



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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

Daniel Sanchez
Acting Division Director
Oil Conservation Division



February 28, 2011

Quantum Resources Management, LLC
ATT: Celia Steffen
5 Houston Center, 1401 McKinney St., Suite 2400
Houston, TX 77010

RECEIVED

MAR 02 2011
HOBSOCD

RE: CANCELLATION OF INTENT TO DRILL

Jalmat Field Yates Sand Unit #243-E, 11-22s-35e, 30-025-38934 ✓
Jalmat Field Yates Sand Unit #245-G, 23-22s-35e, 30-025-38942
Jalmat Field Yates Sand Unit #246-F, 23-22s-35e, 30-025-38943
Jalmat Field Yates Sand Unit #248-D, 14-22s-35e, 30-025-38945
Encore 36 State #2-A, 36-16s-34e, 30-025-39149

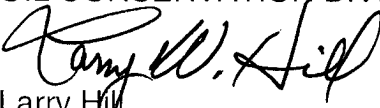
Gentlemen:

Twenty-four months or more have elapsed since Division Form C-101, Notice of Intent to Drill the Subject well was approved. To date no progress reports, form C-103, have not been received. Therefore, approval of your permit to drill this well has now expired and no drilling operations are to be initiated without further notice to and approval by the Oil Conservation Division. Pending such approval, this location will be considered as an abandoned location.

If drilling has been done, please file subsequent reports of this work immediately to bring this file into current status.

Truly yours,

OIL CONSERVATION DIVISION


Larry Hill
District I Supervisor

Cancel
30-025-38934

cc: OCD /Santa Fe
OCD/Hobbs
BLM
State Land Office

