

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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. NMNM106715	
2. Name of Operator SM ENERGY		6. If Indian, Allottee or Tribe Name	
3a. Address 3300 N A ST BLDG 7 STE 200 MIDLAND, TX 79705		7. If Unit or CA/Agreement, Name and/or No. NMNM101361X	
3b. Phone No. (include area code) Ph: 432-688-1709 Fx: 432-688-1701		8. Well Name and No. ESDU 31	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T18S R32E NENW 1150FNL 1675FWL 32.441389 N Lat, 103.483227 W Lon		9. API Well No. 30-025-41320-00-X1	
		10. Field and Pool, or Exploratory SHUGART	
		11. County or Parish, and State LEA LEA COUNTY, NM	

12. CHECK 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 Energy Company respectfully requests a variance to Onshore Order No 2. SM Energy Company requests the ability to use a co-flex hose between the BOPE and the choke manifold. The hose will be kept straight as possible with minimal turns.

Co-Flex Hose:

Manufacturer: Midwest Hose & Specialty, Inc

Length: 20'

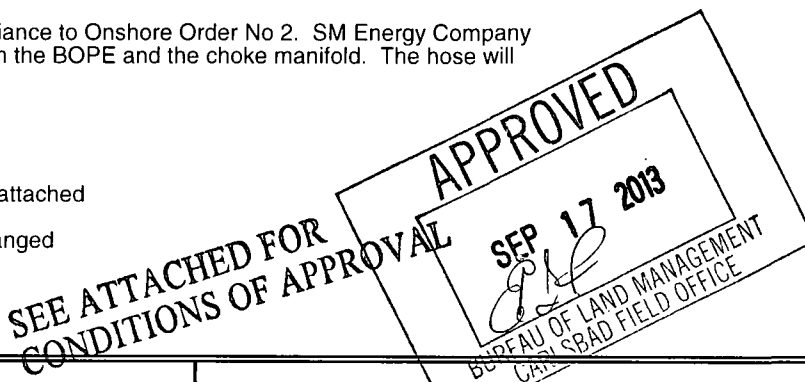
4" ID With 4 1/16 5K Flanges

Quality Control Inspection and Test Certification attached

See configuration schematic

Safety clamps are not required since ends are flanged

Line is to be kept as straight as possible



14. I hereby certify that the foregoing is true and correct.

Electronic Submission #220172 verified by the BLM Well Information System

For SM ENERGY, sent to the Carlsbad

Committed to AFMSS for processing by KURT SIMMONS on 09/17/2013 (13KMS7227SE)

Name (Printed/Typed) VICKIE MARTINEZ

Title ENGINEER TECH II

Signature (Electronic Submission)

Date 09/16/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ

Title PETROLEUM ENGINEER

Date 09/17/2013

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 2212, 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 ****

SEP 25 2013

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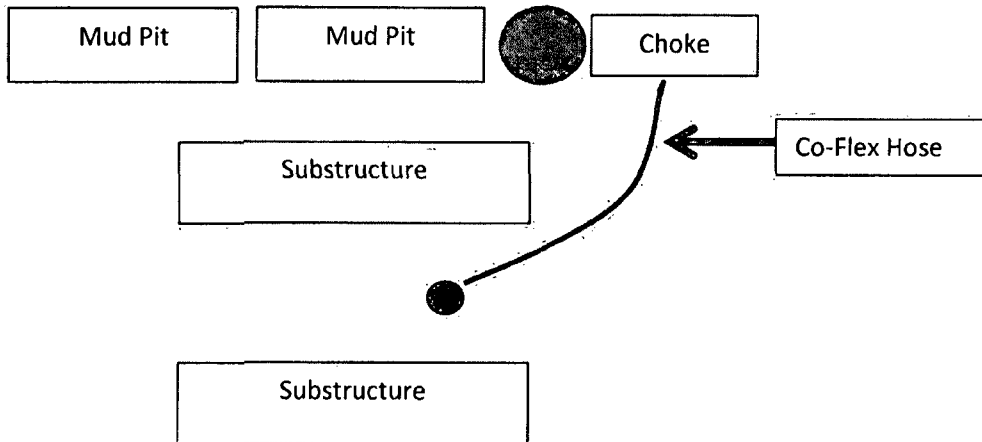
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ORDER ACKNOWLEDGEMENT

-Mike-
PAGE: 1 OF 1

00167644



Midwest Hose
& Specialty, Inc.

Ship From:

Midwest Hose & Specialty, Inc - Odessa
1211 South County Road West
Odessa TX 79762
USA

Ship Method	FOB	Customer PO
Best Way	Shipping point	Needed 88505
Written By	Selling Location	Mark Number
Garret Ramsey	Midwest Hose & Specialty, Inc - Odess	

A Key Energy Services Inc.
C ATTN: Accounts Payable
K 401 Market St. Suite 700
T Shreveport LA 71101
USA

Phone: 432-571-7329

Fax: 432-571-7426

S Key Energy Services Horizontal
H ATTN: Rusty Rig 888 (281)620-1011
I Horizontal Rig -- DISTRICT 423
P 2407 East Murphy
T Odessa TX 79761
USA

Phone: 432-580-3062

Fax: 432-580-3066

Order Date	Terms of Payment	Freight Terms
5/6/2013	1% 10 - NET 30 DAYS	Prepaid

Required on PO Invoices:

1. Purchase Order Number

All Requirements for NON PO Invoices:

1. Buyer's name and phone number
2. District Routing Number (yard#)
3. Work Order Number, if applicable
4. AFE number if applicable

E-mail all invoices to invoicesubmission@keyenergy.com

PO Required

LINE	ITEM ITEM DESCRIPTION	DATE REQ'D/ PROMISED	SHIP TO ARRIVE SHIP COMPLETE	QUANTITY UOM	PRICE EACH EXTENDED
0010	CK64-SS-5K-645K-645K-20.00' FT-W/LIFTER 4"x20' C&K Assy w/ 4-1/16" Flanges	5/6/2013 5/6/2013	Before required date Complete	1.00 EA	10,850.0000 10,850.00
Total Price:					10,850.00

Questions? Phone: (432) 333-2488

Fax: (432) 333-2492



Midwest Hose
& Specialty, Inc.

INTERNAL HYDROSTATIC TEST CERTIFICATE		
Customer: ODESSA		Customer P.O. Number: 182427
HOSE SPECIFICATIONS		
Type: CHOKER HOSE GRADE D / API 7K		Hose Length: 20 FEET
I.D. 4.0 INCHES	O.D. 6.86 INCHES	
WORKING PRESSURE 5,000 PSI	TEST PRESSURE 10,000 PSI	BURST PRESSURE N/A PSI
COUPLINGS		
Part Number E.4.0X64WB E.4.0X64WB	Stem Lot Number N1166059 N1166059	Ferrule Lot Number 2Q11LOT1 2Q11LOT1
Type of Coupling: SWAGE-IT		Die Size: 6.38 INCHES
PROCEDURE		
<i>Hose assembly pressure tested with water at ambient temperature:</i>		
TIME HELD AT TEST PRESSURE 10 1/2 MIN.		ACTUAL BURST PRESSURE: N/A PSI
Hose Assembly Serial Number: 200630		Hose Serial Number: 7908
Comments:		
Date: 5/8/2013	Tested: Billy Balak	Approved: JOE PROCTOR



Midwest Hose
& Specialty, Inc.

Internal Hydrostatic Test Graph

May 8, 2013

Customer: Odessa

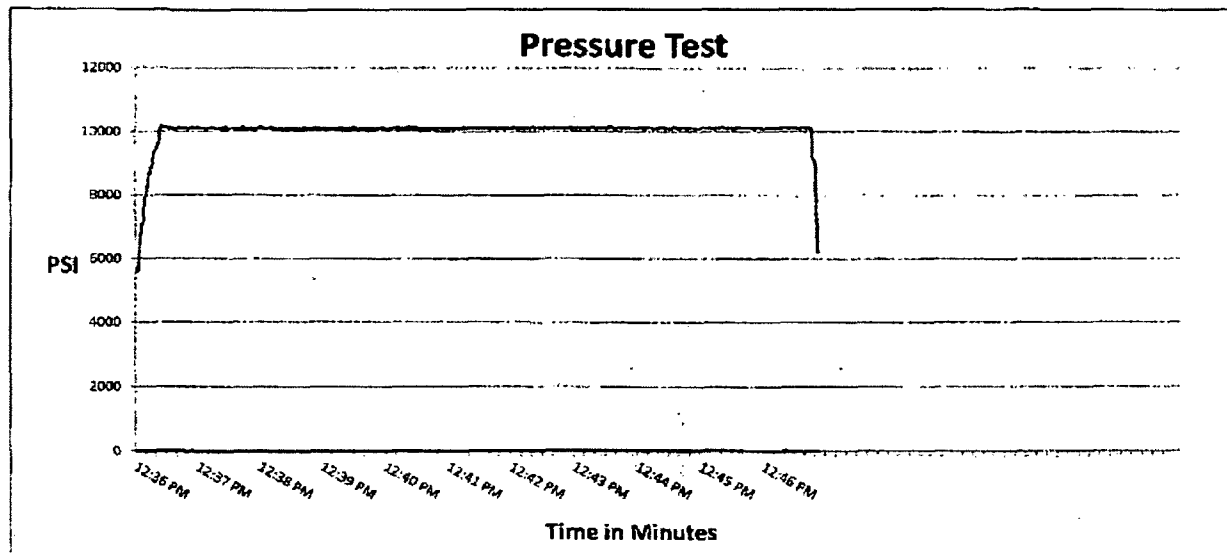
Pick Ticket #: 200630

Hose Specifications

<u>Hose Type</u>	<u>Length</u>
O	20'
<u>I.D.</u>	<u>O.D.</u>
4"	5.86"
<u>Working Pressure</u>	<u>Burst Pressure</u>
5000 PSI	Standard Safety Multiplier Applies

Verification

<u>Type of Fitting</u>	<u>Coupling Method</u>
4 1/16 SK	Swage
<u>Die Size</u>	<u>Final O.D.</u>
6.38"	6.40"
<u>Hose Serial #</u>	<u>Hose Assembly Serial #</u>
7908	200630



Test Pressure
10000 PSI

Time Held at Test Pressure
10 2/4 Minutes

Actual Burst Pressure

Peak Pressure
15527 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: BILLY BALAK

Billy Balak

Approved By: JOE PROCTOR

Joe Proctor

CONDITIONS OF APPROVAL

Sundry dated 09/6/2013

**SM Energy
ESDU 31
30-025-41320**

The original COA still stands with the following drilling modifications:

Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

EGF 091713