

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM 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. NMNM67102
2. Name of Operator SM ENERGY		6. If Indian, Allottee or Tribe Name
Contact VICKIE MARTINEZ E-Mail: VMARTINEZ@SM-ENERGY.COM		7. If Unit or CA/Agreement, Name and/or No
3a. Address 3300 N A ST BLDG 7 STE 200 MIDLAND, TX 79705	3b. Phone No. (include area code) Ph. 432-688-1709 Fx: 432-688-1701	8. Well Name and No. PARKWAY 35 FEDERAL COM 4H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 35 T19S R29E SWSW Lot M 450FSL 330FWL		9. API Well No. 30-015-39839-00-X1
		10. Field and Pool, or Exploratory PARKWAY
		11. County or Parish, and State EDDY COUNTY, NM

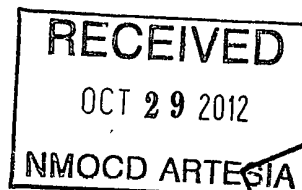
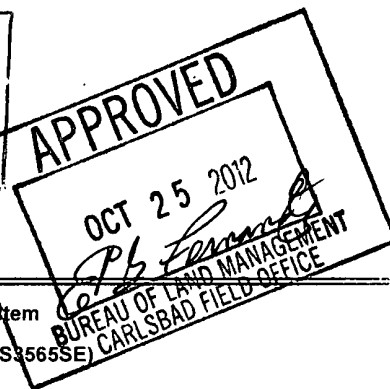
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Onshore Order Variance
	<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 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.)

SM Energy Company respectfully requests a variance to Onshore Order No 2. SM Energy Company requests the ability to use a co-flex hose between the BOPE and the choke manifold. The hose will be kept straight as possible with minimal turns.

Co-Flex Hose:
Manufacturer: Midwest Hose & Specialty, Inc
Length: 47?
3? ID With 1 1/16 5K Flanges
Quality Control Inspection and Test Certification attached
See configuration schematic
Safety clamps are not required since ends are flanged
Line is to be kept as straight as possible

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. Thereby certify that the foregoing is true and correct Electronic Submission #155813 verified by the BLM Well Information System For SM ENERGY, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 10/23/2012 (13KMS3565SE)	
Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II
Signature (Electronic Submission)	Date 10/22/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>EDWARD FERNANDEZ</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>10/25/2012</u>
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 <u>Carlsbad</u>

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ******SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

CONDITIONS OF APPROVAL

Sundry dated 10/22/2012 Co-flex hose

OPERATOR'S NAME:	SM ENERGY COMPANY
WELL NAME & NO.:	PARKWAY 35 FEDERAL #4H
SURFACE HOLE FOOTAGE:	450' FSL & 330' FWL
BOTTOM HOLE FOOTAGE:	660' FSL & 330' FEL
LOCATION:	Section 35, T.19 S., R.29 E., NMPM
COUNTY:	Eddy County, New Mexico

Original COA for BOP/BOPE still applies with the following changes:

Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs). **No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.**

EGF 102512



Midwest Hose
& Specialty, Inc.

INTERNAL HYDROSTATIC TEST REPORT		
Customer: ALICE		Customer P.O. Number: 132599
HOSE SPECIFICATIONS		
Type: Rotary / Vibrator Hose GRADE D / API 7K		Hose Length: 47 FEET
I.D. 3 INCHES	O.D. 4.49 INCHES	
WORKING PRESSURE 5,000 PSI	TEST PRESSURE 5,000 PSI	BURST PRESSURE N/A PSI
COUPLINGS		
Part Number D3.5X64WB D3.5X64WB	Stem Lot Number 1Q11LOT1 1Q11LOT1	Ferrule Lot Number 1Q11LOT1 1Q11LOT1
Type of Coupling: Swage-It	Die Size: 5.12 INCHES	
PROCEDURE		
<u>Hose assembly pressure tested with water at ambient temperature.</u>		
TIME HELD AT TEST PRESSURE 1 1/2 MIN.		ACTUAL BURST PRESSURE: N/A PSI
Hose Assembly Serial Number: 143913		Hose Serial Number: 7818
Comments:		
Date: 2/23/2012	Tested: D. Williams	Approved: Kim Thomas

PACKING LIST



Midwest Hose
& Specialty, Inc.

Ship From

Midwest Hose & Specialty, Inc.
3312 S I-35 Service Road
Oklahoma City OK 73129
USA

Ship To

Midwest Hose & Specialty, Inc - Alice
3754 E Highway 44
Alice TX 78332
USA

Bill To

Midwest Hose & Specialty, Inc - Alice
3754 E Highway 44
Alice TX 78332
USA

Payment Terms	NET 30 DAYS (NET30)
Ship Method	CNTRAN
Freight Terms	Prepaid
Customer Ship	ALICE
Cartons	1
Weight	1,718.00
Tracking Nbrs	

Shipping Notes:

Cust phone: (361) 661-1815

Written by: SGELISTA

Customer PO: 00132599

Mark Number:

Packing List #:00143913

Received By: _____

Date Received: _____

Print Name: _____

Work Phone #: _____

LINE	ITEM / DESCRIPTION	UOM	QUANTITY ORDERED	QUANTITY PREV SHIPPED	QUANTITY BACK ORDERED	QUANTITY THIS SHIPMENT
0010	CK48-SS-5K-645K-645K-47.00' FT-W/LIFTERS Choke & Kill 5K with 5K/10K Flanges	EA	1.00	0.00	0.00	1.00
PL#: 00143913 Picked by: DMCLEMORE SO#: 00122006 Shipped by: SMILLER						

Questions?

Phone: (800) 375-2358



Internal Hydrostatic Test Graph

March 23, 2012

Customer: Alice

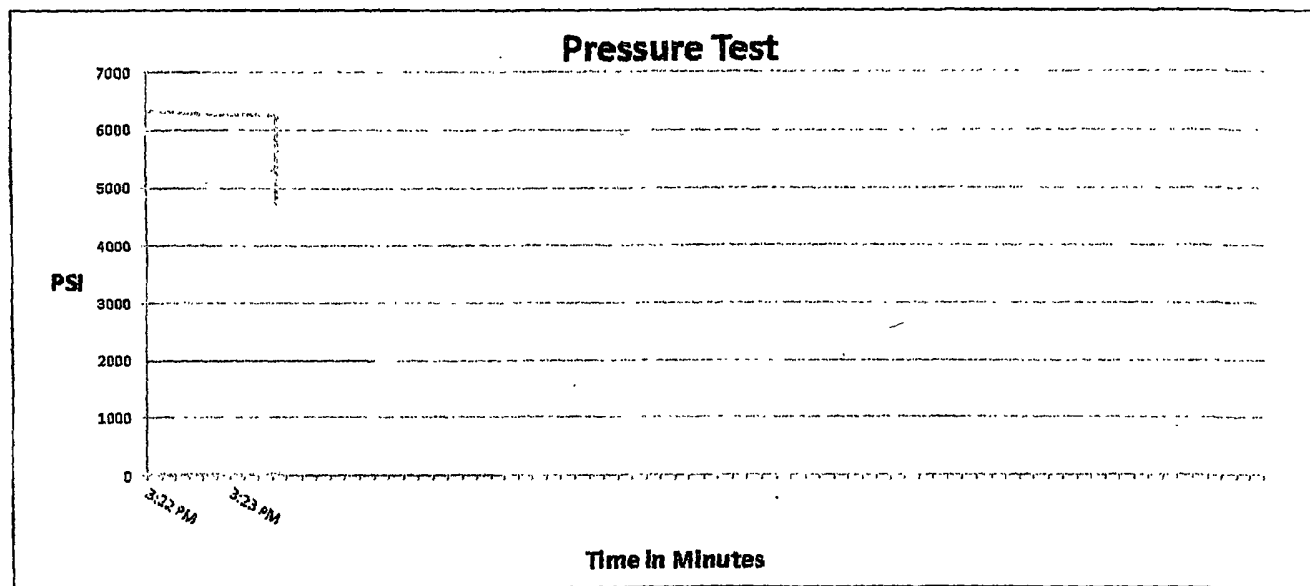
Pick Ticket #: 143913

Hose Specifications

<u>Hose Type</u>	<u>Length</u>
D	47'
<u>I.D.</u>	<u>O.D.</u>
3"	4.49"
<u>Working Pressure</u>	<u>Burst Pressure</u>
5000 PSI	See standard Safety Multiplier Applies

Verification

<u>Type of Fitting</u>	<u>Coupling Method</u>
41/16 5K	Swage
<u>Die Size</u>	<u>Final O.D.</u>
5.12"	5.10"
<u>Hose Serial #</u>	<u>Hose Assembly Serial #</u>
7918	143913



Test Pressure
5000 PSI

Time Held at Test Pressure
1 2/4 Minutes

Actual Burst Pressure

Peak Pressure
6679 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: Donnie Mclemore

Approved By: Kim Thomas