

2-7-12 SUSPENSE ENGINEER DB LOGGED IN 2.7.12 TYPE NSL APP NO. 1203842735 243874

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Quantum Resources Mgmt
Encore M St. #7

ADMINISTRATIVE APPLICATION CHECKLIST 30-025-40399

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
[B] ☐ Offset Operators, Leaseholders or Surface Owner
[C] ☐ Application is One Which Requires Published Legal Notice
[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Yolanda Perez
Print or Type Name

Yolanda Perez
Signature

Regulatory Supervisor 2/7/12
Title Date

yperez@gracq.com
e-mail Address



Quantum Resources Management, LLC

Yolanda Perez
Regulatory Supervisor

1401 McKinney St, Suite 2400
Houston, TX 77010
Office (713) 634-4696
Cell (832) 506-7426
Fax (713) 634-4697

February 6, 2012

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attn: David Brooks

**RE: Application for Administrative Approval of Non-Standard Location
Encore M State #007; API 30-025-40399
Blinebry Oil and Gas (Oil) – 6660, Drinkard – 19190, Wantz; Abo – 62700 Pools
Lea County, NM**

Dear Mr. Brooks,

Quantum Resources Management, LLC is requesting administrative approval of the non-standard location for the above-mentioned well located at 749' FNL and 1610' FEL of Section 19, Township 22S, and Range 37E. The justification for the request is due to congestion of power lines and pipelines. This was the best well placement that would allow the drilling pad to be constructed in a way to avoid pad and rig equipment being placed on top of buried pipelines (see attached site map).

Quantum Resources Management, LLC operates the offset tract to the East of which this well encroaches on (see attached plats). The working interest is common for both tracts.

If you have any questions and/or need additional information, please contact me (713) 634-4696 or by email at yperez@gracq.com.

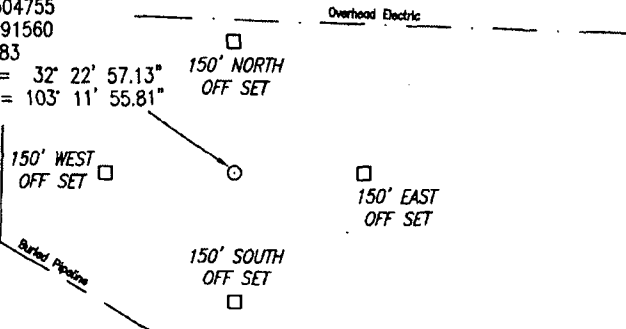
Sincerely,

Yolanda Perez
Regulatory Supervisor

T-22-S, R-37-E
N.M.P.M.

SECTION 19

QRM M STATE
No. 19-7
Elev. 3413'
NAD 83 NM East
N= 504755
E= 891560
NAD 83
Lat. = 32° 22' 57.13"
Long.= 103° 11' 55.81"



Directions to Location: From the intersection of NM-176 and NM-18, depart NM-176 toward Eunice (2.1 miles). Turn left onto NM-207/Main Street (2.5 miles). Turn right onto Delaware Basin/CR-21 (2.4 miles). Turn left onto lease road south (1.15 miles). Arrive at location 400 feet east.

Site Map

Quantum Resources Management, LLC
QRM M State No. 19-7 - 749' FNL & 1610' FEL
Section 19, T-22-S, R-37-E, N.M.P.M.
Lea County, New Mexico

STANFORD SURVEYING COMPANY
P.O. BOX 8490
MIDLAND, TEXAS 79708-8490
432-699-5708

DRAWN BY Adam Welch

REV. 09-19-11 ABW
DATE 8-31-11

SCALE 1" = 200'

FILE NAME A-6050A

District I
1635 N. French Dr., Hobbs NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Bravo Rd., Artesia, 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
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40399	² Pool Code 19190	³ Pool Name Drinkard
⁴ Property Code 307932	⁵ Property Name Encore M State	⁶ Well Number 007
⁷ Owner No. 243874	⁸ Operator Name Quantum Resources Management, LLC	⁹ Elevation 3413'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
B	19	22 S	37 E		749	North	1610	East	Lea

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Partial 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

	¹⁷OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Yolanda Perez</i> Signature Yolanda Perez Printed Name Regulatory Supervisor yperez@qracq.com Title and E-mail Address 02/03/2012 Date
	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. 9-15-2011 Date of Survey Signature and Seal of <i>Michael L. Stanford</i> 10324 Certificate Number

8.5 Miles SW of Emice, New Mexico.

File No. A-6060

District I
1626 N. French Dr., Hobbs NM 88240
District II
1201 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Grande 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
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40399	² Well Code 6660	³ Well Name Blinbry Oil and Gas (Oil)
⁴ Property Code 307932	⁵ Property Name Encore M State	
⁶ FOUO No. 243874	⁷ Operator Name Quantum Resources Management, LLC	⁸ Well Number 007
		⁹ Elevation 3413'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
B	19	22 S	37 E		749	North	1610	East	Lea

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	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

	¹⁶ 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Yolanda Perez Principal Supervisor Regulatory Supervisor yperez@qracq.com Title and E-mail Address 02/03/2012 Date	
	¹⁸ 18 SURVEYOR 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. 9-15-2011 Date of Survey Signature and Seal of Professional Land Surveyor 10324 Certificate Number	

6.5 Miles SW of Eunice, New Mexico.

File No. A-8050

District I
1825 N. French Dr., Hobbs NM 88240
District II
1801 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Rancho Rd., Aztec, NM 87410
District IV
1020 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
Submit to Appropriate District Office
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Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40399	² Pool Code 62700	³ Pool Name Wantz; Abo
⁴ Property Code 307932	⁵ Property Name Encore M State	⁶ Well Number 007
⁷ QCRS No. 243874	⁸ Operator Name Quantum Resources Management, LLC	⁹ Elevation 3413'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
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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>¹⁶</p> <p>¹⁷OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Yolanda Perez</i></p> <p>Yolanda Perez Regulatory Supervisor yperez@gracq.com Title and E-mail Address</p> <p>02/03/2012 Date</p>
	<p>¹⁸SURVEYOR CERTIFICATION</p> <p>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.</p> <p>9-15-2011 Date of Survey</p> <p>Signature and Seal of Surveyor</p> <p><i>Michael L. Stanford</i></p> <p>10324 Certificate Number</p>