

NM OIL CONSERVATION **OCD-ARTESIA**  
ARTESIA DISTRICTUNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
MAR 20 2015FORM 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. NMNM67102
2. Name of Operator SM ENERGY COMPANY Contact: VICKIE MARTINEZ E-Mail: VMARTINEZ@SM-ENERGY.COM		6. If Indian, Allottee or Tribe Name
3a. Address 6301 HOLIDAY HILL ROAD BLDG 7 MIDLAND, TX 79707	3b. Phone No. (include area code) Ph: 432-688-1709 Fx: 432-688-1702	7. If Unit or CA/Agreement, Name and/or No. NMNM131078
4. Location of Well - (Footage, Sec., T., R., M., or Survey Description) Sec 35 T19S R29E 450FSL 330FWL		8. Well Name and No. PARKWAY 35 FEDERAL COM 4H
		9. API Well No. 30-015-39839
		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 checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input 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 Energy respectfully requests permission to repair a casing part on the Parkway 35 Fed Com 4H. The following actions have already been taking to in order to verify the location of the leak: Set an RBP at 7,552 ft in order to keep unknown water source off of the producing formation. Ran a CBL and 40 arm caliper log to verify that the casing is parted at 3,434-3,436 ft and TOC is at 3671 ft. Verified casing integrity below/above the leak. The wellbore integrity will be restored by pulling the casing, tie the casing back together, perforate below leak, and circulate cement to surface. ~~Once the cement has set we will then drill out the cement, pressure test the casing, retrieve the RBP and return to production.~~

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Accepted for record

ARL 3/24/15

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #294203 verified by the BLM Well Information System</b> <b>For SM ENERGY COMPANY, sent to the Carlsbad</b> <b>Committed to AFMSS for processing by DEBORAH HAM on 03/09/2015 ()</b>	
Name (Printed/Typed) BRADY ADAMS	Title PRODUCTION ENGINEER
Signature (Electronic Submission)	Date 03/06/2015
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.	

APPROVED

MAR 29 2015

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

# SM ENERGY

LEASE: Parkway Federal  
FIELD: PARKWAY  
SH LOCATION: 450' FSL & 330' FWL  
BH LOCATION: 660' FSL & 330' FEL  
RIG: Pioneer #29

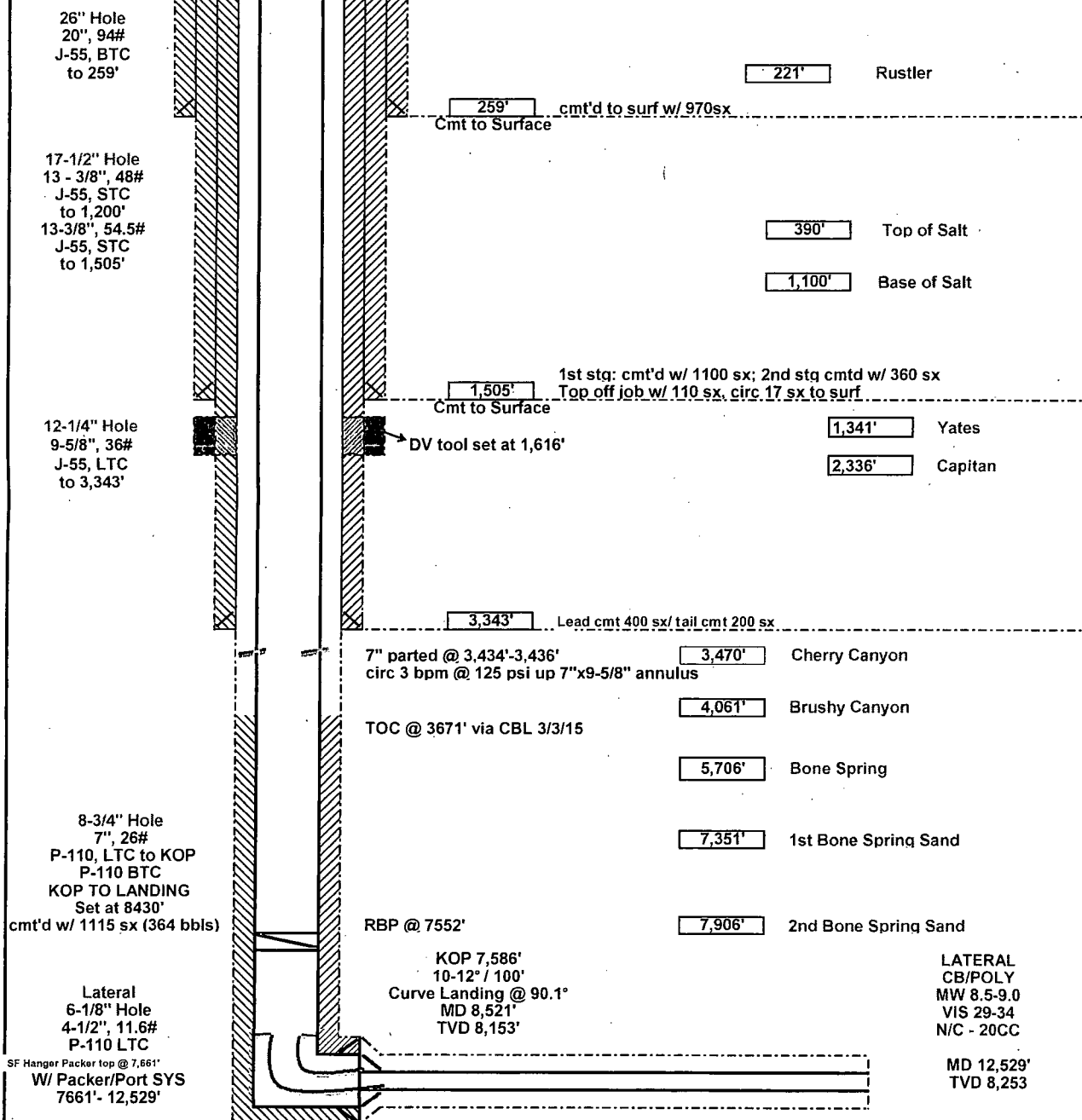
WELL NO.: 35-4H  
COUNTY: EDDY  
LEGAL: Sec.35, T19S, R29E  
Updated BY: MDW  
DATE: 3/9/2015

30-015-39839  
39023  
NEW MEXICO  
3,325'  
3,343'  
22'

## Parkway Federal #35-4H

HOLE SIZE  
CSG DESIGN

DEPTH RKB



\* Probable completion intervals

## Conditions of Approval

SM Energy Company  
Parkway Com – 04H, API 3001539839  
T19S-R29E, Sec 35, 450FSL & 330FWL  
March 09, 2015

1. Surface disturbance beyond the existing pad shall have prior approval.
2. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
3. Functional H<sub>2</sub>S monitoring equipment shall be on location.
4. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Blind ram(s) and pipe ram(s) designed to close on all workstring diameters used is required equipment. A manual BOP closure system (hand wheels) shall be available for use regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
5. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
6. **Approval is only granted to pull 7" casing out of hole to the part, examine the part (provide BLM with a picture via email attachment), and determine an acceptable method of recoupling the 7" casing. Approval is granted for use of 7", 26#, HCP-110, LT&C casing. Gain BLM Carlsbad Field Office Engineering agreement as to the method prior to rerunning casing.**
7. **Document a 1000psig pressure test on a one hour full rotation (calibrated within 6 months) chart recorder registering within 25 to 85 per cent of its full range. Verify all annular casing vents are plumbed to the surface and open during this pressure test. Call BLM 575-361-2822 24 hours prior and arrange for a BLM witness of that pressure test. Include a copy of the chart in the subsequent sundry for this workover.**
8. **Submit a detailed (listing similar descriptions as for an APD) notice of intent procedure to bring cement to surface.**
9. Submit a subsequent Sundry Form 3160-5 relating the dated daily wellbore and MIT activities.

Access information for **use of Form 3160-5** "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - [http://www.blm.gov/nm/st/en/prog/energy/oil\\_and\\_gas.html](http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html)

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.