

Susana Martinez

Governor

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

Daniel Sanchez
Acting Division Director
Oil Conservation Division



February 28, 2011

Quantum Resources Management, LLC ATT: Celia Steffen 5 Houston Center, 1401 McKinney St., Suite 2400 Houston, TX 77010 RECEIVED

MAR 0 2 2011

HOBBSUCD

RE: CANCELLATION OF INTENT TO DRILL

Jalmat Field Yates Sand Unit #243-E, 11-22s-35e, 30-025-38934

Jalmat Field Yates Sand Unit #245-G, 23-22s-35e, 30-025-38942

Jalmat Field Yates Sand Unit #246-F, 23-22s-35e, 30-025-38943

Jalmat Field Yates Sand Unit #248-D, 14-22s-35e, 30-025-38945

Encore 36 State #2-A, 36-16s-34e, 30-025-39149

Gentlemen:

Twenty-four months or more have elapsed since Division Form C-101, Notice of Intent to Drill the Subject well was approved. To date no progress reports, form C-103, have not been received. Therefore, approval of your permit to drill this well has now expired and no drilling operations are to be initiated without further notice to and approval by the Oil Conservation Division. Pending such approval, this location will be considered as an abandoned location.

If drilling has been done, please file subsequent reports of this work immediately to bring this file into current status.

Truly yours,

OIL CONSERVATION DIVISION

District I Supervisor

OCD /Santa Fe

OCD/Hobbs

BLM

CC:

State Land Office

Cancel

30-025-38943