

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOCD ARTESIA
NM OIL CONSERVATION

ARTESIA DISTRICT

JUL 14 2014

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.

RECEIVED

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
3a. Address 3300 N A ST BLDG 7 STE 200 MIDLAND, TX 79705		7. If Unit or CA/Agreement, Name and/or No. NMNM131550
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 PARKWAY
		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	
	<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.)

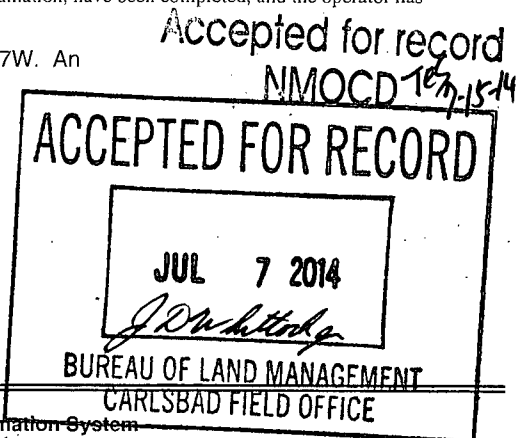
SM is attaching information information BLM requested on Notice of Written Order #14CD57W. An extension date of 6/14/14 was given to SM by BLM.

This also includes the well below:

Lease Name UL:Sec:Township:Range API Number Location
PARWAY 35 FEDERAL COM 6H I-34-19S-29E 30-015-41646 1700 FSL & 5 FEL (SL)

See attached.

Submit Sundry For WATER Disposal



14. I hereby certify that the foregoing is true and correct. Electronic Submission #249566 verified by the BLM Well Information System For SM ENERGY COMPANY, sent to the Carlsbad Committed to AFMSS for processing by CATHY QUEEN on 06/19/2014 (14CQ0514SE)	
Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II
Signature (Electronic Submission)	Date 06/13/2014

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 _____

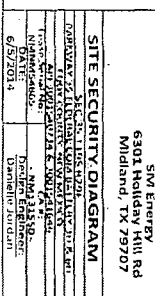
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

Additional data for EC transaction #249566 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM131550	NMNM54865	PARKWAY 35 FEDERAL COM 3H	30-015-40734-00-S1	Sec 35 T19S R29E NWSW 2090FSL 330FWL
NMNM131550	NMNM54865	PARKWAY 35 FEDERAL COM 6H	30-015-41646-00-S1	Sec 34 T19S R29E NESE 1700FSL 5FEL 32.365247 N Lat, 104.031499 W Lon



Orifice Meter Test Report



Meter: 15775-00 - Parkway 35 3H Date Performed: February 27, 2014 11:41 Rev 1

Producer: SM Energy City: State ID: _____
 Division: County: Eddy Federal ID: _____
 Area: State: New Mexico API Code: _____
 Closing Group: W22 Agency: Latitude: 32.615836
 Last Test: 08/15/2013 Reason for Test: Calibration Longitude: -104.052828 Site Elevation: _____

Flowing Conditions			
	Found	Left	Average
Differential:	0.00	0.00	18.00
Pressure:	76.93	75.50	50.00
Temperature:	75.19	77.00	60.00
EFM Flow Rate:	0.00	0.00	
Battery Voltage:	13.94	19.75	

Meter Inspection

PrimBrand: Daniel Model: Senior w/ T-Tap Ser #: 12410692
 RTU Brand: Totalflow Model: 6213 Ser #: T122685857
 DP Range: 0-150 Model: IMV Ser #: _____
 SP Range: 0-100 Model: IMV Ser #: _____
 Temp Range: 0-200 Model: RTD Ser #: _____

Static Location: Upstream Tap Type: Flange
 Replace Seal Ring: No No Flow Cutoff: 0.40

Orifice Plate

Plate Size Existing (in): 2.1250
 Plate Size Found (dr): 2.1250 Ring Inspection: Good
 Tube ID Existing (Dr): 3.0680 Tube Serial: _____

Plate Inspected: Yes Plate Clean Yes Edge Sharp Yes Oily No
 Smooth Yes Surface Flat Yes Dirty No
 Bevel Yes Beveled DS Yes Rough No
 Bowed No Nicked No

Plate Changed: No
 New Plate Size (dr): _____

Meter Constants			
Calculation Method:	AGA3-1992	FPV Method:	AGA8-Detail
PSIA/PSIG:	PSIA	Blr:	1191.00
Contract Atmos. Pr:	13.20	Specific Gravity:	0.68370
Pressure Base:	14.730	N2:	0.48600
Temp. Base:	60	CO2:	0.37200

DP Calibration				
Standard	Found	Left	Flow Rate Error	
Reset A.P.O	0.00			
Reset W.P.O	No	0.00		
0.00	0.00	0.00		
45.00	44.94	44.94	-0.08%	
75.00	74.97	74.97	-0.02%	
150.00	150.00	150.00	0.00%	
120.00	120.00	120.00	0.00%	
90.00	90.00	90.00	0.00%	
30.00	29.99	29.99	-0.02%	
12.00	11.98	11.98	-0.08%	
0.00	0.00	0.00		
4.00	3.98	3.98	-0.25%	

SP Calibration			
Atmos. Press. Source:	Measured	Obs. Atmos. Press:	13.00
Standard (PSIG)	Found (PSIA)	Left (PSIA)	Flow Rate Error
0.00	13.21	13.00	0.63%
100.00	113.30	113.00	0.14%
40.00	53.23	53.00	0.22%

Temperature Calibration			
Standard	Found	Left	Flow Rate Error
77.20	76.97	77.20	0.02%

Remarks:

Witness: _____ Signed: Bales, R B

% errors stated on this report are based on spot averages and are not the values used for volume corrections Settlement % error and volume calculations are performed in external processes

Monthly Meter Analysis

4/1/2014



Meter #: 15775-00
Name: Parkway 35 3H

Sample

Date: 04/22/2014

Type: Spot

Pressure: 33.0 H2O: lbs/mm

Temperature: 88.0 H2S: 0 ppm

Component	Mole %	Liquid Content	Mass %
Carbon Dioxide, CO2	0.9419		1.9413
Nitrogen, N2	2.3553		3.0900
Methane, C1	78.2207		58.7675
Ethane, C2	9.9195	2.6616	13.9686
Propane, C3	4.6839	1.2946	9.6727
Isobutane, iC4	0.6122	0.2010	1.6664
n-Butane, nC4	1.5377	0.4864	4.1856
Isopentane, iC5	0.4088	0.1500	1.3813
n-Pentane, nC5	0.4407	0.1603	1.4891
Hexanes Plus, C6+	0.8793	0.3850	3.8375
Water, H2O			
Hydrogen Sulfide, H2S	0.0000		0.0000
Oxygen, O2	0.0000		0.0000
Carbon Monoxide, CO			
Hydrogen, H2			
Helium, He	0.0000		0.0000
Argon, Ar			

Property	Total Sample
Pressure Base	14.730
Temperature Base	0.00
Relative Density	0.7395
HV, Dry @ Base P, T	1239.82
HV, Sat @ Base P, T	1218.13
HV, Sat @ Sample P, T	
Fws Factor	
Cricondentherm	
HCDP @ Sample Pressure	
Free Water GPM	
Stock Tank Condensate Brls/mm	
26 # RVP Gasoline	1.070
Testcar Permian	0.822
Testcar Panhandle	0.783
Testcar Midcon	0.706

Totals	100.0000	5.3389	100.0000
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*** End of Report ***

WATER DISPOSAL ONSHORE ORDER #7

The following information is needed before your method of water disposal can be considered for approval.

1. Name(s) of formation(s) producing water on the lease.
Parkway; Bone Spring
2. Amount of water produced from each formation in barrels per day.
est 1691
3. How water is stored on the lease.
Fiberglass tanks
4. How water is moved to disposal facility.
transfer pump
5. Operator's of disposal facility
 - a. Lease name or well name and number Parkway Delaware Unit
Injection Station
 - b. Location by $\frac{1}{4}$ Section, Township, and Range of the disposal system
Unit J, NW14 SE14, SEC 35 T19S-29E
 - c. The appropriate NMOCD permit number R-9821 & R-9822