

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

OCD Artesia

5. Lease Serial No
NMNM67102

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.7. If Unit or CA/Agreement, Name and/or No
NMNM88491X1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other INJECTION8 Well Name and No
PARKWAY DELAWARE UNIT 5212. Name of Operator
SM ENERGY
Contact VICKIE MARTINEZ
E-Mail. VMARTINEZ@SM-ENERGY.COM9 API Well No.
30-015-39880-00-X13a. Address
3300 N A ST BLDG 7 STE 200
MIDLAND, TX 797053b Phone No (include area code)
Ph: 432-688-1709
Fx: 432-688-170110 Field and Pool, or Exploratory
PARKWAY

4. Location of Well (Footage, Sec, T, R, M, or Survey Description)

Sec 35 T19S R29E SENW 1420FNL 1330FWL

11 County or Parish, and State

EDDY COUNTY, NM

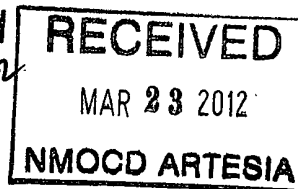
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<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 APD
	<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 recompleat 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 recompleat 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 WOULD LIKE TO REQUEST SOME CHANGES TO APPROVED APD FOR THE PDU 521. PLEASE SEE ATTACHMENT FOR DETAILS.

Accepted for record
NMOCD
SEE ATTACHED FOR
CONDITIONS OF APPROVAL



14. I hereby certify that the foregoing is true and correct	
Electronic Submission #133377 verified by the BLM Well Information System For SM ENERGY, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 03/21/2012 (12KMS1238SE)	
Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II
Signature (Electronic Submission)	Date 03/19/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ	Title PETROLEUM ENGINEER	Date 03/21/2012
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 ****

PDU #521

API # 30-015-39880

Eddy County, New Mexico

Sec. 35. T19S, R29E

We would like to make the following changes to the PDU #521 APD.

Change #1

Change the 8-5/8" casing from:

HOLE SIZE	INTERVAL	CASING OD	WEIGHT	THREAD	COLLAR	GRADE	CONDITION
11'	0-3,200'	8-5/8"	24#	8-R	ST&C	HCK-55	NEW

To:

HOLE SIZE	INTERVAL	CASING OD	WEIGHT	THREAD	COLLAR	GRADE	CONDITION
11'	0-2,000'	8-5/8"	24#	8-R	ST&C	J-55	NEW
11'	2,000-3,200'	8-5/8"	32#	8-R	ST&C	J-55	NEW

Reason: 8-5/8" 24# HCK-55 is not currently available.

Change #2

Cementing program will be changed to:

Casing String	
20"	Surface
Lead	
290 sks	Class C + 2% CACL2 + 0.25# Cello-Flake + 0.25% R-38
Desity:	14.80 #/gal
Yield:	1.35 cu.ft/sk
TOC:	SURFACE
Excess:	100%

13 3/8"	1st Intermediate	
Lead		
1025 sks	Class C + 4% Bentonite + 2% CACL2 + 0.5# STAR SEAL + 0.25% R-38	
Tail		
225 sks	Class C + 2% CACL2 + 0.25% R-38	
	Lead	Tail
Desity:	13.70 #/gal	14.80 #/gal
Yield:	1.68 cu.ft/sk	1.35 cu.ft/sk
TOC:	SURFACE	N/A
Excess:	100%	100%

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8 5/8"	2nd Intermediate Procedures
1	Pump 12 bbls of fresh water
2	Pump 10 bbls of fresh water containing 400# of CaCl ₂
3	Pump 6 bbls of fresh water
4	Pump 1000 gallons of 50/50 sodium silicate
5	Pump 6 bbls of fresh water
6	Pump 10 bbls of fresh water containing 400# of CaCl ₂
7	Pump 6 bbls of fresh water
8	Start Pumping Cement Slurrys
Lead	
75 sks	Class C + 10% W - 60 + 1# STAR-SEAL + 1% CaCl ₂ + 0.25% R-38
Middle #1	
225 sks	Class C + 10% W - 60 + 3# STAR-SEAL + 1% CaCl ₂ + 0.25% R-38
Middle #2	
225 sks	Class C + 4% BENTONITE + 3# STAR-SEAL + 2% CaCl ₂ + 0.25% R-38
Middle #3	
650 sks	Class C 50/50 + 10% BENTONITE + 3# STAR-SEAL + 0.25% r-38 + 5% SALT (BWOW)
Tail	
250 sks	Class C + 1% CaCl ₂ + 0.25% R - 38

	Lead	Middle #1	Middle #2	Middle #3	Tail
Desity:	14.80 #/gal	14.40 #/gal	13.70 #/gal	11.90 #/gal	14.80 #/gal
Yield:	1.46 cu.ft/sk	1.57 cu.ft/sk	1.69 cu.ft/sk	2.39 cu.ft/sk	1.34 cu.ft/sk
TOC:	SURFACE	N/A	N/A	N/A	N/A
Excess:	35%	35%	35%	35%	35%

5 1/2"	Production	
Lead		
165 sks	Class C + 4% BENTONITE + 2% CaCL2 + 0.25% R-38	
Tail		
250 sks	Class C + 1% CaCL2 + 0.25% R-38	
	Lead	Tail
Desity:	13.70 #/gal	14.80 #/gal
Yield:	1.68 cu.ft/sk	1.35 cu.ft/sk
TOC:	1,600'	3,000'
Excess:	30%	30%

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Reason: Cementing products have changed since APD was submitted and approved

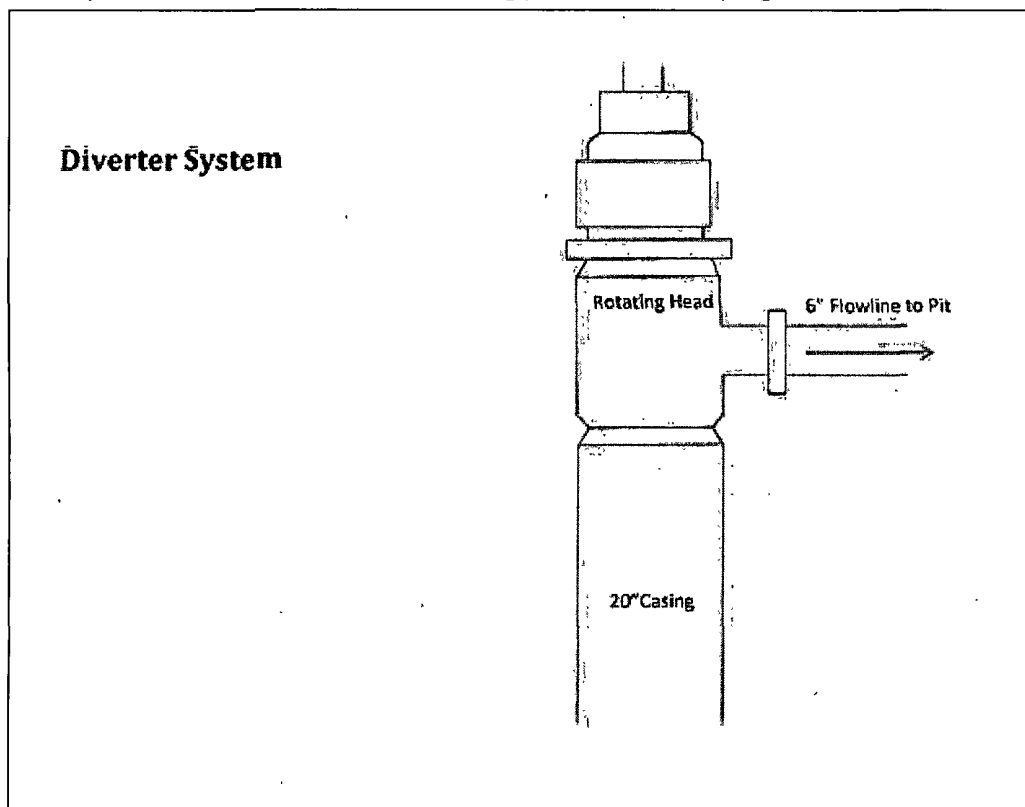
Change #3

Change the surface hole size from 24" to 26".

Reason: 24" equipment is no longer easily available.

Change #4

We request a variance on the surface casing pressure control program so that a diverter be used on the 20" casing.



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SM ENERGY COMPANY
PARKWAY DELAWARE UNIT #521 (30-015-39880)
Section 35, T.19 S., R.29 E., NMPM
Sundry dated 3/19/2012

Original COA still applies with the following being re-stated:

1. The **20** inch surface casing shall be set at approximately **200** feet (a minimum of 25 feet into the Competent Bed and above the salt) and cemented to the surface. **Additional cement will be required as excess calculates to negative 6%.**
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
 2. The minimum required fill of cement behind the **13-3/8** inch intermediate casing is:
☒ Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst and potash.**
 3. The minimum required fill of cement behind the **8-5/8** inch 2nd intermediate casing, **which shall be set in the Base of the Capitan Reef or in the Top of the Delaware Mountain Group,** is:
☒ Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst and potash.**
- If 75% or greater lost circulation occurs while drilling the second intermediate hole, the cement on the 7 inch production casing must come to surface.**
- The BLM shows the Capitan Reef marker at 1700 feet. Top of cement on 5-1/2" production casing shall reach a minimum of 50 feet above that depth.**
4. The minimum required fill of cement behind the **5-1/2** inch production casing is:
☒ Cement should tie-back a minimum of 50 feet above the Capitan Reef. Operator shall provide method of verification. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to Capitan Reef, cave/karst and potash. Additional cement will be required as excess calculates to 18%.**

5. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
6. Diverter System approved as requested on 20 surface casing
7. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **13 3/8** inch intermediate casing shoe shall be 2000 (2M) psi.
8. Change Number 5 on Sundry has been removed and operator will resubmit on a separate Sundry

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