

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. 30-015-02007
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-1821
7. Lease Name or Unit Agreement Name Mershon State
8. Well Number 002
9. OGRID Number
10. Pool name or Wildcat Artesia; Queen-Grayburg-San Andres
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3600' 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 Gas Well Other

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 D : 990 feet from the North line and 990 feet from the West line
 Section 21 Township 18S Range 28E NMPM County Eddy

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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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 proposes to plug and abandon the wellbore as follows:

Set 60 sk cmt plug 2000' - 1800'. WOC. Tag.
 Circulate wellbore w/ plug mud.
 Set 25 sk cmt plug 853' - 753' to isolate 8" csg shoe. WOC. Tag.
 Perf @ 410'. Circ 45 sk in/out plug from 410' - 310' to isolate the surface csg shoe. WOC. Tag.
 Perf @ 60'. Circ cmt to sfc.
 Cut off csgs and weld on 1/2" steel plate. Erect dead well marker.



Spud Date: Rig Release Date: **Notify OCD 24 hrs. prior to any work done.**

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

SIGNATURE Erick A. Rodriguez TITLE Regulatory Analyst DATE 2/17/11

Type or print name Erick A. Rodriguez E-mail address: erodriguez@qracq.com PHONE: (713) 634-4612

For State Use Only
 APPROVED BY [Signature] TITLE Approval Granted providing work is complete by 5/23/2011 DATE 2/23/2011

Conditions of Approval (if any):



MERSHON STATE 2
 ARTESIA Field
 QUEEN / GRAYBURG / SAN ANDRES Zone

API: 30-015-02007
 18S 28E 21D
 Eddy County, NM

Current Wellbore Configuration

KB: '
 GL: 3618'

10" 35# @ 360' w/ 25 sxs

Tubing Detail

<i>jts</i>	<i>Component</i>	<i>Top @</i>
	unknown	

8" 24# @ 833' w/ 50 sxs

Pay Intervals

<i>Zone</i>	<i>Top</i>	<i>Btm</i>
Seven Rivers	1,095	1,110
Penrose	1,850	1,875
Loco Hills	2,050	2,072

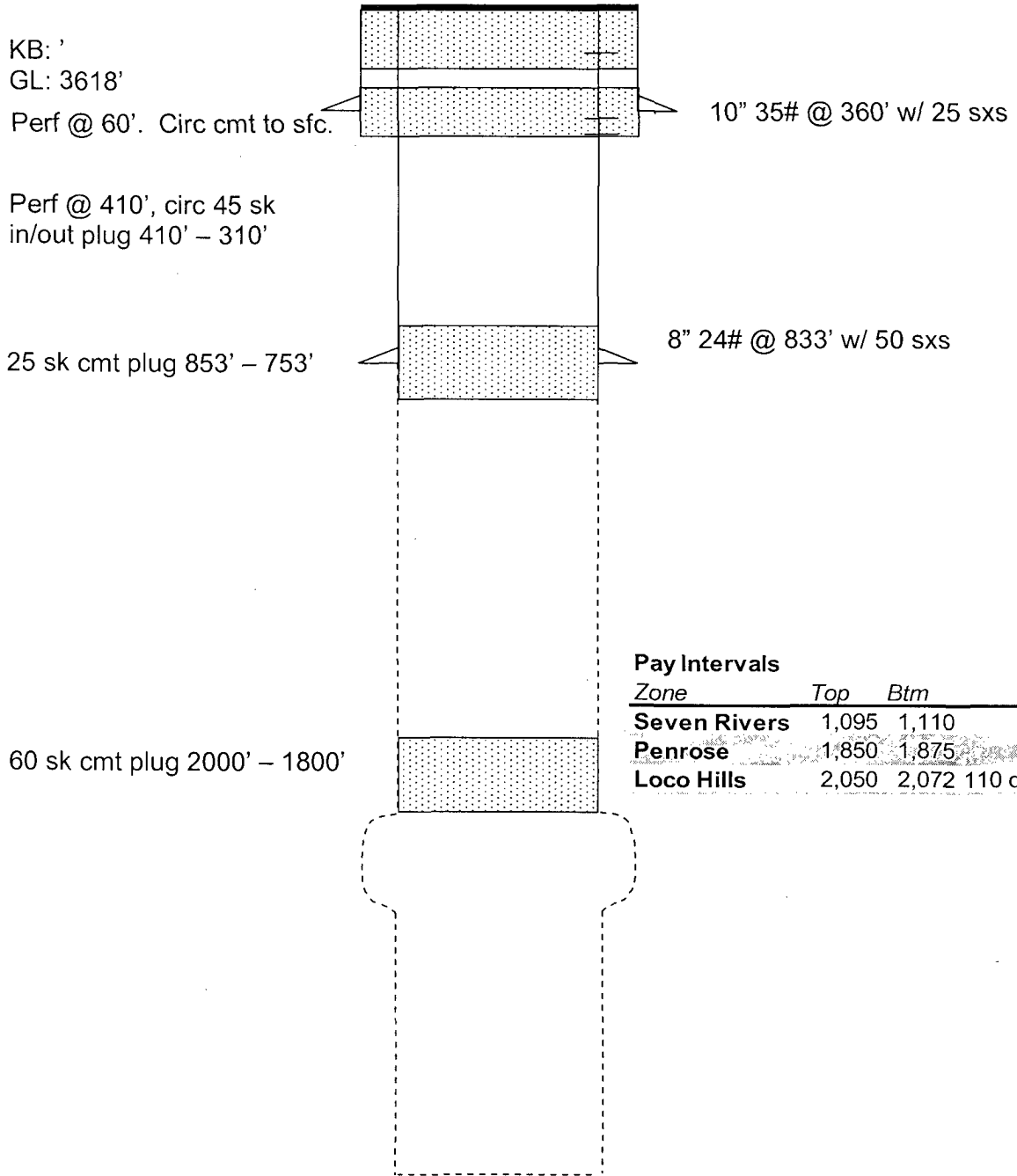
110 qts nitro

PBTD:
 TD: 2548'

MERSHON STATE 2
 ARTESIA Field
 QUEEN / GRAYBURG / SAN ANDRES Zone

API: 30-015-02007
 18S 28E 21D
 Eddy County, NM

Proposed Wellbore Configuration



KB: '
 GL: 3618'

Perf @ 60'. Circ cmt to sfc.

10" 35# @ 360' w/ 25 sxs

Perf @ 410', circ 45 sk
 in/out plug 410' - 310'

25 sk cmt plug 853' - 753'

8" 24# @ 833' w/ 50 sxs

60 sk cmt plug 2000' - 1800'

Pay Intervals

<i>Zone</i>	<i>Top</i>	<i>Btm</i>	
Seven Rivers	1,095	1,110	
Penrose	1,850	1,875	
Loco Hills	2,050	2,072	110 qts nitro

PBTD:
 TD: 2548'