

Submit 1 Copy To Appropriate District  
Office  
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

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised August 1, 2011

HOBBBS OODIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505  
DEC 12 2011

WELL API NO. 30-025-37418
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> Fed- <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name EAST SHUGART DELAWARE UNIT
8. Well Number 024
9. OGRID Number 154903
10. Pool name or Wildcat SHUGART; DELAWARE, EAST
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

SUNDRY NOTICES AND REPORTS ON WELLS  
(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.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other inj  
2. Name of Operator SM ENERGY COMPANY  
3. Address of Operator 3300 N "A" ST BLDG 7-200  
MIDLAND, TX 79705  
4. Well Location  
Unit Letter E : 2125 feet from the NORTH line and 1100 feet from the WEST line  
Section 19 Township 18 Range 32 NMPM County LEA  
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: STEP RATE TEST ☒

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.

THIS IS TO NOTIFY YOU THAT SM ENERGY COMPANY WILL BE DOING A STEP RATE TEST TO DETERMINE POSSIBLE PRESSURE INCREASE FOR EXISTING INJECTION PERMIT ON THE EAST SHUGART DELAWARE UNIT #024 ON FRIDAY, DECEMBER 16TH IN THE AM.

ONCE WE HAVE THE RESULTS OF THE STEP RATE TEST, WE WILL FOLLOW UP WITH A C108.

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

Vickie Martinez

TITLE ENGINEER TECH II

DATE 12/07/2011

Type or print name VICKIE MARTINEZ

E-mail address: VMARTINEZ@SM-ENERGY.COM PHONE: (432)688-1709

For State Use Only

APPROVED BY:

[Signature]

TITLE

State Manager

DATE 12-13-2011

Conditions of Approval (if any):

DEC 14 2011