

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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 type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other INJECTION		5 Lease Serial No. NMNM24160
2 Name of Operator SM ENERGY COMPANY		6 If Indian, Allottee or Tribe Name
3a Address 3300 N "A" STREET BLDG 7-200 MIDLAND, TX 79705		7 If Unit or CA/Agreement, Name and/or No NMNM88491X
3b Phone No. (include area code) Ph: 432-688-1709 Fx: 432-688-1701		8 Well Name and No. PARKWAY DELAWARE UNIT 519
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 35 T19S R29E 1980FSL 1380FWL		9 API Well No 30-015-39878
		10. Field and Pool, or Exploratory PARKWAY;DELAWARE
		11. County or Parish, and State EDDY COUNTY COUNTY, NM

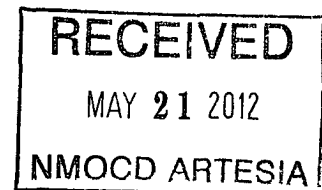
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 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 REQUESTS A VARIANCE TO BE GRANTED TO USE 2,000 PSI HAMMER UNIONS ON THE 8" STEEL LINE RUNNING FROM THE MUD GAS SEPARATOR TO FLARE. HAMMER UNIONS ALLOW FOR THE ANGLE OF THE FLARE LINE TO BE ADJUSTED EASILY. THE FLARE IS OPEN TO ATMOSPHERE THEREFORE WILL NOT BE SUBJECT TO WELL Bore PRESSURE. THE FLARE WILL BE INSPECTED DAILY FOR DEBRIS. IF DEBRIS IS FOUND IT WILL BE REMOVED PROMPTLY. ATTACHED IS A PHOTO OF THE LINE IN QUESTION.

Accepted for record
NMOCD RT
5/24/12



14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #137511 verified by the BLM Well Information System For SM ENERGY COMPANY, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 05/14/2012 ()	
Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II
Signature (Electronic Submission)	Date 05/10/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>J. D. Whitlock</i>	Title <i>LPET</i>	Date <i>5/17/12</i>
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 <i>CF</i>

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

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****