

OCD-ARTESIA

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well☐ Gas Well☒ Other *WZW*

2. Name of Operator

SM ENERGY COMPANY

3a. Address

3300 N "A" ST BLDG 7-200 MIDLAND TX 79705

3b. Phone No. (include area code)

(432)688-1709

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

(G) SEC 24 T18S R31E
2550' FNL & 1360' FEL

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

NMNM101361X

8. Well Name and No.

EAST SHUGART DELAWARE UNIT #022

9. API Well No.

30-015-34292

10. Field and Pool or Exploratory Area

SHUGART DELAWARE, EAST

11. Country or Parish, State

EDDY COUNTY

NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other STEP RATE
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	TEST
	☐ Convert to Injection	☐ Plug Back	☐ 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 must 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 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.)

THIS IS TO NOTIFY YOU THAT SM ENERGY COMPANY WILL BE DOING A STEP RATE TEST TO DETERMINE POSSIBLE PRESSURE INCREASE FOR EXISTING INJECTION PERMIT ON THE EAST SHUGART DELAWARE UNIT #022 ON TUESDAY, DECEMBER 20TH IN THE AM.

ONCE WE HAVE THE RESULTS OF THE STEP RATE TEST, WE WILL FOLLOW UP WITH A C108.

Accepted for record
NMOCD RE
2/17/12

RECEIVED
JAN 13 2012
NMOCD ARTESIA

APPROVED
JAN 9 2012
/s/ JD Whitlock Jr
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

VICKIE MARTINEZ

Title ENGINEER TECH II

Signature

Vickie Martinez

Date 12/16/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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)