

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 169217

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address SM ENERGY COMPANY 3300 N. A Street, Bldg. #7 Midland, TX 79705		2. OGRID Number 154903
		3. API Number 30-015-41547
4. Property Code 19266	5. Property Name PARKWAY 36 STATE	6. Well No. 006H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	36	19S	29E	I	2310	S	330	E	EDDY

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	36	19S	29E	L	2200	S	330	W	Eddy

9. Pool Information

PARKWAY;BONE SPRING	49622
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3331
16. Multiple N	17. Proposed Depth 11800	18. Formation 1st Bone Spring Sand	19. Contractor	20. Spud Date 9/1/2013
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	26	20	94	300	875	0
Int1	17.5	13.375	54.5	1400	165	0
Int1	17.5	13.375	48	1200	995	0
Int2	12.25	9.625	36	3500	970	0
Prod	8.75	7	26	7500	975	1700
Liner1	6.125	4.5	11.6	11800	0	

Casing/Cement Program: Additional Comments

4 1/2" LINER WILL USE PACKER AND PORT SYSTEM NO CEMENT IS REQUIRED
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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	1500	3000	
Pipe	3000	5000	
Blind	3000	5000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: _____ Printed Name: Electronically filed by DONNA HUDDLESTON Title: PRODUCTION ANALYST Email Address: dhuddleston@stmaryland.com Date: 7/12/2013	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 7/13/2013 Expiration Date: 7/13/2015 Conditions of Approval Attached
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
August 1, 2011
Permit 169217

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-41547	2. Pool Code 49622	3. Pool Name PARKWAY;BONE SPRING
4. Property Code 19266	5. Property Name PARKWAY 36 STATE	6. Well No. 006H
7. OGRID No. 154903	8. Operator Name SM ENERGY COMPANY	9. Elevation 3331

10. Surface Location

UL - Lot I	Section 36	Township 19S	Range 29E	Lot Idn L	Feet From 2310	N/S Line S	Feet From 330	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot L	Section 36	Township 19S	Range 29E	Lot Idn L	Feet From 2200	N/S Line S	Feet From 330	E/W Line W	County EDDY
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code			15. Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> <tr><td style="height: 30px; text-align: center; vertical-align: middle;">■</td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px; text-align: center; vertical-align: middle;">●</td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> </table>									■			●					<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: DONNA HUDDLESTON Title: PRODUCTION ANALYST Date: 7/12/2013</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: Gary Jones Date of Survey: 6/13/2013 Certificate Number: 7977</p>
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Permit Comments

Operator: SM ENERGY COMPANY , 154903

Well: PARKWAY 36 STATE #006H

API: 30-015-41547

Created By	Comment	Comment Date
vmartinez	BACK UP DOCUMENTATION WILL BE PUT IN MAIL TODAY	7/12/2013
CSHAPARD	Land s/S	7/12/2013

Permit Conditions of Approval

Operator: SM ENERGY COMPANY , 154903

Well: PARKWAY 36 STATE #006H

API: 30-015-41547

OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string