

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
OMB No. 1004-0137  
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.

NM67102

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

SM Energy Company ✓

3a. Address

3300 N. A Street, Bldg 7, Suite 200 Midland, TX 79701-3218

3b. Phone No. (include area code)

79701-3218

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec. 35-T19S-R29E

1437' FNL &amp; 1986 FWL ✓

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

NM88491X

8. Well Name and No.

Parkway Delaware Unit #402 ✓

9. API Well No.

30-015-34129 ✓

10. Field and Pool or Exploratory Area

Parkway, Delaware

11. Country or Parish, State

Eddy Co.

New Mexico

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

11/23/2010-12/17/2010 Recompletion in Delaware A and B

PDU 402 had perfs added in the Delaware A and B sands. Removed production equipment. Cleaned down to 4554' (PBD). RIH w/ pkr and Acidize exsiting perfs 4195-4210' w/ 1000 gals. of 15% NEFE HCL and 200 gals Xylene. Set RBP @ 4162'. Spot 500 gals 15% NEFE HCL. Perf Delaware A and B 3962-3968' 1 SPF (6 holes), 4090-4098' 1 SPF (8 holes). Broke down new perfs w/ spot acid. Treated w/ 1500 gals 15% NEFE HCL. Frac new perfs w/ 27,426 gals of 25# XL gel and 52,680# 20/40 SLC sand. Remove RBP. RIH w/ 130 jts. of 2 3/8" J55 tbg. Set TAC @ 3926' RIH w/ production equipment. Place well back on production.

Accepted for record - NMOCD

DJD

RECEIVED

JAN 28 2011

NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Donna Huddleston

Title Engineering Tech

Signature

Date 04/14/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Office

JAN 23 2011

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.

(Instructions on page 2)

CARLSBAD FIELD OFFICE