

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.5. Lease Serial No.
NMNM88491X

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

SM ENERGY COMPANY

Contact VICKIE MARTINEZ

E-Mail: VMARTINEZ@SM-ENERGY.COM

8. Well Name and No.

PARKWAY DELAWARE UNIT 101

9. API Well No

30-015-26112

3a. Address

3300 N "A" STREET BLDG 7-200
MIDLAND, TX 79705

3b. Phone No. (include area code)

Ph: 432-688-1709

Fx: 432-688-1701

10. Field and Pool, or Exploratory

PARKWAY; DELAWARE

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

Sec 26 T19S R29E 330FSL 1980FEL

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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other
Venting and/or Flaring

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.)

5/8/12 DCP IS HAVING US SHUT DOWN COMPRESSOR DUE TO PROBLEMS AT THE LINAM PLANT. WE ARE EXPECTED TO BE BACK UP NO LATER THAN THURSDAY. A SUBSEQUENT REPORT WILL BE SENT WHEN WE ARE BACK UP.

METERED VOLUMES WILL BE REPORTED ON C-115.

WE WILL BE FLARING APPROX 191 MCFPD WHICH INCLUDE THE WELLS LISTED BELOW:

Lease Name: UL: Sec: Township: Range: API Number: Location:

PARKWAY DELAWARE UNIT #201 C-35-19S-29E 30-015-26063 990 FNL & 2310 FWL

PARKWAY DELAWARE UNIT #202 B-35-19S-29E 30-015-26083 990 FNL & 1980 FEL

PARKWAY DELAWARE UNIT #203 A-35-19S-29E 30-015-26079 890 FNL & 990 FEL

RECEIVED

JUN 26 2012

NMOCD-ARTESIA

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. Thereby certify that the foregoing is true and correct.

Electronic Submission #140352 verified by the BLM Well Information System
For SM ENERGY COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 06/18/2012 ()

Name (Printed/Typed) VICKIE MARTINEZ

Title ENGINEER TECH II

Signature

(Electronic Submission)

Date 06/12/2012

AR Dade 7/5/12
Accepted for record
NMOCD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

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 C/O

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 ****

Additional data for EC transaction #140352 that would not fit on the form

32. Additional remarks, continued

PARKWAY DELAWARE UNIT #204 D-35-19S-29E 30-015-26143 990 FNL & 940 FWL
PARKWAY DELAWARE UNIT #208 H-35-19S-29E 30-015-34433 1438 FNL & 969 FEL
PARKWAY DELAWARE UNIT #401 F-35-19S-29E 30-015-25985 1980 FNL & 1980 FWL
PARKWAY DELAWARE UNIT #301 G-35-19S-29E 30-015-26005 1980 FNL & 1980 FEL
PARKWAY DELAWARE UNIT #302 E-35-19S-29E 30-015-26006 2230 FNL & 760 FWL
PARKWAY DELAWARE UNIT #305 G-35-19S-29E 30-015-33071 2000 FNL & 1564 FEL
PARKWAY DELAWARE UNIT #307Y G-35-19S-29E 30-015-33997 1500 FNL & 2060 FEL
PARKWAY DELAWARE UNIT #402 F-35-19S-29E 30-015-34129 1437 FNL & 1986 FWL
PARKWAY DELAWARE UNIT #501 J-35-19S-29E 30-015-25960 1980 FSL & 1980 FEL
PARKWAY DELAWARE UNIT #502 K-35-19S-29E 30-015-25984 1980 FSL & 1980 FWL
PARKWAY DELAWARE UNIT #503 O-35-19S-29E 30-015-26007 660 FSL & 1910 FEL
PARKWAY DELAWARE UNIT #504 N-35-19S-29E 30-015-26028 660 FSL & 1980 FWL
PARKWAY DELAWARE UNIT #505 L-35-19S-29E 30-015-26029 1980 FSL & 760 FWL
PARKWAY DELAWARE UNIT #510 J-35-19S-29E 30-015-33072 1870 FSL & 1480 FEL
PARKWAY DELAWARE UNIT #511 J-35-19S-29E 30-015-33073 2570 FSL & 2225 FEL
PARKWAY DELAWARE UNIT #512Y K-35-19S-29E 30-015-33998 2615 FSL & 1945 FWL
PARKWAY DELAWARE UNIT #514 O-35-19S-29E 30-015-34130 1210 FSL & 2065 FEL
PARKWAY DELAWARE UNIT #515 K-35-19S-29E 30-015-34407 1300 FSL & 1675 FWL
PARKWAY DELAWARE UNIT #701 I-35-19S-29E 30-015-26025 1980 FSL & 990 FEL
PARKWAY DELAWARE UNIT #702 H-35-19S-29E 30-015-26026 1980 FNL & 990 FEL
PARKWAY DELAWARE UNIT #705 H-35-19S-29E 30-015-33136 2520 FNL & 990 FEL
PARKWAY DELAWARE UNIT #801 P-35-19S-29E 30-015-26012 660 FSL & 810 FEL
PARKWAY DELAWARE UNIT #901 E-36-19S-29E 30-015-26077 1980 FNL & 330 FWL
PARKWAY DELAWARE UNIT #902 D-36-19S-29E 30-015-26078 660 FNL & 330 FWL
PARKWAY DELAWARE UNIT #921 L-36-19S-29E 30-015-26070 1980 FSL & 330 FWL
PARKWAY DELAWARE UNIT #922 M-36-19S-29E 30-015-26074 990 FSL & 330 FWL
PARKWAY DELAWARE UNIT #923 K-36-19S-29E 30-015-26075 1980 FSL & 1650 FWL

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

SM Energy Company
Parkway Delaware Unit 101
NMNM88491X

June 23, 2012

Condition of Approval to Flare Gas

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. Flared volumes will still require payment of royalties
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.