

Order Number	API Number	Operator	County			
DHE-492	30-025-40398	Quantum Resources Mgmt	Lea			
Order Date	Well Name	Number	Location			
5-3-2012	Encore M State	6	I	19	22S	37E
			UL	Sec	T (+Dir)	R' (+Dir)
		Oil %	Gas %			
Pool 1	6660	Blinbry O+G	33	33		
Pool 2	19190	Drinkard	33	33		
Pool 3	62700	Wantz Abo	33	33		
Pool 4						
Comments: Posted in RBDMS 5-3-2012 CHM						

30-025-40398
DHC-HOB-492

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Quantum Resources Management

PROPERTY NAME: Encore M. State

WNULSTR: 10-I-19-225-37E

SECTION I:	ALLOWABLE AMOUNT	
POOL NO. 1 <u>Blinebry O+G</u>	<u>107</u>	<u>428</u> MCF
POOL NO. 2 <u>Drinkard</u>	<u>142</u>	<u>852</u> MCF
POOL NO. 3 <u>Wantz - Abo</u>	<u>187</u>	<u>1122</u> MCF
POOL NO. 4 _____		MCF
	POOL TOTALS <u>436</u>	<u>2102</u>

SECTION II:	<u>Oil</u>	<u>Gas</u>
POOL NO. 1 <u>Blinebry O+G</u>	<u>33%</u>	<u>33%</u>
POOL NO. 2 <u>Drinkard</u>	<u>33%</u>	<u>33%</u>
POOL NO. 3 <u>Wantz - Abo</u>	<u>33% x 436 = 143.88</u>	<u>33%</u>
POOL NO. 4 _____	<u><144></u>	

<u>OIL</u>	<u>GAS</u>
SECTION III: <u>33% ÷ 187 = 566.66</u>	<u><567></u>

SECTION IV: <u>33% x 567 = 187.11</u>	<u><187></u>
<u>33% x 567 = 187.11</u>	<u><187></u>
<u>33% x 567 = 187.11</u>	<u><187></u>

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 State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 October 13, 2009

MAY 03 2012
 OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505
RECEIVED

WELL API NO. 30-025-40398
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Encore M State
8. Well Number 006
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 I 2181 feet from the South line and 574 feet from the East line
 Section 19 Township 22S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3404'

12. 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"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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: Rig Release Date:

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 03/23/12
 Type or print name Yolanda Perez E-mail address: yperez@qracq.com PHONE: 713-634-4696

For State Use Only
 APPROVED BY: [Signature] TITLE REGULATORY SUPERVISOR DATE MAY 03 2012
 Conditions of Approval (if any):

MAY 03 2012

District I
1625 N. French Dr., Hobbs NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brasos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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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 30-025-40398		² Pool Code 6660	³ Pool Name Blinebry Oil and Gas (Oil)
⁴ Property Code 307932	⁵ Property Name Encore M State		⁶ Well Number 006
⁷ OGED No. 243874	⁸ Operator Name Quantum Resources Management, LLC		⁹ Elevation 3398'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
I	19	22 S	37 E		2181	South	574	East	Lea

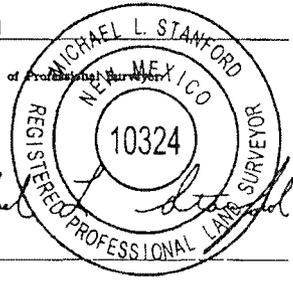
¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	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 UNITL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				16	<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</p> <p>Yolanda Perez Printed Name Regulatory Supervisor yperez@qracq.com Title and E-mail address</p> <p>02/03/2012 Date</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>09-15-2011 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>10324 Certificate Number</p>
					<p>Elev. 3398' NAD 83 NM East N= 502413 E= 892622 NAD 83 Lat. = 32° 22' 33.85" Long.= 103° 11' 43.71"</p>
					<p>574'</p> <p>2181'</p>



HOBBS OCD

MAY 03 2012

State of New Mexico

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., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87605

Energy, Minerals & Natural Resources Department

Revised June 10, 2003

RECEIVED OIL CONSERVATION DIVISION

Submit to Appropriate District Office

1220 South St. Francis Dr.

State Lease - 4 Copies

Santa Fe, NM 87505

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40398		² Pool Code 62700		³ Pool Name Wantz; Abo	
⁴ Property Code 307932		⁵ Property Name Encore M State			⁶ Well Number 006
⁷ OGRID No. 243874		⁸ Operator Name Quantum Resources Management, LLC			⁹ Elevation 3398'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	19	22 S	37 E		2181	South	574	East	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

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<div style="text-align: right;"> Elev 3398' NAD 83 NM East N= 502413 E= 892622 NAD 83 Lat. = 32° 22' 33.85" Long.= 103° 11' 43.71" </div>		<p>¹⁶</p>	<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> <small>Signature</small></p> <p>Yolanda Perez <small>Printed Name</small> Regulatory Supervisor yperrez@qracq.com <small>Title and E-mail Address</small></p> <p>02/03/2012 <small>Date</small></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>09-15-2011 <small>Date of Survey</small></p> <p><i>Michael L. Stanford</i> <small>Signature and Seal of Professional Surveyor</small></p> <p>10324 <small>Certificate Number</small></p>

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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
RECEIVED
Geology, 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 30-025-40398	² Pool Code 19190	³ Pool Name Drinkard
⁴ Property Code 307932	⁵ Property Name Encore M State	
⁷ OGRID No. 243874	⁸ Operator Name Quantum Resources Management, LLC	⁶ Well Number 006 ⁹ Elevation 3398'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	19	22 S	37 E		2181	South	574	East	Lea

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					<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>09-15-2011</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>Michael L. Stanford</i></p> <p>10324</p> <p>Certificate Number</p>

Elev. 3398'
NAD 83 NM East
N= 502413
E= 892622
NAD 83
Lat. = 32° 22' 33.85"
Long = 103° 11' 43.71"

574'

2181'

