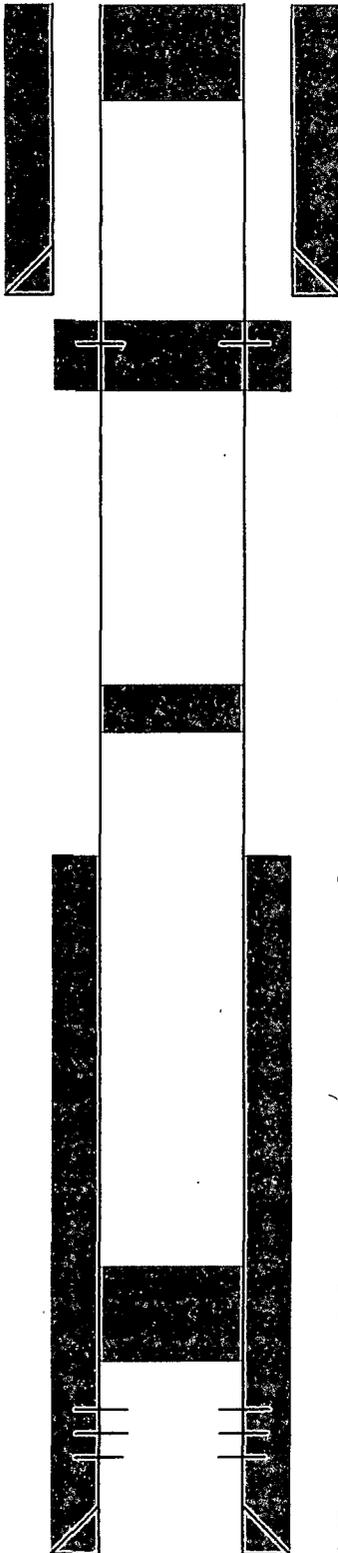
J. R. Cone

Cone Jalmat Yates Pool Unit Tract 5 No. 4

API No. 30-025-08642

990' FSL & 990' FWL, Unit M

Section 24, T-22S, R-35E



10 Sx. Surface plug

**12 1/4" Hole; 9 5/8" Csg. Set @
304'. Cemented w/150 Sx.
Cement circulated to surface.**

**Perf. 4 Holes @ 354'. Set 7" pkr. @
250'. Pump 50 Sx. Cmt. Tag plug
@ 314'.**

25 Sx. Cmt. Plug 1,609'-1,709'

Calculated TOC @ 2,303'

Mud placed between plugs.

**Set 25 Sx. Cmt. Plug 3,500'-3,618'.
Tagged @ 3,500'**

Perforations: 3,766'-3,826'

**8 3/4" Hole; 7" Csg. Set @ 3841'. Cemented
w/ 250 Sx. Calculated TOC @ 2,303'.**

T.D. 3,841'

Drilled: 7/56

Plugged: 8/86

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LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.

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. OIL WELL GAS WELL OTHER- Injection

2. Name of Operator
J. R. Cone

3. Address of Operator
P.O. Box 871, Lubbock, Tx 79408

4. Location of Well
UNIT LETTER M 990 FEET FROM THE South LINE AND 990 FEET FROM
THE West LINE, SECTION 24 TOWNSHIP 22S RANGE 35E NMPM.

7. Unit Agreement Name

Cone Jalmat Yates Pool Unit

8. Farm or Lease Name

9. Well No.

Tract 5 No. 4

10. Field and Pool, or Wildcat
Jalmat Yates

15. Elevation (Show whether DF, RT, GR, etc.)
3608' GR

12. County
Lea

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK
TEMPORARILY ABANDON
PULL OR ALTER CASING
OTHER Shut In

PLUG AND ABANDON
CHANGE PLANS

SUBSEQUENT REPORT OF:

REMEDIAL WORK
COMMENCE DRILLING OPNS.
CASING TEST AND CEMENT JOB
OTHER

ALTERING CASING
PLUG AND ABANDONMENT

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 25 SX Plug 3618 to 3518 Tag plug @ 3500'
- Load & Circulate 7" CSG w/10# Brine & Salt Jel Mud
- 25 SX Plug 1709 to 1609
- Perf 4--1/2 Holes @354
- Run & Set 7" PKR @ 250'. Mix & Pump 50 SX Class "C". Displace to 300'. Tag plug @ 314'
- 10 SX @ Surf. Install D.H. Marker.

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

SIGNED Leonard Coffey TITLE Agent DATE 8-1-86

APPROVED BY R. A. Sullivan TITLE OIL & GAS INSPECTOR DATE NOV 19 1987

CONDITIONS OF APPROVAL, IF ANY:

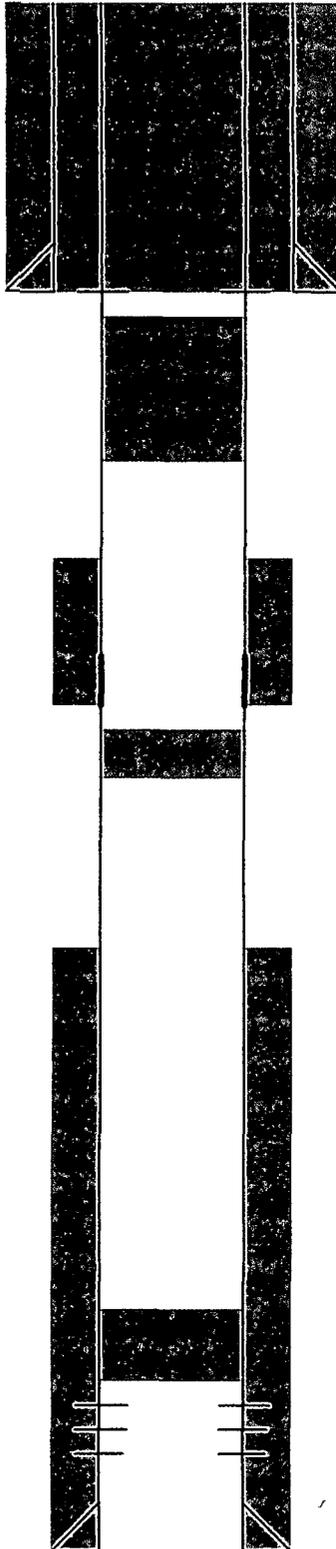
J. R. Cone

Cone Jalmat Yates Pool Unit Tract 6 No. 4

API No. 30-025-08653

660' FSL & 990' FEL, Unit P

Section 24, T-22S, R-35E



10 Sx. surface plug

11" Hole; 8 5/8" Csg. Set @ 338'
Cemented w/300 Sx. Cement
circulated to surface.

Perf. Csg. @ 340' & circulated
cement to surface.

Drilled: 2/57

Plugged: 8/85

Set cmt. plug 400'-650'
Tagged @ 400'

Csg. Leak 507'-859' squeezed w/1150 Sx.
Casing would not hold pressure.

DV Tool @ 1,710' 2nd
Stage cement 914'-1,710'

100' Cmt. Plug 1,725'-1,825'

TOC @ 2,251 by Calc.

Mud placed between plugs

100' Cmt plug @ 3,600'

Perforations: 3,695'-3,778'

7 7/8" Hole; 5 1/2" Csg. Set @ 3,850' 2 stage
cement job. 1st Stage-300 Sx. 2nd Stage-150 Sx.
DV Tool @ 1,710' TOC calc. @ 2,251'

T.D. 3,850'

Form C-108, CJYPU 401 & 605

Quantum Resources Mgt., LLC

PA Schematic

CJYPU Tract 6 No. 4

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OPERATOR	

CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

5a. Indicate Type of Lease
State Fee
5. State Oil & Gas Lease No.
E-396-2

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. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- Injection	7. Unit Agreement Name Cone Jalmat Yates Pool Unit
2. Name of Operator J.R. Cone	8. Farm or Lease Name Tract 6
3. Address of Operator P.O. Box 10217 Lubbock, TX 79408	9. Well No. 4
4. Location of Well UNIT LETTER P 660 FEET FROM THE South LINE AND 665 FEET FROM THE East LINE, SECTION 24 TOWNSHIP 22S RANGE 35E NMPM.	10. Field and Pool, or Wildcat Jalmat (Oil)
15. Elevation (Show whether DF, RT, GR, etc.) 3570.4 Gr; 3580 KB	12. County Lea

16. 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 OTHER

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
CASING TEST AND CEMENT JOB OTHER

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Basic well data: Formerly Schermerhorn Amerada-State Well No. 4. Top Yates 3636' KB; TD 3850; 5-1/2" casing cemented in two stages-300sx around shoe and 150sx thru DV tool at 1710'. Casing perforated 3763-3778'. Initial completion as oil well March 1957.

Operation to convert to water injection conducted April 3 through 6, 1967.

July 23, 1985: Pulled 2-3/8" tubing and packer, picked up bit, collars and 2-7/8" tubing; cleaned out to 3781'. Set Halliburton E.Z. drill B.P. at 3601'. Casing leak from 507 to 859', 3-1/2 barrels per minute at 450 psi. Pumped 500sx cement and shut down. Tagged cement 469' and drilled cement thru 904'.

July 30, 1985: Pumped 250sx cement and washed away. Pumped 400sx cement at 1000 psi shut in pressure and shut down.

August 1, 1985: Tagged cement at 369' and drilled cement to 926'. Casing would not hold. Set 100' cement plug at 3600', set plug 1725 to 1825', set plug 450 to 650' and let set one hour and tagged cement at 400'. Perforated at 340'

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

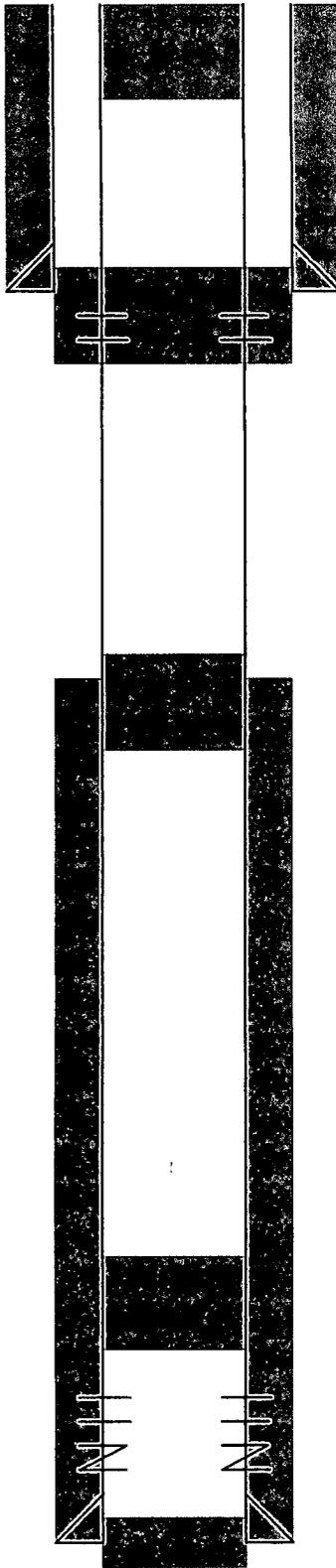
and circulated cement to surface. Installed dry hole marker.

SIGNED James R. Conroy TITLE Agent DATE 10/24/85

APPROVED BY R. Adair TITLE OIL & GAS INSPECTOR DATE APR 13 1988

CONDITIONS OF APPROVAL, IF ANY:

**J. R. Cone
Cone Jalmat Yates Pool Unit Tract 1 No. 1
API No. 30-025-20645
1815' FNL & 830' FWL, Unit E
Section 24, T-22S, R-35E**



10 Sx. Surface plug.

12 1/4" Hole; 8 5/8" Csg. Set @
320'. Cemented w/175 Sx.
Cement circulated to surface.

Perf. 5 1/2" csg. @ 370'. Set Pkr.
@ 252'. Pump 50 sx. Tag plug
@ 310'.

TOC @ 1,595' by Calc.
20 Sx. 1528'-1,702'

Mud placed between plugs

20 Sx. Cmt. 3,450'-3,755'
Tagged @ 3,450'

Perforations: 3,781'-3,937'
Squeezed w/ 200 Sx.
Re-perforated 3,781'-3,904'

7 7/8" Hole; 5 1/2" Csg. Set @ 3,996'
Cemented w/ 450 Sx. TOC @ 1,595' by Calc.

P.B.T.D.-3,978'

T.D. 4,000'

**Drilled: 8/64
Plugged: 8/86**

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LAND OFFICE		
OPERATOR		

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.

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. OIL WELL GAS WELL OTHER- _____

2. Name of Operator
J. R. Cone

3. Address of Operator
Box 871, Lubbock, Tx 79408

4. Location of Well
UNIT LETTER E _____ 1850 FEET FROM THE North LINE AND 830 FEET FROM
THE West LINE, SECTION 24 TOWNSHIP 22-S RANGE 35-E NMPM.

7. Unit Agreement Name
Cone Jalmat Yates Pool Un

8. Farm or Lease Name
Tract 1

9. Well No.
12

10. Field and Pool, or Wildcat

11. Elevation (Show whether DF, RT, GR, etc.)
3602 GR; 3614 KB (datum).

12. County
Lea

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK

TEMPORARILY ABANDON

PULL OR ALTER CASING

OTHER _____

PLUG AND ABANDON

CHANGE PLANS

SUBSEQUENT REPORT OF:

REMEDIAL WORK

COMMENCE DRILLING OPNS.

CASING TEST AND CEMENT JOB

OTHER _____

ALTERING CASING

PLUG AND ABANDONMENT

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 20 SX Plug 3755' to 3510'. Tag Plug @ 3450'.
- Displace 5½ w/10# Brine & Salt Jel Mud.
- 20 SX Plug 1702 to 1528
- Perf. 5½--4-½ Holes @ 370'.
- Run & Set 5½ Tension PKR @ 252'. Mix & Pump 50 SX Class "C". Displace to 300'. Tag Plug @ 310'
- 10 SX Plug @ Surf.
Install D. H. Marker.

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

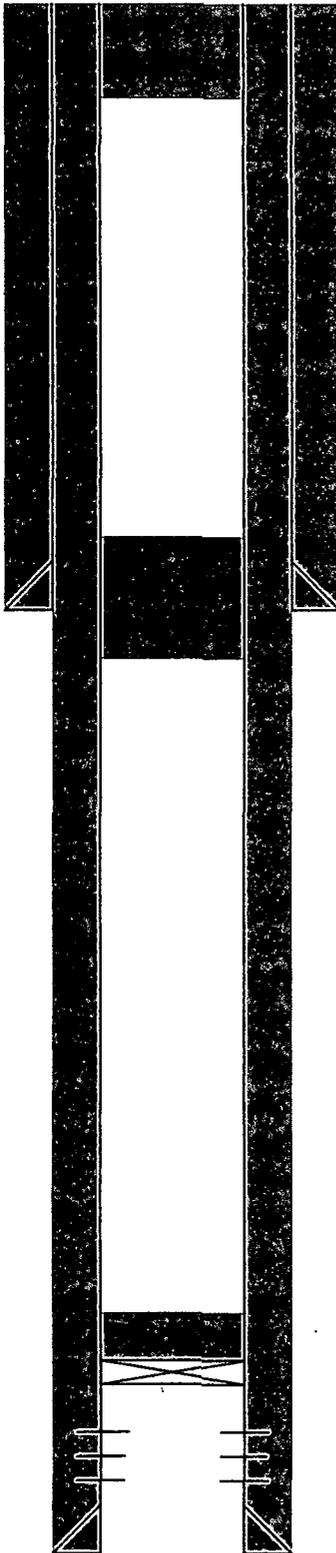
SIGNED Leonard Coffey TITLE Agent DATE 8-1-86

APPROVED BY R. H. Adkins TITLE OIL & GAS INSPECTOR DATE SEP 10 1987

CONDITIONS OF APPROVAL, IF ANY:

ARCO Oil & Gas Company
State "731" No. 2
API No. 30-025-27452
660' FNL & 330' FEL, Unit A
Section 26, T-22S, R-35E

Drilled: 9/81
Plugged: 4/89



Set 50 sx. cement plug 0-90'

12 1/4" Hole; 8 5/8" Csg. Set @ 1,751'.
Cemented w/800 Sx.
Cement circulated to surface.

Set 50 sx. plug 1,327'-1,817'

Mud placed between plugs

Set CIBP @ 3,750'. Spot 10
sx. cement on top of CIBP

Perforations: 3,788'-3,900'

7 7/8" Hole; 5 1/2" Csg. Set @ 3,997'
Cemented w/950 Sx.
Cement circulated to surface

T.D. 4,000'

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-025-27645
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-8077

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.)

7. Lease Name or Unit Agreement Name State 731

1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER
--

8. Well No. 2

2. Name of Operator ARCO OIL AND GAS COMPANY

9. Pool name or Wildcat Jalmat Yates SR
--

3. Address of Operator P. O. Box 1610, Midland, Texas 79702
--

4. Well Location Unit Letter <u>A</u> : <u>660</u> Feet From The <u>North</u> Line and <u>330</u> Feet From The <u>East</u> Line Section <u>26</u> Township <u>22S</u> Range <u>35E</u> NMFM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3565.4 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>
OTHER: <input type="checkbox"/>
SUBSEQUENT REPORT OF:
REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

4-3-89. RUPU POH w/CA. P & A;d as follows:

Plug	Interval	Cmt	Remarks
1	3660-3750	10	Set CIBP at 3750. Press test csg to 500#.OK. Spot Cmt.
2	1327-1817	50	Spot
3	0-90	50	Spot

CO WH & weld on Dry Hole marker. P & A'd 4-5-89.

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

SIGNATURE Ken W. Gosnell TITLE Engr. Tech. DATE 5-8-89

TYPE OR PRINT NAME Ken W. Gosnell TELEPHONE NO. 915/688-5672

OIL & GAS INSPECTOR
JUN 21 1989

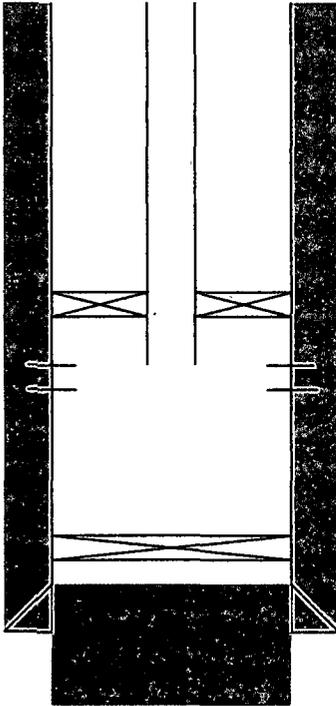
(This space for State Use)

APPROVED BY R. A. Sadler TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

R N

**Melrose Operating Company
Cone Jalmat Yates Pool Unit No. 1
API No. 30-025-08650
1980' FSL & 660' FEL, Unit I
Section 24, T-22S, R-35E**



Cement Plug- 60' to surface

2 7/8" EUG Tbg.

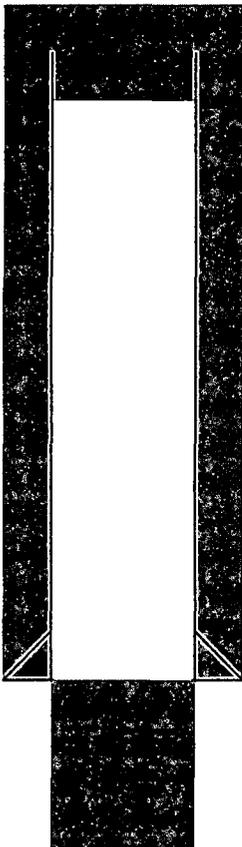
Santa Rosa Perfs: 900'-1,040'

CIBP @ 1,680'

**11" Hole; 8 5/8" Csg. Set @
1,721'. Cemented w/1000 Sx.
TOC @ surface by Calc.**

25 Sx. @ 1,730'

**Drilled: 4/55
Plugged Back: 1965**



TOC @ 2,261' by Calc.

**Cut & pulled 2,525' of 5 1/2" csg.
Spot 25 Sx. Cmt. @ csg. Stub.**

**7 7/8" Hole; 5 1/2" Csg. Set @ 3,594'
Cemented w/ 250 Sx. TOC @ 2,261' by Calc.**

**Open Hole producing interval 3,594'-
3,710'. Set 30 Sx. Cmt. Plug.**

T.D. 3,710'

**Form C-108, CJYPU 401 & 605
Quantum Resources Mgt., LLC
Plug-back Schematic
CJYPU No. 1**



New Mexico Office of the State Engineer
Water Column/Average Depth to Water

No records found.

PLSS Search:

Section(s): 23, 24, 25, 26 **Township:** 22S **Range:** 35E

**Form C-108, CJYPU 401 & 605
Quantum Resources Mgt., LLC
State Engineer-Fresh Water Data**

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

6/9/11 3:10 PM

Page 1 of 1

WATER COLUMN/ AVERAGE
DEPTH TO WATER

Analytical Laboratory Report for:



BJ Batchelor
Chemical Services

**MELROSE OPERATING
COMPANY**

UNICHEM Representative: Hanson, Lavell

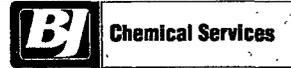
Production Water Analysis

Listed below please find water analysis report from: Jalmat Sand Unit, IPD

Lab Test No:	2003144500	Sample Date:	11/03/2003
Specific Gravity:	1.054		
TDS:	80968		
pH:	7.50		

Cations:	mg/L	as:
Calcium	2860	(Ca ⁺⁺)
Magnesium	3086	(Mg ⁺⁺)
Sodium	27413	(Na ⁺)
Iron	9.00	(Fe ⁺⁺)
Barium	2.40	(Ba ⁺⁺)
Strontium	58.30	(Sr ⁺⁺)
Manganese	1.04	(Mn ⁺⁺)
Anions:	mg/L	as:
Bicarbonate	706	(HCO ₃ ⁻)
Sulfate	1650	(SO ₄ ⁻)
Chloride	45200	(Cl ⁻)
Gases:		
Carbon Dioxide	60	(CO ₂)
Hydrogen Sulfide	68	(H ₂ S)

Analytical
Laboratory
Report for:
**MELROSE
OPERATING
COMPANY**



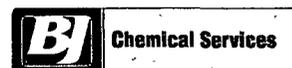
UNICHEM Representative: Hanson, Lavell

Production Water Analysis

Listed below please find water analysis report from: CONE JALMAT UNIT, WSW

Lab Test No: 2006147548 Sample Date: 11/09/2006
Specific Gravity: 1.002
TDS: 1386
pH: 8.10

Cations:	mg/L	as:
Calcium	10.00	(Ca ⁺⁺)
Magnesium	7.40	(Mg ⁺⁺)
Sodium	342	(Na ⁺)
Iron	20.10	(Fe ⁺⁺)
Barium	0.03	(Ba ⁺⁺)
Strontium	0.14	(Sr ⁺⁺)
Manganese	0.27	(Mn ⁺⁺)
Anions:	mg/L	as:
Bicarbonate	427	(HCO ₃ ⁻)
Sulfate	375	(SO ₄ ⁼)
Chloride	204	(Cl ⁻)
Gases:		
Carbon Dioxide	0	(CO ₂)
Hydrogen Sulfide	0	(H ₂ S)



DownHole SAT™ Scale Prediction
@ 100 deg. F

Mineral Scale	Saturation Index	Momentary Excess (lbs/1000 bbls)
Calcite (CaCO ₃)	1.2	.319
Aragonite (CaCO ₃)	1.01	.0252
Witherite (BaCO ₃)	.00186	-4.4
Strontianite (SrCO ₃)	.056	-1.07
Magnesite (MgCO ₃)	.804	-.386
Anhydrite (CaSO ₄)	.00533	-439.6
Gypsum (CaSO ₄ *2H ₂ O)	.00764	-401.34
Barite (BaSO ₄)	.924	-.00147
Celestite (SrSO ₄)	.00419	-22.21
Silica (SiO ₂)	0	-57.01
Brucite (Mg(OH) ₂)	< 0.001	-2.26
Magnesium silicate	0	-83.18
Siderite (FeCO ₃)	1876	3.12
Halite (NaCl)	< 0.001	-152333
Thenardite (Na ₂ SO ₄)	< 0.001	-36590
Iron sulfide (FeS)	0	-.0011

Interpretation of DHSat Results:

The Saturation Index is calculated for each mineral species independently and is a measure of the degree of supersaturation (driving force for precipitation) under the conditions modeled. This value ranges from 0 to infinity with 1.0 representing a condition of equilibrium where scale will neither dissolve nor precipitate. Values less than 1.0 are undersaturated and values greater than 1.0 are supersaturated. The scale is logarithmic, i.e. a Saturation Index of 3 is 10 times more saturated than a value of 2.

The Momentary excess is a measure of how much scale would have to precipitate to bring the system back to a non-scaling condition. This value ranges from negative (dissolving) infinity to positive (precipitating) infinity. The Momentary Excess represents the amount of scale possible while the Saturation Level represents the probability that scale will form.

O. BOX 2187
HOBBS, N.M. 88240



PHONE: (505) 393-77

WATER ANALYSIS REPORT

Report for: John Pool
cc: Chuck Morgan
cc: Cam Robbins
cc:
Company: SDX Reseures, Inc.
Address:
Service Engineer: John Cornwell

Date sampled: 02/23/95
Date reported: 03/01/95
Lease or well #: JalMat #11
County: State:
Formation:
Depth:
Submitted by: John Cornwell

CHEMICAL COMPOSITION :	mg/L	meq/L
Chloride (Cl)	4000	113
Iron (Fe) (total)	1.0	
Total hardness	1500	
Calcium (Ca)	320	16
Magnesium (Mg)	170	14
Bicarbonates (HCO3)	414	7
Carbonates (CO3)	0	
Sulfates (SO4)	540	11
Hydrogen sulfide (H2S)	0	
Carbon dioxide (CO2)	0	
Sodium (Na)	2327	101
Total dissolved solids	7773	
Barium (Ba)	n/a	
Strontium (Sr)	n/a	

Specific Gravity 1.005
Density (#/gal.) 8.375
pH 7.080
IONIC STRENGTH 0.15

Stiff-Davis (CaCO3) Stability Index :

$$SI = pH - pCa - pAlk - K$$

$$SI @ 86 F = +0.20$$

$$104 F = +0.42$$

$$122 F = +0.66$$

$$140 F = +0.91$$

$$158 F = +1.18$$

Form C-108, CJYPU 401 & 605
Quantum Resources Mgt., LLC
Water Analysis
Fresh Water Well

This water is 2406 mg/l (-79.35%) under ITS CALCULATED
CaSO4 saturation value at 82 F.
SATURATION= 3032 mg/L PRESENT= 626 mg/L

Form C-108
Affirmative Statement
Quantum Resources Management, LLC
Cone Jalmat Yates Pool Unit Wells No. 401 and 605
Sections 23 & 24, T-22 South, R-35 East, NMPM,
Lea County, New Mexico

Available geologic and engineering data has been examined and no evidence of open faults or hydrological connection between the injection zone and any underground sources of drinking water has been found.

David Catanach

David Catanach
Agent-Quantum Resources Management, LLC

7/5/11

Date

July 5, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: OFFSET LEASEHOLD OPERATORS & SURFACE OWNER

Re: Quantum Resources Management, LLC
Form C-108 (Application for Authorization to Inject)
Cone Jalmat Yates Pool Unit Wells No. 401 and 605
Cone Jalmat Yates Pool Unit Waterflood Project
Sections 23 & 24, T-22 South, R-35 East, NMPM,
Lea County, New Mexico

Ladies & Gentlemen:

Enclosed please find a copy of Oil Conservation Division Form C-108 (Application for Authorization to Inject) for the Quantum Resources Management, LLC Cone Jalmat Yates Pool Unit Wells No. 401 and 605 located, respectively, in Sections 23 and 24, T-22 South, R-35 East, NMPM. You are being provided a copy of the application as an offset operator, offset leaseholder or surface owner. The proposed expansion of the Cone Jalmat Yates Pool Unit Waterflood Project will allow the completion of an efficient injection/production pattern within the Unit Area.

Objections must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

If you should have any questions, please contact me at (505) 690-9453.

Sincerely,

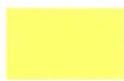
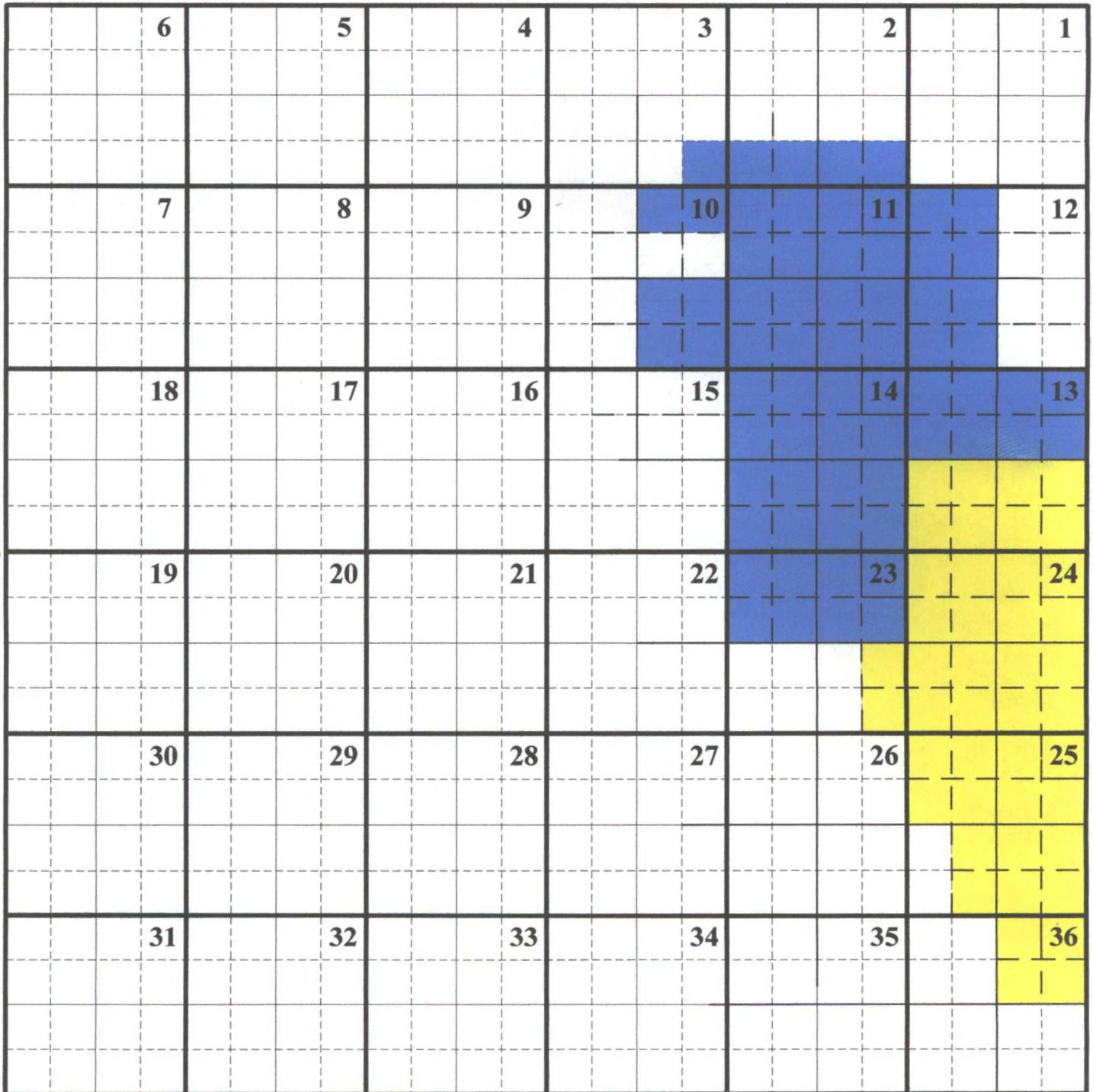


David Catanach-Agent
Quantum Resources Management, LLC
1401 McKinney Street, Suite 2400
Houston, Texas 77010

Enclosure

35 East

22S



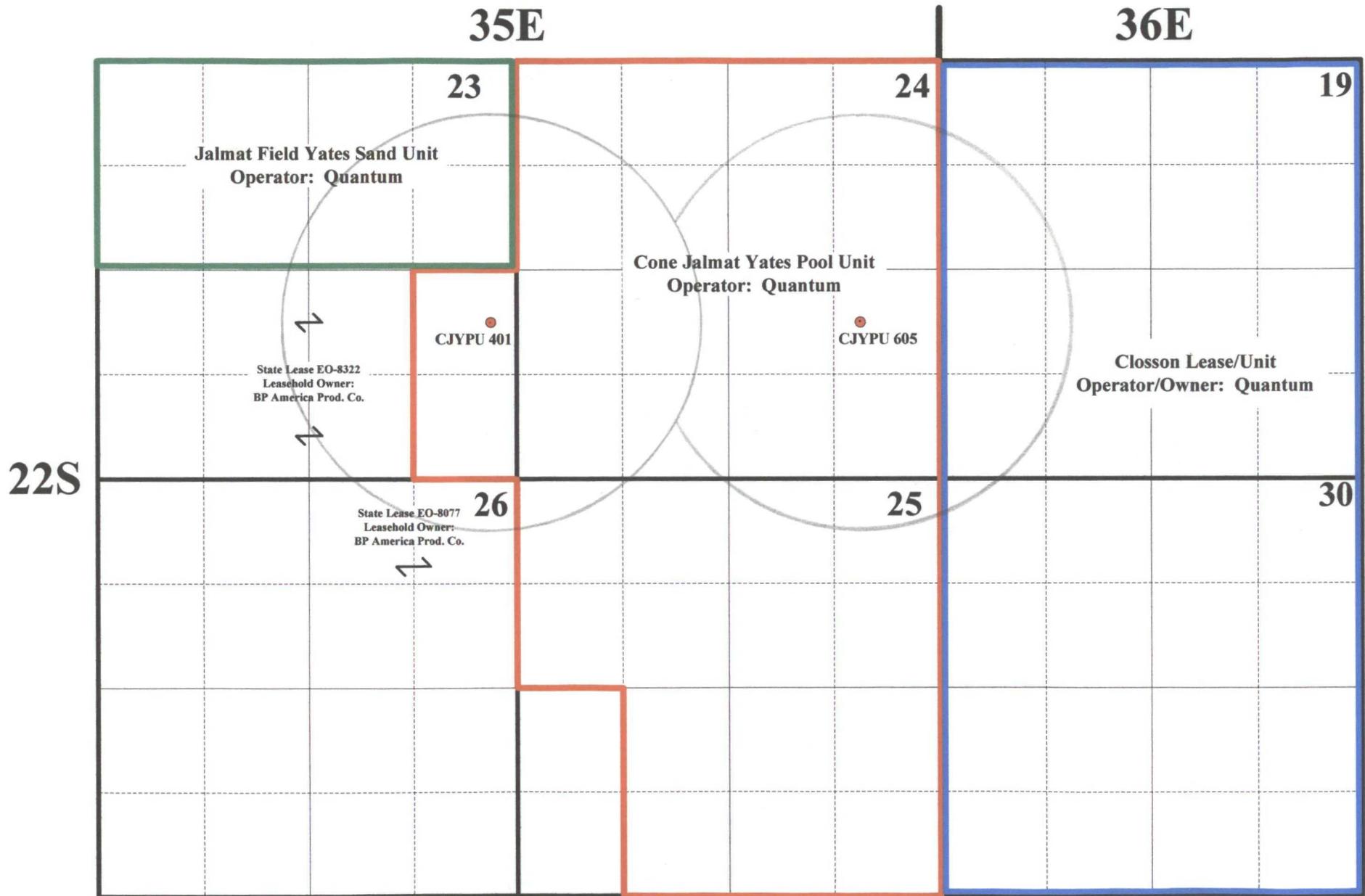
Cone Jalmat Yates Pool Unit Area



Jalmat Field Yates Sand Unit Area

Quantum Resources Management, LLC

Quantum Resources Management, LLC
Form C-108: CJYPU Wells No. 401 & 605
Offset Operator/Leasehold Owner Identification Plat



Quantum Resources Management, LLC
Form C-108; Cone Jalmat Yates Pool Unit Wells No. 401 & 605
Sections 23 and 24, T-22S, R-35 East, NMPM, Lea County, New Mexico

Offset Operator/Leasehold Owner Notification List

All of the offset acreage within ½ mile of the Cone Jalmat Yates Pool Unit Wells No. 401 and 605 **with the exception of the following-described acreage** is contained within either the Jalmat Field Yates Sand Unit or the Cone Jalmat Yates Pool Unit. Both of these secondary recovery units are owned and operated by Quantum Resources Management, LLC:

W/2 W/2, SE/4 NW/4 & E/2 SW/4 of Section 19, T-22S, R-36E	*Closson Federal Lease Leasehold Operator/Owner: Quantum Resources Management, LLC
--	--

NW/4 NW/4 of Section 30, T-22S, R36E	*Closson Federal Lease Leasehold Owner: Quantum Resources Management, LLC
--------------------------------------	---

N/2 NE/4 of Section 26, T-22S, R-35E	State Lease No. EO-8077 Leasehold Owner: BP America Production Co. P.O. Box 3092 Houston, Texas 77079
--------------------------------------	---

W/2 SE/4 & E/2 SW/4 of Section 23, T-22S, R-35E:	State Lease No. EO-8322 Leasehold Owner: BP America Production Co.
---	--

Surface Owner

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Additional Notice

Oil Conservation Divison (Hobbs Office)
1625 N. French Drive
Hobbs, New Mexico 88240

*(The working interest ownership between the Cone Jalmat Yates Pool Unit and the Closson Federal Lease is common.)

Affidavit of Publication

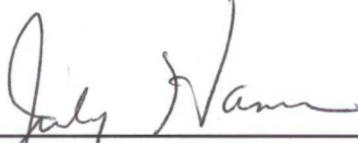
State of New Mexico,
County of Lea.

I, JUDY HANNA
PUBLISHER

of the Hobbs News-Sun, a
newspaper published at Hobbs, New
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issue of said newspaper, and not a
supplement thereof for a period

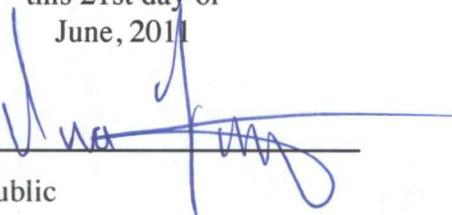
of 1 issue(s).

Beginning with the issue dated
June 16, 2011
and ending with the issue dated
June 16, 2011



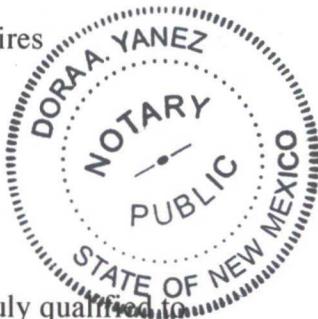
PUBLISHER

Sworn and subscribed to before me
this 21st day of
June, 2011



Notary Public

My commission expires
February 09, 2013
(Seal)



This newspaper is duly qualified to
publish legal notices or
advertisements within the meaning of
Section 3, Chapter 167, Laws of
1937 and payment of fees for said
publication has been made.

02108664 00074403
DAVID CATANACH
REGULATORY CONSULTANT
1142 VUELTA DE LAS ACEQUIAS
SANTA FE, NM 87507

LEGAL NOTICE
JUNE 16, 2011

Quantum Resources Management, LLC, 1401 McKinney Street, Suite 2400, Houston, Texas 77010 has filed a Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division seeking administrative approval to convert the following-described wells to waterflood injection wells within the Cone Jalmat Yates Pool Unit Waterflood Project, Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool, Lea County, New Mexico:

CJYPU Well No. 401	API No. 30-025-08634
	1980' FSL & 330' FEL (Unit I) ✓
	Section 23, T-22S, R-35E
	Injection Interval: 3,818'-3,932'
	Tansill-Yates-Seven Rivers

CJYPU Well No. 605	API No. 30-025-08654
	1980' FSL & 990' FEL (Unit I) ✓
	Section 24, T-22S, R-35E
	Injection Interval: 3,614'-3,805'
	Tansill-Yates-Seven Rivers

Produced water from the Jalmat Oil & Gas Pool and source water from the Santa Rosa formation will be injected into the wells at average and maximum rates of 300 and 1,000 barrels of water per day, respectively. The average and maximum surface injection pressure for each well is anticipated to be 1,100 psi.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication.

Additional information can be obtained by contacting Mr. David Catanach-Agent Quantum Resources Management, LLC at (505) 690-9453 #26684



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

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

Daniel Sanchez
Acting Division Director
Oil Conservation Division



Administrative Order IPI-394
March 18, 2011

Quantum Resources Management, LLC
1401 McKinney St., Suite 2400
Houston, Texas 77010

Attention: Mr. David Catanach (Agent)

RE: Injection Pressure Increase Request

R-2494, R-2495, WFX-180, WFX-206, WFX-853, and WFX-324
Jalmat; Tansill-Yates-Seven Rivers Oil Pool (33820)
Lea County, New Mexico

Reference is made to your request on behalf of Quantum Resources Management, LLC (OGRID 243874) received by the Division February 22, 2011, to increase the surface injection pressure limit on a unit-wide basis for all injection wells within its Cone Jalmat Yates Pool Waterflood Project located within the Jalmat; Tansill-Yates-Seven Rivers Oil Pool (33820) located in portions of Sections 25, 26, 34, 35 and 36, township 17 South, Range 28 East, and Sections 2 & 3, Township 18 South, Range 28 East, NMPM, Lea County, New Mexico.

The unitized interval of this Unit is defined in Division Order No R-2494. The original Division Order R-2495 permitted injection wells in the Cone Jalmat Yates Pool Unit ("CJYPU") but failed to list the maximum allowed pressure..

Administrative Orders WFX-853 granted a wellhead maximum pressure limit of 0.2 psi per foot of depth to the uppermost injection perforations..

It is our understanding the wells are in need additional surface injection pressure to balance injection and withdrawal rates in order to optimize waterflood operations.

The basis for granting these pressure increases are the nine step rate tests run by Quantum in 2010 and 2011.



Administrative Application IPI-394
Quantum Resources Management, LLC
March 18, 2011
Page 3 of 4



J. Daniel Sanchez
Acting Director

JDS/tw

cc: Oil Conservation Division –Hobbs
New Mexico State Land Office - Santa Fe

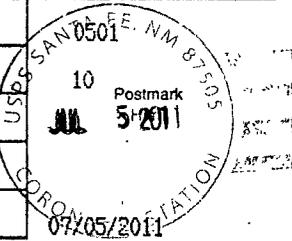
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Sent To **BP America Production Company**
 Street, Apt. No. or PO Box No. **P.O. Box 3092**
 City, State, ZIP+4 **Houston, Texas 77079**

PS Form 3800, August 2006 See Reverse for Instructions

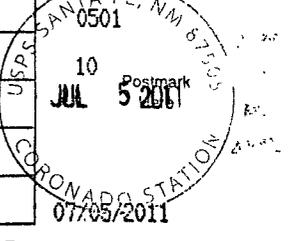
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 Street, Apt. No. or PO Box No. **P.O. Box 1148**
 City, State, ZIP+4 **Santa Fe, New Mexico 87504-1148**

PS Form 3800, August 2006 See Reverse for Instructions