

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. NMNM54865
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. PARKWAY 35 FEDERAL COM 3H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 35 T19S R29E 2090FSL 330FWL		9. API Well No. 30-015-40734
		10. Field and Pool, or Exploratory PARKWAY BONE SPRING
		11. County or Parish, and State EDDY COUNTY, NM

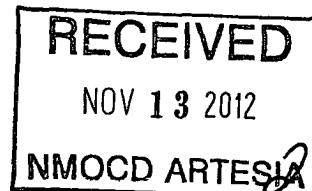
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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.)

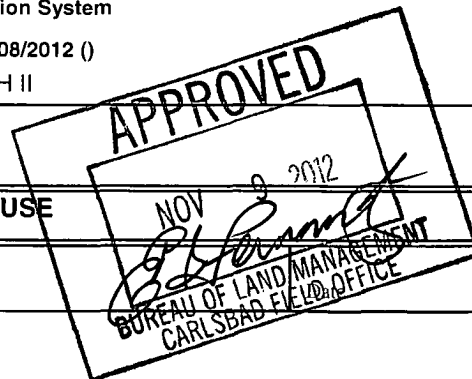
We have encountered seepage and loses in the production section on the Parkway 35 Federal 3H. SM Energy Company respectfully requests the ability to use an external packer stage cementing collar. The position of the ECP was picked off of offset porosity and caliper logs. Current estimated setting depth is 3,950'. Slurries and stages are shown below. Should packer placement change cement volume will be adjusted proportionally determined by annulus volume above the packer with 35% excess.

First Stage:

Lead: 1,335 sks
Density: 11.6 ppg
Yield: 2.62 cf/skAccepted for record
NMOCD

Original COA Still Applies

14. I hereby certify that the foregoing is true and correct	
Electronic Submission #157168 verified by the BLM Well Information System For SM ENERGY COMPANY, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 11/08/2012 ()	
Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II
Signature (Electronic Submission)	Date 11/01/2012
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By	Title
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 ****

Additional data for EC transaction #157168 that would not fit on the form

32. Additional remarks, continued

(50:50:10) Pos (Fly Ash) Class H Cement 0.45% SMS + 5 % Salt + 0.125 lb/sk Cello Flake
Excess calculated to 75% excess of caliper.

Tail: 1,361 sks
Density: 15.60 ppg
Yield: 1.19 cf/sk
Class H Cement 0.2% FL-25 + 2% Salt
Excess calculated to 35% over gauge.

Second Stage:

Lead: 460 sks
Density: 11.6 ppg
Yield: 2.62 cf/sk
(50:50:10) Pos (Fly Ash) Class H Cement 0.45% SMS + 5 % Salt + 0.125 lb/sk Cello Flake
Excess calculated to 35% excess of gauge