

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.

5. Lease Serial No.
NMNM90807

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
OSAGE 34 FEDERAL 4H

9. API Well No.
30-015-39786-00-S1

10. Field and Pool, or Exploratory
PARKWAY

11. County or Parish, and State
EDDY COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
SM ENERGY
Contact: VICKIE MARTINEZ
E-Mail: VMARTINEZ@SM-ENERGY.COM

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 34 T19S R29E SWSW 530FSL 230FWL

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 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.)

SM ENERGY WAS ASKED TO SHUT IN OUR GAS DUE TO COMPRESSOR GOING DOWN. WE STRTED FLARING ABOUT NOON ON WEDNESDAY, MARTCH 20TH CST. I WILL FOLLOW UP WITH A SUBSEQUENT WHEN WE STOP FLARING.

WE ARE FLARING ABOUT 333 MCFPD.

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

Accepted for record
NMDCD
RDade 4/11/13

RECEIVED
APR 08 2013
NMDCD ARTESIA

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #202253 verified by the BLM Well Information System
For SM ENERGY, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 03/25/2013 (13KMS5676SE)

Name (Printed/Typed) VICKIE MARTINEZ

Title ENGINEER TECH II

Signature (Electronic Submission)

Date 03/22/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JERRY BLAKLEY

Title LEAD PET

Date 04/03/2013

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

APPROVED

APR - 3 2013

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.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

SUBJECT TO LIKE
APPROVAL BY STATE

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

4/3/2013

Condition of Approval to Flare Gas

1. Request approval to flare gas by submitting NOI to Flare Gas
2. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared.
3. Report all volumes on OGOR reports.
4. Comply with NTL-4A requirements
5. Subject to like approval from NMOCD
6. **Flared volumes will still require payment of royalties**
7. 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.
8. This approval does not authorize any additional surface disturbance.
9. Submit updated facility diagram as per Onshore Order #3.
10. Approval not to exceed 90 days for date of approval.