



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

John H. Bemis  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Jami Bailey  
Division Director  
Oil Conservation Division



March 2, 2012

Quantum Resources Management, LLC  
Attn: Ms. Yolanda Perez

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6566  
Administrative Application Reference No. pTWG12-03842735

Quantum Resources Management, LLC  
OGRID 243874  
Encore M State Well No. 7  
API No. 30-025-40399

**Proposed Location:**

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
749 FNL & 1610 FEL	B	19	22S	37E	Lea

**Proposed Unit:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NW/4 NE/4 of Section 19	40	undesigned Blinebry Oil and Gas (Oil)	6660
		undesigned Drinkard	19190
		undesigned Wantz; Abo	62700

Reference is made to your application received on February 7, 2012.

You have requested to drill or re-complete this well at an unorthodox oil well location described above, in the referenced pool or formation. This location is governed, as to the Blinebry by the Special Rules and Regulations for the Blinebry Oil and Gas Pool, and as to the Drinkard and Abo by statewide Rule 15.9.A [19.15.15.9.A NMAC]. All of the applicable rules provide for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit boundary.

Oil Conservation Division  
1220 South St. Francis Drive • Santa Fe, New Mexico 87505  
Phone (505) 476-3440 • Fax (505) 476-3462 • [www.emnrd.state.nm.us/OCD](http://www.emnrd.state.nm.us/OCD)



Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location to avoid interference with existing power lines and pipelines.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey  
Director

JB/db

cc: New Mexico Oil Conservation Division – Hobbs  
New Mexico State Land Office