

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM 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		6. If Indian, Allottee or Tribe Name
3a. Address 3300 N "A" STREET BLDG 7-200 MIDLAND, TX 79705		7. If Unit or CA/Agreement, Name and/or No NM101361X
3b. Phone No (include area code) Ph: 432-688-1709 Fx: 432-688-1701		8. Well Name and No OSAGE FEDERAL 008
4. Location of Well (Footage, Sec., T, R, M., or Survey Description) Sec 34 T19S R29E		9. API Well No. 30-015-26089
		10. Field and Pool, or Exploratory PARKWAY; BONE SPRING
		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 Venting and/or Flaring
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input 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 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 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.)

3/18/12 SM ENERGY STARTED FLARING AT 8:00 PM DUE TO DCP HIGH LINE PRESSURE.

3/20/12 SM ENERGY STOPPED FLARING AT 6:15 PM.

WE WERE FLARING APPROXIMATELY 64 MCFPD.

3/22/12 ORIGINALLY SUBMITTED ON ELECTRONIC SUBMISSION 133497 (NOI) AND 133613 (SUBSEQUENT) WHICH WERE REJECTED DUE TO LACK OF WELL NAME &amp; # ETC.

OTHER WELLS AFFECTED WHICH HAVE SAME SECTION, TOWNSHIP &amp; RANGE ARE AS FOLLOWS:

OSAGE FEDERAL #010 - API 30-015-26178

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL****RECEIVED**

APR 6 2012

NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct	
Electronic Submission #133653 verified by the BLM Well Information System For SM ENERGY COMPANY, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 03/22/2012 ()	
Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II
Signature (Electronic Submission)	Date 03/22/2012

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <i>J. D. Whitlock Jr.</i>	Title <i>LPE 7</i>	Date <i>4/3/12</i>
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 <i>CFO</i>

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.

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

**Additional data for EC transaction #133653 that would not fit on the form**

**32. Additional remarks, continued**

OSAGE FEDERAL #013 - API 30-015-26216

OSAGE FEDERAL #015 - API 30-015-26271

OSAGE FEDERAL #016 - API 30-015-26283

**Osage Federal 8,10,13,15,16**

**SM Energy Company**

April 3, 2012

**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.