

NM OIL CONSERVATION

State of New Mexico
Energy, Minerals and Natural Resources
ARTESIA DISTRICT

SEP 29 2014 CONSERVATION DIVISION

1220 South St. Francis Dr.
RECEIVED Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

<p>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.)</p>		<p>WELL API NO. 30-015-02005</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Injection <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Quantum Resources Management, LLC</p>		<p>6. State Oil & Gas Lease No. 647</p>
<p>3. Address of Operator 1401 McKinney St., Suite 2400, Houston, TX 77010</p>		<p>7. Lease Name or Unit Agreement Name Mershon State</p>
<p>4. Well Location Unit Letter <u>E</u> : <u>2310</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>West</u> line Section <u>21</u> Township <u>18S</u> Range <u>28E</u> NMPM <u>Eddy</u> County</p>		<p>8. Well Number <u>3</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.)</p>		<p>9. OGRID Number 243874</p>
<p>10. Pool name or Wildcat Artesia (Q-G-SA)</p>		

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 ☐
CLOSED-LOOP SYSTEM ☐
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.

09/02/14 - MIRU

09/03/14 - ND well head pulled up on Arrowset packer 9' and set tested casing to 500psi. held for 30min. and bled down. Tried to move back down and try to set at 1977' could not get packer to set pooh with tubing and packer and RIH with test packer and tubing and set @1977' and pressured up to 500psi. for 30 min. bled off 15psi in 30 min. BWD and TOH with tubing and packer. Pick up 13 jts of tubing and tag for fill. Tagged up @2375'. TOH and lay 13jts down and stand back 64 joints of 2-3/8" IPC tubing and shut well in.

09/04/14 - PU 5-1/2" Arrowset packer and MIRU hydrostatic tubing testers and test 2-3/8" IPC J-55 tubing in the hole. Tubing tested good. Replaced 2 joints and tried to set packer at 1977' could not get packer to set. Pulled out one joint and set packer @1946' and got off on/off tool. MIRU kill truck and circulate 50 bbls of packer fluid. Get back on packer with on/off tool and set packer where needed to be. NU wellhead and RU kill truck to run MIT on casing. Put 500psi on casing and charted for 30min. called Richard Inge with OCD to see if he wanted to witness chart, he said to just send to him with C-103 and chart. RD kill truck and put wellhead back together.

Spud Date:

09/02/14

Rig Release Date:

09/04/14

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

SIGNATURE Yolanda Perez TITLE Regulatory Manager DATE 09/25/14

Type or print name Yolanda Perez E-mail address: yperez@qracq.com PHONE: 713-634-4696

For State Use Only

APPROVED BY: RD Wade TITLE Dir. of Supervision DATE 10/8/14

Conditions of Approval (if any):

