OCD-ARTESIA

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NMNM90807

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
OSAGE 34 FEDERAL 5H

2. Name of Operator
SM ENERGY COMPANY
Contact: LISA HUNT
E-Mail: lhunt@sm-energy.com

9. API Well No.
30-015-41250-00-S1

3a. Address
3300 N A ST BLDG 7 STE 200
MIDLAND, TX 79705

3b. Phone No. (include area code)
Ph: 432-848-4833
Fx: 432-688-1701

10. Field and Pool, or Exploratory
PARKWAY

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 34 T19S R29E SESE 560FSL 13FEL

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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Off-Lease Measurement
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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.)

SM is requesting approval to measure and sell gas production from the referenced well off lease. The measurement and sale of production from this well will be executed at the existing DCP Sales Meter (Station 718775-00) located at the NW, SW of Sec 35, T19S, R29E and the new Agave Sales Meter to be located at the NW, SW of Sec 36, T19S, R29E. The necessary off lease measurement is due to not having an available pipeline near well/lease. The Agave sales meter will be used to take Osage 34 Fed 5H gas when DCP line is not able due to DCP's lack of gathering capacity. Tie in to Agave's meter is expected to help eliminate/reduce flaring.

Off lease measurement is for gas only. All oil and water will remain on lease until sold. See attached map and site security diagram.

Accepted for record
NMOCD 7-15-14
NM OIL CONSERVATION
ARTESIA DISTRICT
JUL 14 2014
RECEIVED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #251095 verified by the BLM Well Information System
For SM ENERGY COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by DUNCAN WHITLOCK on 07/08/2014 (14DW0135SE)

Name *(Printed/Typed)* LISA HUNT — Title REGULATORY TECHNICIAN

Signature (Electronic Submission) — Date 06/27/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

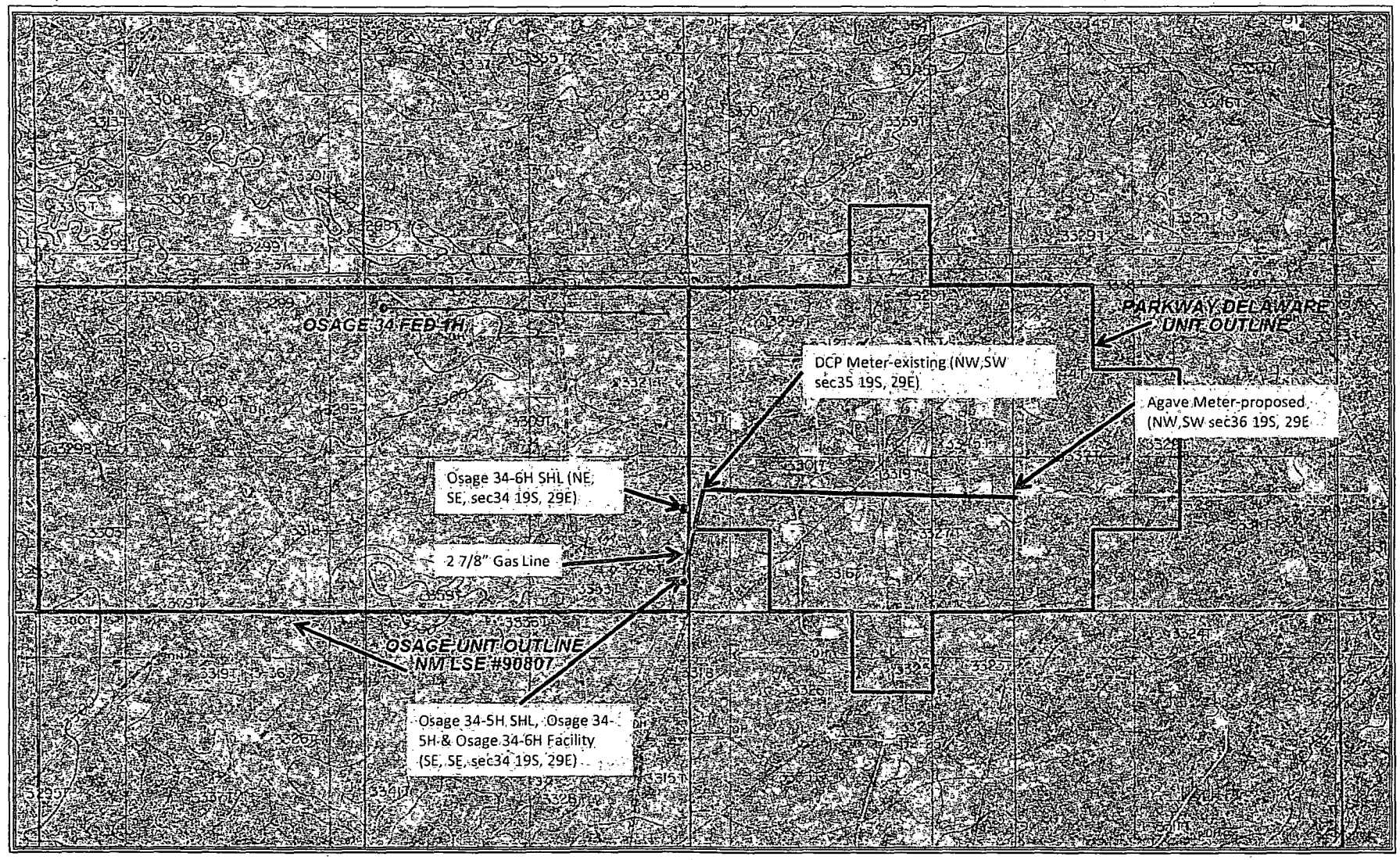
Approved By DUNCAN WHITLOCK — Title EPS — Date 07/08/2014

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 Carlsbad

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****


OSAGE 34 FED 1H
PARKWAY DELAWARE UNIT OUTLINE
DCP Meter-existing (NW,SW sec35 19S, 29E)
Agave Meter-proposed (NW,SW sec36 19S, 29E
Osage 34-6H SHL (NE, SE, sec34 19S, 29E)
2 7/8" Gas Line
OSAGE UNIT OUTLINE NM LSE #90807
Osage 34-5H SHL, Osage 34-5H & Osage 34-6H Facility (SE, SE, sec34 19S, 29E)