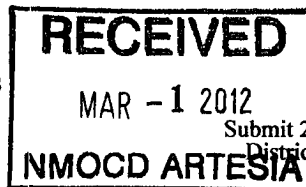


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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



Form C-141
Revised August 1, 2011
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

NMLB/20664849 243874 OPERATOR ☒ Initial Report ☐ Final Report

Name of Company	Quantum Resources Management, LLC.	Contact	Garrett Newton
Address	1905 West Sears Ave., Artesia, NM 88210	Telephone No.	575-513-0230
Facility Name	Conoco 7 State #12	Facility Type	WIW
Surface Owner	State	Mineral Owner	State
		API No.	30-015-25160

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	7	19S	29E	1880'	South	1980'	West	Eddy

Latitude 32° 40' 28.728" Longitude 104° 6' 56.492"

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	20 to 40 bbls	Volume Recovered	0 bbls
Source of Release	Water injection line	Date and Hour of Occurrence	1/29/2012 2:15 pm	Date and Hour of Discovery	1/29/2012 2:15 pm
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? NMOCD Mike Bratcher (voicemail)			
By Whom?	Hack Conder	Date and Hour 1/30/2012 4:00 pm			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
The injection line ruptured. The line was repaired.

Describe Area Affected and Cleanup Action Taken.*
The total affected area spans 6,000 ft² which included 4,583 ft² of pasture and 1,417 ft² of area along a two track dirt road. The site will be remediated to meet NMOCD standards.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature:		OIL CONSERVATION DIVISION	
Printed Name: GARRETT L. Newton		Signed By: Approved by District Supervisor:	
Title: Field Supervisor		Approval Date: MAR 06 2012	Expiration Date:
E-mail Address: gnewton@pvtnetworks.net		Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	
Date: Phone: 575-513-0230		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

4/6/2012

2RP-1056