

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-103
August 1, 2011
Permit 148331

WELL API NUMBER 30-015-39880
5. Indicate Type of Lease F
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name PARKWAY DELAWARE UNIT
8. Well Number 521
9. OGRID Number 154903
10. Pool name or Wildcat
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3311 GR
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: I

2. Name of Operator
SM ENERGY COMPANY

3. Address of Operator
3300 N. A Street Bldg. #7, Suite 200, Midland, TX 79705

4. Well Location
Unit Letter F : 1420 feet from the N line and 1330 feet from the W line
Section 35 Township 19S Range 29E NMPM Eddy County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTER CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
Other:	Other: Drilling/Cement <input checked="" type="checkbox"/>

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
5/6/12 SET 110 JTS OF 5 1/2 J-55 15.5# CSG, TD @ 4515'; 4/28/12 SET 52 JTS OF 8 5/8" J-55 24# CSG AND 29 JTS OF 8 5/8" J-55 32# CSG, TD @ 3235'. 4/13/2012 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
04/15/12	Surf	FreshWater	26	20	94	J-55	146	201	180	1.49	H		425	0	Y
04/15/12	Surf	FreshWater	26	20	94	J-55	146	201	510	1.34	C		425	0	Y
04/15/12	Surf	FreshWater	26	20	94	J-55	111	201	50	1.49	H	115	425	0	Y
04/15/12	Surf	FreshWater	26	20	94	J-55	107	201	50	1.49	H	81	425	0	Y
04/15/12	Surf	FreshWater	26	20	94	J-55	106	201	50	1.49	H	85	425	0	Y
04/15/12	Surf	FreshWater	26	20	94	J-55	100	201	50	1.49	H	85	425	0	Y
04/15/12	Surf	FreshWater	26	20	94	J-55	94	201	50	1.49	H	85	425	0	Y
04/15/12	Surf	FreshWater	26	20	94	J-55	85	201	50	1.49	H	53	425	0	Y
04/15/12	Surf	FreshWater	26	20	94	J-55	40	201	50	1.49	H	30	425	0	Y
04/15/12	Surf	FreshWater	26	20	94	J-55	23	201	50	1.49	H	20	425	0	Y
04/15/12	Surf	FreshWater	26	20	94	J-55	0	201	88	1.49	H	0	425	0	Y
04/22/12	Int1	FreshWater	17.5	13.375	48	J-55	0	1175	300	1.57	H	0	800	0	Y
04/22/12	Int1	FreshWater	17.5	13.375	48	J-55	0	1175	638	1.34	C	0	800	0	Y
04/22/12	Int1	FreshWater	17.5	13.375	54.5		0	1312	300	1.57	H	0	800	0	Y
04/22/12	Int1	FreshWater	17.5	13.375	54.5		0	1312	638	1.34	C	0	800	0	Y
04/28/12	Int2	FreshWater	11	8.625	24	J-55	1640	2010	500		C		500		Y
04/28/12	Int2	FreshWater	11	8.625	24	J-55	1577	2010	25		H		500		Y
04/28/12	Int2	FreshWater	11	8.625	24	J-55	1423	2010	50		C		500		Y
04/28/12	Int2	FreshWater	11	8.625	24	J-55	1423	2010	50		C		500		Y
04/28/12	Int2	FreshWater	11	8.625	24	J-55	1011	2010	100		C		500		Y
04/28/12	Int2	FreshWater	11	8.625	24	J-55	759	2010	200		C		500		Y
04/28/12	Int2	FreshWater	11	8.625	32	J-55	1640	3235	500		C		500		Y
04/28/12	Int2	FreshWater	11	8.625	32	J-55	1577	3235	25		H		500		Y
04/28/12	Int2	FreshWater	11	8.625	32	J-55	1423	3235	50		C		500		Y
04/28/12	Int2	FreshWater	11	8.625	32	J-55	1423	3235	50		C		500		Y
04/28/12	Int2	FreshWater	11	8.625	32	J-55	1011	3235	100		C		500		Y
04/28/12	Int2	FreshWater	11	8.625	32	J-55	759	3235	200		C		500		Y
05/06/12	Prod	FreshWater	7.875	5.5	15.5	J-55	0	4515	615		C		500		Y

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Electronically Signed TITLE PRODUCTION ANALYST DATE 5/16/2012

Drilling Comments

OGRID: [154903] SM ENERGY COMPANY

Permit Number: 148331

Permit Type: Drilling

Created By	Comment	Comment Date
CSHAPARD	Need additional information including; hole size, amount cement, did cement circ., TOC if did not circ to surface, and csg pressure tests.	5/16/2012