

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No NMNM90807
2. Name of Operator SM ENERGY COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address 3300 N "A" STREET BLDG 7-200 MIDLAND, TX 79705		7. If Unit or CA/Agreement, Name and/or No
3b. Phone No. (include area code) Ph: 432-688-1709 Fx: 432-688-1701		8. Well Name and No. OSAGE FEDERAL 008
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 34 T19S R29E 1980FNL 1980FEL		9. API Well No 30-015-26089
10. Field and Pool, or Exploratory PARKWAY; BONE SPRING		11. County or Parish, and State EDDY COUNTY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Venting and/or Flaring

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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

4/22/12 SM ENERGY HAS BEEN ASKED TO SHUTDOWN THE REFERENCED BY 9:00 PM DUE TO DCP'S ANNUAL TURNAROUND TO PERFORM NECESSARY MAINTENANCE WORK. PER DCP, WE ARE EXPECTED TO START BACK UP BY 7:00 AM ON FRIDAY, MAY 4TH.

I WILL FOLLOW UP WITH A SUBSEQUENT LETTING YOU KNOW WHEN WE ARE BACK UP.

METERED VOLUMES WILL BE REPORTED ON THE C-115 FORM.

WE WILL BE FLARING ABOUT 58 MCFPD WHICH INCLUDE THE WELLS LISTED BELOW:

Lease Name UL:Sec:Township:Range API Number Location
OSAGE FEDERAL #010 H-34-19S-29E 30-015-26178 1980 FNL & 660 FEL

APPROVED

JUN 4 2012

J.D. W. Little

14. Thereby certify that the foregoing is true and correct.		BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE
Electronic Submission #135968 verified by the BLM Well Information System For SM ENERGY COMPANY, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 04/23/2012 ()		
Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II	
Signature (Electronic Submission)	Date 04/19/2012	Accepted for record NMOC

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #135968 that would not fit on the form

32. Additional remarks, continued

OSAGE FEDERAL #013 C-34-19S-29E 30-015-26216 660 FNL & 1980 FWL
OSAGE FEDERAL #015 F-34-19S-29E 30-015-26271 1650 FNL & 2310 FWL
OSAGE FEDERAL #016 J-34-19S-29E 30-015-26283 2310 FSL & 1650 FEL

Osage Federal 8,10,13,15,16

SM Energy Company

June 4, 2012

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.