

District I
1625 N French Dr., Hobbs NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Bravo Road, Aztec NM 87410
Phone (505) 134-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico

Form C-101
Revised December 16 2011

HOBBS OCD Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Permit

FEB 06 2012

AMENDED *X*

RECEIVED

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Quantum Resources Management, LLC 1401 McKinney St., Suite 2400 Houston, TX 77010		⁴ OGRID Number 243874
		³ API Number 30-025-40398
⁴ Property Code 307932	³ Property Name Encore M State	⁶ Well No 006

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
I	19	22S	37E		2181	South	574	East	Lea <i>X</i>

⁸ Pool Information

Blinebry Oil and Gas (Oil) - 6660; Drinkard - 19190; Wantz, Abo - 62700

Additional Well Information

⁹ Work Type New Well	¹⁰ Well Type Oil	¹¹ Cable/Rotary	¹² Lease Type State	¹³ Ground Level Elevation 3398'
¹⁴ Multiple Y	¹⁵ Proposed Depth 7000'	¹⁶ Formation Abo	¹⁷ Contractor	¹⁸ Spud Date 02/15/12
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1175	1065	0
Int1	11	8.625	32	4000	1105	0
Prod	7.875	5.5	17	7000	480	3800

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular Double Ram	3000 3000	1500 2500	

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

I further certify that the drilling pit will be constructed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan . *closed loop*

Signature *Yolanda Perez*

Printed name Yolanda Perez

Title Regulatory Supervisor

E-mail Address yperez@gracq.com

Date 02/06/12

Phone 713-634-4696

OIL CONSERVATION DIVISION

Approved By

Title:

[Signature]
PETROLEUM ENGINEER

Approved Date

Expiration Date

FEB 06 2012

Conditions of Approval Attached

FEB 06 2012

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1626 N. French Dr., Hobbs NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
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1000 Rio Brazos Rd., Artec, NM 87410
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1220 S. St. Francis Dr., Santa Fe, NM 87506

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40398		² Pool Code 6660	³ Pool Name Blinebry Oil and Gas (Oil)
⁴ Property Code 307932	⁵ Property Name Encore M State		⁶ Well Number 006
⁷ OGRID No. 243874	⁸ Operator Name Quantum Resources Management, LLC		⁹ Elevation 3398'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>HOBBS OCD FEB 06 2012 RECEIVED</p>	<p>Elev. 3398' NAD 83 NM East N= 502413 E= 892622 NAD 83 Lat. = 32° 22' 33.85" Long. = 103° 11' 43.71"</p>		<p>16</p>	<p>¹⁷OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Yolanda Perez</i> Signature</p> <p>Yolanda Perez Printed Name Regulatory Supervisor yperez@qracq.com Title and E-mail Address</p> <p>02/03/2012 Date</p>
				<p>¹⁸SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>09-15-2011 Date of Survey</p> <p>Signature and Seal of Professional Surveyor <i>Michael L. Stanford</i></p> <p>10324 Certificate Number</p>

6.5 Miles SW of Eunice, New Mexico.

File No. A-6049

* Amended

District I
1825 N. French Dr., Hobbs NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40398	² Pool Code 19190	³ Pool Name Drinkard
⁴ Property Code 307932	⁵ Property Name Encore M State	
⁷ OGHD No. 243874	⁶ Operator Name Quantum Resources Management, LLC	⁸ Well Number 006 ⁹ Elevation 3398'

¹⁰Surface Location

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<p>Elev. 3398' NAD 83 NM East N= 502413 E= 892622 NAD 83 Lat. = 32° 22' 33.85" Long. = 103° 11' 43.71"</p>		<p>574'</p> <p>2181'</p>

6.5 Miles SW of Eunice, New Mexico.

File No. A-8049

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40398	² Pool Code 62700	³ Pool Name Wantz; Abo
⁴ Property Code 307932	⁵ Property Name Encore M State	
⁷ GRID No. 243874	⁶ Operator Name Quantum Resources Management, LLC	⁸ Well Number 006
		⁹ Elevation 3398'

¹⁰Surface Location

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