

UNITED STATES **OCD-ARTESIA**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
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.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

SM Energy Company

3a. Address

3300 N. A Street, Bldg 7, Suite 200 Midland, TX 79701

3b. Phone No. (include area code)

(32)688-1789

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec. 35-T19S-R29E
1980' FNL & 430 FEL (UL:H)

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

NM88491X

8. Well Name and No.

Parkway Delaware Unit #706

9. API Well No.

30-015-34408

10. Field and Pool or Exploratory Area

Parkway Delaware

11. Country or Parish, State

Eddy Co.

New Mexico

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

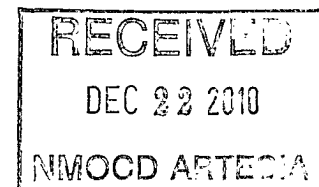
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input checked="" 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 recompleate 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

9/9/2010- 10/22/2010 Recomplete to water injection well

PDU 706 was converted from production to water injection. Removed production equipment. Perf 4167-4174' (8 holes), 4300-4314' (15 holes), 4364'-4372' (9 holes). Acidize new and existing perfs (4167'-4314') w/ 4000 gals 15% NEFE Acid. Set RBP @ 4112'. Spotted 500 gals 15% NEFE acid. Perf Delaware A and B f/ 3996-4000' (5 holes), 4028-4032' (5 holes), 4054-4066' (13 holes), and 4074-4080' (7 holes). Broke new perfs down with spot acid. Frac new perfs w/21, 714 gals 25# XL gel and 40,242# 16/30 sand. Remove RBP clean down to 4534'. RIH w/ 4 1/2" Aarrowset 1X nickel plated packer and 125 jts. Of 2 3/8" J55 IPC (TK70) tbg. Set pkr @ 3992'. Pressure tested casing to 530 psig for 30 min. ok. RDMO. Well ready for injection.

11/4/2010 Successful MIT. Chart attached.

Accepted for record
NMOCB PI
12/27/10

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Donna Huddleston

Title Engineering Tech

Signature

Date 12/03/2010

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date DEC 18 2010

Office

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.

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.

(Instructions on page 2)

CARLSBAD FIELD OFFICE

Cok

GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

BR 2221

Well Name: PDH 706 Operator: SM
API #: 30015 34408 T19 S R29 E Sec: 35
Lease #: 30015 34408 Unit: VM 884912
Date of Recorder Calibration: 11/17/09 Recorder serial #: 8170
Testing Co: Kear Energy Driver: Dan K...
Date of Mechanical Integrity Test: 11/04/2010
Operator Witness: Bill H...
B.L.M. Witness: Paul R. Swartz

6 P.M. 5
(Csg Vent open during test. No flow