

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. Multiple--See Attached
2. Name of Operator SM ENERGY COMPANY Contact: VICKIE MARTINEZ E-Mail: VMARTINEZ@SM-ENERGY.COM		9. API Well No. Multiple--See Attached
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	10. Field and Pool, or Exploratory PARKWAY
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		11. County or Parish, and State EDDY COUNTY, NM

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

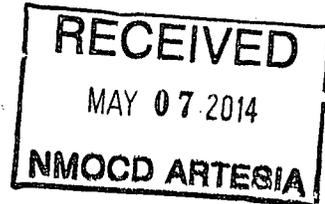
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 recomplate 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 recompletion 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.)

DCP gathering system in the vicinity of our Parkway and Osage Bone Springs wells is at capacity. Agave has just laid a new gathering line in the area and we plan to tie into the Agave line so there is an additional sales point for our gas when DCP is unable to take it.

All lines will be laid on surface, along existing roads in existing ROW. Maximum operating pressure is 100 psig.

Line A Osage 34 Federal 1H DCP meter to Agave North tie in. 3 inch or 4 inch poly. 0.5 miles
Line B Parkway 36 State 3H, Parkway 36 State 4H, Parkway 36 State 6H DCP meter to Agave South tie in. 3 inch or 4 inch poly. 0.12 miles
Line C Parkway 35 Federal Com 3H, 4H, 5H, 6H & Osage 34 Federal 5H,6H DCP meter to Agave South tie in. 1 or 2 4 inch poly. 1.0 mile



Accepted for record
CJD NMOC D 5/2/14

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #243557 verified by the BLM Well Information System For SM ENERGY COMPANY, sent to the Carlsbad Committed to AFMSS for processing by JAMES AMOS on 04/30/2014 (14JA1050SE)

Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II
Signature (Electronic Submission)	Date 04/25/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JAMES A AMOS	Title SUPERVISOR EPS	Date 05/02/2014
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.

Additional data for EC transaction #243557 that would not fit on the form

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

NMNM131078
 NMNM131550

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM90807	NMNM90807	OSAGE 34 FEDERAL 1H	30-015-41508-00-S1	Sec 34 T19S R29E NENE 450FNL 330FEL
NMNM90807	NMNM90807	OSAGE 34 FEDERAL 5H	30-015-41250-00-S1	Sec 34 T19S R29E SESE 560FSL 13FEL
NMNM90807	NMNM90807	OSAGE 34 FEDERAL 6H	30-015-41597-00-S1	Sec 34 T19S R29E NESE 1750FSL 15FEL 32.365248 N Lat, 104.031511 W Lon
NMNM131550	NMNM54865	PARKWAY 35 FEDERAL COM 3H	30-015-40734-00-S1	Sec 35 T19S R29E NWSW 2090FSL 330FWL
NMNM131550	NMNM54865	PARKWAY 35 FEDERAL COM 6H	30-015-41646-00-S1	Sec 34 T19S R29E NESE 1700FSL 5FEL 32.365247 N Lat, 104.031499 W Lon
NMNM131078	NMNM67102	PARKWAY 35 FEDERAL COM 4H	30-015-39839-00-S1	Sec 35 T19S R29E SWSW 450FSL 330FWL
NMNM131078	NMNM67102	PARKWAY 35 FEDERAL COM 5H	30-015-41377-00-S1	Sec 34 T19S R29E SESE 530FSL 15FEL 32.364000 N Lat, 104.031500 W Lon

32. Additional remarks, continued

Lease Serial # Well Name ULSTR API Location
 V-1576 PARKWAY 36 STATE #003H L-36-19S-29E 30-015-39236 1750 FSL & 330 FWL
 V-1576 PARKWAY 36 STATE #004H M-36-19S-29E 30-015-39237 660 FSL & 440 FWL
 V-1576 PARKWAY 36 STATE #006H I-36-19S-29E 30-015-41547 2310 FSL & 330 FEL
 NMNM54865/NMNM131550 PARKWAY 35 FEDERAL COM #003H L-35-19S-29E 30-015-40734 2090 FSL & 330 FWL
 NMNM67102/NMNM131078 PARKWAY 35 FEDERAL COM #004H M-35-19S-29E 30-015-39839 450 FSL & 330 FWL
 NMNM67102/NMNM131078 PARKWAY 35 FEDERAL COM #005H P-34-19S-29E 30-015-41377 530 FSL & 15 FEL
 NMNM54865/NMNM131550 PARKWAY 35 FEDERAL COM #006H I-34-19S-29E 30-015-41646 1700 FSL & 5 FEL
 NMNM90807 OSAGE 34 FEDERAL #005H P-34-19S-29E 30-015-41250 560 FSL & 13 FEL
 NMNM90807 OSAGE 34 FEDERAL #006H I-34-19S-29E 30-015-41597 1700 FSL & 35 FEL

See attached map.



Neevia docConverter 5.0.0

Conditions of Approval: Electronic Submission # 243557, submitted 5/2/14

The approval is subject to staying on the existing surface disturbance, adjacent to the existing access roads. This approval does not constitute approval for alternate and/or off lease measurement and comingling of production in any way.