

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOCD
ArtesiaFORM 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. NMNM90807
2. Name of Operator SM ENERGY COMPANY Contact: LISA HUNT E-Mail: lhunt@sm-energy.com		6. If Indian, Allottee or Tribe Name
3a. Address 6301 HOLIDAY HILL ROAD, BLDG 1 MIDLAND, TX 79707	3b. Phone No. (include area code) Ph: 432-848-4833 Fx: 432-688-1701	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 34 T19S R29E NWSE 2310FSL 1750FEL		8. Well Name and No. OSAGE FEDERAL 16
10. Field and Pool, or Exploratory PARKWAY		9. API Well No. 30-015-26283-00-S1
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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" 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 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 operations. 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 has identified potential pay in the 2nd and/or 3rd Bone Springs formation. Due to the current commodity prices SM Energy is requesting permission to isolate the Avalon perforations (6,595'-6,598') with a cement retainer set at ~6,500' and perform a cement squeeze. When commodity prices pick back up SM Energy will then decide to either pursue the pay add or P/A the well. Squeezing the Avalon perforations will effectively isolate any formation fluids from the wellbore and the cement retainer set at 6,500' will act as a second barrier.?

NM OIL CONSERVATION
ARTESIA DISTRICT

APR 18 2016

RECEIVED

REJECTED - well has been OSI since March 2014.
Plug or produce.Accepted for record
NMOCD RE 4/26/16

14. I hereby certify that the foregoing is true and correct. Electronic Submission #339038 verified by the BLM Well Information System For SM ENERGY COMPANY, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 03/21/2016 (16PP0668SE)	
Name (Printed/Typed) LISA HUNT	Title REGULATORY TECHNICIAN
Signature (Electronic Submission)	Date 03/07/2016
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By [Signature]	Title 04/07/2016
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 enable the applicant to conduct operations thereon.	
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 ****