Submit 1 Copy To Appropriate District State of New Mexico Form C-103 Revised August 1, 2011 Energy, Minerals and Natural Resources District I - (575) 393-6161 WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 30-015-39237 District II - (575) 748-1283 OIL CONSERVATION DIVISION 811 S. First St., Artesia, NM 88210 5. Indicate Type of Lease District III - (505) 334-6178 1220 South St. Francis Dr. STATE \mathbf{X} FEE 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 6. State Oil & Gas Lease No. District IV - (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM V-1576 87505 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name PARKWAY 36 STATE (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.) 8. Well Number 1. Type of Well: Oil Well X 4H Gas Well Other 2. Name of Operator SM ENERGY COMPANY 9. OGRID Number 154903 3. Address of Operator 3300 N "A" STREET, BLDG 7-200 MIDLAND, TX 79705 10. Pool name or Wildcat PARKWAY BONE SPRING 4. Well Location : 660 feet from the WEST Unit Letter M feet from the SOUTH line and 440 line Range 29E Section 36 Township 19S **NMPM** County EDDY 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3330 GL 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK □ PLUG AND ABANDON REMEDIAL WORK ALTERING CASING **TEMPORARILY ABANDON CHANGE PLANS** X COMMENCE DRILLING OPNS.□ P AND A PULL OR ALTER CASING MULTIPLE COMPL CASING/CEMENT JOB DOWNHOLE COMMINGLE \Box OTHER: 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. SM ENERGY COMPANY IS REQUESTING TO BUILD PAD SIZE 300' X 335' TO ACCOMMODATE OUR RIG. PLEASE SEE ATTACHED. Spud Date: Rig Release Date: I hereby certify that the information above is true and complete to the best of my knowledge and belief. TITLE ENGINEER TECH II Type or print name VICKIE MARTINEZ E-mail address: VMARTINEZ@SM-ENERGY.CPMONE: (432)688-1709

For State. Use Only

Conditions of Approval (if any):

APPROVED BY:

