OCD-ARTESIA

Form 3160-5 (August 2007)

(Instructions on page 2)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No. NM90807

6. If Indian, Allottee or Tribe Name

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

| | form for proposals to drill or to Use Form 3160-3 (APD) for su | | | | | |
|--|--|---|--|--|--|--|
| SUBMI | T IN TRIPLICATE – Other instructions o | 7. If Unit of CA/Agreem | 7. If Unit of CA/Agreement, Name and/or No. | | | |
| l Type of Well | | J. M. S. A. T. S. | | | | |
| Oil Well Gas Well Other | | | 8 Well Name and No. REFER TO AT | 8 Well Name and No. REFER TO ATTACHED LIST | | |
| 2. Name of Operator SM ENERGY COMPANY | | | 9. API Well No. | | | |
| 3a. Address | 3b. Phone No | . (ınclude area code) | 10. Field and Pool or Ex | ploratory Area | | |
| 3300 N "A" ST BLDG 7-20 | 00, MIDLAND, TX 79705 (432) | 688-1709 | REFER TO AT | REFER TO ATTACHED LIST | | |
| 4. Location of Well (Footage, Sec., T. | R, M, or Survey Description) | 300 1100 | 11. Country or Parish, S | | | |
| 12. CHEC | CK THE APPROPRIATE BOX(ES) TO IND | DICATE NATURE OF NOT | TICE, REPORT OR OTHER | R DATA | | |
| TYPE OF SUBMISSION | | TYPE OF AC | CTION | | | |
| | Acidize Deep | nen Pro | oduction (Start/Resume) | Water Shut-Off | | |
| Notice of Intent | ` | _ | clamation | Well Integrity | | |
| | Casing Repair New | Construction Re | complete | X Other OPERATOR NAME | | |
| X Subsequent Report | | | mporarily Abandon | CHANGE | | |
| Final Abandonment Notice | · | | ater Disposal | | | |
| determined that the site is ready for OPERATOR NAME CHAN FROM: ST MARY LAND & TO: SM ENERGY COMPANY ARESTRICTIONS CONCER | NGE - EFFECTIVE JUNE 1, 2010 & EXPLORATION COMPANY | ERMS, CONDITION | FRIDADE 09/28/EXCEPTED TO PROPERTY OF THE PROP | DOM di AND | | |
| NEW BOND # NMB00080 | | | AP | PROVED | | |
| | TIONS/LOCATIONS ATTACHE | | 3 1 0 2011 | | | |
| CEE | ATTACHED FOR | ٠. | ? 1 0 2011 | | | |
| SEE ATTACHED FOR CONDITIONS OF APPROVAL | | | /s/ J | ID Whitlock Jr | | |
| 14 I hereby certify that the foregoing is t | rue and correct Name (Printed/Typed) | | BUREAU (| OF LAND MANAGEMENT | | |
| VICKIE MARTINEZ | | Title ENGINEER T | ECH II | SBAD FIELD OFFICE | | |
| Signature VICIUI | Ugitines | Date 08/29/2011 | | | | |
| | THIS SPACE FOR FEDE | RAL OR STATE O | FFICE USE | | | |
| Approved by | | Title | | DECEIVED | | |
| hat the applicant holds legal or equitable t | d Approval of this notice does not warrant or citle to those rights in the subject lease which withereon | certify ould Office | | RECEIVED SEP 19 2011 | | |
| Title 18 U.S.C Section 1001 and Title 43 fictitious or fraudulent statements or repre | U.S.C. Section 1212, make it a crime for any personations as to any matter within its jurisdiction | erson knowingly and willfull | y to make to any department | or agency of the United States any false, | | |

| Lease Name | UL:Sec:Township:Range | API Number | Location | Formations | Lease/Agreement No. | County |
|--------------------|-----------------------|--------------|---------------------|-----------------------|---------------------|--------------------|
| OSAGE FEDERAL #008 | G-34-19S-29E | 30-015-26089 | 1980 FNL & 1980 FEL | PARKWAY;BONE SPRING | NM90807 | EDDY COUNTY |
| OSAGE FEDERAL #009 | B-34-19S-29E | 30-015-26157 | 990 FNL & 1980 FEL | PARKWAY;BONE SPRING | NM90807 | EDDY COUNTY |
| OSAGE FEDERAL #009 | B-34-19S-29E | 30-015-26157 | 990 FNL & 1980 FEL | PARKWAY;WOLFCAMP | NM90807 | EDDY COUNTY |
| OSAGE FEDERAL #010 | H-34-19S-29E | 30-015-26178 | 1980 FNL & 660 FEL | PARKWAY;BONE SPRING | NM90807 | EDDY COUNTY |
| OSAGE FEDERAL #013 | C-34-19S-29E | 30-015-26216 | 660 FNL & 1980 FWL | PARKWAY;BONE SPRING | NM90807 | EDDY COUNTY |
| OSAGE FEDERAL #015 | F-34-19S-29E | 30-015-26271 | 1650 FNL & 2310 FWL | PARKWAY;BONE SPRING . | NM90807 | EDDY COUNTY |
| OSAGE FEDERAL #016 | J-34-19S-29E | 30-015-26283 | 2310 FSL & 1650 FEL | PARKWAY;BONE SPRING | NM90807 | EDDY COUNTY |

.

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Conditions of Approval Change of Operator

SM Energy Company

- 1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
- 2. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
- 3. Submit for approval of water disposal method.
- 4. Submit updated facility diagrams as per Onshore Order #3
- 5. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 6. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
- 7. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
- 8. Subject to like approval by NMOCD.