

Submit 1 Copy to Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., 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 and Natural Resources

Form C-103  
October 13, 2009

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

WELL API NO. 30-015-10314
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 647
7. Lease Name or Unit Agreement Name State 647 AC 721
8. Well Number 201
9. OGRID Number 243874
10. Pool name or Wildcat Artesia; Queen-Grayburg-San Andres

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3553' GL
--

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.)

1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other Injection <input type="checkbox"/>
2. Name of Operator Quantum Resources Management, LLC
3. Address of Operator 1401 McKinney St. Ste 2400 Houston, TX 77010
4. Well Location Unit Letter <u>O</u> : <u>660</u> feet from the <u>South</u> line and <u>2310</u> feet from the <u>East</u> line. Section <u>33</u> Township <u>18S</u> Range <u>28E</u> NMPM County <u>Eddy</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3553' GL

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <input type="checkbox"/>

**Notify OCD 24 hrs. prior  
To any work done.**

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.

QRM, LLC proposes to plug and abandon wellbore as follows:

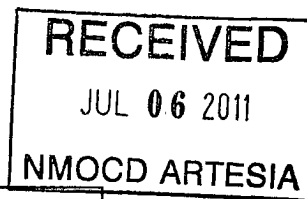
MIRU PU. POOH w/ rods x tbg. Load hole w/ plug mud. Set 25 sk cmt plug 2600' - 2200'. WOC. Tag. Perf 4-1/2" csg @ 523'. Set 20 sk cmt in/out plug 523' - 423' to isolate the sfc csg shoe. Perf 4-1/2" csg @ 60'. Circ cmt to sfc. RDMO PU. Weld on 1/2" steel plate and erect dead well marker. **693' - 423'**

WOC  
Tag

\* T. Yates 693' (B. Salt)

**SEE ATTACHED  
CONDITIONS OF  
APPROVAL**

Spud Date:



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 7/01/11

Type or print name Yolanda Perez E-mail address: yperez@qracq.com PHONE: (713) 634-4696

For State Use Only

APPROVED BY: [Signature] TITLE Approval Granted providing work DATE 7/12/2011  
Conditions of Approval (if any): is complete by 10/12/2011

STATE 647 AC 721 201  
 ARTESIA Field  
 QUEEN / GRAYBURG / SAN ANDRES Zone

API: 30-015-10084  
 18S 28E 33J  
 Eddy County, NM

### Current Wellbore Configuration

KB:  
 GL:

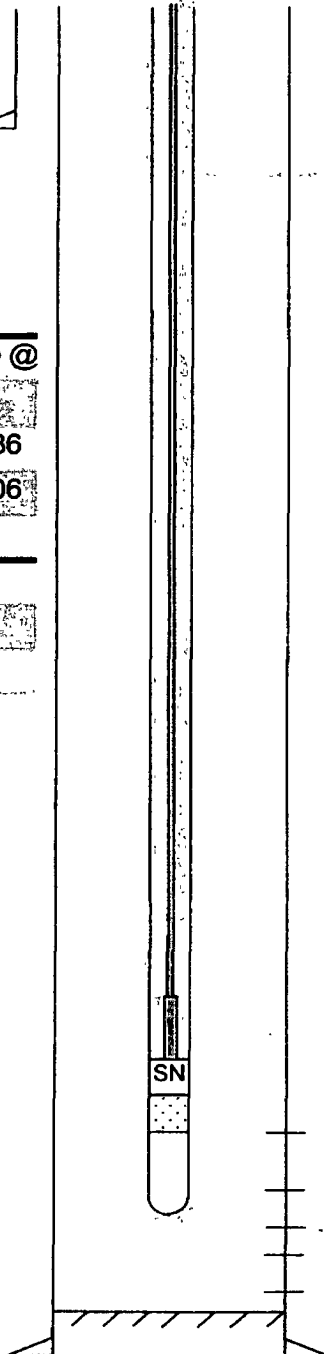
8-5/8" 22# @ 473' w/ 75 sxs

#### Tubing Detail

jts	Component	Top @
88	2-3/8" 4.7#	
	SN	2,686
	EOT	2,706

#### Rod Detail

	2' x 3/4" pony
109	3/4" rods
	2" x 1.5" x 12' THD



Perforations				Total = 9
Zone	Top	Btm	SPF	Holes
San Andres	2652		1	1
	2654		1	1
	2656		1	1
	2703		1	1
	2708		1	1
	2724		1	1
	2727		1	1
	2735		1	1
	2737		1	1

4-1/2" 11.6# J-55 @ 2787' w/ 150 sxs

PBTD: 2735'  
 TD: 2787'

STATE 647 AC 721 201  
 ARTESIA Field  
 QUEEN / GRAYBURG / SAN ANDRES Zone

API: 30-015-10084  
 18S 28E 33J  
 Eddy County, NM

**Proposed Wellbore Configuration**

KB:  
 GL:

8-5/8" 22# @ 473' w/ 75 sxs

Perf @ 60', circ cmt to sfc

T. YAT → 693'

693'  
 Perf @ 523' and set 30 sk  
 in/out plug from 523' - 423'

WOC 693' - 423'  
 109

WOC 109

25 sk cmt plug from 2600' - 2200'

Perforations.				Total = 9
Zone	Top	Btm	SPF	Holes
San Andres	2652		1	1
	2654		1	1
	2656		1	1
	2703		1	1
	2708		1	1
	2724		1	1
	2727		1	1
	2735		1	1
	2737		1	1

4-1/2" 11.6# J-55 @ 2787' w/ 150 sxs

PBTD: 2735'  
 TD: 2787'

NEW MEXICO OIL CONSERVATION DIVISION  
DISTRICT 2 OFFICE  
1301 W. GRAND AVENUE  
ARTESIA, NM 88210  
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: Quantum Resources Management, LLC

Well Name & Number Site 647 AC 721 # 201

API #: 30-015-10314

1. Produced water will not be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
4. A subsequent C-103 will serve as notification that the well bore has been plugged ONLY. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
5. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
6. Every attempt must be made to clean the well bore out to below the perfs, before any plugs can be set, by whatever means possible.

DG

Date: 7/12/2011