

District I - (575) 393-6161

1625 N. French Dr., Hobbs, NM 88240

District II - (575) 748-1283

811 S. First St., Artesia, NM 88210

District III - (505) 334-6178

1000 Rio Brazos Rd., Aztec, NM 87410

District IV - (505) 476-3460

1220 S. St. Francis Dr., Santa Fe, NM

87505

OCT 30 2015

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

RECEIVED Santa Fe, NM 87505

WELL API NO. 30-015-26070
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMNM88491X
7. Lease Name or Unit Agreement Name PARKWAY DELAWARE UNIT
8. Well Number 921
9. OGRID Number 154903
10. Pool name or Wildcat PARKWAY DELAWARE

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator SM ENERGY COMPANY	
3. Address of Operator 6301 Holiday Hill Rd, Bldg 1 Midland, TX 79707	
4. Well Location Unit Letter L : 1980 feet from the S line and 330 feet from the W line Section 36 Township 19S Range 29E NMPM County EDDY	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

**NOTICE OF INTENTION TO:**

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
 DOWNHOLE COMMINGLE ☐

**SUBSEQUENT REPORT OF:**

REMEDIAL WORK ☒ ALTERING CASING ☐  
 COMMENCE DRILLING OPNS ☐ P AND A ☐  
 CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/17/15 - 8/25/15

In June 2015 a casing leak was noted near surface, evident by fluid injected during a batch chemical treatment, leaking into the cellar through the 4-1/2" x 7" casing annulus. The production equipment was removed, casing leak isolated to be within 10' from surface and well TA'd with CIBP set at 3,950' with 20' cement. The cellar was dug out and the corroded surface casing, intermediate casing and production casing were removed below the identified leak at 10' and replaced.

During the post casing repair pressure test, another leak developed as communication was present between the production and intermediate casing. Subsequent repair operations consisted of the following: 1) locating the new leak between 30'-40' from surface. 2) unsuccessfully attempting to cement the production casing to surface and 3) successfully free-pointing/ backing off the 4-1/2" casing 2 jts below surface and replacing the casing jts and wellhead. The casing was successfully charted and recorded to 500 psi for 30 min and submitted to the NMOCD. The well was then returned to production.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Lisa Hunt TITLE REGULATORY TECHNICIAN DATE 10/27/2015

Type or print name: LISA HUNT E-mail address: LHUNT@SM-ENERGY.COM PHONE: (432)848-4833

**For State Use Only**

APPROVED BY: [Signature] TITLE Dir. Supervisor DATE 11/3/2015

Conditions of Approval (if any):