

HOBBS OCD

MAY 03 2012

RECEIVED

	Order Number	API Number	Operator	County	
	DHE-4192	30-025-40398	Quantum Resources Mgmt	Lea	
	Order Date	Well Name	Number	Location	
	5-3-2012	Encore M State	6	I 19	225 37E
				UL	Sec T (+Dir) R (+Dir)
Pool 1	6660	Blinbry O+G	33	33	
Pool 2	19190	Drinkard	33	33	
Pool 3	62700	Wantz Abo	33	33	
Pool 4					
Comments: Posted in RBDMS 5-3-2012 CHM					

MAY 08 2012

30-025-40398  
DHC-HOB-492

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Quantum Resources Management

PROPERTY NAME: Encore M. State

WNULSTR: 10-I-19-225-37E

SECTION I:	ALLOWABLE AMOUNT
POOL NO. 1 <u>Blinebry O+G</u>	<u>107</u> <u>428</u> MCF
POOL NO. 2 <u>Drinkard</u>	<u>142</u> <u>852</u> MCF
POOL NO. 3 <u>Wantz - Abo</u>	<u>187</u> <u>1122</u> MCF
POOL NO. 4 _____	_____ MCF
POOL TOTALS <u>436</u> <u>2402</u>	

SECTION II:	<u>Oil</u>	<u>Gas</u>
POOL NO. 1 <u>Blinebry O+G</u>	<u>33%</u>	<u>33%</u>
POOL NO. 2 <u>Drinkard</u>	<u>33%</u>	<u>33%</u>
POOL NO. 3 <u>Wantz - Abo</u>	<u>33% x 436 = 143.88</u>	<u>33%</u>
POOL NO. 4 _____	<u>&lt;144&gt;</u>	

<u>OIL</u>	<u>GAS</u>
SECTION III: <u>33% ÷ 187 = 566.66</u>	<u>&lt;567&gt;</u>

SECTION IV: <u>33% x 567 = 187.11</u>	<u>&lt;187&gt;</u>
<u>33% x 567 = 187.11</u>	<u>&lt;187&gt;</u>
<u>33% x 567 = 187.11</u>	<u>&lt;187&gt;</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

**HOBBS OGD** State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
October 13, 2009

MAY 03 2012

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

RECEIVED Santa Fe, NM 87505

WELL API NO. 30-025-40398
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
8. Well Number 006
9. OGRID Number 243874
10. Pool name or Wildcat Blinebry Oil & Gas (Oil) & Drinkard & Wantz, Abo

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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"/>	
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 <u>I</u> <u>2181</u> feet from the <u>South</u> line and <u>574</u> feet from the <u>East</u> line Section <u>19</u> Township <u>22S</u> Range <u>37E</u> NMPM County <u>Lea</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3404'	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☒

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

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.

The above-mentioned well will be DHC'd in the Blinebry Oil & Gas (Oil) (06660), Drinkard (19190), and Wantz;Abo (62700) pools as allowed by Order R-11363

Blinebry perfs - 5461-5590' & Drinkard perfs - 6458-6680' & Abo perfs - 6756-6788' It will be a fixed allocation 33 1/3% oil & gas per pool.

Commingling the above-mentioned pools will not reduce the total remaining production value.

All working, royalty and overriding royalty interests are identical in the three commingled zones.

A copy of this C-103 has been sent to the State Land Office.

Spud Date: 2/18/12

Rig Release Date: 3/9/12

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Yolanda Perez TITLE Regulatory Supervisor DATE 03/23/12

Type or print name Yolanda Perez E-mail address: yperez@qracq.com PHONE: 713-634-4696  
For State Use Only

APPROVED BY: [Signature] TITLE ATTORNEY GENERAL DATE MAY 03 2012  
Conditions of Approval (if any):

MAY 03 2012

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

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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

<sup>1</sup> API Number 30-025-40398	<sup>2</sup> Pool Code 6660	<sup>3</sup> Pool Name Blinebry Oil and Gas (Oil)
<sup>4</sup> Property Code 307932	<sup>5</sup> Property Name Encore M State	
<sup>7</sup> OGED No. 243874	<sup>6</sup> Operator Name Quantum Resources Management, LLC	<sup>8</sup> Well Number 006
		<sup>9</sup> Elevation 3398'

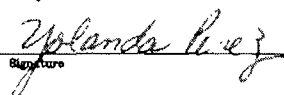

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
I	19	22 S	37 E		2181	South	574	East	Lea

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

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	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Yolanda Perez Printed Name Regulatory Supervisor yperez@qracq.com Title and E-mail Address 02/03/2012 Date
				<sup>18</sup> 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. 09-15-2011 Date of Survey Signature and Seal of Professional Surveyor  10324 Certificate Number

Elev. 3398'  
 NAD 83 NM East  
 N= 502413  
 E= 892622  
 NAD 83  
 Lot. = 32' 22' 33.85"  
 Long.= 103' 11' 43.71"

574'

2181'

6.5 Miles SW of Eunice, New Mexico.

File No. A-8049

HOBBS OCD

MAY 03 2012

State of New Mexico

Form C-102

District I  
1625 N. French Dr., Hobbs NM 88240

Energy, Minerals &amp; Natural Resources Department

Revised June 10, 2003

District II  
1301 W Grand Avenue, Artesia, NM 88210

RECEIVED OIL CONSERVATION DIVISION

Submit to Appropriate District Office

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

1220 South St. Francis Dr.

State Lease - 4 Copies

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

Santa Fe, NM 87505

Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-40398	<sup>2</sup> Pool Code 62700	<sup>3</sup> Pool Name Wantz; Abo
<sup>4</sup> Property Code 307932	<sup>5</sup> Property Name Encore M State	
<sup>7</sup> OGRID No. 243874	<sup>6</sup> Operator Name Quantum Resources Management, LLC	<sup>8</sup> Well Number 006
		<sup>9</sup> Elevation 3398'

<sup>10</sup>Surface Location



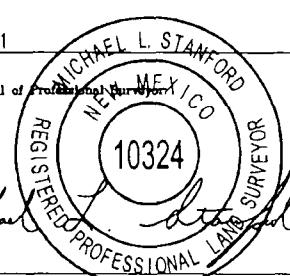
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				16	<b><sup>17</sup>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Yolanda Perez Printed Name Regulatory Supervisor yperez@qracq.com Title and E-mail Address 02/03/2012 Date
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Long.= 103° 11' 43.71"

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2181'

6.5 Miles SW of Eunice, New Mexico.

File No. A-6049

HOBBS OCD

MAY 03 2012

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1826 M. 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

RECEIVED Geology, Minerals &amp; 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

<sup>1</sup> API Number 30-025-40398	<sup>2</sup> Pool Code 19190	<sup>3</sup> Pool Name Drinkard
<sup>4</sup> Property Code 307932	<sup>5</sup> Property Name Encore M State	
<sup>7</sup> OGRID No. 243874	<sup>8</sup> Operator Name Quantum Resources Management, LLC	<sup>6</sup> Well Number 006  <sup>9</sup> Elevation 3398'


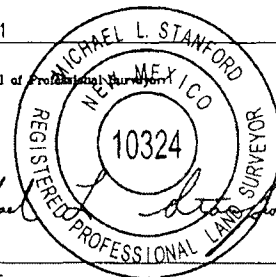
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<div style="position: relative; height: 150px;"> <div style="position: absolute; top: 0; right: 0;">16</div> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> <p>Elev. 3398' NAD 83 NM East N= 502413 E= 892622 NAD 83 Lat. = 32° 22' 33.85" Long = 103° 11' 43.71"</p> </div> </div>	<div style="position: relative; height: 150px;"> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> <p>574'</p> </div> </div>	<div style="position: relative; height: 150px;"> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> <p>2181'</p> </div> </div>	<b><sup>17</sup>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Yolanda Perez Printed Name Regulatory Supervisor yperez@qracq.com Title and E-mail Address 02/03/2012 Date		
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