

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD  
Art

FORM APPROVED  
OMB NO. 1004-0135  
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.  
NMNM90807

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
OSAGE FEDERAL 16

9. API Well No.  
30-015-26283-00-S1

10. Field and Pool, or Exploratory  
PARKWAY

11. County or Parish, and State  
EDDY COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
SM ENERGY  
Contact: VICKIE MARTINEZ  
E-Mail: VMARTINEZ@SM-ENERGY.COM

3a. Address  
3300 N A ST BLDG 7 STE 200  
MIDLAND, TX 79705

3b. Phone No. (include area code)  
Ph: 432-688-1709  
Fx: 432-688-1701

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 34 T19S R29E NWSE 2310FSL 1750FEL

12. CHECK 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
	<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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SM Energy respectfully requests a variance to the conditions of approval for the Osage Federal 16 Sundry dated 10/18/2013. We request a variance from the COA that states that a plug and 50? of cement must be placed 50-100? above the top perforations. We propose to leave the 10K cast iron bridge plug set at 6700?, with 2 sacks of cement on top. The cast iron bridge plug was set in the wellbore to isolate the 1st Bone Spring perforations (7002?-7072?) during the recent Osage 34 Fed 6H frac job. Consequently, we are requesting a variance to leave the plug at 6700? for the duration of our Avalon test.

Accepted for record  
11/25/2013 NMOCD  
**APPROVED**  
NOV 22 2013  
EPB Fernando  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

**RECEIVED**  
NOV 25 2013  
NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #227660 verified by the BLM Well Information System For SM ENERGY, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 11/22/2013 (14KMS7584SE)**

Name (Printed/Typed) VICKIE MARTINEZ Title ENGINEER TECH II

Signature (Electronic Submission) Date 11/21/2013

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By EDWARD FERNANDEZ Title PETROLEUM ENGINEER Date 11/22/2013

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 Carlsbad

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.

## CONDITIONS OF APPROVAL

Sundry dated Nov. 21 2013

<b>OPERATOR'S NAME:</b>	SM Energy Company
<b>LEASE NO.:</b>	NMNM-90807
<b>WELL NAME &amp; NO.:</b>	Osage Federal 16 30-015-26283
<b>COUNTY:</b>	Eddy County, New Mexico

As per request a variance is granted on the placement your Cast Iron Bridge Plug. The following revises Step & of the COA dated Nov. 19, 2013 for recompletion sundry dated 10/18/2013.

- Operator will not be approved to transfer, assign, sell, or otherwise convey this wellbore to any other entity without addressing the permanent plugs required for the First Bone Spring.
- Before abandoning the Avalon shale and recompleting up hole or plugging the well the operator will be required to drill the CIBP at 6700' and set a CIBP 50 to 100' above the existing First Bone Spring perforations, or at approximately 6902' and cap with 25 sacks of cement. TAG and record TOC on subsequent report.

EGF 112213