

pDSM1426725221

Order Number DHC HOB-530		API Number 30-025-41942		Operator QUANTUM RES.MGMT. LLC		County LEA / STATE	
Order Date 09/24/2014		Well Name ENCORE M STATE		Number 014		Location	
						N UL	20 Sec
						22S T (+Dir)	37E R (+Dir)
Pool 1	06660	BLINEBRY OIL & GAS <OIL>		Oil % 50%	Gas % 50%	Wtr % 50% 50%	
Pool 2	19190	DRINKARD		50%	50%		
Pool 3							
Pool 4							
Comments: Posted RBDMs 9/24/2014 in							

SEP 25 2014

POSTED BY & WHEN dn 9/24/2014

ORDER NUMBER API NUMBER OPERATOR COUNTY/LEASE

DHC-HOB-530 30-025-41942 QUANTUM RES.MGMT. LLC LEA / STATE

ORDER DATE WELL NAME WELL # UL SEC T(+Dir) R(+Dir)

09/22/2014 ENCORE M STATE 014 N 20 22S 37E

OIL % GAS% WTR%

POOL 1 6660 BLINEBRY OIL & GAS <OIL> 50% 50% 50%

POOL 2 19190 DRINKARD 50% 50% 50%

POOL 3 _____

POOL 4 _____

DOWNHOLE COMMINGLE CALCULATIONS:

SECTION I

ALLOWABLE AMOUNTS

POOL 1 BLINEBRY OIL & GAS (OIL) 107 428 MCF

POOL 2 DRINKARD 142 852 MCF

POOL 3 _____ MCF

POOL 4 _____ MCF

POOL TOTALS 249 1280 MCF

SECTION II:

OIL

GAS

POOL 1 BLINEBRY OIL & GAS <OIL> 50% 50%

POOL 2 DRINKARD 50% X 249 = 124.5 50%

POOL 3 _____

POOL 4 _____

SECTION III: OIL 50% -/- 142 =284

GAS

SECTION IV: 50% X 284 = 142

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.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	7. Lease Name or Unit Agreement Name Encore M State
2. Name of Operator Quantum Resources Management, LLC	8. Well Number 014
3. Address of Operator 1401 McKinney St., Suite #2400, Houston, TX 77010	9. OGRID Number 243874
4. Well Location Unit Letter <u>N</u> : <u>579</u> feet from the <u>South</u> line and <u>2042</u> feet from the <u>West</u> line Section <u>20</u> Township <u>22-S</u> Range <u>37-E</u> NMPM County <u>Lea</u>	10. Pool name or Wildcat Blinebry Oil & Gas (Oil) & Drinkard
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3377' GR	

12. 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"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input 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 pools to CD 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

SEP 22 2014

RECEIVED

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@qracq.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

HOBBS OCD

SEP 22 2014

Form C-102

District I
1626 N. French Dr., Hobbs NM 88240
District II
1901 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brancos 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

Revised June 10, 2003
Submitted to: Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1API Number		2Pool Code 6660		3Pool Name Blinbry Oil and Gas (Oil)	
4Property Code 307932		5Property Name Encore M State			6Well Number 14
7OSHD No. 243874		8Operator Name Quantum Resources Management, LLC			9Identification 3377

10Surface Location

UL or lot no.	Section	Township	Range	Lot No.	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 No.	Feet from the	North/South line	Feet from the	East/West line	County
12Dedicated Acres		13Unit or Infill		14Consolidation Code		15Order 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>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>	17OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Yolanda Perez Regulatory Manager yperez@qracq.com Date: 06/19/14	
	18SURVEYOR 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: 06-02-2014 Signature and Seal of Professional Land Surveyor: 10324 Certificate Number	

4.8 Miles SW of Eunice, New Mexico.

File No. A-9185

SEP 22 2014

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 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

RECEIVED
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 OGRD 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

		¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Yolanda Perez Printed Name Regulatory Manager yperez@qracq.com Title and E-mail Address 06/19/14 Date
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"		¹⁸ SURVEYOR CERTIFICATION <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> 06-02-2014 Date of Survey Signature and Seal of Professional Surveyor 10324 Certificate Number