Form 3,160-5 (August.2007) UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT OCD Artesia   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. OCD Artesia   SUBMIT IN TRIPLICATE - Other instructions on reverse side. Image: Contact: VICKIE MARTINEZ BO OI Well Other   Mame of Operator SM ENERGY COMPANY Contact: VICKIE MARTINEZ E-Mail: VMARTINEZ@SM-ENERGY.COM 3b. Phone No. (include area code)					ON Ex 5. Lease Serial N NMNM9080 6. If Indian, Allo 7. If Unit or CA 8. Well Name an OSAGE FED 9. API Well No. 30-015-260	FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010 5. Lease Serial No. NMNM90807 6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No. 8. Well Name and No. OSAGE FEDERAL 008 9. API Well No. 30-015-26089		
3300 N "A" STREET BLDG 7-200 Ph: 432-688-1709   MIDLAND, TX 79705 Fx: 432-688-1701   4. Location of Well (Foorage, Sec., T., R., M., or Survey Description)   Sec 34 T19S R29E 1980FNL 1980FEL					PARKWAY;BONE SPRING 11. County or Parish, and State EDDY COUNTY, NM			
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, RE					REPORT, OR OT	THER DAT	ГА	
TYPE OF SUBMISSION		TYPE OF ACTION						
Notice of Intent Acidize Deepen Production (Start/Resume) Water Shut-Off   Subsequent Report Casing Repair New Construction Reclamation Well Integrity   Final Abandonment Notice Change Plans Plug and Abandon Temporarily Abandon Temporarily Abandon   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 recomplete 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 operation. If the operation results in a multiple completion or recompletion 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 BEGAN FLARING THIS MORNING DUE TO DCP REPLACING THE BOTTOMS-SIDE CRYOGENIC REBOILER. THEY ARE PROJECTING US TO BE BACK TO SALES SOMETIME ON FRIDAY, MAY 10TH.   WE ARE FLARING APPROXIMATELY 160 MFCPD AND WILL SUBMITTED: Lease Name UL:Sec:Township:Range API Number Location County SEE ATTTACHED FOR   OSAGE FEDERAL #010 4.34-195-29E 30-015-26216/660 FNL & 1980 FWL Eddy County SEE ATTTACHED FOR SEE ATTTACHED FOR   OSAGE								
14. I hereby certify that the foregoing is   Name(Printed/Typed) VICKIE M   Signature (Electronic S)	Electronic Submission # For SM EN Committed to AFMSS f ARTINEZ	ERGY COMP	ANY, sent to the g by KURT SIMI Title ENG	e Carlsbad	08/2013 ()	4Dad	ed for needed MOCD 2/8/13	
THIS SPACE FOR FEDERAL OR STATE OFFICE DE VED								
Approved By Conditions of approval, if any fre attache certify that the applicant holds legal or equ which would enable the applicant to condu Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s	uitable title to thos rights in the operations thereon. U.S.C. Section 1212, make it a statements or representations as	e subject lease crime for any s to any matter	Office person knowingly within its junisdicti	OD. CARLSDA			Date of the United	
** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** SUBJECT TO LIKE APPROVAL BY STATE								

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

## 7/2/2013 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 with actual volumes of gas flared for each month gas is flared.
- 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.

JDB722013