

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. NMNM67102 |
| 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. NMNM88491X |
| 3b. Phone No. (include area code) Ph: 432-688-1709 Fx: 432-688-1701 | | 8. Well Name and No. PARKWAY DELAWARE UNIT 509 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 35 T19S R29E SESE 1210FSL 1210FEL | | 9. API Well No. 30-015-30030-00-S1 |
| | | 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 type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" 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 | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

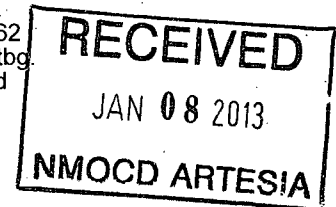
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 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.)

10/30/12 ? 11/20/12 Clean out and add perfs

MIRU PU. TOH with FGL tbg. and pkr. TIH w/bit clean out to 4344? and TOH w/bit. TIH w/tbg. and pkr. Acidized existing perfs 4204-4340? w/4700 gals 15% HCL and 300 gals Xylene mixed diverting w/rock salt. Flowed load back. TOH w/tbg. and pkr. TIH and set CIBP at 4030?. Perforated 4006-4016? (10 holes), TIH w/tbg and pkr. Spotted 500 gals 15% NEFE HCL. Acidized perfs w/1500 gals 15% HCL diverting w/20 ball sealers. Flowed load back. Frac'd new perfs w/ 14,088 lbs 20/40 sand and 19,362 gals 20# XL gel. Flowed back well. DO CIBP at 4030? and TOH. TIH w/pkr and 122 jts 2-3/8? IPC tbg. set pkr at 3981?. Pressure tested annulus to 550# tested good. Conducted MIT on 11/21/12. Placed well back on injection.

Accepted for record
NMOC

RWDade 1/9/13



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|---|------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #166857 verified by the BLM Well Information System For SM ENERGY, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 12/21/2012 (13KMS4243SE) | |
| Name (Printed/Typed) VICKIE MARTINEZ | Title ENGINEER TECH II |
| Signature (Electronic Submission) | Date 12/18/2012 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------------------------|-----------------|
| Approved By | JAMES A AMOS Title SUPERVISOR EPS | Date 01/05/2013 |
| 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 ****