

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
Contact VICKIE MARTINEZ E-Mail: VMARTINEZ@SM-ENERGY.COM		7 If Unit or CA/Agreement, Name and/or No
3a Address 3300 N "A" STREET BLDG 7-200 MIDLAND, TX 79705	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 1980FNL 1980FEL		9. API Well No. 30-015-26089
<div style="border: 2px solid black; padding: 5px; text-align: center;">RECEIVED JUN 07 2012 NMOCD ARTESIA</div>		10 Field and Pool, or Exploratory PARKWAY; BONE SPRING
		11 County or Parish, and State EDDY COUNTY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 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.)

5/17/12 SM ENERGY IS NO LONGER FLARING THE OSAGE BATTERY. DCP HAS MADE THEIR LINE REPAIRS. THE FOLLOWING WELLS WERE IMPACTED AS WELL AS REFERENCED:

Lease Name UL:Sec:Township:Range API Number Location
OSAGE FEDERAL #010 H-34-19S-29E 30-015-26178 1980 FNL & 660 FEL
OSAGE FEDERAL #013 C-34-19S-29E 30-015-26216 660 FNL & 1980 FWL
OSAGE FEDERAL #015 F-34-19S-29E 30-015-26271 1650 FNL & 2310 FWL
OSAGE FEDERAL #016 J-34-19S-29E 30-015-26283 2310 FSL & 1650 FEL

METERED VOLUMES WILL BE REPORTED ON THE C-115 FORM.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

APPROVED

JUN 4 2012

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

Electronic Submission #138433 verified by the BLM Well Information System
For SM ENERGY COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 05/24/2012 ()

Name (Printed/Typed) VICKIE MARTINEZ

Title ENGINEER TECH II

Signature (Electronic Submission)

Date 05/18/2012

Redade 7/5/12
Accepted for record
NMOCD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

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

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

Osage Federal 8,10,13,15,16

SM Energy Company

June 4, 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.