

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0135
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.

HOBBS OCD

DEC 10 2012

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. ESDU 007
2. Name of Operator SM ENERGY COMPANY		9. API Well No. 30-025-29887
3a. Address 3300 N "A" STREET BLDG 7-200 MIDLAND, TX 79705		10. Field and Pool, or Exploratory SHUGART;DELAWARE,EAST
3b. Phone No. (include area code) Ph: 432-688-1709 Fx: 432-688-1701		11. County or Parish, and State LEA COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T18S R32E 760FNL 330FWL		

12. CHECK 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 checked="" 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 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

ISOLATE WELL. REMOVE PUMPING UNIT TO REPAIR SURFACE CASING. ONCE AREA IS CLEAR, WE WILL DIG AROUND THE WELLHEAD UNTIL WE REACH USEABLE PIPE. AT THAT POINT, WE WILL CUT OFF CORRODED PIPE AND WILL RE-WELD NEW SURFACE CASING AND WELLHEAD INTO PLACE AND PUT WELL BACK ON PRODUCTION.

**SUBJECT TO LIKE
APPROVAL BY STATE**

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #156480 verified by the BLM Well Information System
For SM ENERGY COMPANY, sent to the Carlsbad
Committed to AFSS for processing by KURT SIMMONS on 10/25/2012 ()

Name (Printed/Typed) VICKIE MARTINEZ	Title ENGINEER TECH II
Signature (Electronic Submission)	Date 10/25/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	Title
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.

APPROVED

DEC 5 2012

Jennifer Mason

BUREAU OF LAND MANAGEMENT

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

DEC 10 2012

Conditions of Approval

SM Energy Company

ESDU - 007

API 30-025-29887

T18S-R32E, Sec 19

December 05, 2012

1. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Johnny Chopp <jchopp@blm.gov> 575.234.2227 or Bob Ballard <bballard@blm.gov> 575.234.5973.
2. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
3. Subject to like approval by the New Mexico Oil Conservation Division.
4. Class H > 7,500' & Class C < 7,500') cement to be used as needed. For any plug that requires a tag or pressure test a minimum WOC time of 4 hours (C) & 8 hours (H) is recommended. Formation isolation plugs of Class "C" to be mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx water and "H" to be mixed 15.6#/gal, 1.18ft³/sx, 5.2gal/sx water.
5. Surface disturbance beyond the originally approved disturbance shall have prior approval.
6. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
7. Functional H₂S monitoring equipment shall be on location.
8. A minimum 2,000 (2M) BOPE to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 (attachment 1, 2M diagrams of choke manifold equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
9. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

10. Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 5,100' or below to top of cement. The CBL may be attached to an email to pswartz@blm.gov
11. **At least 24 hours before the casing integrity test contact: Andy Cortez acortez@blm.gov, (phone 575-393-3612 or 575-631-5801). If no answer, leave a voice mail with the API#, workover purpose, and a call back phone number. Note the contact notification method, time, & date in your subsequent report.**
12. **A BLM PET witnessed (charted) casing integrity test of 700 psig is required. Pressure leakoff may require remedial action before continuing with the proposed work. Include a copy of the chart in the subsequent sundry for this workover.**

The subsequent sundry shall also include a detailed statement showing the location of any leaks found. Documentation of any cement placed shall also be detailed in the subsequent sundry.

13. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.
14. File intermediate **subsequent report sundry** Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.

JAM/PRS 120512

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.