

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4701
Order Date: September 30, 2014
Application Reference Number: pMAM1427236658

Quantum Resources Management, LLC
5 Houston Center
1401 McKinney Street, suite 2400
Houston, Tx. 77010

Attention: David Catanach

Encore M State Well No. 7
API No. 30-025-40399
Unit B, Section 19, Township 22 South, Range 37 East NMPM
Lea County, New Mexico

Pool	BLINEBRY OIL AND GAS (OIL)	Oil (6660)
Names:	DRINKARD	Oil (19190)
	WANTZ;ABO	Oil (62700)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division Rule 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of production from the well shall be based on prior administrative down hole commingling approval for this well.

Assignment of allowable and allocation of production from the well shall be as follows:

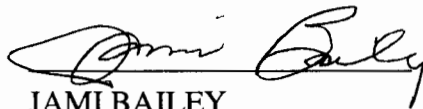
BLINEBRY OIL AND GAS (OIL) POOL	Pct. Gas: 33.3	Pct. Oil: 33.3
DRINKARD POOL	Pct. Gas: 33.3	Pct. Oil: 33.3
WANTZ;ABO POOL	Pct. Gas: 33.3	Pct. Oil: 33.3

It is also understood that you have given due notice of this application, as defined in Division Rule 19.15.4.12A.(6) NMAC, to all owners of interest when ownership is not common for the commingled zones within the spacing unit.

REMARKS: This Order corrects Administrative Order DHC-493HB, issued on May 3, 2012, without proper authority under Division Rule 19.15.12.11E. NMAC.

This Order is subject to like approval from the New Mexico State Land Office.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY
Director

JB/mam

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals