

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-015-34212
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <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.
3. Address of Operator 3300 N "A" ST BLDG 7-200 MIDLAND, TX 79705		7. Lease Name or Unit Agreement Name EAST SHUGART DELAWARE UNIT
4. Well Location Unit Letter <u>A</u> : <u>250</u> feet from the <u>NORTH</u> line and <u>1125</u> feet from the <u>EAST</u> line Section <u>24</u> Township <u>18</u> Range <u>31</u> NMPM County <u>EDDY</u>		8. Well Number 025
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 154903
		10. Pool name or Wildcat SHUGART; DELAWARE, EAST

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. STEP RATE TEST ☒

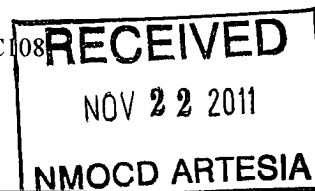
OTHER: ☐

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.

THIS IS TO NOTIFY YOU THAT SM ENERGY COMPANY WILL BE DOING A STEP RATE TEST TO DETERMINE POSSIBLE PRESSURE INCREASE FOR EXISTING INJECTION PERMIT ON THE EAST SHUGART DELAWARE UNIT #025. ON WEDNESDAY, NOVEMBER 30TH IN THE AM.

DONNA HUDDLESTON AND I CALLED RICHARD INGE ON HIS CELL ON WEDNESDAY, NOVEMBER 16TH AT 11:30 AM CST TO INQUIRE ABOUT REGULATORY PROCEDURES FOR A STEP RATE TEST AND RECEIVED A VERBAL APPROVAL TO DO THIS STEP RATE.

ONCE WE HAVE THE RESULTS OF THE STEP RATE TEST, WE WILL FOLLOW UP WITH A C108



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

*Vickie Martinez*

TITLE ENGINEER TECH II

DATE 11/17/2011

Type or print name VICKIE MARTINEZ

E-mail address: VMARTINEZ@SM-ENERGY.COM PHONE: (432)688-1709

For State Use Only

APPROVED BY:

*Ruth / NAC*

TITLE

*COMPLIANCE OFFICER*

DATE

*11/29/11*

Conditions of Approval (if any):