

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
AUG 06 2013
RECEIVED

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

WELL API NO.	30-025-39541
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Encore M State
8. Well Number	002
9. OGRID Number	243874
10. Pool name or Wildcat	Blinebry Oil & Gas (Oil); Drinkard
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	3417' 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

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 G : 1700 feet from the North line and 1700 feet from the East line
 Section 19 Township 22S Range 37E 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 checked="" 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: <input 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.

07/09/13-MIRU Trans-Tex to squeeze casing leak from 3540-3572'. Mix & pump 100sx CI "C" cmt. (cement report attached)
 07/10-11/13-test csg. to 500#, O.K., tagged cmt@3391'. Drilled cmt, RIH w/tbg & BHA, tagged fill @ 6711. MIRU Foam Air.
 07/12/13-RIH W/Foam Air rig, blow well dry, circ, clean well out to PBDT 6870', circ two times bottoms-up, POOH
 07/13-16/13-Acidize Abo/Drinkard w/1500G 15% HCl NEFE acid, acidize Blinebry w/1500G 15% HCl NEFE acid. Scale squeezed Abo/Drinkard & Blinebry w/same treatment (20Bbls scale inhibitor)
 07/17-25/13-RIH w/120 HP ESP pump, motor, 166 jts. 2-7/8" tbg. Set pump intake@5426', bottom of motor@5459'.
 07/26/13-Well pumping, RDMO

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 A. Dale TITLE Sr. Regulatory Analyst DATE 08/02/13

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

For State Use Only

APPROVED BY: [Signature] TITLE DIST. MGR DATE 8-28-2013
 Conditions of Approval (if any):

AUG 28 2013

Cementer: Fill in shaded areas
 Operator: Fill in other items

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

1. Operator's Name (As Shown on Form P-5, Organization Report) QUANTUM RESOURCES MANAGEMENT		2. RRC Operator No.	3. RRC District No.	4. County of Well Site LEA
5. Field Name (Wildcat or Exactly as Shown on RRC Records) Blinebry Oil + Gas (oil); Drinkard			6. API No. 30-025-39541	7. Drilling Permit No.
8. Lease Name ENCORE M STATE		9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well Number #2

CASING CEMENTING DATA:		SURFACE CASING	INTERMEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				SINGLE STRING	MULTIPLE PARALLEL STRINGS	TOOL	SHOE
12. Cementing Date							
13. *Drilled Hole Size							
*Ext. % Wash or Hole Enlargement							
14. Size of Casing (in. O.D.)							
15. Top of Liner (ft)							
16. Setting Depth (ft)							
17. Number of Centralizers Used							
18. Hrs. Waiting on Cement Before Drill-Out							
1 st Slurry	19. API Cement Used: No. of Sacks >						
	Class >						
	Additives >						
2 nd Slurry	No. of Sacks >						
	Class >						
	Additives >						
3 rd Slurry	No. of Sacks >						
	Class >						
	Additives >						
1st	20. Slurry Pumped: Volume (cu.ft.) >						
	Height (ft) >						
2nd	Volume (cu.ft.) >						
	Height (ft) >						
3rd	Volume (cu.ft.) >						
	Height (ft) >						
	Volume (cu.ft.) >						
	Height (ft) >						
21. Was Cement Circulated to Ground Surface (or Bottom of Cellar) Outside Casing?							

22. Remarks
300 SKS CLASS "C" 2# SAND, 5# SALT, 1.5# GIL @ 14.8 #/GAL

CEMENTING TO SQZ	SQZ #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing Date	7/9/2013							
24. Size of Hole or Pipe Plugged (in)	5 1/2							
25. Depth to Bottom of Tubing or Drill Pipe (ft)	3420							
26. Sacks of Cement Used (each plug)	300							
27. Slurry Volume Pumped (cu.ft.)	396							
28. Calculated Top of Plug (ft)	3415							
29. Measured Top of Plug, If Tagged (ft)								
30. Slurry Wt. (lbs/gal)	14.80							
31. Type Cement	REMARKS							

CEMENTERS CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Jeremy Dickman
Name and Title of Cementer's Representative

TRANS-TEX CEMENTING SERVICES, LLC
Cementing Company *Jeremy Dickman*
Signature

5019 BASIN ST Midland, Texas 79703
Address City State Zip Code

432-694-4900 7/9/2013
Tel: Area Code Number Date: Mo. Day Yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Celeste G. Dale
Typed or Printed Name of Operator's Representative

Sr. Regulatory Analyst
Title

Celeste G. Dale
Signature

4000 N. Big Spring, Suite 305, Midland TX 79705
Address City State Zip Code

432-683-1500 08/02/13
Tel: Area Code Number Date: Mo. Day Yr.

Instruction to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion, and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

- A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:
 - * An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
 - * Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
 - * Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete W-15, in addition to Form W-3, to show any casing cemented in the hole.
 - B. Where to file. The appropriate Commission District Office for the county in which the well is located.
 - C. Surface casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
 - D. Centralizers. Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.
 - E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written applications, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.
 - F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 12 (b) (3) and (4).
 - G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1000 feet of depth from the ground surface to the bottom of the plug.
- To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.