

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.**OCD-ARTESIA****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 Multiple--See Attached
2 Name of Operator SM ENERGY Contact: VICKIE MARTINEZ E-Mail: VMARTINEZ@SM-ENERGY.COM		6 If Indian, Allottee or Tribe Name
3a Address 3300 N A ST BLDG 7 STE 200 MIDLAND, TX 79705	3b Phone No (include area code) Ph: 432-688-1709 Fx: 432-688-1701	7 If Unit or CA/Agreement, Name and/or No. Multiple--See Attached
4 Location of Well (Footage, Sec, T., R., M., or Survey Description) Multiple--See Attached		8 Well Name and No 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	

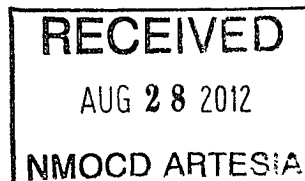
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths 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.)

AS OF 8/17/12 AT 8:00 AM SM ENERGY IS NO LONGER FLARING APPROXIMATELY 3 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
ARCO FEDERAL #004 B-23-18S-31E 30-015-26926 710 FNL & 1980 FEL
ARCO FEDERAL #005 A-23-18S-31E 30-015-26998 660 FNL & 560 FEL

Approved 8/29/12
Accepted for record
NMOCD



Comply with Previous Sundry COAs

14. I hereby certify that the foregoing is true and correct	
Electronic Submission #146538 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 (12KMS2860SE)	
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 ACCEPTED	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 #146538 that would not fit on the form

5. Lease Serial No., continued

NMNM2938
NMNM91367

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM91367	NMNM91367	ARCO FEDERAL 1	30-015-25218-00-S1	Sec 24 T18S R31E SWNW 1830FNL 660FWL
NMNM91367	NMNM91367	ARCO FEDERAL 4	30-015-26926-00-S1	Sec 23 T18S R31E NWNE 710FNL 1980FEL
NMNM2938	NMNM2938	ARCO FEDERAL 5	30-015-26998-00-S1	Sec 23 T18S R31E NENE 660FNL 560FEL