

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB No. 1004-0137  
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.

NM 54865

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well☐ Gas Well☒ Other

2. Name of Operator

SM Energy Company

3a. Address

3300 N. A Street, Bldg 7, Suite 200 Midland, TX 79701

3b. Phone No. (include area code)

(32) 688-1789

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

Sec. 35-T19S-R29E  
1980' FSL & 430 FEL (UL:I)

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

NM88491X

8. Well Name and No.

Parkway Delaware Unit #707

9. API Well No.

30-015-34409

10. Field and Pool or Exploratory Area

Parkway Delaware

11. Country or Parish, State

Eddy Co.

New Mexico

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

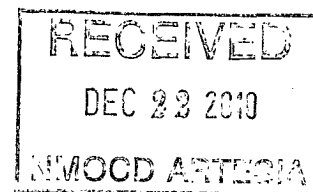
| TYPE OF SUBMISSION                                    | TYPE OF ACTION   |   |  |   |
|---|--|---|--|---|
| <input type="checkbox"/> Notice of Intent             | <input type="checkbox"/> Acidize                         | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (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 type="checkbox"/> Other          |
|   | <input type="checkbox"/> Change Plans                    | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |   |
|   | <input checked="" 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 recompletable 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

9/14/2010 - 10/18/2010 Recomplete to water injection well

PDU 707 was converted from production to water injection. Removed production equipment. RIH w/ bit. DO CIBP 4177-4180 drill and clean out to PBTD (4534'). Acidize existing perms 4070'-4252' (119 holes) w/ 5000 gals 15% NEFE acid and 400 gals Xylene. Set RBP @ 4065'. Spot 500 gals of 15% NEFE acid. Perf Delaware A and B f/ 3972-3982' (11 holes), 3988-3996' (9 holes), 4004-4014' (11 holes), and 4024-4036' (9 holes). Broke down new perms with spot acid. Frac new perms with 30,618 gals 25# XL gel and 62,480# 16/30 sand. Remove RBP. Clean out to 4524'. RIH w/ 1/2" nickel plated Arrowset 1X pkr and 124 jts. 2 3/8" IPC (TK70) tbg. Set pkr @ 3956' and test to 500 psig for 15 mins. Ok. RDMO. Well ready for injection.

11/4/2010 Successful MIT. Chart attached.

Accepted for record  
NMOCD  
12/27/10

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Donna Huddleston

Title Engineering Tech

Signature

Date 12/03/2010

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

DEC 18 2010

Office

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.

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.

(Instructions on page 2)

7

Calk

GRAPHIC CONTROLS CORPORATION  
BUFFALO, NEW YORK

Well Name:

RDN 707

Operator:

SM

API #:

30015 34409

T 12 S R 22 E Sec: 35

Lease #:

Unit#:

NM 88491

Date of Recorder Calibration:

11/17/02

Recorder serial #:

870

Testing Co:

Rey

Driver:

Don [Signature]

Date of Mechanical Integrity Test:

11/09/2010

Operator Witness:

Paul [Signature]

B.L.M. Witness:

Paul R. Swartz

0.59 vents

open during test. No Flow

6 A.M.

NOON

01

6

6 P.M. 7 8 9 10 11 MIDNIGHT

5

4

3

2

2

3

4

5