

Submit 1 Copy to Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

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

WELL API NO. 30-015-02005
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 647
7. Lease Name or Unit Agreement Name Mershon State
8. Well Number 3
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 St., 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 18S Range 28E NMPM Eddy County

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

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.

NM OIL CONSERVATION
ARTESIA DISTRICT

Spud Date: 09/02/14

Rig Release Date: 09/04/14

SEP 26 2014

RECEIVED

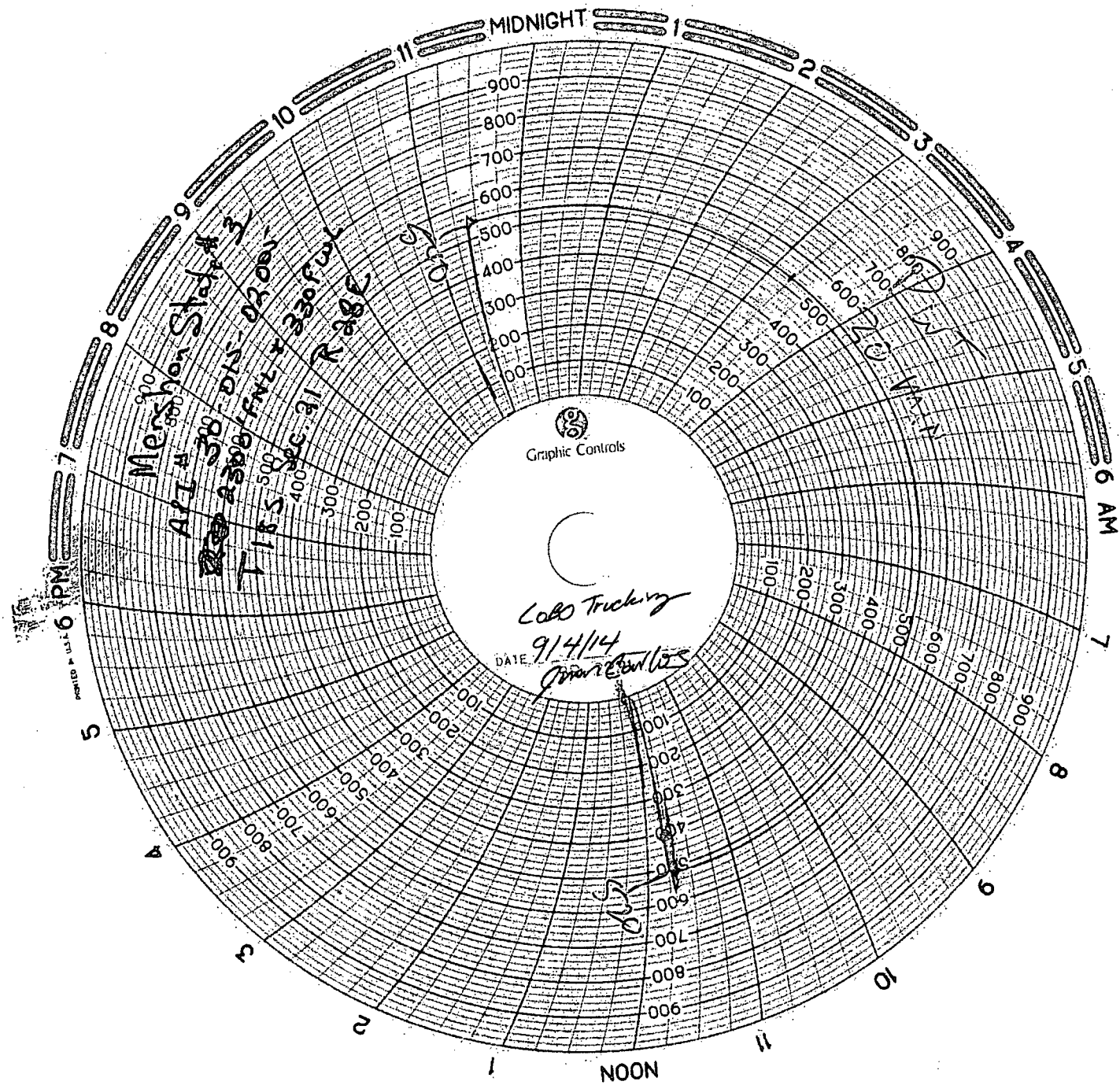
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

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: Richard Inge TITLE COMPLIANCE OFFICER DATE 10/10/14
Conditions of Approval (if any):



Graphic Controls

Lobo Trucking

DATE 9/4/14
Driver: [signature]

Merchon Stat #3
AFT #38
38-015-02001
T185
300
400
500
600
700
800
900
330FUEL
RAGE
31
300
400
500
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700
800
900