

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.**

**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 79701-3218

3b. Phone No. (include area code)

979-332-688-1789

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

See well list below

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

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

NM88491X

8. Well Name and No.

Parkway Delaware Unit (Multi wells)

9. API Well No.

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 checked="" 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 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 <u>Flare gas</u>
	<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	

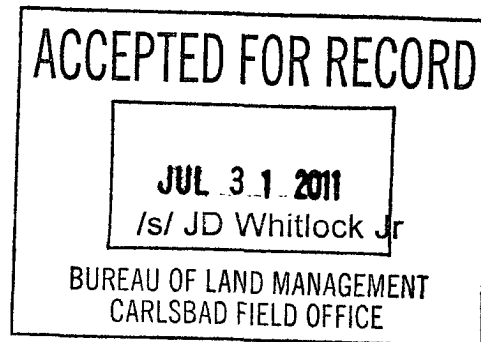
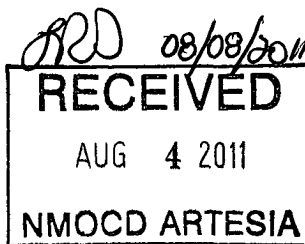
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths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

Due to Compressor failure we will be flaring produced gas at the PDU battery beginning July 20, 2011 and should resume sales on July 28, 2011.

Flare volumes are metered and will be reported on C115 and MMS OGOR.

See list of wells attached to DCP sales meter

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL



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

Donna Huddleston

Title Engineering Tech

Signature

Date 07/25/2011

**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

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)

**PDU Battery wells to DCP Gas sales**

PARKWAY DELAWARE UNIT #101	30-015-26112 ✓
PARKWAY DELAWARE UNIT #201	30-015-26063 ✓
PARKWAY DELAWARE UNIT #202	30-015-26083 ✓
PARKWAY DELAWARE UNIT #203	30-015-26079 ✓
PARKWAY DELAWARE UNIT #208	30-015-34433 ✓
PARKWAY DELAWARE UNIT #301	30-015-26005 ✓
PARKWAY DELAWARE UNIT #305	30-015-33071 ✓
PARKWAY DELAWARE UNIT #307Y	30-015-33997 ✓
PARKWAY DELAWARE UNIT #401	30-015-25985 ✓
PARKWAY DELAWARE UNIT #402	30-015-34129 ✓
PARKWAY DELAWARE UNIT #501	30-015-25960 ✓
PARKWAY DELAWARE UNIT #502	30-015-25984 ✓
PARKWAY DELAWARE UNIT #503	30-015-26007 ✓
PARKWAY DELAWARE UNIT #504	30-015-26028 ✓
PARKWAY DELAWARE UNIT #510	30-015-33072 ✓
PARKWAY DELAWARE UNIT #511	30-015-33073 ✓
PARKWAY DELAWARE UNIT #512Y	30-015-33998 ✓
PARKWAY DELAWARE UNIT #514	30-015-34130 ✓
PARKWAY DELAWARE UNIT #515	30-015-34407 ✓
PARKWAY DELAWARE UNIT #701	30-015-26025 ✓
PARKWAY DELAWARE UNIT #702	30-015-26026 ✓
PARKWAY DELAWARE UNIT #705	30-015-33136 ✓
PARKWAY DELAWARE UNIT #801	30-015-26012 ✓
PARKWAY DELAWARE UNIT #901	30-015-26077 ✓
PARKWAY DELAWARE UNIT #902	30-015-26078 ✓
PARKWAY DELAWARE UNIT #921	30-015-26070 ✓
PARKWAY DELAWARE UNIT #922	30-015-26074 ✓
PARKWAY DELAWARE UNIT #923	30-015-26075 ✓

**Parkway Delaware Unit  
NM88491X**

**SM Energy Company**  
July 31, 2011

**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.