

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

HOBBS OCD

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

OCT 31 2011

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. NM 16715

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
SM ENERGY COMPANY

3a. Address
3300 N "A" ST BLDG 7-200 MIDLAND TX 79705

3b. Phone No. (include area code)
(432)688-1709

4. Location of Well (Footage, Sec., T.R.M., or Survey Description)
**(C) SEC 19, T18S, R32E
 660' FNL & 1650' FWL**

7. If Unit of CA/Agreement, Name and/or No.
NMNM101361X

8. Well Name and No.
EAST SHUGART DELAWARE UNIT #008

9. API Well No.
30-025-29978

10. Field and Pool or Exploratory Area
SHUGART, DELAWARE, EAST

11. Country or Parish, State
LEA COUNTY NM

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

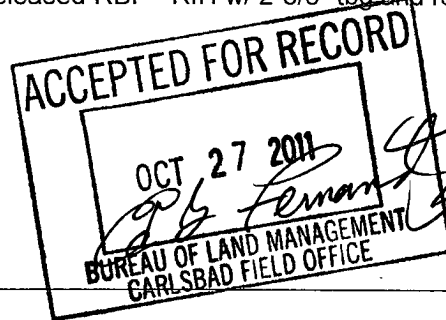
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<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 ADD PERFS
	<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 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 must 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 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.)

8/31/11 Had a casing leak squeezed perfs added in the Delaware Formation

MIRU. Drill out CIBP at 5255' and CO to 5425'. Acidized existing perfs 5188-5200' and 5293-5307' w/ 4300 gals 7.5% petrol 10. Set RBP @ 5171'. Spot 500 gals 7.5% HCL perforate 5120-5124' (5 holes), 5132'-5136' (5 holes), and 5148-5152' (5 holes). Set pkr @ 5005'. Frac-new perfs w/ 22,260 gals 20# XL gel and 32,080# 16/30 RC sand Set RBP at 4496'. Csg leak interval 3800'-3862'. Set retainer at 3705' Squeezed w/ 200 sx class C cement. Held at 2000#. Drilled out retainer and cement. Pressure test to 550#. Squeeze held. Released RBP RIH w/ 2-3/8" tbg and rods. RDMO. Place well back on production.

*Per 43 CFR 3162.3-2
Work Done casing repairs
Require BLM Approval
Before Work is done*



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
VICKIE MARTINEZ

Title **ENGINEER TECH II**

Signature *Vickie Martinez*

Date **10/19/2011**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **PETROLEUM ENGINEER** [Signature]

Title **PETROLEUM ENGINEER**

Office

Date **NOV 01 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.

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.

NOV 01 2011