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JAN 08 2014

NMOCD ARTESIA

Submit One Copy To Appropriate District Office

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

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

Form C-103
Revised November 3, 2011

WELL API NO. 30-015-02541	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. 647-222	
7. Lease Name or Unit Agreement Name Artesia Unit	
8. Well Number	46
9. OGRID Number	243874
10. Pool name or Wildcat Artesia; Queen-Grayburg-San Andres	

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 ☐ Gas Well ☒ Other Water Injection Well

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 F : 2310 feet from the N line and 2267 feet from the W line
Section 3 Township 18-S Range 28-E NMPM Eddy County NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3662' GR

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐ ☒ Location is ready for OCD inspection after P&A

- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
☒ All other environmental concerns have been addressed as per OCD rules.
☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.
☒ If this is a one-well lease or last remaining well on lease: all electrical service poles and lines have been removed from lease and well location, except for utility's distribution infrastructure.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Celeste G. Dale TITLE Sr. Regulatory Analyst DATE 01/07/2014

TYPE OR PRINT NAME Celeste G. Dale E-MAIL: cdale@qracq.com PHONE: 432-683-1500
For State Use Only

APPROVED BY: [Signature] TITLE C. O. DATE 1/13/14

NOTE: NOT RETURN TO BE REJECTED. SEE ATTACHED. TW

Go to Incidents/Spills

Well Inspections

Date Mod: 01/13/2014

API Well No. 30-015-02541-00-00 Owner QUANTUM RESOURCES MANAGEMENT, LLC County Eddy
Well Name ARTESIA UNIT Number 046 Inspect No. ITWG1401341285
Well Type Injection - (All Ty UL STR F-3-18S-28E Status Plugged (NOT Release Fac/Proj NA

Directions

Purpose

Normal Routine Activity

Type

Routine/Periodic

Notification Type

Date Performed 1/13/2014

Date NOV

Date Extension

Date Passed

Compliance Issues

Violation Found? ☐

Significant NC? ☐

Well Idle > 1 Year? ☐

Check Global Comp

Insp/MIT Incident

Failed Items >>>

Write Compliance

Current Type: I

Status: H

Type

Status

Respondant

Change ONGARD to...

243874

Well P&A'd, marker in place. OK . Drop elec polestillon location .
Note : not ready to release.

Comply #

Incident No

Inspector

Tim Gum

Duration

Generate Inspection Reports from [REPORTS] / [INSP]

API Well No. 30-015-02541-00-00 Owner QUANTUM RESOURCES MANAGEMENT, LLC County Eddy
Well Name ARTESIA UNIT Number 046 Inspect No. IRE1326046455
Well Type Injection - (All Ty UL STR F-3-18S-28E Status Plugged (NOT Release Fac/Proj NA

Directions

Purpose

Normal Routine Activity

Type

Phone call

Notification Type

Date Performed 9/17/2013

Date NOV

Date Extension

Date Passed

Compliance Issues

Violation Found? ☐

Significant NC? ☐

Well Idle > 1 Year? ☐

Check Global Comp

Insp/MIT Incident

Failed Items >>>

Write Compliance

Current Type: I

Status: H

Type

Status

Respondant

Change ONGARD to...

243874

w/Yolanda, unable to get plugging unit. Gave extension. RI 9/17/2013

Comply #

Incident No

Inspector

Richard Inge

Duration

Generate Inspection Reports from [REPORTS] / [INSP]