Form-3160-5 (August 2007)

(Instructions on page 2)

OCD-ARTESIA

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No 1004-0137 Expires: July 31, 2010

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

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.							
SUBMIT IN TRIPLICATE – Other instructions on page 2.				7. If Unit of CA/Agreement, Name and/or No			
1. Type of Well				NM88491X			
X Oil Well Gas Well Other					8. Well Name and No. REFER TO ATTACHED LIST		
2. Name of Operator SM ENERGY COMPANY					9. API Well No.		
3a Address 3b. Phone No. (include area code)					10. Field and Pool or Exploratory Area		
3300 N "A" ST, BLDG 7-200 MIDLAND TX 79705 (432)688-1709					REFER TO ATTACHED LIST		
4. Location of Well (Footage, Sec., T.R., M., or Survey Description)					11. Country or Parish, State EDDY COUNTY NM		
12. CHEC	K THE APPROPRIATE BO	OX(ES) TO IND	ICATE NATURE (OF NOTI	CE, REPORT OR OTHE	R DATA	
TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent	Acidize Alter Casing	Deep	en ure Treat		luction (Start/Resume)	Water Shut-Off Well Integrity	
X Subsequent Report	Casing Repair Change Plans	_	Construction and Abandon	_	omplete porarily Abandon	X Other FLARING	
Final Abandonment Notice	Convert to Injection	Plug	Back	☐ Wat	er Disposal		
testing has been completed. Final determined that the site is ready for BILL HEARNE, SM ENERGE CONTACTED BY DCP ON PLANT WAS HIT BY LIGH BEGAN AT 9:00 AM THUR FLARING WAS FOR 6 HR	r final inspection.) GY'S ASST PROD S I THURSDAY MORN ITNING THE NIGHT RSDAY, OCTOBER 2	SUPERINTE NING, OCTO BEFORE A 27TH AND I	NDENT FOR DBER 27TH, A ND WAS DO	THE NI ND W. NN DU	EW MEXICO ARE AS TOLD THAT D IE TO A FRIED TU	A, WAS CP'S LINAM RANCH JRBINE. FLARING	
SEE ATTACHED FOR CONDITIONS OF APPROVAL RECE			IVED	APPROVED NOV 1 1 2011			
Accepted for record NMOCD NMOCD			ARTESIA		S/ JD Whitlock Jr BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE		
14. I hereby certify that the foregoing is to	rue and correct. Name (Printe	rd/Typed)		<u>L</u>			
VICKIE MARTINEZ Title				tle ENGINEER TECH II			
Signature VIIII WATER Date 11/0				01/2011			
	THIS SPACE	FOR FEDE	RAL OR STA	TE OF	FICE USE		
Approved by Conditions of approval, if any, are attached that the applicant holds legal or equitable tentitle the applicant to conduct operations	itle to those rights in the subje				D	Date	
Title 18 U S.C Section 1001 and Title 43		a crime for any p	erson knowingly and	willfully	to make to any department	t or agency of the United States any false	
fictitious or fraudulent statements or repre				· · · · · · · · · · · · · · · · · · ·	•		

Parkway Delaware Unit NM88491X

SM Energy Company

November 11, 2011

Condition of Approval to Flare Gas

- 1. Report all volumes on OGOR reports.
- 2. Comply with NTL-4A requirements
- 3. Subject to like approval from NMOCD
- 4. Flared volumes will still require payment of royalties
- 5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
- 6. This approval does not authorize any additional surface disturbance.
- 7. Submit updated facility diagram as per Onshore Order #3.