

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 NMNM106714
2 Name of Operator SM ENERGY		6. If Indian, Allottee or Tribe Name
3a Address 3300 N A ST BLDG 7 STE 200 MIDLAND, TX 79705		7. If Unit or CA/Agreement, Name and/or No. NMNM101361X
3b Phone No (include area code) Ph: 432-688-1709 Fx: 432-688-1701		8. Well Name and No Multiple--See Attached
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory SHUGART
		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 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 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.)

AS OF 8/17/12 AT 8:00 AM SM ENERGY IS NO LONGER FLARING APPROXIMATELY 73 MCFPD DCP HAS ALLOWED US TO OPEN GAS ON THE REFERENCED WELL AND LIST OF WELLS BELOW:

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

Lease Name UL:Sec:Township:Range API Number Location  
ESDU #005 B-24-18S-31E 30-015-26022 790 FNL & 1650 FEL  
ESDU #006 A-24-18S-31E 30-015-25385 890 FNL & 990 FEL  
ESDU #009 G-24-18S-31E 30-015-25723 1730 FNL & 1650 FEL  
ESDU #010 H-24-18S-31E 30-015-25457 1650 FNL & 990 FEL  
ESDU #013 J-24-18S-31E 30-015-25734 2310 FSL & 1650 FEL  
ESDU #014 I-24-18S-31E 30-015-25652 2310 FSL & 990 FEL

RD Code 8/29/12  
Accepted for record  
NMOCD

**RECEIVED**

AUG 28 2012

NMOCD ARTESIA

*Comply with Previous Sundry COAs*

14. I hereby certify that the foregoing is true and correct	
Electronic Submission #146551 verified by the BLM Well Information System For SM ENERGY, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 08/23/2012 (12KMS2862SE)	
Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II
Signature (Electronic Submission)	Date 08/20/2012

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

Approved By <b>ACCEPTED</b>	DUNCAN WHITLOCK Title LEAD PETROLEUM ENGINEERING TECH	Date 08/23/2012
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 Carlsbad

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 \*\***

Additional data for EC transaction #146551 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM101361X	NMNM106714	ESDU 4	30-015-25546-00-S1	Sec 24 T18S R31E NWNE 765FNL 1980FEL
NMNM101361X	NMNM106714	ESDU 10	30-015-25457-00-S1	Sec 24 T18S R31E SENE 1650FNL 990FEL
NMNM101361X	NMNM106714	ESDU 13	30-015-25734-00-S1	Sec 24 T18S R31E NWSE 2310FSL 1650FEL
NMNM101361X	NMNM106714	ESDU 14	30-015-25652-00-S1	Sec 24 T18S R31E NESE 2310FSL 990FEL
NMNM101361X	NMNM106714	ESDU 5	30-015-26022-00-S1	Sec 24 T18S R31E NWNE 790FNL 1650FEL
NMNM101361X	NMNM106714	ESDU 6	30-015-25385-00-S1	Sec 24 T18S R31E NENE 890FNL 990FEL
NMNM101361X	NMNM106714	ESDU 9	30-015-25723-00-S1	Sec 24 T18S R31E SWNE 1730FNL 1650FEL