

Submit 1 Copy To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
October 13, 2009

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-30028
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Injection		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator SM Energy Company		6. State Oil & Gas Lease No.
3. Address of Operator 3300 N. A Street, Bldg 7, Suite 200 Midland,, TX 79705		7. Lease Name or Unit Agreement Name Parkway Delaware Unit
4. Well Location Unit Letter I : 1450 feet from the S line and 330 feet from the E line Section 35 Township 19S Range 29E NMPM County Eddy		8. Well Number 704
		9. OGRID Number 154903
		10. Pool name or Wildcat Parkway; Delaware
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: Repair & Return to Inj. ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

\*\*\*\* Unsuccessful MIT 5/19/2010

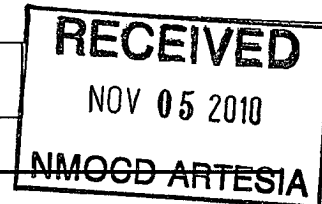
\*\*\*\* 8/30/2010 - 9/3/2010 In preparation to repair the PDU 704 we conducted a Casing Inspection Log and found that the casing was most likely parted at 1796' and had significant metal loss and holes between 1864' and 1707'.

\*\*\*\* 9/30/2010 - 10/14/2010 To repair the casing we RIH with a watermelon type string mill to ensure we could pass the casing part with chemical cutting head. We cut 4 1/2" Casing at 1910' and pulled out 40 joints of bad casing. Casing parted approximately 2 1/2 jts from cut. RIH with tubing and fished out remaining 2 1/2 jts of casing. RIH with 4 1/2" Lead Seal on 6 Joints 4 1/2" N80 11.6# LTC casing with externally casing coating from Bond-Coat (Flint Coat). Followed coated tubing with 9 jts of 4 1/2" N80 11.6# LTC casing and then 28 jts of reconditioned Range 2 K55 4 1/2" 10.5# LTC Casing. Pulled 25 pts tension in casing string. Successfully tested casing to 2000 psig for 15 minutes with no pressure bleed off. Cement was not circulated in this repair due to a know hole in the 7" 20# J55 external casing in the Capitan Reef. Previous attempts to cement squeeze the Capitan Reef have been unsuccessful and would not allow for us to circulate cement back to surface. Ran in hole with 4 1/2" Arrowset 1X nickel plated production packer, SS 1.5" 'F' nipple, T2 on/off tool on 125 jts of 2 3/8" J55 IPC (TK70) tbg from Tuboscopes yard (29 jts of blue band, 96 jts of yellow band). Packer set at 3973'.

\*\*\*\* 10/18/2010 Successful MIT. Chart Attached.

Spud Date:

Rig Release Date:



I hereby certify that the information above is true and complete to the best of my knowledge and belief.

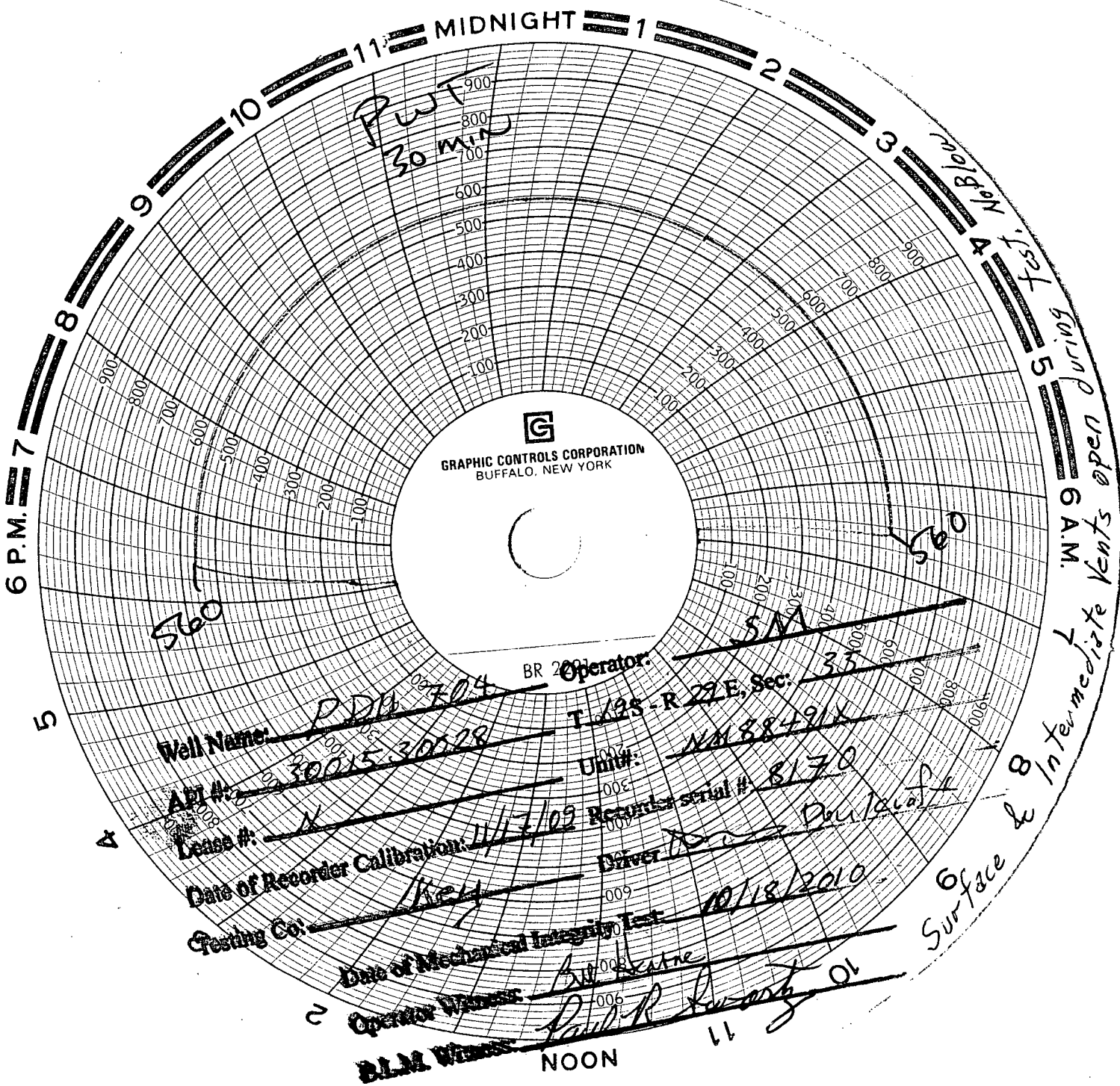
SIGNATURE Donna Huddleston TITLE Engineering Tech DATE 11/02/2010

Type or print name Donna Huddleston E-mail address: dhuddleston@sm-energy.com PHONE: (432)688-1789

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_



**G**  
GRAPHIC CONTROLS CORPORATION  
BUFFALO, NEW YORK

Well Name: PDB 704  
API #: 30015-30028  
Lease #: X  
Date of Recorder Calibration: 4/17/09  
Testing Co.: Key  
Date of Mechanical Integrity Test: 10/18/2010  
Operator: T-128-R 29 E, Sec. 33  
Unit: NH 884914  
Recorder serial #: 8170  
Driver: [Signature]  
Operator: [Signature]  
BLM Witness: [Signature]

6 A.M. vents open during test.  
Intermediate vents open during test.  
Surface & 8

NOON