

Submit 1 Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
October 13, 2009

SUNDRY NOTICES AND REPORTS ON WELLS (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. 30-015-34408
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Injection		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 Street, Bldg 7, Suite 200 Midland, TX 79705		7. Lease Name or Unit Agreement Name Parkway Delaware Unit
4. Well Location Unit Letter <u>H</u> : 1980 feet from the <u>N</u> line and <u>430</u> feet from the <u>E</u> line Section <u>35</u> Township <u>19S</u> Range <u>29E</u> NMPM County <u>Eddy</u>		8. Well Number 706
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 154903
		10. Pool name or Wildcat Parkway; Delaware

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Convert to Injector <input checked="" type="checkbox"/>	

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.

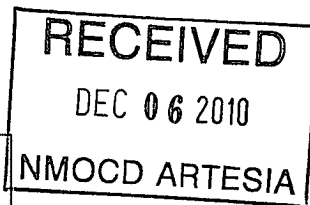
9/9/2010- 10/22/2010 Recomplete to water injection well

PDU 706 was converted from production to water injection. Removed production equipment. Perf 4167-4174' (8 holes), 4300-4314' (15 holes), 4364'-4372' (9 holes). Acidize new and existing perfs (4167'-4314') w/ 4000 gals 15% NEFE Acid. Set RBP @ 4112'. Spotted 500 gals 15% NEFE acid. Perf Delaware A and B f/ 3996-4000' (5 holes), 4028-4032' (5 holes), 4054-4066' (13 holes), and 4074-4080' (7 holes). Broke new perfs down with spot acid. Frac new perfs w/21,714 gals 25# XL gel and 40,242# 16/30 sand. Remove RBP clean down to 4534'. RIH w/ 4 1/2" Aarrowset 1X nickel plated packer and 125 jts. Of 2 3/8" J55 IPC (TK70) tbg. Set pkr @ 3992'. Pressure tested casing to 530 psig for 30 min. ok. RDMO. Well ready for injection.

11/4/2010 Successful MIT. Chart 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.

SIGNATURE Donna Huddleston TITLE Engineering Tech DATE 12/03/2010

Type or print name Donna Huddleston E-mail address: dhuddleston@sm-energy.com PHONE: (432)688-1789

For State Use Only

APPROVED BY: Rebecca NAC TITLE COMPLIANCE OFFICER DATE 12/9/10

Conditions of Approval (if any):

Cox

