

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 177890

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address QUANTUM RESOURCES MANAGEMENT, LLC 1401 McKinney St Houston, TX 77010		2. OGRID Number 243874
4. Property Code 307932		3. API Number 30-025-41530
5. Property Name ENCORE M STATE		6. Well No. 012

7. Surface Location

UL - Lot K	Section 20	Township 22S	Range 37E	Lot Idn	Feet From 2264	N/S Line S	Feet From 1702	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot K	Section 20	Township 22S	Range 37E	Lot Idn K	Feet From 2264	N/S Line S	Feet From 1702	E/W Line W	County Lea
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9. Pool Information

BLINEBRY OIL AND GAS (OIL)	6660
DRINKARD	19190
WANTZ;ABO	62700

Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3387
16. Multiple Y	17. Proposed Depth 7000	18. Formation Abo	19. Contractor	20. Spud Date 2/3/2014
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1175	1050	0
Int1	11	8.625	32	4000	960	0
Prod	7.875	5.5	20	7000	650	3750

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1500	
Double Ram	3000	2500	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Yolanda Perez	Approved By: Paul Kautz
Title: Regulatory Supervisor	Title: Geologist
Email Address: yperez@qracq.com	Approved Date: 12/3/2013 Expiration Date: 12/3/2015
Date: 12/2/2013 Phone: 713-634-4696	Conditions of Approval Attached

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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-		² Pool Code 6660		³ Pool Name Blinebry Oil & Gas (Oil)	
⁴ Property Code 307932		⁵ Property Name Encore M State			⁶ Well Number 12
⁷ GRID No. 243874		⁸ Operator Name Quantum Resources Management, LLC			⁹ Elevation 3384'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	20	22 S	37 E		2264	South	1702	West	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.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNITL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				<p>¹⁶</p>	
				<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>Celeste G. Dale</i> Signature</p> <p>Celeste G. Dale Printed Name</p> <p>Sr. Regulatory Analyst Title and E-mail Address</p> <p>12/02/13 Date</p>	
				<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>11-15-2013 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>	

4.6 Miles SW of Eunice, New Mexico.

File No. A-8433

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-	² Pool Code 19190	³ Pool Name Drinkard
⁴ Property Code 307932	⁵ Property Name Encore M State	
⁷ GRID No. 243874	⁸ Operator Name Quantum Resources Management, LLC	⁶ Well Number 12 ⁹ Elevation 3384'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	20	22 S	37 E		2264	South	1702	West	Lea

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<p>M STATE 12 Elev. 3384' NAD 83 NM East N= 502523 E= 894897 NAD 83 Lat. = 32° 22' 34.69" Long.= 103° 11' 17.18"</p>	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><u>Celeste G. Dale</u> Signature</p> <p><u>Celeste G. Dale</u> Printed Name</p> <p><u>Sr. Regulatory Analyst</u> Title and E-mail Address</p> <p><u>12/02/13</u> Date</p>
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4.6 Miles SW of Eunice, New Mexico.

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-	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 12
		⁹ Elevation 3384'

¹⁰Surface Location

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4.6 Miles SW of Eunice, New Mexico.

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Form APD Comments

Permit 177890

PERMIT COMMENTS

Operator Name and Address: QUANTUM RESOURCES MANAGEMENT, LLC [243874] 1401 McKinney St Houston, TX 77010		API Number: 30-025-41530
		Well: ENCORE M STATE #012

Created By	Comment	Comment Date
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Form APD Conditions

Permit 177890

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Santa Fe, NM 87505

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: QUANTUM RESOURCES MANAGEMENT, LLC [243874] 1401 McKinney St Houston, TX 77010	API Number: 30-025-41530
	Well: ENCORE M STATE #012

OCD Reviewer	Condition
DMULL	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
DMULL	Will require the form C-103 per R-11363 pre approved pools and area for Downhole commingling before multiple zones can be produced by commingling in the wellbore accordance with the procedure set forth in Rule 19.15.12.11.
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	SURFACE & INTERMEDIATE CASING - Cement must circulate to surface
pkautz	PRODUCTION CASING - Cement must tie back into intermediate casing
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water