

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. NM 106714

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

<p>1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other</p> <p>2. Name of Operator SM ENERGY COMPANY</p> <p>3a. Address 3300 N "A" ST BLDG 7-200 MIDLAND TX 79705</p> <p>3b. Phone No. (include area code) (432)688-1709</p> <p>4. Location of Well (Footage, Sec., T., R., M., or Survey Description) (G) SEC 24-T18S-R31E 1730' FNL & 1650' FEL</p>	<p>7. If Unit of CA/Agreement, Name and/or No. NMNM101361X</p> <p>8. Well Name and No. EAST SHUGART DELAWARE UNIT #009</p> <p>9. API Well No. 30-015-25723</p> <p>10. Field and Pool or Exploratory Area SHUGART; DELAWARE, EAST</p> <p>11. Country or Parish, State EDDY COUNTY NM</p>
--	--

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 <u>ADDED PERFS</u>
	<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 recomplete 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 recompletion 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.)

11/3/2011 - Add perfs in unitized interval and place well back on production

TOOH w/ rods and tbg. TIH w/ bit and clean down to 5369'. TOOH. TIH w/ pkr. Set pkr @ 4963'. Acidize existing perfs w/ 6000 gals 15% petrol 10. Swab load back. TOOH. Perforate 5326-5338'. RIH w/ pkr. Set at 5310'. Acidize new perforations with 1200 gals 15% NEFE acid. Flow/swab back. TOOH. TIH w/ stratal pkr. Set @ 5197' and 4955'. Frac new perfs w/ 1000 gals 15% HCL, 24300 gals 20# XL gel and 38480# 20/40 SLC Sand. Flow/swab well back. TOOH. RIH bit and clean down to 5380'. TOOH w/ bit. RIH w/ 2-7/8" tbg and rods. Place well on production.

Accepted for record
NMOCD
 DEC 05 2011

RECEIVED
 NOV 29 2011
 NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II
Signature	Date 11/15/2011

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved by	<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">NOV 23 2011</p> <p style="text-align: center;">Date </p> </div>
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.	<p>Title _____</p> <p>Office _____</p> <p style="text-align: center;">BUREAU OF LAND MANAGEMENT</p> <p style="text-align: center;">DARLSON FIELD OFFICE</p>

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.