

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 87401

District IV - (505) 476-3460

1220 S St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-025-08593
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E8322
7. Lease Name or Unit Agreement Name Jalmat Field Yates Sand Unit
8. Well Number 110
9. OGRID Number 243874
10. Pool name or Wildcat Jalmat; TAN-Yates-7 RVRS

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Injection <input type="checkbox"/>	
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 <u>F</u> : <u>1980</u> feet from the <u>North</u> line and <u>1650</u> feet from the <u>West</u> line Section <u>11</u> Township <u>22S</u> Range <u>35E</u> NMPM Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3626' GL	

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 ☐

SUBSEQUENT REPORT OF:

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

Per Underground Injection Control Program Manual

11.6 C Packer shall be set within or less than 100

OTHER: ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details of proposed operations, 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.

5-Yr. Mechanical Integrity Test failed 03/26/12.

Quantum Resources Management, LLC, intends to MIRUPU & bleed-down well, unseat packer, POOH w/tbg & pkr, check for Tbg, or pkr leak, re-test casing.

NMOCD Hobbs office will be notified 48-hrs. prior to coordinate scheduling re-test.

**The Oil Conservation Division
MUST BE NOTIFIED 24 Hours
Prior to the beginning of operations**

**Condition of Approval: notify
OCD Hobbs office 24 hours
prior of running MIT Test & Chart**

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 06/22/12

Type or print name Celeste G. Dale E-mail address: cdale@gracq.com PHONE: 432-683-1500

For State Use Only

APPROVED BY: [Signature] TITLE STAFF MGR DATE 6-27-2012

Condition of Approval: the operator shall give 24 hour notice to the appropriate District office before work begins

Condition of Approval: Notify OCD Hobbs office 24 hours prior to running MIT Test & Chart.

JUN 28 2012