

Order Number		API Number		Operator		County	
485		30-225-40299		Quantum Resources		Lea	
Order Date		Well Name		Number		Location	
12-21-11		Encore m state		5		A 19 22S 37E UL Sec T (+Dir) R (+Dir)	
				Oil %		Gas %	
Pool 1	6660	Blindery D+G		33%		33%	
Pool 2	19190	Drinkard		33%		33%	
Pool 3	62700	Wantz Abo		33%		33%	
Pool 4							
Comments: posted in RBPMs 12-22-2011 GH							

DHC-HDB-485

30-025-40299

DOWNHOLE COMMINGLE CALCULATIONS:OPERATOR: Quantum ResourcesPROPERTY NAME: Encore M StateWNULSTR: 5-A-19-225-37E

SECTION I:

POOL NO. 1 Blinebry O+G ALLOWABLE AMOUNT
107 428 MCFPOOL NO. 2 Drinkard 142 852 MCFPOOL NO. 3 Wantz Abo 187 1122 MCF

POOL NO. 4 _____ MCF

POOL TOTALS 436 2402

SECTION II:

POOL NO. 1 Blinebry O+G Oil Gas
33% 33%POOL NO. 2 Drinkard 33% 33%POOL NO. 3 Wantz Abo 33% X 436 = 143.88 33%POOL NO. 4 _____ <144>OILGAS

SECTION III:

33% ÷ 187 = 566.66 <567>

SECTION IV:

33% X 567 = 187.11<187733% X 567 = 187.11<187733% X 567 = 187.11<1877

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 OGD
DEC 1 2011
RECEIVED

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

Form C-103
October 13, 2009

WELL API NO. 30-025-40299 ✓
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 005 ✓
9. OGRID Number 243874 ✓
10. Pool name or Wildcat Blinebry Oil & Gas (Oil) & 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 A 639 feet from the North line and 531 feet from the East line
Section 19 Township 22S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc)
3403'

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.

The above-mentioned well will be DHC'd in the Blinebry Oil & Gas (Oil) (06660), Drinkard (19190), and Wantz;Abo (62700) pools as allowed by Order R-11363.

Blinebry perfs - 5461-5590' & Drinkard perfs - 6458-6680' & Abo perfs - 6756-6788'. It will be a fixed allocation 33 1/3% oil & gas per pool.

Commingling the above-mentioned pools will not reduce the total remaining production value.

All working, royalty and overriding royalty interests are identical in the three commingled zones.

A copy of this C-103 has been sent to the State Land Office.

Spud Date: 10/10/11 Rig Release Date: 11/17/2011

DHC-HOB-485

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

SIGNATURE Yolanda Perez TITLE Regulatory Supervisor DATE 12/13/11
Type or print name Yolanda Perez E-mail address: yperez@qracq.com PHONE: 713-634-4696

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM EXAMINER DATE DEC 21 2011
Conditions of Approval (if any):

JAN 03 2012

District J
1325 N French Dr. Hobbs NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Ed Branson 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 (cash) 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40299		Pool Code 6660	Pool Name Blinberry Oil & Gas (Oil)
Property Code 307932	Property Name Encero M State		Well Number 005
DCMU No 243874	Operator Name Quantum Resources Management, LLC		Elevation 3411'

Surface Location

UL or Int. no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
A	19	22 S	37 E		639	North	531	East	Lea

Bottom Hole Location If Different From Surface

UL or Int. no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40 acres		Joint or Indiv.	Consolidation Code	Order No. DHC-HOB-485					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNIT IF ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	16 15 14 13 12 11 10 9 8 7 6 5 4 3 2 1	17 18 19 20 21 22 23 24 25 26 27 28 29 30	16 15 14 13 12 11 10 9 8 7 6 5 4 3 2 1	
	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Name: <u>Yolanda Perez</u> Signature: <u>[Signature]</u> Printed Name: <u>Yolanda Perez</u> Regulatory Supervisor: <u>yperez@qna.com</u> Title and E-mail Address: Date: <u>9/07/2011</u>			
	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. Date of Survey: <u>09-16-2011</u> Signature and Seal of Professional Surveyor: <u>[Signature]</u> Certificate Number: <u>10324</u>			

District J
1525 N French St. Hobbs, NM 88240
District III
1301 W Grand Avenue, Aztec, NM 87410
District IV
1000 San Antonio Rd., Aztec, NM 87410
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

API Number 30-025-40299		Pool Code 6660	Property Name Brushy Oil & Gas (H)	Well Name Drinkard
Property Code 307532	Encoro M State			Well Number 005
LOGNO No 243874	Operator Name Quantum Resources Management, LLC			Elevation 3411'

10 Surface Location

UT. or Int. no.	Section	Township	Range	Lot 30th	Feet from the	North/South line	Feet from the	East/West line	County
A	19	22 S	37 E		639	North	531	East	Lea

Bottom Hole Location If Different From Surface

UT. or Int. no.	Section	Township	Range	Lot 30th	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40 ACRES		Consolidation Code		Order No. DHC-HOB-485					

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

Elev 3411' NAD 83 NM East N = 504874 E = 892638 NAD 83 Lat = 32° 22' 55.19" Long = 105° 11' 43.23"	16 531'	12 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <i>Yolanda Perez</i> Yolanda Perez Printed Name Regulatory Supervisor yperio@qtraco.com Title and E-mail Address 9/07/2011 Date
	13 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. 09-16-2011 Date of Survey Signature and Seal of Professional Surveyor <i>Michael L. Stearns</i> 10324 Certificate Number	

HOBBS OCD

DEC 14 2011

District I
 1825 N. French Blvd Hobbs, NM 88240
 District II
 1334 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Bravo 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 30-025-40299		2 Pool Code 62700		3 Pool Name Wantz, Abo	
4 Property Code 307932		5 Property Name Encore M State			
6 UCRID No 243874		7 Operator Name Quantum Resources Management, LLC			
		8 Well Number 005		9 Elevation 3411	

10 Surface Location

UL or LR	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	22 S	37 E		639	North	531	East	Lea

11 Bottom Hole Location if Different From Surface

UL or LR	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40 acres	13 Joint or Infill	14 Consolidation Code	15 Order No. DHC-HOB-485
---------------------------------------	--------------------	-----------------------	------------------------------------

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNIT. ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	16 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Yolanda Perez</u> Printed Name: <u>Yolanda Perez</u> Regulatory Supervisor: <u>yperez@qrmq.com</u> Title and E-mail Address: Date: <u>12/12/2011</u>
	17 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was placed 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. Date of Survey: <u>08-16-2011</u> Signature and Seal of Professional Surveyor: Certificate Number: <u>10324</u>