

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NM24460 90807
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator SM Energy Company		8. Well Name and No. Osage Federal 3X-09
3a. Address 3300 N. A Street, Bldg 7, Suite 200 Midland, TX		9. API Well No. 30-015-26157
3b. Phone No. (include area code) 7970(32)688-1789		10. Field and Pool or Exploratory Area Parkway Bone Spring & Wolfcamp
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec. 34-T19S-R29E 990' FNL & 1980' FEL (UL:B)		11. Country or Parish, State Eddy Co. New Mexico

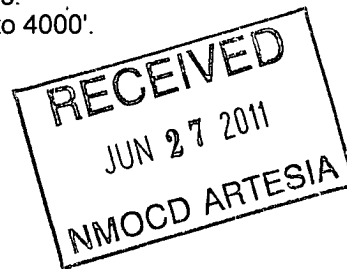
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Tbg stuck
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

It was determined that the tubing is stuck at 4000'. The casing has possibly collapsed. In an attempt to free the tubing it was cut at 3973' and 4098'; however, jarring was unsuccessful. Well is currently shut in. Next steps:

1. Wash over 2-7/8" tbg. @ 3973' with approximately 4-1/2" OD and 3-3/4" ID shoe and washpipe to 4000'.
2. Rotate down through blockage until tbg is free. TOH
3. RIH. Latch on to fish @ 3973'. TOOH w/(3973-4098' fish)
4. RIH. With overshot to 4098'. Unseat TAC and POOH with tbg.
5. Pressure test csg. If leak is found isolate and squeeze.
6. Pressure test csg.
7. RIH w/ RBP and pkr. isolate exsiting Wolfcamp perfs (9256-9281') and swab test
8. PUH isolate existing Bone Spring perfs (7790-8002' and 7654-7667') and swab test
9. PUH. Set RBP above existing perfs. Perforate upper Bone Spring (6450-6460' and 6520-6530').
10. Acidize new Bone Spring perforations.
11. Swab/flow back.
12. Run production equipment and place well back on production.



Accepted for record
NMOCD 125
7/24/11

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Donna Huddleston		Title Engineering Tech
Signature <i>Donna Huddleston</i>		Date 05/12/2011

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
		JUN 22 2011
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE