

Amended

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

HOBBS OCD

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

Form C-103
Revised August 1, 2011

JUL 15 2013

RECEIVED

WELL API NO. 30-025-08569
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-8322
7. Lease Name or Unit Agreement Name Jalmat Field Yates Sand Unit
8. Well Number 102
9. OGRID Number 243874
10. Pool name or Wildcat Artesia; Queen-Grayburg-San Andres
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3612' GR

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 P : 330 feet from the South line and 330 feet from the East line
Section 3 Township 22S Range 35E NMPM Lea County

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Mechanical Integrity Test <input checked="" type="checkbox"/>	

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.

Injection well re-activated. Mechanical integrity test dated 05/30/13, (555) psi, chart attached.
Test witnessed by Mark Whitacker, NMOCD Hobbs office.

Spud Date: Rig Release Date:

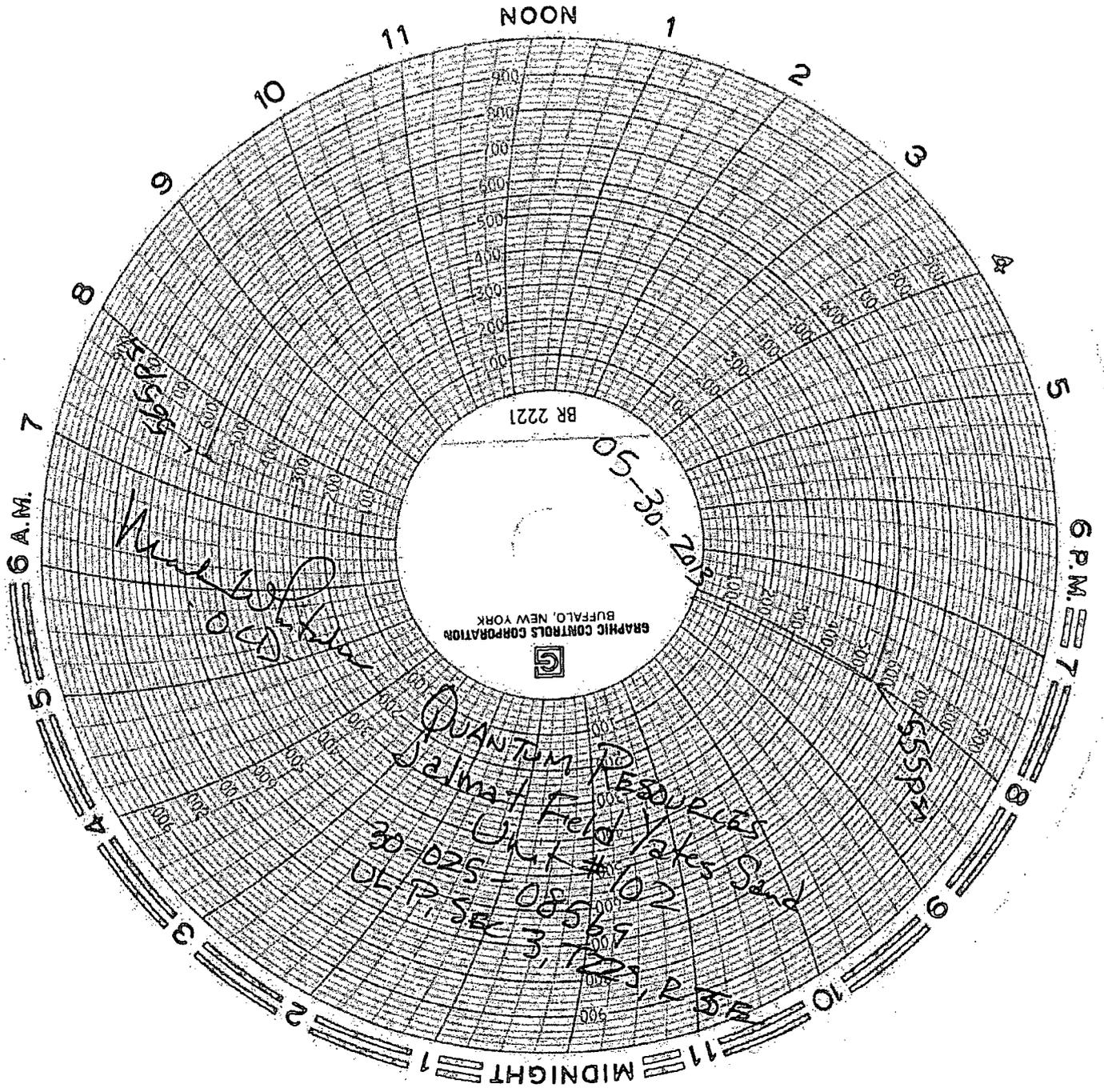
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Celeste G. Dale TITLE Sr. Regulatory Analyst DATE 06/10/13
 Type or print name Celeste G. Dale E-mail address: cdale@qracq.com PHONE: 432-683-1500

For State Use Only
 APPROVED BY: Maley & Brown TITLE Compliance Officer DATE 7/16/2013
 Conditions of Approval (if any)

JUL 16 2013

MP



GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK



BR 2221

50-30-2015

QUANTUM RESOURCES
PAINFUL
MAY 1985

6:58 PM

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Letter of Violation
IMMEDIATE DIRECTIVE

RECEIVED

March 28, 2013

APR 03 2013

Quantum Resources Management, LLC.
1401 McKinney Street
Ste. 2400
Houston, TX 77010

Attn: Regulatory Department

RE: CONE JALMAT YATES (CJYPU) #111, S13-T22S-R35E UNIT P
JALMAT YATES SAND UNIT (JYSU) # 102, S3-T22S-R35E UNIT P

Dear Operator:

After conducting the Annual UIC Testing, it has come to our attention that the above referenced wells presently are out of compliance with OCD Rules and Regulations.

According to records, the OCD District I office has not yet received a Subsequent Report C103 stating a workover attempt, performed in February of 2012 on the CJYPU #111. According to field information, clean out work and tubing construction was/has been modified to well #111 and the packer has been set above the allowed depth.

In order to bring CJYPU #111 into compliance with OCD Injection Rules 19.15.26.10; 19.15.26.11 and the EPA UIC requirements, please do the following:

- Submit a Subsequent Report C103 stating in detail work performed February 2012.
- A packer setting depth must be submitted and approval from Santa Fe must be obtained, if the packer is set more than 100' above the top perforation.
- Please note that wells out of compliance with NMOCD Rule 19.15.5.9 will be listed on the Inactive Well List.

March 28, 2013

Page 2

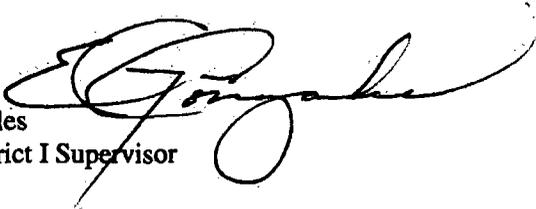
In reference to JYSU #102 the Temporarily Abandonment status has expired. According to OCD Rule 19.15.25.13; 19.15.25.14 Operator must do the following:

- Submit NOI C103 and wellbore schematic requesting an extension of TA Status for 1 year only.
- After approval of NOI, perform a mechanical integrity test on JYSU #102. (500#/30 mins)
- Submit Subsequent Report C103 with detailed information and pressure test chart for approval.

If you have any questions, please contact EL Gonzales, at 575-393-6161 x102.

Sincerely,

EL Gonzales
OCD District I Supervisor

A handwritten signature in black ink, appearing to read 'EL Gonzales', written over a faint, larger version of the typed name.