

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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM54865
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.
3b. Phone No. (include area code) Ph: 432-688-1709 Fx: 432-688-1701		8. Well Name and No. PARKWAY 35 FEDERAL COM 3H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 35 T19S R29E NWSW 2090FSL 330FWL		9. API Well No. 30-015-40734-00-X1
		10. Field and Pool, or Exploratory PARKWAY
		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 type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Drilling Operations

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.)

10/11/12 DRILL 8 ? INCH HOLE

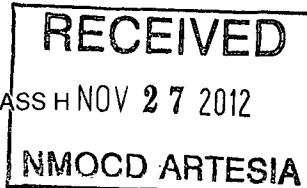
10/24/12 TD?ED 8 ? INCH HOLE SECTION @ 12,530 FT

11/4/12 RAN 5 ? INCH 17# P-110 CSG TO 12,530 FT AND CMT W/642 SX CLASS H (LEAD) & 1468 SX CLASS H NOV 27 2012 (TAIL)

11/6/12 RIG RELEASE @ 15:00

11/14/12 RAN CBL FROM 3,500 FT TO SURFACE. TOC WAS FOUND @ 2,450 FT.

PER DISCUSSION W/BLM TOC WAS OK?D BY ED FERNANDEZ. 9 5/8 INCH CMT WAS CIRCULATED TO SURFACE.

Accepted 12/5/12
received for 12/5/12
NMOCD

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #160571 verified by the BLM Well Information System For SM ENERGY, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 11/19/2012 (13KMS3924SE)	
Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II
Signature (Electronic Submission)	Date 11/16/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 11/25/2012
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 ****

Additional data for EC transaction #160571 that would not fit on the form

32. Additional remarks, continued

BACKSIDE PRESSURE WILL BE MONITORED DURING FRAC JOB.