

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.*5. Lease Serial No.
Multiple--See Attached

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.7. If Unit or CA/Agreement, Name and/or No.
NMNM88491X

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
Multiple--See Attached

2. Name of Operator

SM ENERGY COMPANY

Contact: LISA HUNT

E-Mail: lhunt@sm-energy.com

9. API Well No.

Multiple--See Attached

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

10. Field and Pool, or Exploratory

PARKWAY
PARKWAY-DELAWARE

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

Multiple--See Attached

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	Venting and/or Flaring
	<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 is expecting to flare due to DCP discovered a hole in one of their discharge lines. They are expected to be down a week or two. Metered volumes will be reported on OGOR reports as disposition code 08. We are requesting a 90 day period for approval. Approx. 150 mcf per day.

Please see list below of all wells impacted with the one submitted:

PARKWAY DELAWARE UNIT #201 C-35-19S-29E 30-015-26063 990 FNL & 2310 FWL Eddy

PARKWAY DELAWARE UNIT #202 B-35-19S-29E 30-015-26083 990 FNL & 1980 FEL Eddy

PARKWAY DELAWARE UNIT #203 A-35-19S-29E 30-015-26079 890 FNL & 990 FEL Eddy

PARKWAY DELAWARE UNIT #204 D-35-19S-29E 30-015-26143 990 FNL & 940 FWL Eddy PARKWAY DELAWARE UNIT

#208 H-35-19S-29E 30-015-34433 1438 FNL & 969 FEL Eddy

PARKWAY DELAWARE UNIT #401 F-35-19S-29E 30-015-25985 1980 FNL & 1980 FWL Eddy

PARKWAY DELAWARE UNIT #301 G-35-19S-29E 30-015-26005 1980 FNL & 1980 FEL Eddy

Accepted For Record
NMOCD

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

Electronic Submission #339284 verified by the BLM Well Information System
For SM ENERGY COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 05/16/2016 (16PP1179SE)

Name (Printed/Typed) LISA HUNT

Title REGULATORY TECHNICIAN

Signature (Electronic Submission)

Date 05/16/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

/S/ DAVID R. GLASS

Title

PETROLEUM ENGINEER

MAY 23 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 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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****
APPROVED! SM Energy Company
Has Approval To Flare From MAY
16 2016 To AUG 14 2016.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Additional data for EC transaction #339284 that would not fit on the form

5. Lease Serial No., continued

NMNM24160
NMNM54865
NMNM61582
NMNM67102
STATE

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM88491X	STATE	PARKWAY DELAWARE UNIT 101	30-015-26112-00-S1	Sec 26 T19S R29E SWSE 330FSL 1980FEL
NMNM88491X	NMNM61582	PARKWAY DELAWARE UNIT 201	30-015-26063-00-S1	Sec 35 T19S R29E NENW 990FNL 2310FWL
NMNM88491X	NMNM61582	PARKWAY DELAWARE UNIT 202	30-015-26083-00-S1	Sec 35 T19S R29E NENE 890FNL 990FEL
NMNM88491X	NMNM61582	PARKWAY DELAWARE UNIT 203	30-015-26079-00-S1	Sec 35 T19S R29E NENE 890FNL 990FEL
NMNM88491X	NMNM61582	PARKWAY DELAWARE UNIT 204	30-015-26143-00-S1	Sec 35 T19S R29E NENE 890FNL 990FEL
NMNM88491X	NMNM54865	PARKWAY DELAWARE UNIT 208	30-015-34433-00-S1	Sec 35 T19S R29E SENE 1438FNL 969FEL
NMNM88491X	NMNM67102	PARKWAY DELAWARE UNIT 301	30-015-26005-00-S1	Sec 35 T19S R29E SWNE 1980FNL 1980FEL
NMNM88491X	NMNM67102	PARKWAY DELAWARE UNIT 302	30-015-26006-00-S1	Sec 35 T19S R29E SWNW 2230FNL 760FWL
NMNM88491X	NMNM67102	PARKWAY DELAWARE UNIT 305	30-015-33071-00-S1	Sec 35 T19S R29E SWNE 2000FNL 1564FEL
NMNM88491X	NMNM67102	PARKWAY DELAWARE UNIT 307	30-015-33997-00-S1	Sec 35 T19S R29E SWNE 1500FNL 2060FEL
NMNM88491X	NMNM67102	PARKWAY DELAWARE UNIT 401	30-015-25985-00-S1	Sec 35 T19S R29E SENW 1980FNL 1980FWL
NMNM88491X	NMNM67102	PARKWAY DELAWARE UNIT 402	30-015-34129-00-S1	Sec 35 T19S R29E SENW 1437FNL 1986FWL
NMNM88491X	NMNM24160	PARKWAY DELAWARE UNIT 501	30-015-25960-00-S1	Sec 35 T19S R29E NWSE 1980FSL 1980FEL
NMNM88491X	NMNM24160	PARKWAY DELAWARE UNIT 502	30-015-25984-00-S1	Sec 35 T19S R29E NESW 1980FSL 1980FWL
NMNM88491X	NMNM24160	PARKWAY DELAWARE UNIT 503	30-015-26007-00-S1	Sec 35 T19S R29E SWSE 660FSL 1910FEL
NMNM88491X	NMNM24160	PARKWAY DELAWARE UNIT 504	30-015-26028-00-S1	Sec 35 T19S R29E SESW 660FSL 1980FWL
NMNM88491X	NMNM24160	PARKWAY DELAWARE UNIT 505	30-015-26029-00-S1	Sec 35 T19S R29E NWSW 1980FSL 760FWL
NMNM88491X	NMNM24160	PARKWAY DELAWARE UNIT 510	30-015-33072-00-S1	Sec 35 T19S R29E NWSE 1870FSL 1480FEL
NMNM88491X	NMNM24160	PARKWAY DELAWARE UNIT 511	30-015-33073-00-S1	Sec 35 T19S R29E NWSE 2570FSL 2225FEL
NMNM88491X	NMNM24160	PARKWAY DELAWARE UNIT 512	30-015-33998-00-S1	Sec 35 T19S R29E NESW 2615FSL 1945FWL
NMNM88491X	NMNM24160	PARKWAY DELAWARE UNIT 514	30-015-34130-00-S1	Sec 35 T19S R29E SWSE 1210FSL 2065FEL
NMNM88491X	NMNM24160	PARKWAY DELAWARE UNIT 515	30-015-34407-00-S1	Sec 35 T19S R29E SWSE 1300FSL 1675FWL
NMNM88491X	NMNM54865	PARKWAY DELAWARE UNIT 701	30-015-26025-00-S1	Sec 35 T19S R29E NESE 1980FSL 990FEL
NMNM88491X	NMNM54865	PARKWAY DELAWARE UNIT 702	30-015-26026-00-S1	Sec 35 T19S R29E SENE 1980FNL 990FEL
NMNM88491X	NMNM54865	PARKWAY DELAWARE UNIT 705	30-015-33136-00-S1	Sec 35 T19S R29E SENE 2520FNL 990FEL
NMNM88491X	NMNM67102	PARKWAY DELAWARE UNIT 801	30-015-26012-00-S1	Sec 35 T19S R29E SESE 660FSL 810FEL
NMNM88491X	STATE	PARKWAY DELAWARE UNIT 901	30-015-26077-00-S1	Sec 36 T19S R29E SWNW 1980FNL 330FWL
NMNM88491X	STATE	PARKWAY DELAWARE UNIT 902	30-015-26078-00-S1	Sec 36 T19S R29E NWNW 660FNL 330FWL
NMNM88491X	STATE	PARKWAY DELAWARE UNIT 921	30-015-26070-00-S1	Sec 36 T19S R29E NWSW 1980FSL 330FWL
NMNM88491X	STATE	PARKWAY DELAWARE UNIT 922	30-015-26074-00-S1	Sec 36 T19S R29E SWSW 990FSL 330FWL
NMNM88491X	STATE	PARKWAY DELAWARE UNIT 923	30-015-26075-00-S1	Sec 36 T19S R29E NESW 1980FSL 1650FWL

32. Additional remarks, continued

PARKWAY DELAWARE UNIT #302 E-35-19S-29E 30-015-26006 2230 FNL & 760 FWL Eddy
PARKWAY DELAWARE UNIT #305 G-35-19S-29E 30-015-33071 2000 FNL & 1564 FEL Eddy
PARKWAY DELAWARE UNIT #307Y G-35-19S-29E 30-015-33997 1500 FNL & 2060 FEL Eddy
PARKWAY DELAWARE UNIT #402 F-35-19S-29E 30-015-34129 1437 FNL & 1986 FWL Eddy
PARKWAY DELAWARE UNIT #501 J-35-19S-29E 30-015-25960 1980 FSL & 1980 FEL Eddy
PARKWAY DELAWARE UNIT #502 K-35-19S-29E 30-015-25984 1980 FSL & 1980 FWL Eddy
PARKWAY DELAWARE UNIT #503 O-35-19S-29E 30-015-26007 660 FSL & 1910 FEL Eddy
PARKWAY DELAWARE UNIT #504 N-35-19S-29E 30-015-26028 660 FSL & 1980 FWL Eddy
PARKWAY DELAWARE UNIT #505 L-35-19S-29E 30-015-26029 1980 FSL & 760 FWL Eddy
PARKWAY DELAWARE UNIT #510 J-35-19S-29E 30-015-33072 1870 FSL & 1480 FEL Eddy
PARKWAY DELAWARE UNIT #511 J-35-19S-29E 30-015-33073 2570 FSL & 2225 FEL Eddy
PARKWAY DELAWARE UNIT #512 K-35-19S-29E 30-015-33998 2615 FSL & 1945 FWL Eddy
PARKWAY DELAWARE UNIT #514 O-35-19S-29E 30-015-34130 1210 FSL & 2065 FEL Eddy
PARKWAY DELAWARE UNIT #515 K-35-19S-29E 30-015-34407 1300 FSL & 1675 FWL Eddy
PARKWAY DELAWARE UNIT #701 I-35-19S-29E 30-015-26025 1980 FSL & 990 FEL Eddy
PARKWAY DELAWARE UNIT #702 H-35-19S-29E 30-015-26026 1980 FNL & 990 FEL Eddy
PARKWAY DELAWARE UNIT #705 H-35-19S-29E 30-015-33136 2520 FNL & 990 FEL Eddy
PARKWAY DELAWARE UNIT #801 P-35-19S-29E 30-015-26012 660 FSL & 810 FEL Eddy
PARKWAY DELAWARE UNIT #901 E-36-19S-29E 30-015-26077 1980 FNL & 330 FWL Eddy
PARKWAY DELAWARE UNIT #902 D-36-19S-29E 30-015-26078 660 FNL & 330 FWL Eddy
PARKWAY DELAWARE UNIT #921 L-36-19S-29E 30-015-26070 1980 FSL & 330 FWL Eddy
PARKWAY DELAWARE UNIT #922 M-36-19S-29E 30-015-26074 990 FSL & 330 FWL Eddy
PARKWAY DELAWARE UNIT #923 K-36-19S-29E 30-015-26075 1980 FSL & 1650 FWL Eddy

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
(575) 234-5972
Venting and/or Flaring
Conditions of Approval

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes, and volumes), and has determined the following Conditions of Approval apply.

Conditions of Approval to Flare Gas

1. Comply with NTL-4A requirements
2. Subject to like approval from NMOCD
3. **Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08"**
4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. 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.
5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
6. This approval does not authorize any additional surface disturbance.
7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per NTL-4A II. A. "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.