

Order Number

D4C
408-514

API Number

30-025-40721

Operator

Quantum Resources Mgmt

County

LEA

Order Date

7/19/13

Well Name

Encore M State

Number

8

Location

J

UL

19

Sec

225

T (+Dir)

37e

R (+Dir)

Oil %

50%

Gas %

50%

Pool 1

19190

Drinkard

Pool 2

62700

Wanta Abo

50%

50%

Pool 3

Pool 4

Comments:

Posted in RBDMS 07-19-2013 dm

JUL 24 2013

DHC-HOB 519
30-025-40721

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Quantum Resources Mgmt LLC

PROPERTY NAME: Encore M State

WNULSTR: #8-T-19-225-37e

SECTION I:		ALLOWABLE AMOUNT
POOL NO. 1	<u>Brinkard <19190></u>	<u>142</u> <u>852</u> MCF
POOL NO. 2	<u>Wentz Abo <62700></u>	<u>187</u> <u>1122</u> MCF
POOL NO. 3	_____	_____ MCF
POOL NO. 4	_____	_____ MCF
POOL TOTALS		<u>329</u> <u>1974</u>

SECTION II:		<u>Oil</u>	<u>Gas</u>
POOL NO. 1	<u>Brinkard</u>	<u>50%</u>	<u>50%</u>
POOL NO. 2	<u>Wentz Abo</u>	<u>50%</u>	<u>50%</u>
POOL NO. 3	_____		
POOL NO. 4	_____		

Oil 50% x 329 = 164.5
<165>

	<u>OIL</u>	<u>GAS</u>
SECTION III:	<u>50% ÷ 187 = 374</u>	
SECTION IV:	<u>50% x 374 = 187</u>	
	<u>50% x 374 = 187</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

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Form C-103
Revised August 1, 2011

SUNDRY NOTICES AND REPORTS ON WELLS (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.)		WELL API NO. 30-025-40721 ✓
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Quantum Resources Management, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 1401 McKinney St., Suite #2400, Houston, TX 77010		7. Lease Name or Unit Agreement Name Encore M State ✓
4. Well Location Unit Letter <u>J</u> : <u>2340</u> feet from the <u>South</u> line and <u>1650</u> feet from the <u>East</u> line Section <u>19</u> Township <u>22-S</u> Range <u>37-E</u> NMPM County <u>Lea</u>		8. Well Number <u>008</u> ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3408' GR		9. OGRID Number 243874
		10. Pool name or Wildcat Drinkard / Wantz; Abo ✓

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 ☒

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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.

Quantum Resources Management, LLC requests authority to Downhole Commingle production pursuant to Rule 303C(4)(b).

(i) Ref. Division Order No. R-11363

(ii) Drinkard (#19190) & Wantz; Abo (#62700)

(iii) Drinkard Perfs: 6462' - 6684'; Abo Perfs: 6746' - 6832'

(iv) Allocation Method: Identical for each Pool: 50% Oil, 50% Gas, 50% Water

(v) Commingling production from each of these pools will not reduce the value of the total remaining production.

(vi) All Working, Royalty, and Overriding Royalty Interests are identical between the two commingled zones.

(vii) A copy of this Form C-103 has been sent to the Commissioner of Public Lands for the State of New Mexico.

Spud Date:

06/07/13

Rig Release Date:

06/20/13

DHC-HOB-519

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

SIGNATURE Celeste G. Dale TITLE Sr. Regulatory Analyst DATE 07/16/13

Type or print name Celeste G. Dale E-mail address: cdale@qracq.com PHONE: 432-683-1500

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE JUL 24 2013
Conditions of Approval (if any):

District I
1625 N. French Dr., Hobbs NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
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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

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	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
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code			¹⁵ Order No. DUC-40B-519				

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>17 OPERATOR 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>Celeste G. Dale</i> Signature</p> <p>Celeste G. Dale Printed Name Sr. Regulatory Analyst (cdale@qracq.com) Title and E-mail Address</p> <p>07/16/13 Date</p>	
		<p>18 SURVEYOR 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> 10324 Certificate Number</p>
		<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>
		<p>1650'</p> <p>2340'</p>

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WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁴ Property Code 307932	⁵ Property Name Encore M State	⁶ Well Number 008
⁷ GRID No. 243874	⁸ Operator Name Quantum Resources Management, LLC	⁹ Elevation 3408'

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