

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO. 30-015-01854
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No.

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 [X] Gas Well [] Other []

2. Name of Operator Quantum Resources Management, LLC

3. Address of Operator 1401 McKinney Street; Ste. 2400, Houston, TX 77010

4. Well Location Unit Letter C : 660 feet from the North line and 1980 feet from the West line Section 14 Township 18-S Range 28-E NMPM County Eddy

7. Lease Name or Unit Agreement Name: State 14 "A"

8. Well No. 2

9. OGRID Number

10. Pool name or Wildcat Artesia; Queen-Grayburg-San Andres

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3599' GL

Pit or Below-grade Tank Application [] or Closure []
Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water
Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON [X]
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPLETION []

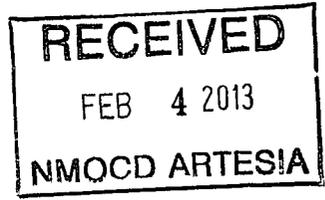
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OF [] P AND A []
CASING/CEMENT JOB []

OTHER: []

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 1. MIRU plugging equipment. Dig out cellar, NU BOP. RIH w/ tbg open ended. Spot 25 sx cement @ 2540', or TD, Pull out of cement. WOC & Tag. Circulate hole w/ mud laden fluid.
2. Perf. 5 1/2 csg @ 740'. Sqz. 50 sx cement and displace to 640'. WOC & Tag.
3. Perf. 5 1/2 csg @ 540'. Sqz. 80 sx cement and displace to 325. WOC & Tag.
4. Perf. 5 1/2 csg @ 60'. Sqz. 45 sx and circulate to surface.
5. Cut off wellhead and weld on Dry Hole Marker.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [] or an (attached) alternative OCD-approved plan [].

SIGNATURE Roger D. Brooks TITLE Agent DATE 02/04/13

Type or print name Roger Brooks E-mail address: Telephone No. 432-580-7161

APPROVED BY [Signature] TITLE Approval Granted providing work is complete by 5/5/2013 DATE 2/5/2013

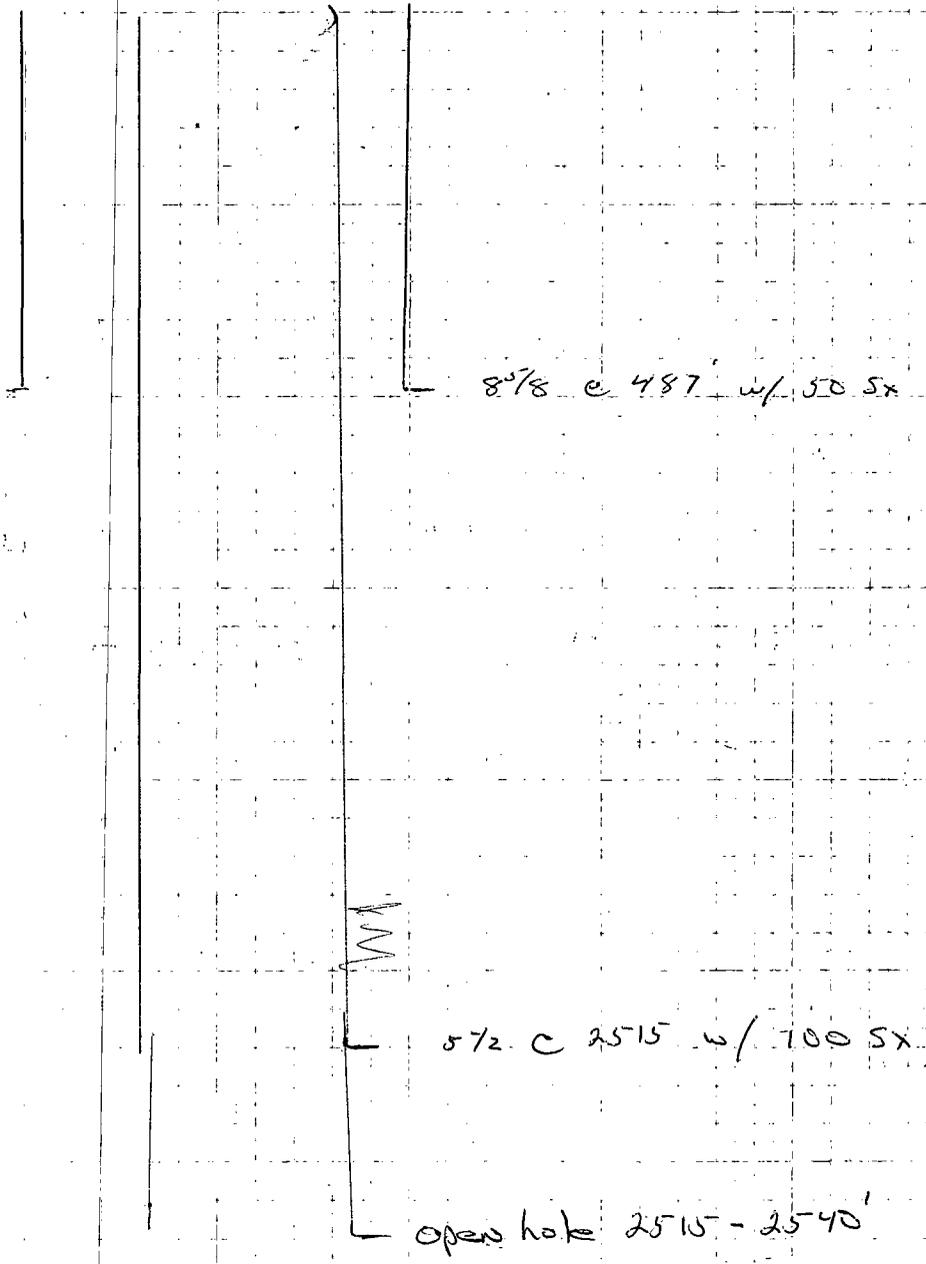
Quantum Resources

State 14A #2

Eddy County

C-14-18-S-28-E

30-015-01854



8 5/8 c 487 w/ 50 SX

5 7/2 c 2515 w/ 100 SX

open hole 2515 - 2540'

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: Quantum Resources Management, LLC

Well Name & Number: State 14 "A" #2

API #: 30-015-01854

1. Produced water **will not** be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged **ONLY**. A C-103 **FINAL** shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perms, before any plugs can be set, by whatever means possible.

8. Cement Retainers may not be used.

9. Squeeze pressures not to exceed 500 psi., unless approval is given by NMOCD Plugging Supervisor.
10. Plugs may be combined after consulting with NMOCD P & A Supervisor.

11. Minimum WOC time for tag plugs will be 4 hrs.

DG

Date: 2/5/2013