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 ZON	RMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE
---	--

ALT LIGHT ON ENTIRE TO BRIEF, NE-ENTER, DEEL EN, 1 EUGENOU, ON ADD A ZONE								
Operator Name and Address QUANTUM RESOURCES MANA	2. OGRID Number 243874							
1401 McKinney St	3. API Number							
Houston, TX 77010	30-025-41530							
4. Property Code	5. Property Name	6. Well No.						
307932	ENCORE M STATE	012						

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	20	228	37E		2264	S	1702	W	Lea

8. Proposed Bottom Hole Location

U	L - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	K	20	228	37E	K	2264	S	1702	W	Lea

9. Pool Information

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

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
New Well	OIL		State	3387
16. Multiple	17. Proposed Depth	18. Formation	19. Contractor	20. Spud Date
Y	7000	Abo		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

22 (
pages in contents of them, at seminary of

22. Proposed Blowout Prevention Program

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

knowledge and l	belief. I have complied with 19.15.14.9 (A)	true and complete to the best of my NMAC ⊠ and/or 19.15.14.9 (B) NMAC		OIL CONSERVATION	ON DIVISION	
Printed Name:	Electronically filed by Yolanda Pe	rez	Approved By:	Paul Kautz		
Title:	Regulatory Supervisor	4.4.2	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			

District I

1625 N. French Dr., Hobbs NM 88240

District II

1301 W. Grand Avenue, 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 & 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	
API Number	² Pool Code ³ Pool Na	me
30-025-	6660 Blinebry Oil & Gas (Oil)	
Property Code	⁵ Property Name	⁶ Well Number
307932	Encore M State	12
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
243874	Quantum Resources Management, LLC	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

			DOLL	om ne	ne Location i	i pillerent r	Tom 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	13 Joint o	n Intil	Consolidation C	ada 15	Order No.				L
Dedicated Acres	a source	T IIIII	Consolidation	oue	order no.				
40									

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

		ONII HAD DEDIN A		· · · · · · · · · · · · · · · · · · ·
			16	¹⁷ OPERATOR CERTIFICATION
				I hereby certify that the information contained herein is
				true and complete to the best of my knowledge and
				belief.
				Syntature A. Dale
			-1	Celeste G. Dale
M STATE 12	i.			Printed Name
Elev. 3384' NAD 83 NM East N= 502523	377' To Lease Line			Sr. Regulatory Analyst Title and E-mail Address
E= 894897 NAD 83	٥			12/02/13
Lat. = 32° 22′ 34.69″ Long.= 103° 11′ 17.18″	- 377'			Date
		=		18SURVEYOR CERTIFICATION
1702'		:		I hereby certify that the well location shown on this plat
383' To Lease Line -	 	:		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.
		:		Date of Survey Signature and Seal of professional Survey Signature and Seal of
	, '			Signature and Seal of Professional Surveyor
	2264'			10324 Sold Sold Sold Sold Sold Sold Sold Sold
				what to allented
				10324 POFESSIONAL PROFESSIONAL
				Certificate Number

4.0 WITES DI OI DAMO . NEW MEXICO. TILC NO.	4.6	Miles SW of Eunice		File No.	A-8433
---	-----	--------------------	--	----------	--------

District 1

1625 N. French Dr., Hobbs NM 88240

District_II

1301 W. Grand Avenue, 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 & 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

API Number	² Pool Code	³ Pool Nam	e
30-025-	19190	Drinkard	
⁴ Property Code	5Propert	⁶ Well Number	
307932	Encore M St	12	
⁷ OGRID No.	⁸ Operato	⁹ Elevation	
243874	Quantum Resources Management,	LLC	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

11 Pottom Hole Legation If Different From Surface

			''Bott	om H	ole Location l	f Different F	rom Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
		l							
12 Dedicated Acres	¹³ Joint o	or Infill 1	Consolidation C	ode 1	⁵ Order No.				
40									

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

16 170PERATOR CERTIFICATIOn the information contained here true and complete to the best of my knowledge and belief. Signature	ein is
true and complete to the best of my knowledge and belief.	
betsef.	
Sullet A. Cala	
Colecte G. Dale	
Celeste G. Dale Printed Name	
M STATE 12	
Elev. 3384' Sr. Regulatory Analyst	
NAD 83 NM Eost N= 502523 Sr. Regulatory Analyst Title and E-mail Address	
E= 894897 .o	
NAD 83 12/02/13	
NAD 83 Lat. = 32' 22' 34.69" Long. = 103' 11' 17.18" Date	
Long. = 103 11 17:16	
18SURVEYOR CERTIFICATION	N
I hereby certify that the well location shown on this	plat
383' To Lease Line was plotted from field notes of actual surveys made	by
me or under my supervision, and that the same is i	true
and correct to the best of my belief.	
11-15-2013 Date of Survey Signature and Seal of Professional Name of Survey	
Date of Survey	$\overline{}$
Date of Survey Signature and Seal of Professional NurveyorX / Co	, /
Signature and Seal of Professional Nurrely bend	œ\
	121
	SURVEYOR
Michael & Stan	ZH.
	7
10324 PROFESSIONAL AND	
Certificate Number	

4.6	Miles	SW	of	Eunice	New Mexico.	. File l	No.	A-8433

District I

1625 N. French Dr., Hobbs NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

1220 S. St. Francis Dr., Santa Fe, NM 87505

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 ¹API Number ²Pool Code 30-025-62700 Wantz; Abo ⁴Property Code ⁵Property Name ⁶Well Number 307932 Encore M State 12 ⁷OGRID No ⁸Operator Name ⁹Elevation 243874 Quantum Resources Management, LLC 3384' ¹⁰Surface Location UL or lot no. Feet from the Section East/West line Township Lot Idn North/South line Range Feet from the County 20 22 S 37 E 2264 K 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 ¹²Dedicated Acres 13 Joint or Infill 14Consolidation Code 15Order No. 40

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNITL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-

SIAN	DARD UNIT I	AND DEEN A	LLUATI DI	THE DI	AIDION
				16	¹⁷ OPERATOR CERTIFICATION
					I hereby certify that the information contained herein is
					true and complete to the best of my knowledge and
					belief.
					Luleste A. Sah
					- Uguavai o
					Celeste G. Dale
M STATE 12					Printed Name
M STATE 12 Elev. 3384' NAD 83 NM East N= 502523 E= 894897 NAD 83 Lat. = 32' 22' 34.69"					Sr. Regulatory Analyst
N= 502523 E= 894897					little and s-man Address
NAD 83					12/02/13
Lat. = 32° 22' 34.69"					Date
Long. – 103 11 17.10					
	ŧ				18SURVEYOR CERTIFICATION
1702'	ŧ				I hereby certify that the well location shown on this plat
383' To Lease Line	ļ	·			was plotted from field notes of actual surveys made by
1					me or under my supervision, and that the same is true
	f				and correct to the best of my belief.
†	-				11-15-2013 Date of Survey Signature and Seal of Professional Survey
ļ <u> </u>					Date of Survey
2264'				İ	Signature and Seal of Professional Quirveyor
2.					$\left(\begin{array}{c} REG \left(\left(10324\right) \right) \\ REG \left(\left(10324\right) \right) \end{array}\right)$
					10324) SELLING (10324)
					what was a second
					10324 PROFESSIONAL
					Certificate Number

4.6	Miles SW	o f	Eunice	New Mexico	File No	A-8433
4 n	MILES OF	ΩŤ	Eunice	New Meyico	FILE NO	A-0400

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-8161 Fax:(575) 393-0720 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

Permit 177890

Form APD Comments

PERMIT COMMENTS

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

Created By Comment Comment Date

Form APD Conditions

District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-8161 Fax:(575) 393-0720 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

Permit 177890

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
QUANTUM RESOURCES MANAGEMENT, LLC [243874]	30-025-41530
1401 McKinney St	Well:
Houston, TX 77010	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 & INTERNEMIATE 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