

RECEIVED

OCT 26 2012

WOOD ARTESIA

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-02005

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil &amp; Gas Lease No.

647

7. Lease Name or Unit Agreement Name

Mershon State

8. Well Number

003

9. OGRID Number

243874

10. Pool name or Wildcat

Artesia (Q-G-SA)

## 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 ☐ Injection

2. Name of Operator

Quantum Resources Management, LLC

3. Address of Operator

1401 McKinney Street, Suite 2400, Houston, TX 77010

4. Well Location

Unit Letter E : 2310 feet from the North line and 330 feet from the West line  
Section 21 Township 18-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3596' GR

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

## NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐DOWNHOLE COMMINGLE ☐OTHER: ☐

## SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐

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. 06/07/12-MIRU-attempted to release packer, would not release

06/11/12-Attempt to release pkr, no movement. Wait on wireline Ran rotary collar locator and free point. Pipe is free at pkr 2000' back off @1974', suspect trash. RD WL Couldn't get tubing slip bowl out of wellhead Break WH loose Install new WH. Install BOP, POOH w/tbg Shut in shut down 06/12/12-Last 2 jts of tbg had heavy scale on outside MI reverse unit and 2300' 2-7/8" tbg, tally pipe PU wash pipe and changeover sub. PU tbg. Circulate well above fish with fresh water SISD

06/13/12 - Circulated, started getting back lot of scale and paraffin, did not tag fish. Wash down to 2044' Start out of hole PU overshot, grapple accelerator&amp;jars SISD.

06/14/12-Break circulation RIH to top of fish, latch onto fish TOO, LD Retrieved most of pkr. PU pkr and plug Arrowset. TIH PU 2-7/8" work string. Set RBP@1990' would not set TOO w/pkr &amp; plug To pick up bit and scraper. hit tight spot@1495' could not work through. Would not move Pump thru tbg circulating. SISD. Call in 06/15/12-Work pkr, Pkr &amp; plug started dragging to surface Pkr &amp; plug had a lot of junk and flat steel wire all over. Wait on string mill, Run in hole w/ 4- 3/4" bit sub string mill sub &amp; 4 drill collars. Run up &amp; down hole @ 1400'-1500' didn't see any drag. Tagged@218' Pick up swivel break circulation start drilling. Cleaned -out to 2310'. Getting pieces of flat wire w/pkr rubber and pieces of old pkr Circulate clean, POOH. SD

06/16/12-TIH, start drilling @ 2310' cleaned out well to 2380' circulated clean TOO, SD.

06/18/12-TOOH w/drill string, LD collars, bit, &amp; mill. PU RBP@1972'. TOO PU pkr &amp; overshot, TIH, set pkr@1964' could not test TIH release RBP, move to 1964' would not set Pull up hole, set RBP@1936' set pkr. RBP tested Pull up hole hunting hole in csg, pkr would not set, TOO pick up pkr TIH 1400', set pkr Csg tested POOH to 1000' csg tested, POOH to 30' csg tested, BS would not load and test circulate outside surface csg pkr@10ft csg tested below pkr, hole in csg@surface SISD

06/19/12-TOH with AD-1, Pick up overshot TIH latch onto RBP TIH, would not set, moving up trying to set RBP, set@1985' TOO pick up AD-1 test above plug, plug held. TOO to 10', csg tested. Fluid level 2' from surface, hole in csg at 1985-2000', hole in csg@2', lay down AD-1. Cut off &amp; weld new csg top

06/20/12-Finish digging out around wellhead 8-10ft Cut 8-5/8' &amp; 5- 1/2" weld plate on 8-5/8" to 5- 1/2" with 2" collar on 8- 5/8" csg Weld 5-1/2" csg stub to surface. Install WH. Pick up overshot, TIH with 2- 7/8" workstring Shut down above RBP@1985'

06/21/12-TIH 2-7/8", open bypass, release RBP, POOH laying down 2-7/8" tbg Rig up hydrotesters. Pick up plastic coated pkr, TIH testing 2-3/8" tbg Tried to set pkr would not set turning freely, not taking any tension Work pkr up and down with tbg trying to set TOO trying to set pkr, hit tight spot at 1345' could not pull packer thru Worked up &amp; down with tbg pulling into pkr, pulled thru tight spot. POOH. Shut-in BOP.

06/22/12- PU pkr w/on/off tool, TIH w/64 jts 2-3/8" tbg. Set pkr@1979', load &amp; tst csg, Move pkr uphole, would not test POOH to above bad spot in csg@1300', set pkr, test csg to 500 psi, pkr &amp; csg tested Drop below bad spot in csg@1400' Pulled 1jt csg. Hole in tbg PU new jt, TIH w/pkr@1979', csg tested. Rel. pkr, ND BOP, spaced out pkr &amp; set. Get off on/off tool, circulate 60 bbls pkr fluid, flange up WH To schedule test w/ NM OCD

Spud Date:

Rig Release Date:

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

SIGNATURE Celeste G. Dale TITLE Sr. Regulatory Analyst DATE 10/24/12Type or print name Celeste G. Dale E-mail address: cdale@qracq.com PHONE: (432)683-1500

For State Use Only

APPROVED BY: Richard Ince TITLE COMPLIANCE OFFICER DATE 11/8/12

Conditions of Approval (if any):