

Submit 1 Copy To Appropriate District

Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87401

District IV

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

87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

October 13, 2019

RECEIVED**JUL 09 2010****HOBBSOCD**

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

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
Encore Operating, L.P.3. Address of Operator
c/o Quantum Resources Management, LLC, 1401 McKinney St, Ste. 2400, Houston, TX 77010

4. Well Location

Unit Letter A : 860 feet from the North line and 660 feet from the East lineSection 28 Township 16S Range 34E NMPM Lea County11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4092

WELL API NO.

30-025-38510

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

E-1769-5, OG-379-9, OG-379-10

7. Lease Name or Unit Agreement Name

Encore 28 State Com #1

8. Well Number 001

9. OGRID Number 189951

10. Pool name or Wildcat KEMNITZ;
Atoka -Morrow, South (Gas)

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 ☐

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.

Starting on July 8, 2010, Encore plans to (1) TOH with tubing and packer. (2) Set CIBP above Morrow perfs, Test CIBP. Dump cement on top of CIBP. (3) TIH with TCP guns and packer assembly on tubing. (4) Run GR-CCL log to put TCP guns on depth. Set packer. (5) NU tree. Hook up flow line. (6) Drop bar to fire TCP guns and perforate Atoka Formation (12,678'-12,684'). (7) Turn well to sales ASAP. (8) Evaluate well to determine if stimulation is needed.

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

Mandel C Selber

TITLE Vice-President, Land DATE July 8, 2010

Type or print name Mandel C. Selber E-mail address: mselber@qracq.com PHONE: 713-452-2250

For State Use Only

APPROVED BY:

Mandel C Selber

TITLE

PETROLEUM ENGINEER

DATE

Conditions of Approval (if any):

JUL 09 2010

Mandy Selber

From: Mandy Selber
Sent: Thursday, July 08, 2010 7:18 PM
To: 'jalbers@slo.state.nm.us'
Cc: Jeff Teare; Scott Crump; Gregg S. Roden
Subject: Encore 28 State Com #1, Lea County, New Mexico; state lease #: E-1769-5, OG-379-9, OG-379-10
Attachments: Form C103 28 State Com 1.pdf

Good evening Mr. Albers. Ocean Munds-Dry and Jeff Hewett, outside counsel, suggested that I contact you. The subject well ceased producing on May 10, 2010. The wells are subject to the captioned New Mexico state leases. E-1769 lease is dated March 10, 1948, and OG-379 lease is dated November 20, 1956. When I could not locate a re-working or additional drilling provision ("rework clause") in either lease, I contacted our outside counsel, who recommended that I notify you. We understand that the leases automatically contain a 60 day rework clause and that we possibly should have notified the OCD thirty days after production ceased informing them of our plans. I am uncertain if Encore Operating, L.P., the current operator, notified the OCD of our plans. We moved a rework rig on location today and plan to plug off the Morrow formation and perforate the Atoka Formation; a Form C-103 that I have completed is attached. I am a landman so I hope that I have properly completed the form. Our regulatory officer is gone for the day. We swabbed the Morrow formation last week and recovered some gas for one day before the well died again.

Quantum Resources Management, LLC and its related entities ("QRM") purchased this well and various other properties in four states from Encore Operating, L.P. effective May 1, 2010. Encore continues operating for QRM until August 1, 2010, at which QRM assumes operations. Encore merged into Denbury Resources, Inc. on March 9, 2010. Since our acquisition, numerous Encore personnel have left Denbury so I am uncertain whether Form C-103 was timely delivered to the OCD. We did not receive the lease files affecting the subject well until this morning. That is the reason for the late notice. Encore personnel had not informed us that we needed to notify the OCD of our reworking plans.

Please advise if there is anything else required. I am on vacation tomorrow but please free tomorrow to call me on my cell (713-416-3889) or e-mail me to discuss.

Thank you for your understanding. Mandel Selber



Quantum Resources Management, LLC

Mandel C. Selber

Vice President - Land

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Houston, Texas 77010

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