

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

HOBBS OCD  
OCD-HOBBS

SEP 19 2011

FORM APPROVED  
OMB No 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS RECEIVED**  
**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.

NMNM106715

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" ST, BLDG 7-200, MIDLAND, TX 79705 (432)688-1709

3b. Phone No. (include area code)

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

8. Well Name and No.

REFER TO ATTACHED LIST

9. API Well No.

10. Field and Pool or Exploratory Area

REFER TO ATTACHED LIST

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

11. Country or Parish, State

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 checked="" type="checkbox"/> Other OPERATOR NAME CHANGE
	<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 must 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 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.)

OPERATOR NAME CHANGE - EFFECTIVE JUNE 1, 2010

FROM: ST MARY LAND & EXPLORATION COMPANY  
TO: SM ENERGY COMPANY

SM ENERGY COMPANY ACCEPTS ALL APPLICABLE TERMS, CONDITIONS, STIPULATIONS AND RESTRICTIONS CONCERNING OPERATIONS CONDUCTED ON THE LEASED LAND OR PORTION THEREOF, AS BELOW AND ON ATTACHED DOCUMENTATION:

NEW BOND # NMB000805

LIST OF LEASES/FORMATIONS/LOCATIONS ATTACHED:

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

APPROVED

SEP 10 2011  
/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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

VICKIE MARTINEZ

Title ENGINEER TECH II

Signature

*Vickie Martinez*

Date 08/29/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

SEP 21 2011

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.

Lease Name	UL:Sec:Township:Range	API Number	Location	Formations	Lease/Agreement No.	County
INCA FEDERAL #004	✓ 1-19-18S-32E ✓	30-025-30039	760 FNL & 430 FWL	✓ SHUGART;YATES-7RS-QU-GRAYBURG	NMNM106715	LEA COUNTY
INCA FEDERAL #005	✓ 2-19-18S-32E ✓	30-025-35229	1697 FNL & 470 FWL	✓ SHUGART;YATES-7RS-QU-GRAYBURG	NMNM106715	LEA COUNTY

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

**Conditions of Approval**  
**Change of Operator**

**SM Energy Company**

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
3. Submit for approval of water disposal method.
4. Submit updated facility diagrams as per Onshore Order #3
5. This agency shall be notified of any spill or discharge as required by NTL-3A.
6. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
7. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
8. Subject to like approval by NMOCD.