

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTNM OIL CONSERVATION  
OFFICE DISTRICT  
CARLSBADFORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

AUG 3 2015

**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.*

RECEIVED

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

5. Lease Serial No.  
NMNM54865
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.  
NMNM88491X
8. Well Name and No.  
PARKWAY DELAWARE UNIT 706
9. API Well No.  
30-015-34408-00-S1
10. Field and Pool, or Exploratory  
PARKWAY-DELAWARE
11. County or Parish, and State  
EDDY COUNTY, NM

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
SM ENERGY COMPANY
- Contact: LISA HUNT  
E-Mail: lhunt@sm-energy.com

- 3a. Address  
3300 N A ST BLDG 7 STE 200  
MIDLAND, TX 79705
- 3b. Phone No. (include area code)  
Ph: 432-848-4833  
Fx: 432-688-1701

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 35 T19S R29E SENE 1980FNL 430FEL

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input checked="" 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 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.)

The PDU 706 failed a MIT on 5/21/15 with reported annular pressure. SM Energy has since found the failure to be a hole in the casing. The hole was isolated and pressure tested to 1,500 psi and only lost 80 psi in 5 min. An attempt to establish an injection rate was unsuccessful due to pressure limitations with the questionable integrity of the casing. After reviewing the injection permit (permitted injection interval: 3,918-4,406') the decision was made to pick the packer up above the leak, set the packer at 3,926' and test the annulus to 600 psi for 30 min. After talking with Randy Dade he requested that we send a copy of the pressure test and the chart recorder calibration certification, see attachments.

SM Energy is now awaiting approval to resume injection.

**Please submit an updated wellbore diagram showing where packer is set and the approximate location of hole in casing**

I hereby certify that the foregoing is true and correct.

Electronic Submission #309744 verified by the BLM Well Information System  
For SM ENERGY COMPANY, sent to the Carlsbad  
Committed to AFMSS for processing by ED FERNANDEZ on 07/27/2015 (15EP0037SE)

Name (Printed/Typed) LISA HUNT

Title REGULATORY TECHNICIAN

Signature (Electronic Submission)

Date 07/21/2015

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

Approved By

**ACCEPTED**

EDWARD FERNANDEZ  
Title PETROLEUM ENGINEER

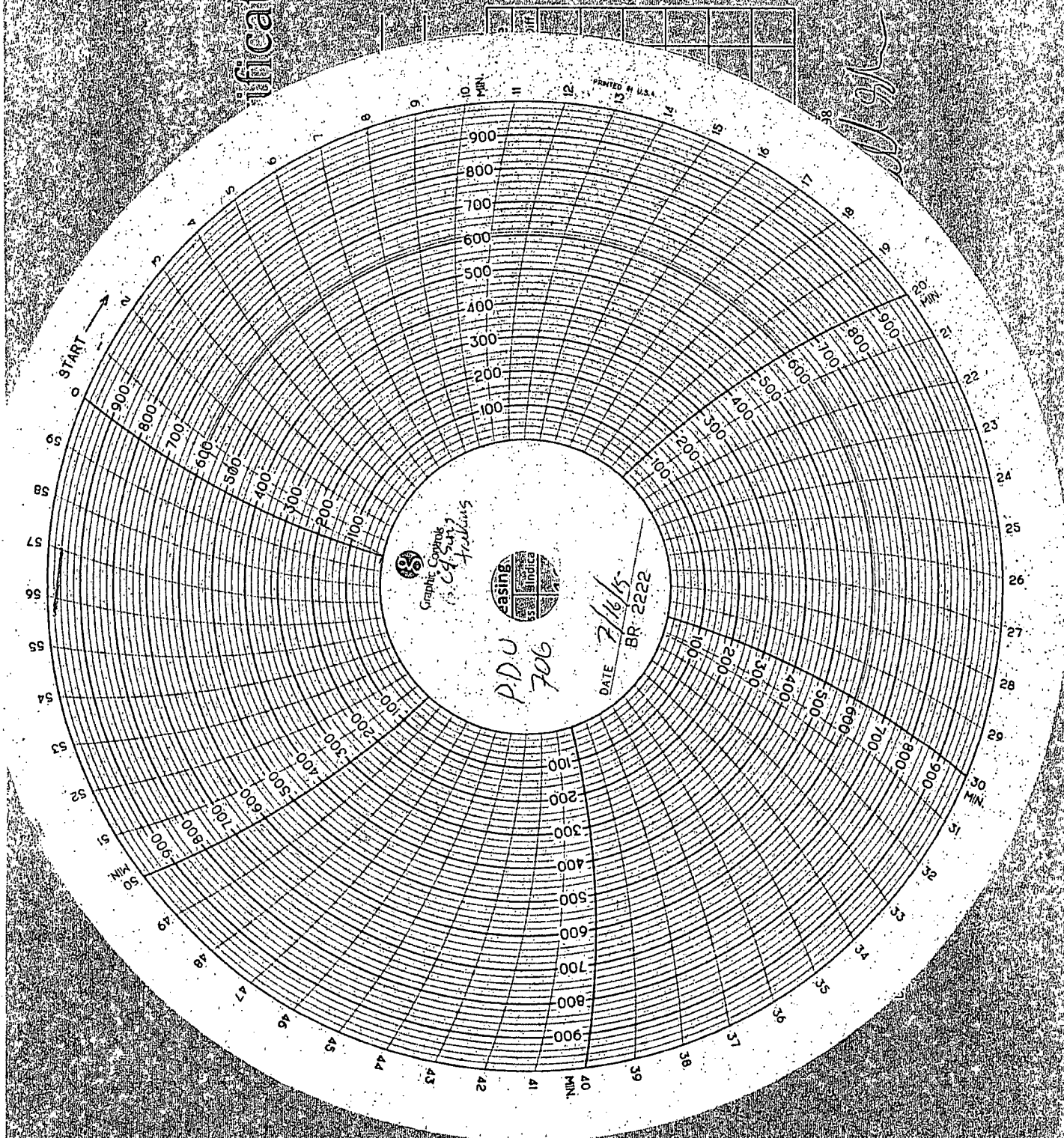
Date 07/27/2015

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

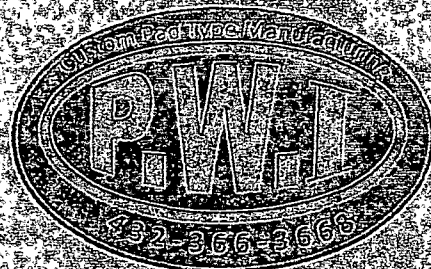
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***





# Calibration GC & Sons



# Certificate

Part No: \_\_\_\_\_ Description: 8 Chart Recorder Manufacturer: PWT Model No: \_\_\_\_\_ Serial No: 1900516  
 Sensor: \_\_\_\_\_ Line Size: \_\_\_\_\_ No. Lines: \_\_\_\_\_ Tong Length: \_\_\_\_\_ Temp (F): 76  
 Pressure Range: (0-1000) PSI Accuracy: 99.97 % Full Scale PSI Calibrated (IN) \_\_\_\_\_ Vertical Position \_\_\_\_\_

Increasing Pressure			Decreasing Pressure			Increasing Temperature			Decreasing Temperature		
Applied Press	Indicated Press	Diff	App Press	Indicated Press	Diff	App Press	Indicated Press	Diff	App Press	Indicated Press	Diff
0	0	0	1000	1000	0						
200	200	0	800	800	0						
400	400	0	600	600	0						
600	600	0	400	400	0						
800	800	0	200	200	0						
1000	1000	0	0	0	0						

This is to certify that this gauge or load cell has been calibrated and tested against NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY  
 Traceable to INSTRUMENTATION BUREAU STANDARDS Traceable reference Test Gauge Calibration: CC88698  
 SPECIAL CONDITIONS: Calibrated to standards maintained at Pete's Weight Indicator Repair #210658

DATE OF CALIBRATION: 12/1/2015 TECHNICIAN: *[Signature]* WITNESSED: *[Signature]*