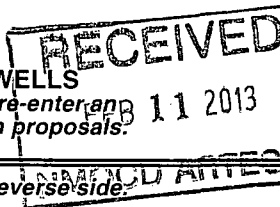


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
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.



SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM106714
2. Name of Operator SM ENERGY COMPANY		6. If Indian, Allottee or Tribe Name
Contact: VICKIE MARTINEZ E-Mail: VMARTINEZ@SM-ENERGY.COM		7. If Unit or CA/Agreement, Name and/or No. NMNM101361X
3a. Address 3300 N "A" STREET BLDG 7-200 MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 432-688-1709 Fx: 432-688-1701	8. Well Name and No. ESDU 026
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 24 T18S R31E 300FNL 735FEL		9. API Well No. 30-015-40848
		10. Field and Pool, or Exploratory SHUGART, DELAWARE, EAST
		11. County or Parish, and State EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Drilling Operations
	<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 recompleate 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

12/17/12 SPUD WELL @ 23:00
12/18/12 TD'ED 12 1/4" HOLE; RAN 8 5/8" 24# J-55 CSG; SET @ 983 FT
12/19/12 CMT W/290 SX 50/50 CLASS C POZM (LEAD) 12.5 PPG, 2.09 YIELD, 200 SKS TAIL CLASS C 14.8
PPG, 1.34 YIELD & CIRC 95 SKS CMT TO SURFACE
12/24/12 TESTED BOPE 3000# & ANNULAR TO 1500#. TESTED CASING TO 1500# FOR 30 MINUTES. HELD OK.
12/29/12 TD'ED 8 5/8" HOLE; RAN 5 1/2" 15.50# J-55 CSG; SET @ 5,525 FT
12/30/12 CMT W/600 SXS 50/50 CLASS C POZM (LEAD) 11.8 PPG, 2.45 YIELD & 355 SX CLASS C (TAIL) 14.8
PPG, 1.34 YIELD & CIRC 35 SKS CMT TO SURFACE
12/31/12 RIG RELEASE

Accepted for record
N.M.OCD

approved for 7-7/8" hole not 8 5/8" hole

J. Dade 2/14/13

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #192475 verified by the BLM Well Information System For SM ENERGY COMPANY, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 02/06/2013 ()	
Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II

Signature (Electronic Submission)	Date 01/30/2013
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ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

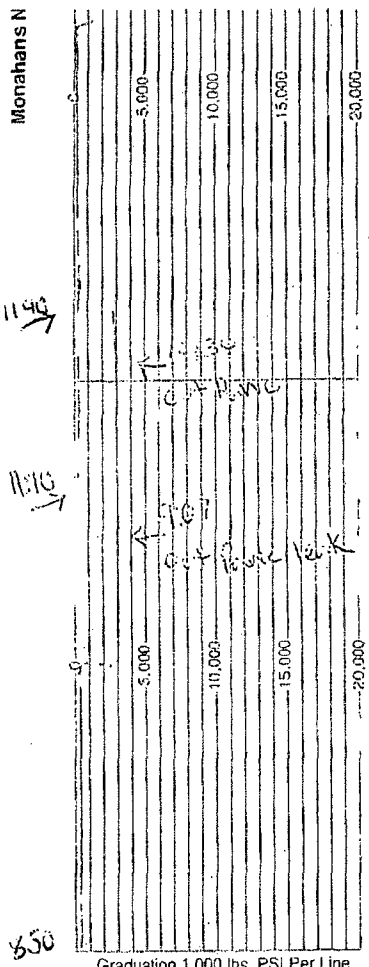
Approved By	Title
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office

FEB 8 2013
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

gmd

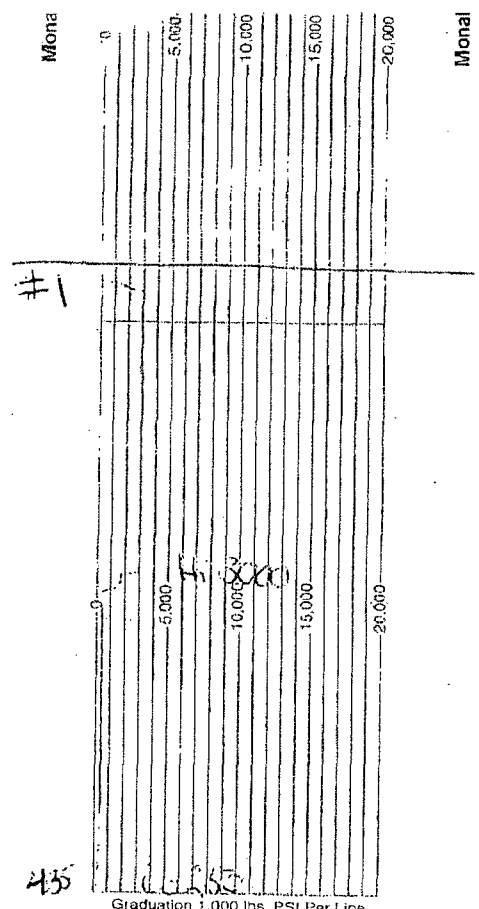


Graduation 1,000 lbs. PSI Per Line
Read Up
 For Hydrostatic Testing
 Max. 20,000 P.S.I.

B.O.P TESTING
Monahans Nipple-Up Testing Service
 Crews - Lift Units - Tandems
 Office 943-7643 • Shop 943-3618

Made in U.S.A.

Starting Time 8:00 Chart No. 1
 Service Co. Capitol
 Company Sub Energy
 State N.M. Date 12-25-12
 Lease ES.D. # 20 Well No. _____
 Pipe Size 1 1/2" RU Wt. _____
 Well Head Type & Size 11" C.C.C.
 Type Plug _____
 Operator M. L. S.
 Unit No. 143
 Test B.O.P. C.W.



Graduation 1,000 lbs. PSI Per Line
Read Up
 For Hydrostatic Testing
 Max. 20,000 P.S.I.

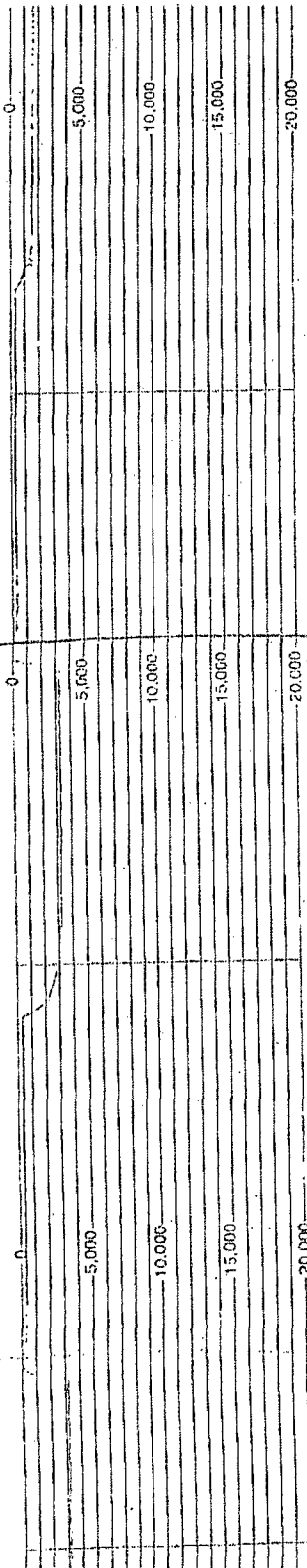
B.O.P TESTING
Monahans Nipple-Up Testing Service
 Crews - Lift Units - Tandems
 Office 943-7643 • Shop 943-3618

Made in U.S.A.

Starting Time 4:35 Chart No. 1
 Service Co. Capitol
 Company Sub Energy
 State N.M. Date 12-25-12
 Lease ES.D. # 126 Well No. _____
 Pipe Size 1 1/2" RU Wt. _____
 Well Head Type & Size 11" C.C.C.
 Type Plug _____
 Operator M. L. S.
 Unit No. 143
 Test B.O.P. C.W.

Monahans Nipple-Up Testing Service

34
138
#3

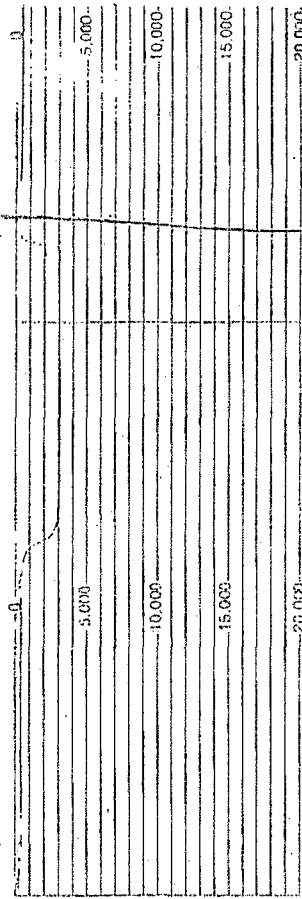


107
#2

Monahans Nipple-Up Testing Service

Monah

#5



Monah

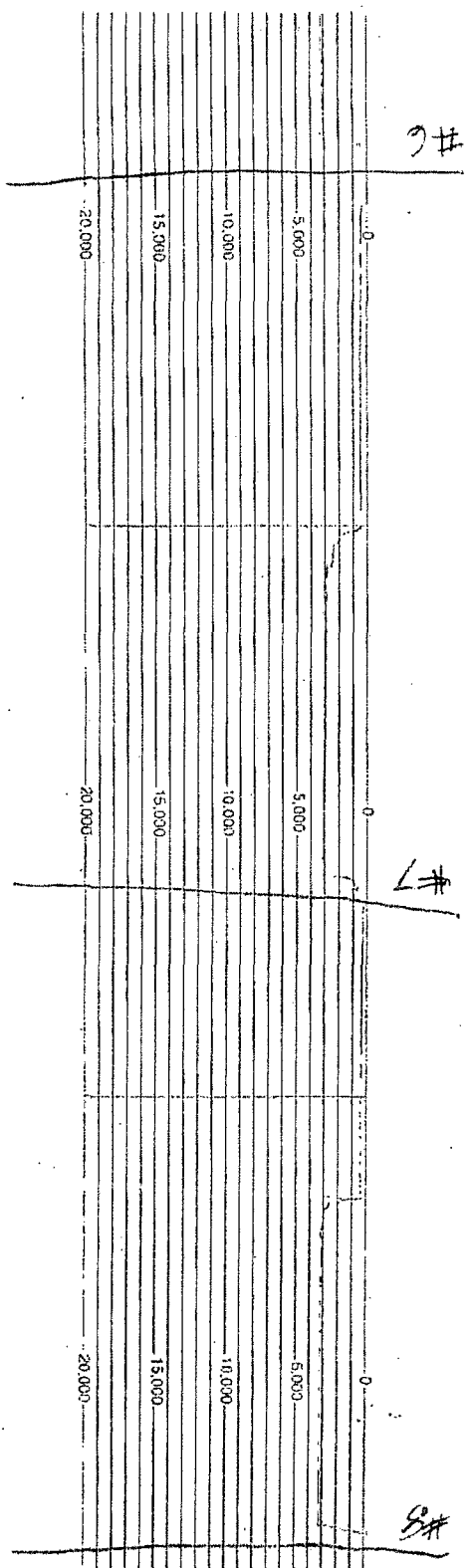
Graduation 1,000 lbs. PSI Per Line

Read Up
For Hydrostatic Testing
Max. 20,000 P.S.I.

B.O.P. TESTING
Monahans Nipple-Up Testing Service
Crews - Lift Units - Tandems
Office 943-7643 • Shop 943-3618

Made in U.S.A.

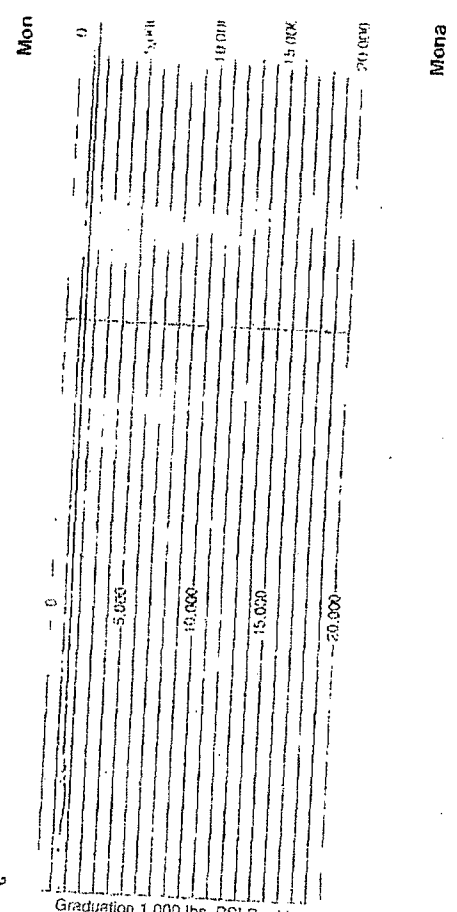
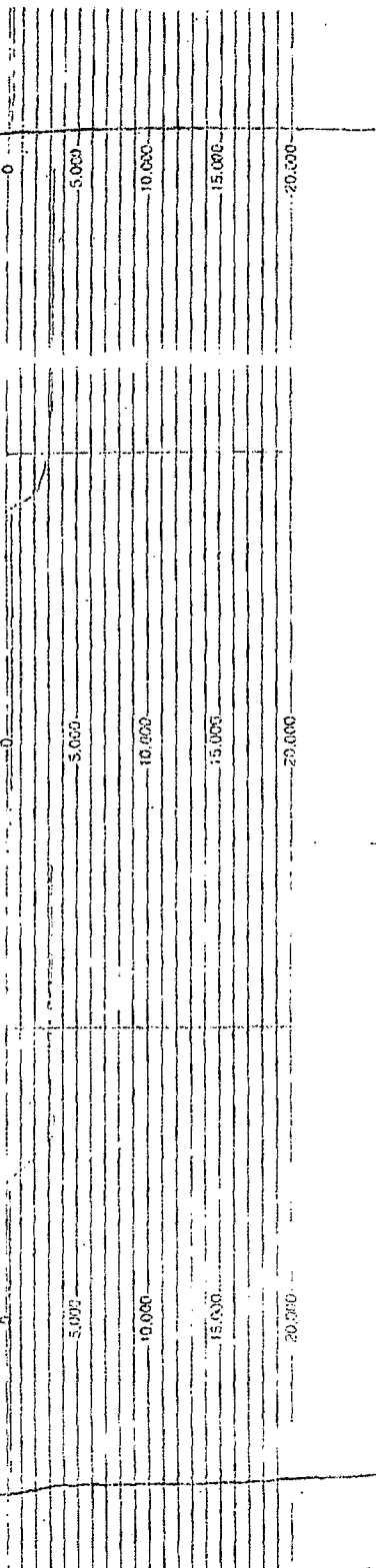
Starting Time 4:14 Chart No. 2
Service Co. Se-aste
Company Se-aste
State N.J. Date 12-23-12
Lease ESJU #20 Well No.
Pipe Size 3 1/2" X 14" VI.
Well Head Type & Size 11" C.C.
Type Plug 6
Operator W.L. - 60
Unit No. 143
Test Method used - Bar valves



34
138
#3

107
#2

1426
#1



606

Graduation 1,000 lbs. PSI Per Line
Read Up
For Hydrostatic Testing
Max. 20,000 P.S.I.

B.O.P TESTING
Monahans Nipple-Up Testing Service
Crews - Lift Units - Tandems
Office 943-7643 • Shop 943-3618

Made In U.S.A.

Starting Time 6:06 Chen No. 3
Service Co. Capitol
Company Smith
State TX Date 12-18-12
Lease 2500 Well No. 1426
Pipe Size 14.25 Wt. 14.25
Well Head Type & Size 14.25
Type Plug W
Operator 1186
Well No. 1426
Test Capitol