

Order Number

DHC
HOB-514

API Number

30-025-40721

Operator

Quantum Resources Man

County

LEA

Order Date

7/19/13

Well Name

Encore M State

Number

8

Location

J

UL

19

Sec

225

T (+Dir)

37e

R (+Dir)

Oil %

50%

Gas %

50%

Pool 1

19190

Drinkard

Pool 2

62700

Wantz Abo

Pool 3

Pool 4

Comments:

Posted in RBDMS 07-19-2013 dm

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Quantum Resources Mgmt LLC

PROPERTY NAME: Encore M State

WNULSTR: # 8-T-19-225-37e

SECTION I:		ALLOWABLE AMOUNT	
POOL NO. 1	<u>Drinkard <19190></u>	<u>142</u>	<u>852</u> MCF
POOL NO. 2	<u>Wantz Abo <62700></u>	<u>187</u>	<u>1122</u> MCF
POOL NO. 3	_____	_____	_____ MCF
POOL NO. 4	_____	_____	_____ MCF
		POOL TOTALS	<u>329</u> <u>1974</u>

SECTION II:			
POOL NO. 1	<u>Drinkard</u>	<u>0.1</u> <u>50%</u>	<u>Gas</u> <u>50%</u>
POOL NO. 2	<u>Wantz Abo</u>	<u>50% x 329 = 1645</u>	<u>50%</u>
POOL NO. 3	_____	<u><165></u>	
POOL NO. 4	_____		

	<u>OIL</u>	<u>GAS</u>
SECTION III:	<u>50% ÷ 187 = 374</u>	_____
SECTION IV:	<u>50% x 374 = 187</u>	_____
	<u>50% x 374 = 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

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised August 1, 2011

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-40721	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
8. Well Number 008	<input checked="" type="checkbox"/>
9. OGRID Number 243874	
10. Pool name or Wildcat Drinkard / Wantz; Abo	<input checked="" type="checkbox"/>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3408' 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

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 J : 2340 feet from the South line and 1650 feet from the East line
 Section 19 Township 22-S Range 37-E NMPM County Lea

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.

Quantum Resources Management, LLC requests authority to Downhole Commingle production pursuant to Rule 303C(4)(b).

(i) Ref. Division Order No. R-11363
 (ii) Drinkard (#19190) & Wantz; Abo (#62700)
 (iii) Drinkard Perfs: 6462' - 6684'; Abo Perfs: 6746' - 6832'
 (iv) Allocation Method: Identical for each Pool: 50% Oil, 50% Gas, 50% 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.

DHC-HOB-519

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 A. Dale* TITLE Sr. Regulatory Analyst DATE 07/16/13

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

For State Use Only

APPROVED BY: *[Signature]* TITLE Petroleum Engineer DATE JUL 24 2013

Conditions of Approval (if any):

District I
1625 N. French Dr., Hobbs NM 88240
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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 30-025-40721	² Pool Code 62700	³ Pool Name Wantz; Abo
⁴ Property Code 307932	⁵ Property Name Encore M State	
⁷ OGRID No. 243874	⁸ Operator Name Quantum Resources Management, LLC	⁹ Elevation 3408'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	22 S	37 E		2340	South	1650	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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. DUC-HOB-519
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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>Celeste G. Dale</i> Signature</p> <p>Celeste G. Dale Printed Name Sr. Regulatory Analyst (cdale@qracq.com) Title and E-mail Address</p> <p>07/16/13 Date</p>
		<p>QR M STATE No. 19-8 Elev. 3408' NAD 83 NM East N= 502563 E= 891545 NAD 83 Lat. = 32° 22' 35.44" Long.= 103° 11' 56.26"</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>7-28-2012 Date of Survey</p> <p>Signature and Seal of Professional Surveyor <i>Michael L. Stanford</i></p> <p>10324 Certificate Number</p>

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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40721	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 008 ⁹ Elevation 3408'

¹⁰Surface Location

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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

¹²Dedicated Acres: 40
¹³Joint or Infill:
¹⁴Consolidation Code:
¹⁵Order No. **DHC-408-519**

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

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	<p>1650'</p> <p>2340'</p>	<p>7-28-2012 Date of Survey</p> <p>Signature and Seal of Professional Surveyor <i>Michael L. Stanford</i> 10324 Certificate Number</p>
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