

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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. <u>025</u> 30-015-37368 ✓
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> Fee
6. State Oil & Gas Lease No. NMNM106715
7. Lease Name or Unit Agreement Name NMNM101361X EAST SHUGART DELAWARE UNIT
8. Well Number <u>18</u>
9. OGRID Number 154903
10. Pool name or Wildcat SHUGART DELAWARE, EAST ✓

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 <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> 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 <u>D</u> : <u>200</u> feet from the <u>NORTH</u> line and <u>1025</u> feet from the <u>WEST</u> line ✓ Section <u>19</u> Township <u>18S</u> Range <u>32E</u> NMPM County <u>LEA</u> ✓
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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: CLEAN OUT ☒

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.

7/2/12-7/11/12 Clean Out

MIRU. PU. TOH w/ 2-3/8" tbg. and 5-1/2" pkr. TIH w/ bit and WS. Tag fill @ 5290'. Cleaned out fill to PBTD (5485'). Circulate wellbore clean. TOOH with bit. TIH w/ pkr. set pkr. at 5091'. Acidized existing perf 5155'-5350' w/ 4500 gals 15% NEFE HCL and 500 gals Xylene diverting w/ rock salt. Swab load back. TOH w/ pkr. and tbg. TIH w/ bit and tag PBTD (5485'). TOH w/ bit. TIH w/ 5-1/2" pkr and new 2-3/8" IPC tbg. set pkr @ 5110' and pressure test annulus to 500#. Held pressure. Circulated wellbore w/ pkr fluid. ND BOP and landed tbg. NU WH. Pressure tested annulus to 500# and charted for 30 min. test. Held pressure.

Conducted MIT test (see Attached Chart)

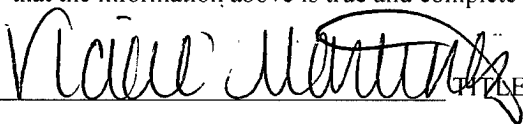
Placed well back on injection.

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



TITLE ENGINEER TECH II

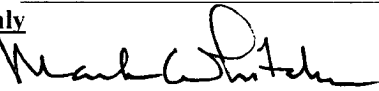
DATE 08/06/2012

Type or print name VICKIE MARTINEZ

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

For State Use Only

APPROVED BY:



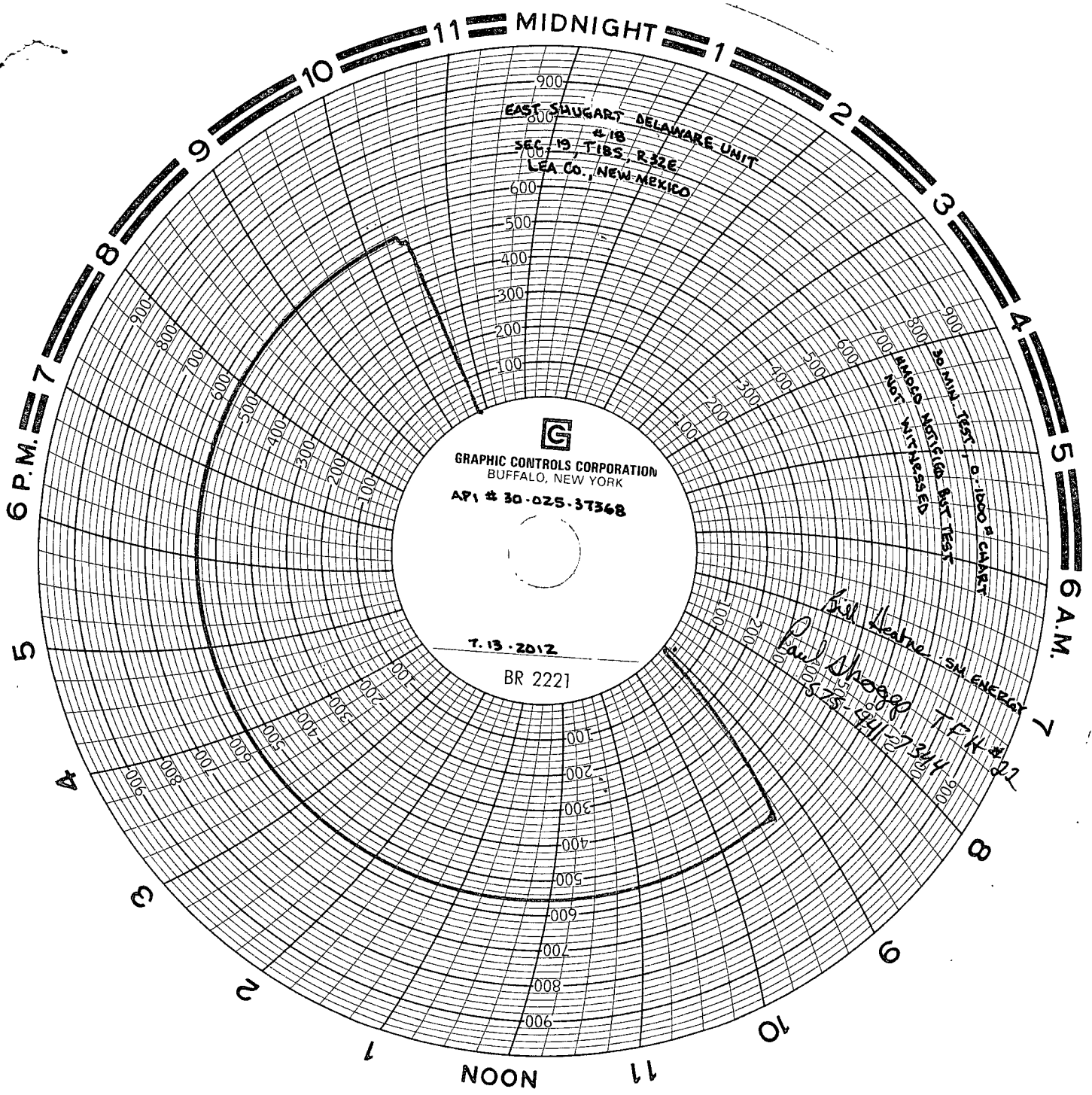
TITLE

Compliance Officer

DATE 08-07-2012

Conditions of Approval (if any):

AUG 08 2012 ✓



EAST SHUGART DELAWARE UNIT
#18
SEC. 19, T1B3, R32E
LEA CO., NEW MEXICO

G
GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK
API # 30-025-37368

7.13-2012
BR 2221

30 MIN. TEST
0.1000 P. CAPRY
LARGO NOT USED
NOT WITHIN REACHED

Paul Shogger
525-941-2734
TPK # 22
SM ENERGY