

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-34408
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Injection <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator SM ENERGY COMPANY		6. State Oil & Gas Lease No. Federal NMNM24160
3. Address of Operator 6301 Holiday Hill Rd, Bldg 1 Midland, TX 79707		7. Lease Name or Unit Agreement Name Parkway Delaware Unit
4. Well Location Unit Letter H : 1980 feet from the N line and 430 feet from the E line Section 35 Township 19S Range 29E NMPM County Eddy		8. Well Number 706
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 154903
10. Pool name or Wildcat Parkway, Delaware		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Annual MIT ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The PDU 706 failed a MIT on 5/21/15 with reported annular pressure. SM Energy has since found the failure to be a hole in the casing at approximately 3,966'. The hole was isolated and pressure tested to 1,500 psi and only lost 80 psi in 5 min. An attempt to establish an injection rate was unsuccessful due to pressure limitations with the questionable integrity of the casing. After reviewing the injection permit (permitted injection interval: 3,918'-4,406') the decision was made to pick the packer up above the leak, set the packer, and test the annulus to 500 psi for 30 min. After talking with Randy Dade he requested that we send the original copy of the pressure test and documentation verifying that the chart recorder had been calibrated within 6 months and both are attached. SM Energy is now awaiting approval to resume injection.

NM OIL CONSERVATION

ARTESIA DISTRICT

JUN 17 2015

DENIED - CHART NOT ACCEPTABLE. UNABLE TO PHOTO
DROPOFF OF PRESSURE ON 500 PSI RECORDER. TEST
MUST BE RUN ON 1000 PSI RECORDER FOR 30 MINUTES,
SET CLOCK FOR 60 MIN. CONTACT OED TO SCHEDULE TEST. RECEIVED

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Lisa Hunt

TITLE REGULATORY TECHNICIAN

DATE 06/12/2015

Type or print name LISA HUNT

E-mail address: LHUNT@SM-ENERGY.COM PHONE: (432)848-4833

For State Use Only

APPROVED BY:

DENIED

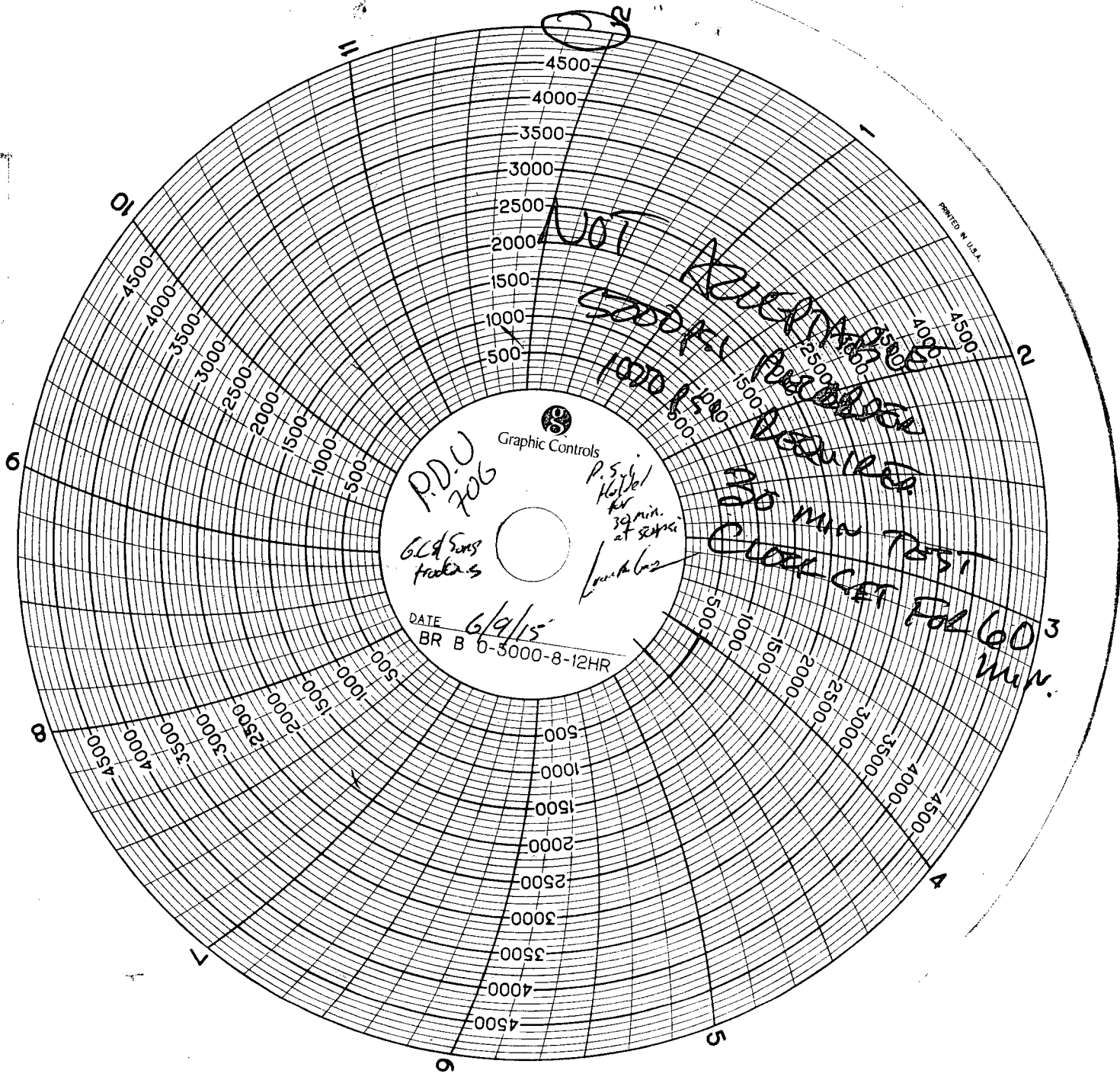
TITLE

DENIED

DATE

DENIED

Conditions of Approval (if any):



P.D.U
706

6.45 hrs
frack 2.5

Graphic Controls

P.S. 1
10/10/1
30 min.
at 25 psi
low 1.62

DATE 6/9/15
BR B 0-3000-8-12HR

1007

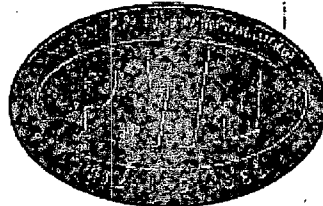
500 P.S.
1000 P.S.

Required
30 min TEST

Clock set for 60 min.

PRINTED IN U.S.A.

Calibration Hose Power



Certificate

Part No. _____ Description 1/2" Check Recorder Manufacturer WFL Model No. _____ Serial No. 52242
 Sensor _____ Line Size _____ No. Lines _____ Tang Length _____ Temp. (°F) 75
 Pressure Range 0-5000 PSI Accuracy 0.07 % Full Scale _____ PSI Calibration IN _____ Vertical Posture

*NOT
ACCEPTABLE
FOR
TEST*

Increasing Pressure			Decreasing Pressure			Increasing Temperature			Decreasing Temperature		
Applied Press	Indicated Press	Diff	App Press	Indicated Press	Diff	App Press	Indicated Press	Diff	App Press	Indicated Press	Diff
0	0	0	5000	5000	0						
1000	1000	0	4000	4000	0						
2000	2000	0	3000	3000	0						
3000	3000	0	2000	2000	0						
4000	4000	0	1000	1000	0						
5000	5000	0	0	0	0						

This is to certify that this gauge or tool has been calibrated and tested against NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.
 Traceable to INSTRUMENTATION BUREAU STANDARDS. Traceable reference Test Gauge Calibration 500658
 SPECIAL CONDITIONS: Calibrated to standards maintained at Peter's Weight Indicator Repair 210658

DATE OF CALIBRATION 5/19/2015 TECHNICIAN [Signature] WITNESSED [Signature]