Form 3160-5 (August 2007)

OCD Artesia

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| FORM APPROVED |
|------------------------|
| OMB NO. 1004-0135 |
| Expires: July 31, 2010 |

5. Lease Serial No.

| SUNDRY NOTICES AND REPORTS ON WELLS | | | | | | NIVINWI106714 | | | |
|--|---|--|--|---|---|---|--|-------------|--|
| Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals. | | | | | 6. If India | 6. If Indian, Allottee or Tribe Name | | | |
| SUBMIT IN TRIPLICATE - Other instructions on reverse side. | | | | | | or CA/Agre | ement, Name and/or N | 10. | |
| 1. Type of Well Gas Well Other | | | | | | 8. Well Name and No. GERONIMO FEDERAL 1 | | | |
| Name of Operator Contact: VICKIE MARTINEZ SM ENERGY COMPANY E-Mail: VMARTINEZ@SM-ENERGY.COM | | | | | | 9. API Well No. 30-015-24927 | | | |
| 3a. Address 3b. Phone No. (include area of Ph: 432-688-1709) MIDLAND, TX 79705 Fx: 432-688-1701 | | | | | | 10. Field and Pool, or Exploratory SHUGART; YATES-7RS-QU-GRYB | | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | | 11. Count | 11. County or Parish, and State | | | |
| Sec 24 T18S R31E 2310FNL 2310FEL | | | | | | EDDY COUNTY, NM | | | |
| 12. СНЕСК АРРІ | ROPRIATE BOX(ES) TO |) INDICATE | ENATURE | OF NOTICE | , REPORT, C | OR OTHE | R DATA | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | | | | | |
| ■ Notice of Intent | ☐ Acidize | □ Deepen | | ☐ Pro | ☐ Production (Start/Resume) | | ■ Water Shut-O | ff | |
| _ | Alter Casing | ☐ Fracture Treat | | 🗖 Rec | clamation | | ■ Well Integrity | 1 | |
| Subsequent Report | Casing Repair | ■ New Construction | | | omplete | | | Hori | |
| ☐ Final Abandonment Notice | Change Plans | | g and Abando | | porarily Aban | don | ng | | |
| | | ☐ Plu | | | er Disposal | | ximate duration thereo | | |
| If the proposal is to deepen directions Attach the Bond under which the wor following completion of the involved testing has been completed. Final Attachment that the site is ready for final SM ENERGY STARTED FLATTO A DCP LINE BREAK. METERED VOLUMES WILLS | k will be performed or provide operations. If the operation resonandonment Notices shall be file nal inspection.) RING 6/1-3/13 APPROXII | the Bond No. o sults in a multip ed only after all | n file with BLN le completion of requirements, i | M/BIA. Require or recompletion : including reclan | d subsequent rep n a new interval ation, have been ENCED AND | oorts shall be , a Form 316 completed, FOLLOW | filed within 30 days 50-4 shall be filed once and the operator has | e | |
| METERED VOLUMES WILL BE REPORTED ON THE C-115 FORM. Lease Name UL:Sec:Township:Range API Number Location GERONIMO FEDERAL #006 A-24-18S-31E 30-015-25597 790 FNL & 940 FEL | | | | | | | 7/8/13 | | |
| | | | | | | | | | |
| 14. I hereby certify that the foregoing is Name(Printed/Typed) VICKIE M. | Electronic Submission #2 For SM ENE Committed to AFMSS for | 210670 verifie RGY COMPA or processing | by KURT SI | MOVENIN FORMS THE CARLS BAD MMONS ON THE | / 18/20 43-(), / | | | | |
| Signature (Electronic S | ubmission) | | Date 06/ | 13/2013 | | | | | |
| | THIS SPACE FO | R FEDERA | AL OR STA | TE OFFICE | 野石VEI | | | | |
| Approved By Jewy / | lably | | Title | | HUVLI | | Date | | |
| onditions of approval, if are, are attached. Approval of this notice does not warrant or crify that the applicant holds legal or equitable title to those rights in the subject lease hich would earlie the applicant to conduct operations thereon. | | | | | - 5 2013 | | | | |
| ttle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s | U.S.C. Section 1212, make it a tatements or representations as | crime for any po to any matter w | erson knowingl eithin its jurisdi | YELL EAU OF CARLER | EANG MARAG | EMENT or | agency of the United | | |

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