

8-14-12 DATE IN	SUSPENSE	ENGINEER	DB	LOGGED IN	TYPE	NSL	APP NO. PKVR1223028934
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



*Quantum Resources
 Management
 Encore M St # 8*

ADMINISTRATIVE APPLICATION CHECKLIST

6674

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

See Note on Otr

[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 Yolanda Perez Regulatory Supervisor 8/14/12
 Print or Type Name Signature Title Date
yperez@grac9.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

August 14, 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 #008; New Drill API Not Yet Assigned
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 2340' FSL and 1650' 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 North 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@qracq.com.

Sincerely,

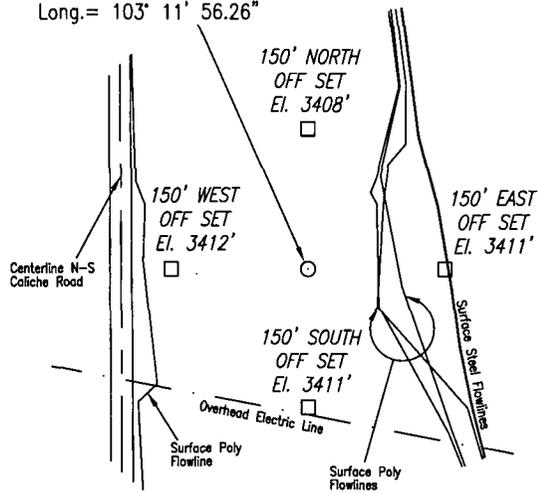
Yolanda Perez
Regulatory Supervisor

also encroaches to NE

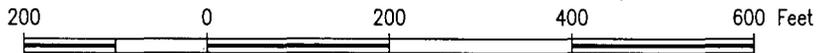
T-22-S, R-37-E
N.M.P.M.

SECTION 19

ENCORE M STATE
No. 8
Elev. 3408'
NAD 83 NM East
N= 502563
E= 891545
NAD 83
Lat. = 32° 22' 35.44"
Long.= 103° 11' 56.26"



Site Map



Quantum Resources Management, LLC
Encore M State No. 8 - 2340' FSL & 1650' 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

DATE 08-06-2012

SCALE 1" = 200'

FILE NAME A-7067A

District I
1625 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
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	6660	² Pool Code	Blinebry Oil & Gas (Oil)	³ Pool Name
⁴ Property Code	307932	⁵ Property Name		⁶ Well Number
		Encore M State		008
⁷ OGHD No.	243874	⁸ Operator Name		⁹ Elevation
		Quantum Resources Management, LLC		3408'

¹⁰Surface Location

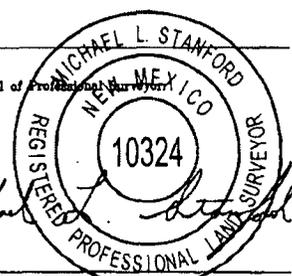
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	22 S	37 E		2340	South	1650	East	Lea

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

				16	<p>¹⁷OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Yolanda Perez</i> Signature</p> <p>Yolanda Perez Printed Name</p> <p>Regulatory Supervisor yperez@qracq.com Title and E-mail Address</p> <p>08/14/12 Date</p>
		QRM M STATE No. 19-8 Elev. 3408' NAD 83 NM East N= 502563 E= 891545 NAD 83 Lat. = 32° 22' 35.44" Long.= 103° 11' 56.26"			<p>¹⁸SURVEYOR CERTIFICATION</p> <p><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></p> <p>7-28-2012 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>Michael L. Stanford</i> Signature</p> <p>10324 Certificate Number</p> 
		40 acres		1650'	
				2340'	

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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	
⁷ OGRD No. 243874	⁸ Operator Name Quantum Resources Management, LLC	⁶ Well Number 008
		⁹ Elevation 3408'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	22 S	37 E		2340	South	1650	East	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

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		QRM M STATE No. 19-8 Elev. 3408' NAD 83 NM East N= 502563 E= 891545 NAD 83 Lot. = 32° 22' 35.44" Long.= 103° 11' 56.26"			<p>¹⁸SURVEYOR CERTIFICATION</p> <p><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></p> <p>7-28-2012 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>Michael L. Stanford</i> Signature</p> <p>10324 Certificate Number</p>
		40 acres			<p>1650'</p> <p>2340'</p>

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

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Revised June 10, 2003
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Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40721	² Pool Code 62700	³ Pool Name Wantz; Abo
⁴ Property Code 307932	⁵ Property Name Encore M State	
⁷ GRID No. 243874	⁶ Operator Name Quantum Resources Management, LLC	⁸ Well Number 008 ⁹ Elevation 3408'

¹⁰Surface Location

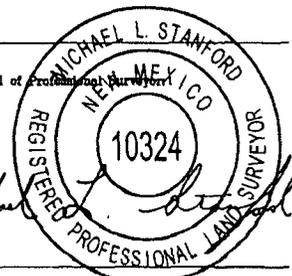
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	22 S	37 E		2340	South	1650	East	Lea

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

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		QRM M STATE No. 19-8 Elev. 3408' NAD 83 NM East N= 502563 E= 891545 NAD 83 Lat. = 32° 22' 35.44" Long.= 103° 11' 56.26"			<p>¹⁸SURVEYOR CERTIFICATION</p> <p><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></p> <p>7-28-2012 Date of Survey Signature and Seal of Professional Surveyor  10324 Certificate Number</p>
		40 acres		1650'	
				2340'	

Brooks, David K., EMNRD

From: Erick Rodriguez <erodriguez@qracq.com>
Sent: Tuesday, August 14, 2012 4:32 PM
To: Brooks, David K., EMNRD
Cc: Yolanda Perez
Subject: Encore M State #008 NSL Application
Attachments: Encore M State 008 NSL Application.pdf

Mr. Brooks,

Please find attached NSL Application for the Encore M State #008.

Quantum Resources Management, LLC is applying for a Non-Standard Location on the Encore M State #008.

If additional information is needed, please contact me. Thanks in advance for your assistance.

Thanks,

Erick A. Rodriguez

Quantum Resources Management, LLC

Regulatory Analyst

O: 713.634.4612

F: 713.634.4615

C: 832.276.0464

erodriguez@qracq.com

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Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Friday, August 17, 2012 10:33 AM
To: 'yperez@qracq.com'
Subject: Encore M State #8 - NSL Application

Dear Ms. Perez

You have indicated that the spacing unit to the north of the proposed non-standard location (Unit G of Section 19), has common ownership with Unit J.

However, under our interpretation of the notice rule for NSL applications, the proposed location also encroaches diagonally to the northeast toward Unit H of Section 19. This is the case because the proposed location is closer to the common corner of Units H and J that would be a well at the closest standard location to that corner.

Please provide information concerning ownership of Unit H, and if that ownership is not common with J and G, proof of notice as appropriate.

Sincerely

David K. Brooks
Legal Examiner

Brooks, David K., EMNRD

From: Yolanda Perez <yperez@qracq.com>
Sent: Tuesday, August 21, 2012 6:33 AM
To: Brooks, David K., EMNRD
Subject: RE: Encore M State #8 - NSL Application

Good morning, David!

Quantum Resources Management, LLC operates the offset tract, Unit H, and the interest is common in all tracts, Units J, G, & H.

Please let me know if you need any additional information.

Thanks,
Yo

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Friday, August 17, 2012 11:33 AM
To: Yolanda Perez
Subject: Encore M State #8 - NSL Application

Dear Ms. Perez

You have indicated that the spacing unit to the north of the proposed non-standard location (Unit G of Section 19), has common ownership with Unit J.

However, under our interpretation of the notice rule for NSL applications, the proposed location also encroaches diagonally to the northeast toward Unit H of Section 19. This is the case because the proposed location is closer to the common corner of Units H and J that would be a well at the closest standard location to that corner.

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Sincerely

David K. Brooks
Legal Examiner

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