

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS  
DEC 19 2011

FORM 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 abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.

NMNM94191

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

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

(K) 2310' FSL & 1980' FWL, SEC 14 T18S R32E

3b. Phone No. (include area code)

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

8. Well Name and No.

YUMA FEDERAL #001

9. API Well No.

30-025-30590

10. Field and Pool or Exploratory Area

CORBIN, DELAWARE, WEST

11. Country or Parish, State

LEA COUNTY

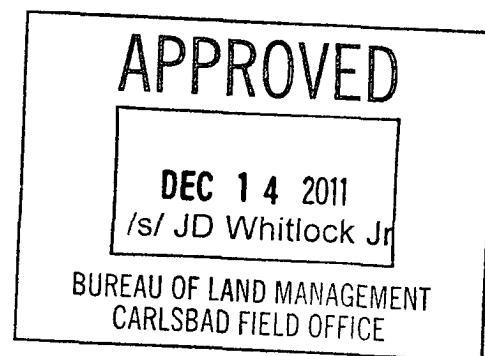
NM

12. CHECK THE 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 type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>LEASE USE</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>GAS MEASUREMENT</u>
	<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 recomplete 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 recompletion 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.)

SM ENERGY COMPANY REQUESTS APPROVAL TO MEASURE LEASE USE GAS FOR OPERATED HEATER TREATERS AT OUR FACILITIES AS OUTLINED ON ATTACHED SPECIFICATIONS FROM PERMIAN FABRICATORS



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

VICKIE MARTINEZ

Title ENGINEER TECH II

Signature

Date 11/10/2011

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

~~RECEIVED~~

Title

Date

DEC 19 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.

(Instructions on page 2)

DEC 19 2011

Heater Specifications from Permian Fabricators  
Estimated Fuel Calculations per Chad McNeely (SM Energy Facility Engineer)

4 X 20 and 6 X 20 heater treaters utilize a 500,000 BTU/HR burner and are going to use approx. 8 mcf per day (24 hr day) and you can estimate that it will only burn about 12 hours in a 24 hour period.

For a 30 day month that would equal 120 mcf a month (4 MCF a day(for 12 hrs a day) X 30 days = 120 mcf)

31 days = 124 mcf

8 X 20 heater treaters utilize a 750,000 BTU/HR burner and are going to use approx. 12 mcf per day (24 hr day) and you can estimate that it will only burn about 12 hours in a 24 hour period.

For a 30 day month that would equal 180 mcf a month (6 MCF a day(for 12 hrs a day) X 30 days = 180 mcf)

31 days = 186 mcf

For PDU Battery:

2 - 6X20 treaters @ TR 1.	Approx. 4 MCF per day each when in use
1 - 8X20 treater @ TR 1	Approx. 6 MCF per day when in use
1 - 6X20 treater @ TR 2	Approx. 4 MCF per day when in use
1 - 4X20 treater @ TR 7/8	Approx. 4 MCF per day when in use

For Geronimo Battery

1 - 4X20 treater	Approx. 4 MCF per day when in use
1 - 8X20 treater	Approx. 6 MCF per day when in use

For Inca 1 Battery

1 - 6X20 treater	Approx. 4 MCF per day when in use
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For Quanah/Yuma Battery

1 - 4X20 treater	Approx. 4 MCF per day when in use
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