

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.*5. Lease Serial No.
NMNM90807

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

OSAGE 34 FEDERAL COM 4H

2. Name of Operator

SM ENERGY COMPANY

Contact: VICKIE MARTINEZ

E-Mail: VMARTINEZ@SM-ENERGY.COM

9. API Well No.

30-015-39786

3a. Address

3300 N "A" STREET BLDG 7-200
MIDLAND, TX 79705

3b. Phone No. (include area code)

Ph: 432-688-1709
Fx: 432-688-170110. Field and Pool, or Exploratory
PARKWAY BONE SPRING

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

Sec 34 T19S R29E 530FSL 230FWL

11. County or Parish, and State

EDDY COUNTY, NM

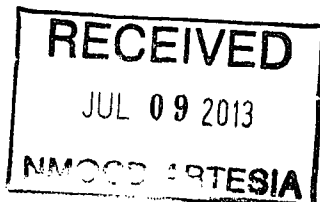
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| 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 Venting and/or Flaring |
| | <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 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 STARTED FLARING 6/7-10/13 APPROXIMATELY 250 MCFPD DUE TO SEAL OUT ON COMPRESSOR.

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

Accepted for record
7/9/13
NMOCB**SUBJECT TO LIKE
APPROVAL BY STATE****SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #210676 verified by the BLM Well Information System
For SM ENERGY COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 06/18/2013 ()**

Name (Printed/Typed) VICKIE MARTINEZ

Title ENGINEER TECH II

Signature (Electronic Submission)

Date 06/13/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | | |
|--|--------|--|------|
| Approved By <i>[Signature]</i> | Title | APPROVED JUL - 5 2013 | 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. | | | |
| BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE | | | |

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

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

7/5/2013

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.
8. Approval not to exceed 90 days for date of approval.
9. Submit Subsequent Report to this sundry with actual volumes of gas flared monthly on 3160-5 (sundry notice).
10. If flaring is still required past 90 days submit new request for approval.
11. If a portable unit is used to flare gas it must be monitored at all times.
12. Comply with any restrictions or regulations when on State or Fee surface.

JDB752013