

OCD-ARTESIA

Form 3160-5
(August 2007)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. NMNM67102
2. Name of Operator SM ENERGY COMPANY Contact: VICKIE MARTINEZ E-Mail: VMARTINEZ@SM-ENERGY.COM		6. If Indian, Allottee or Tribe Name
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	7. If Unit or CA/Agreement, Name and/or No. NMNM131078
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec:35 T19S R29E SWSW 450FSL 330FWL		8. Well Name and No. PARKWAY 35 FEDERAL COM 4H
		9. API Well No. 30-015-39839-00-S1
		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	Off-Lease Measureme
	<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 is requesting approval to store, measure and sell production from the following wells, off lease. The measurement, storage and sale of production from the wells listed below will be executed at the NW/4 SW/4 of Sec 35, T19S, R29E, which is part of communization agreement NM131550. The lease production will be segregated from production from any other leases up to the point of sale.

Parkway 35 Fed Com 4H (CA # NM131078) Facility Location NW/4 SW/4 Sec 35, T19S, 29E (CA # of facility location: NM131550 ~~Lease # NM24160~~)
Parkway 35 Fed Com 5H (CA # NM131078) Facility Location NW/4 SW/4 Sec 35, T19S, 29E (CA # of facility location: NM131550 ~~Lease # NM24160~~)

All production will flow into separation equipment dedicated to only these two wells. Oil

Accepted for record
NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 14 2014

RECEIVED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #246597 verified by the BLM Well Information System For SM ENERGY COMPANY, sent to the Carlsbad Committed to AFMSS for processing by CATHY QUEEN on 05/28/2014 (14CQ0057SE)	
Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II
Signature (Electronic Submission)	Date 05/22/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>J. D. Whitlock Jr.</i>	Title EPS	Date 7/9/14
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 CFO

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 **

Additional data for EC transaction #246597 that would not fit on the form

32. Additional remarks, continued

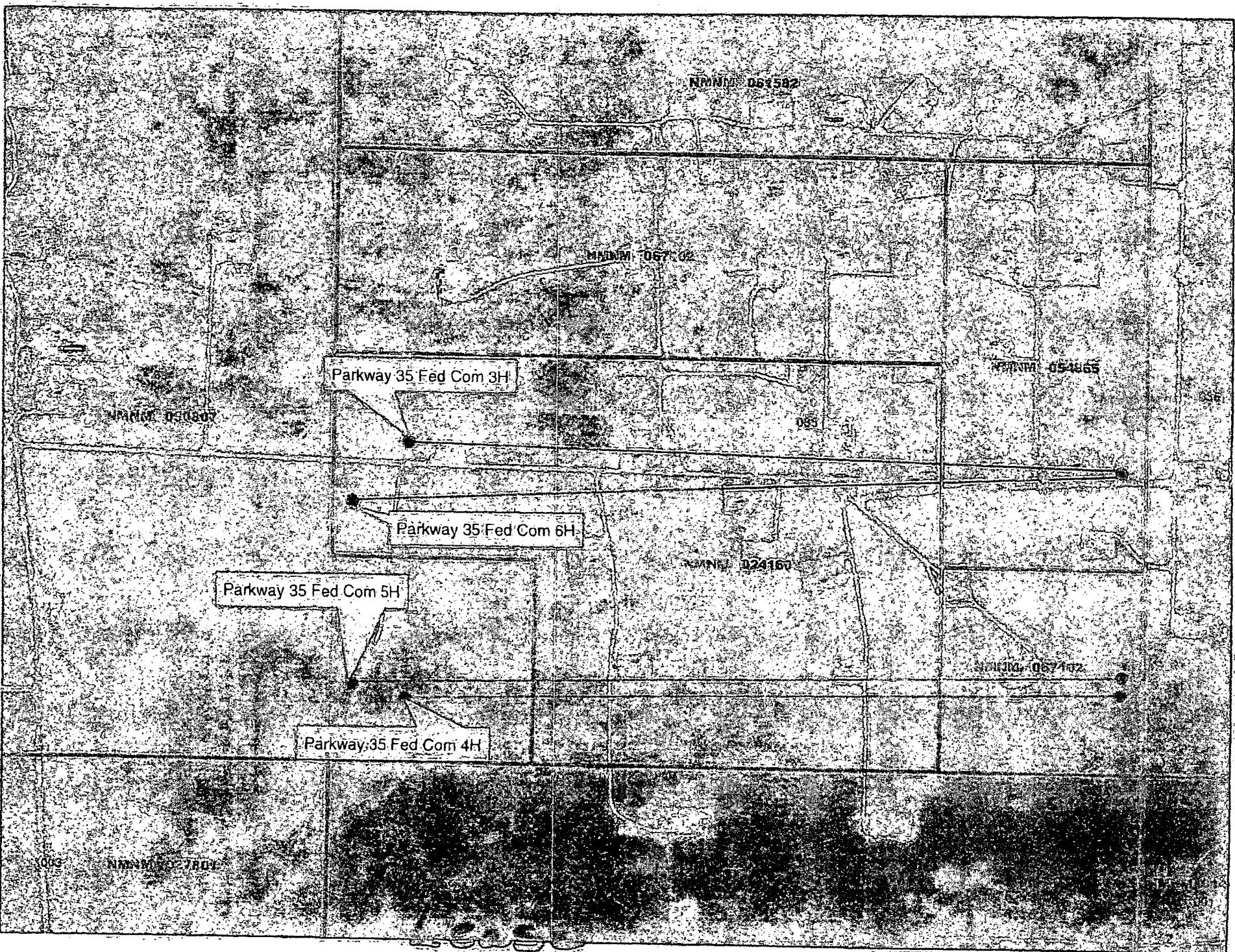
production will be stored and sold from oil tanks dedicated to production from only these two wells. Water production will be measured stored and transferred from tanks dedicated to only these two wells. Gas production will be sold through a DCP sales meter dedicated to only these two wells.

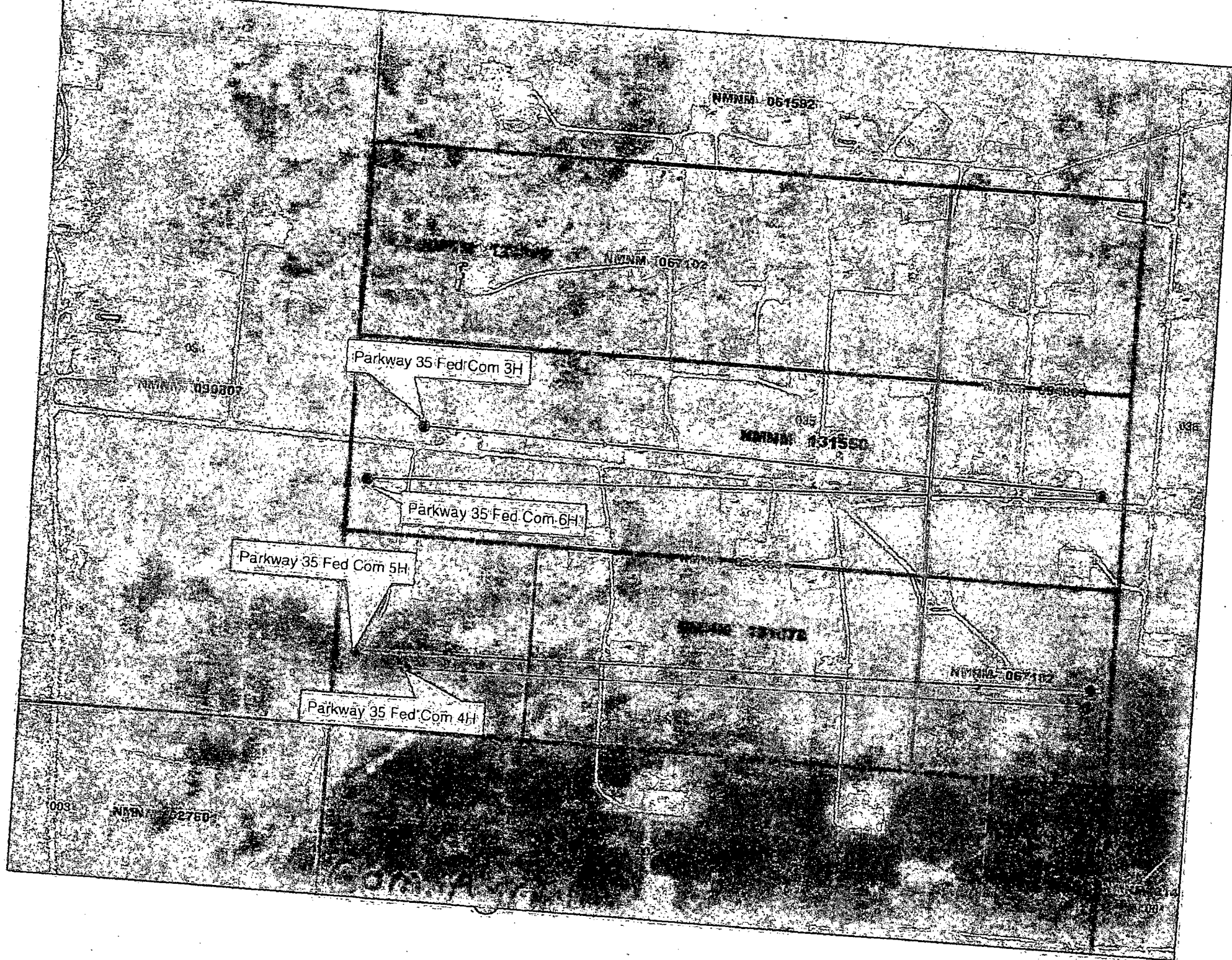
DCP Sales Meter (Station 718776-00, meter location NW/4 SW/4 Sec 35, T19S, 29E)

This off lease measurement, storage and measurement reduces the total surface disturbance and minimizes cost associated with spread out facilities.

See attached maps.

SM would also like to request extension to submit updated Site Security Diagram with a date by/on May 31, 2014.





NWMM 061592

NWMM 067102

NWMM 099007

Parkway 35 Fed Com 3H

NWMM 131550

Parkway 35 Fed Com 6H

Parkway 35 Fed Com 5H

Parkway 35 Fed Com 4H

NWMM 027507

NWMM 067102

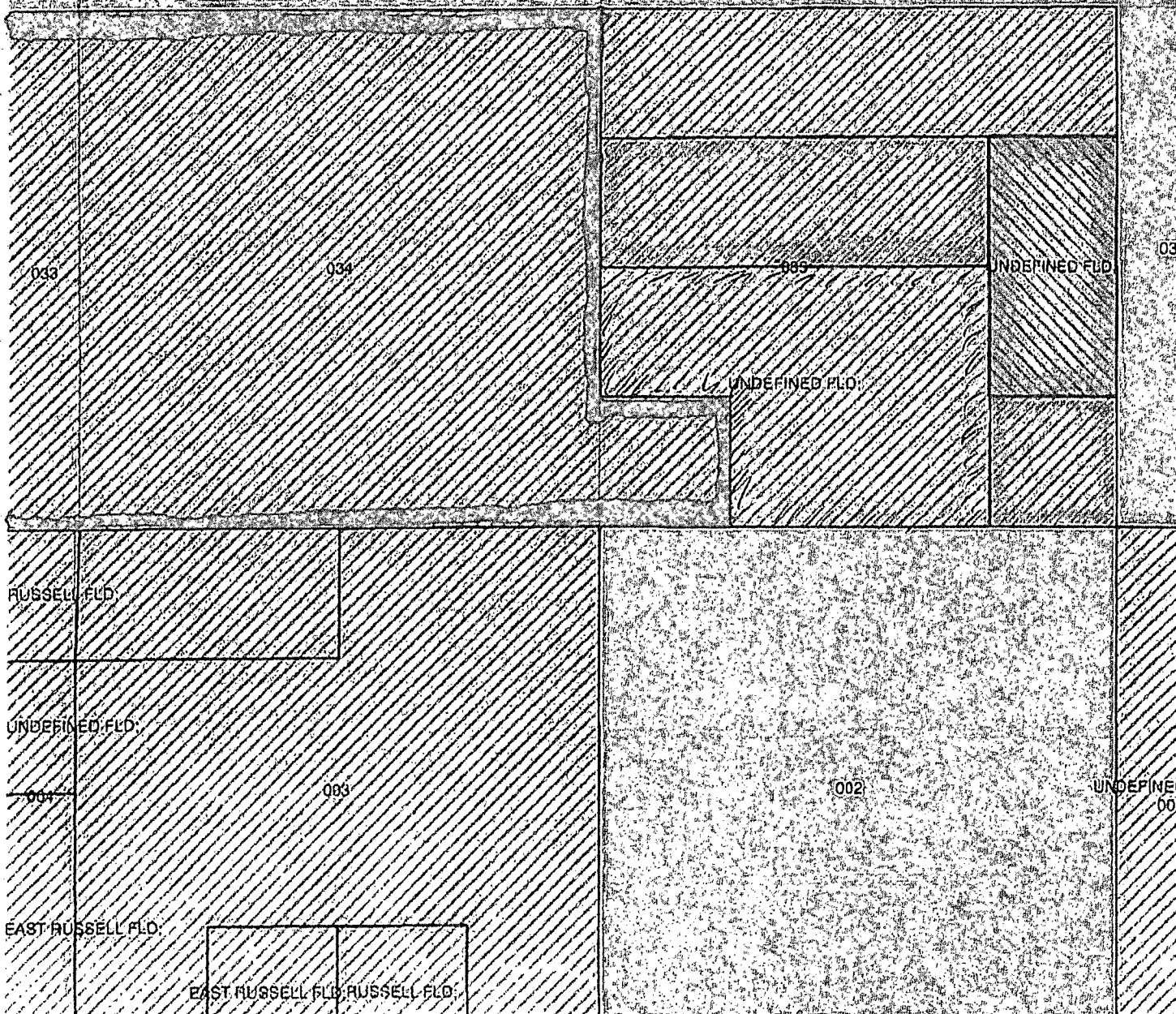
Lease Boundary

NM-90807 = 

NM-67102 = 

NM-54865 = 

NM-24160 = 



**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Off-Lease Measurement

**Conditions of Approval: SM Energy Company
Parkway 35 Fed Com 4H and 5H
CA-NM131078 3001539839 & 3001541377**

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented without proper measurement and prior approval. Any gas vented must be flared.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
7. Approval for off-lease measurement from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
8. Notify this office with 24 Hrs. of meter calibration as per Onshore Order #5.III.C.18. Supply a copy of meter calibration report to this office within 30 days.
9. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "standard Environmental Colors" – Shale Green.
10. Submit updated facility diagram as per Onshore Order #3.