

30-025-4132E

SM Energy Company
East Shugart Delaware Unit 32
2250' FNL & 1700' FWL
Sec. 19, T. 18 S., R. 32 E.
Lea County, NM

SURFACE PLAN PAGE 1

HOBBS OCD

AUG 07 2013

Surface Use Plan

RECEIVED

1. ROAD DIRECTIONS & DESCRIPTIONS (See MAPS 1 - 4)

From Maljamar...

Go South 4.6 miles on paved Lea County Road 126 to a stop sign on NM 529
Then continue South 4.4 miles on paved Lea County Road 126
Then turn right and go Northwest 1.1 miles on a caliche road
Then turn left and go Southwest 0.5 mile on a caliche road
Then turn left and go East 0.1 mile on a caliche road
Then turn right and go South 0.1 mile on a caliche road
Then turn left and go East ¼ mile on a caliche road to a twinned well pad
Then turn right and go South 575' on a caliche road
Then turn left and go East 13.1' cross-country to the proposed pad

Roads will be maintained to a standard at least equal to or better than their present condition. Off unit portion of existing access will be authorized via road right-of-way NMNM-130640.

2. ROAD TO BE BUILT OR UPGRADED (See MAPS 3 & 4)

Approximately 13.1' of new road will be built. The new road will be crowned, have a 14' wide driving surface, and be surfaced with caliche. Maximum disturbed width = 20'. Maximum grade = 1%. Maximum cut or fill = 1'. No culvert, cattle guard, or turn out is needed. Upgrading of existing roads will consist of filling potholes with caliche.

3. EXISTING WELLS

Existing oil, gas, injection, and P & A wells within a mile are shown on MAP 2. There are no disposal or water wells within a mile radius.

SM Energy Company
East Shugart Delaware Unit 32
2250' FNL & 1700' FWL
Sec. 19, T. 18 S., R. 32 E.
Lea County, NM

SURFACE PLAN PAGE 2

4. PROPOSED PRODUCTION FACILITIES (See MAP 4)

Production will be piped via a 2,400' long poly surface flow line north and west to SM Energy's existing battery in the NWNW Section 19. SM will build a ≈30' long power line from its existing overhead power line northeast to the pad.

5. WATER SUPPLY (See MAP 1)

Water will be trucked from a private water source in Maljamar.

6. CONSTRUCTION MATERIALS & METHODS

NM One Call (1-800-321-ALERT) will be notified before construction starts. The top 6" of soil and brush will be stockpiled east of the pad. A closed loop drilling system will be used. Caliche will be bought and hauled from an existing approved caliche pit. Dirt contractor will be responsible for caliche.

7. WASTE DISPOSAL

All trash will be placed in a portable trash cage. It will be hauled to a county landfill. There will be no trash burning. Contents of the mud tanks will be hauled to state approved disposal sites. Human waste will be disposed of in chemical toilets and hauled to an approved dump station.

8. ANCILLARY FACILITIES

There will be no airstrip or camp. Camper trailers will be on location for the company man, tool pusher, or mud logger.

SM Energy Company
East Shugart Delaware Unit 32
2250' FNL & 1700' FWL
Sec. 19, T. 18 S., R. 32 E.
Lea County, NM

SURFACE PLAN PAGE 3

9. WELL SITE LAYOUT

See rig layout and MAP 3 for depictions of the well pad, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION

Interim reclamation will consist of removing the caliche from at least a 50' wide strip on the north and east sides of the pad. Disturbed areas will be contoured to a natural shape and no steeper than 3:1. Soil and brush will be evenly spread over disturbed areas. Seeded areas will be ripped or harrowed. A BLM approved seed mix will be sown in a BLM approved manner. Enough stockpiled topsoil will be retained to cover the remainder of the pad when the well is plugged. Once the well is plugged, then the remainder of the pad will be similarly reclaimed. Noxious weeds will be controlled.

11. SURFACE OWNER

All construction will be on BLM.

12. OTHER INFORMATION

An on site inspection was held May 14, 2013 with Legion Brumley (BLM).

SM Energy is contributing to the cultural resource mitigation fund.

SM Energy Company
East Shugart Delaware Unit 32
2250' FNL & 1700' FWL
Sec. 19, T. 18 S., R. 32 E.
Lea County, NM

SURFACE PLAN PAGE 4

REPRESENTATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U. S. C. 1001 for the filing of false statements. Executed this 22nd day of June, 2013.



Brian Wood, Consultant

Permits West, Inc.

37 Verano Loop, Santa Fe, NM 87508

(505) 466-8120

FAX: (505) 466-9682

Cellular: (505) 699-2276

Field representative will be:

Malcolm Kintzing, Reservoir Engineer

SM Energy Company

3300 N. A Street, Building 7-200

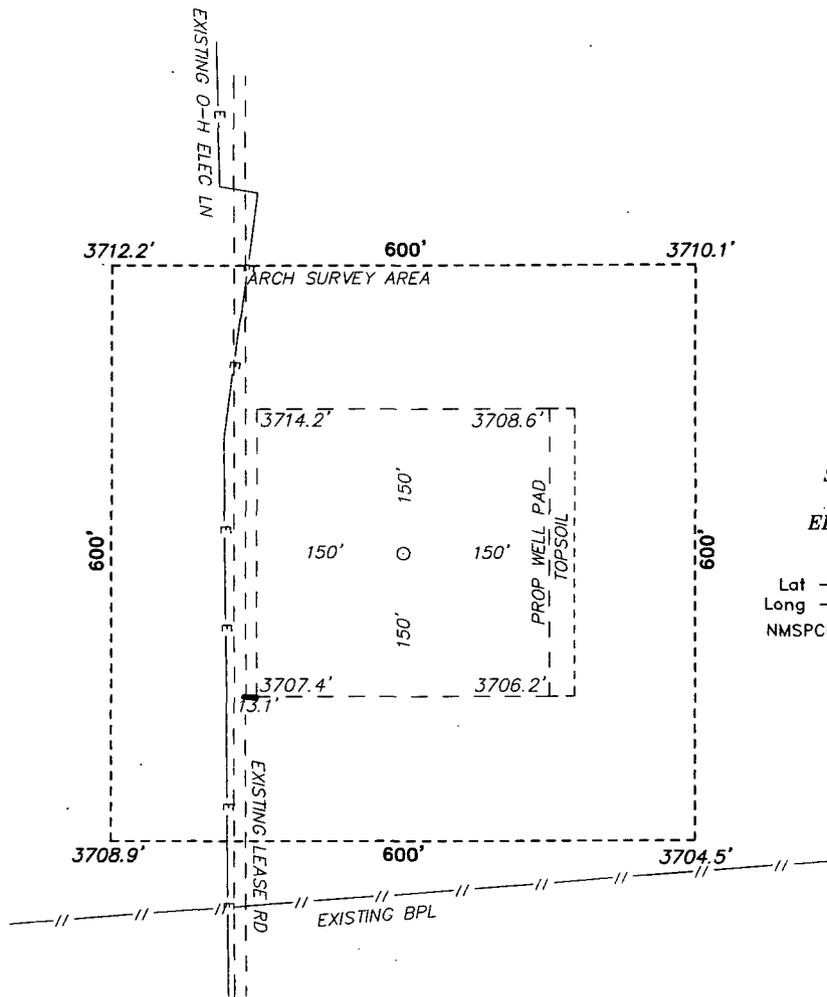
Midland, TX 79705

Office: (432) 688-1700

FAX: (432) 688-1701

SECTION 19, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

MAP 3

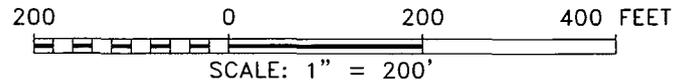


SM ENERGY
ESDU #32
ELEV. - 3707'

Lat - N 32°44'03.01"
Long - W 103°48'31.96"
NMSPCE - N 631221.7
E 702604.8
(NAD-83)



LOCO HILLS IS ±11 MILES TO THE NORTHWEST OF LOCATION.



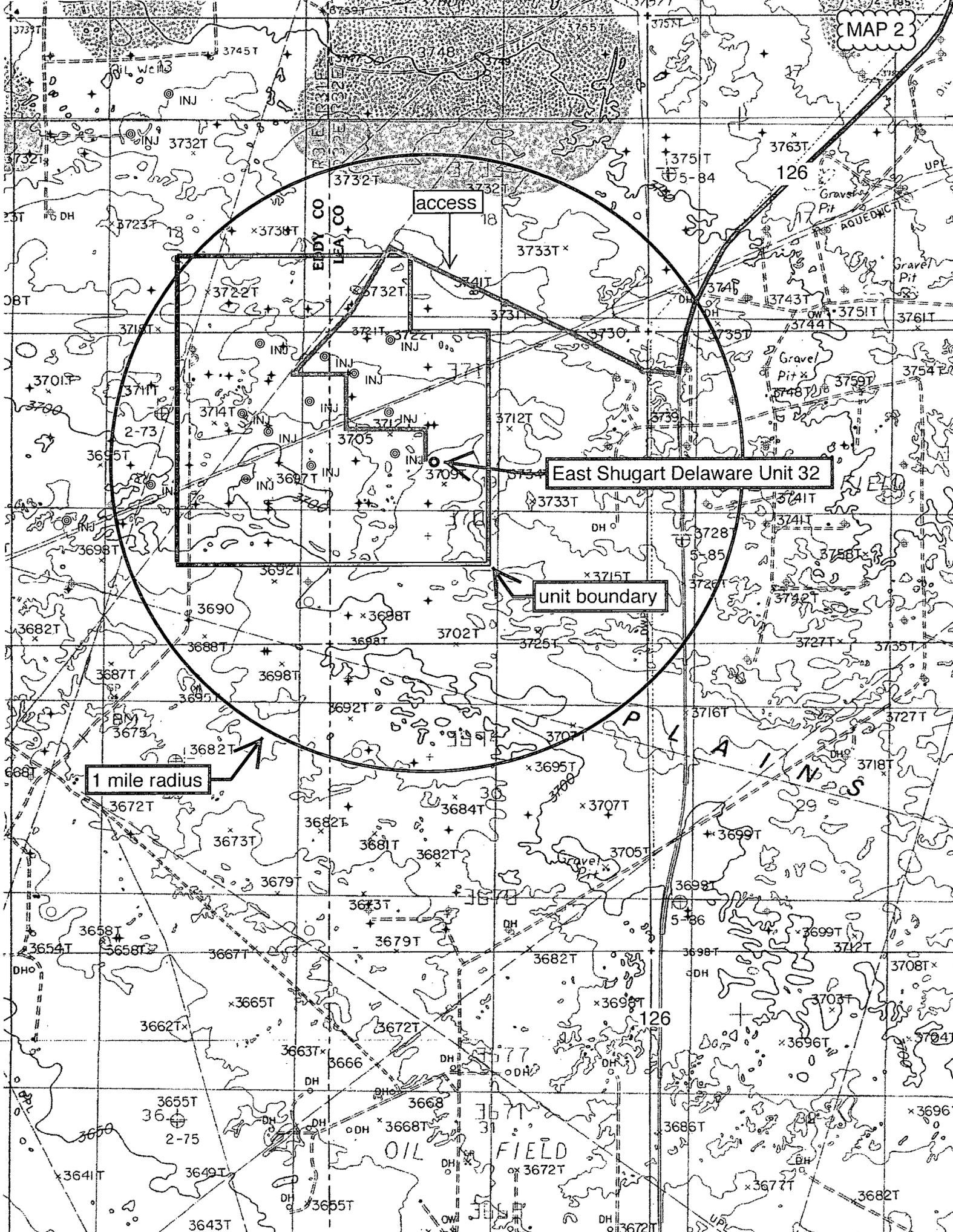
Directions to Location:

FROM HWY 529 AND MALJAMAR ROAD, GO SOUTH ON MALJAMAR FOR 4.1 MILES TO LEASE ROAD; GO WEST ON LEASE ROAD 1.1 MILES TURNING SOUTH 0.5 MILES THENCE SOUTHEAST 0.3 MILES TURNING EAST AGAIN FOR 0.3 MILES TURNING SOUTH 0.1 MILES TO PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 28703 Drawn By: J. SMALL
Date: 06-03-2013 Disk: JMS 28703

SM ENERGY	
REF: ESDU #32 / WELL PAD TOPO	
THE ESDU #32 LOCATED 2250'	
FROM THE NORTH LINE AND 1700' FROM THE WEST LINE OF	
SECTION 19, TOWNSHIP 18 SOUTH, RANGE 32 EAST,	
N.M.P.M., LEA COUNTY, NEW MEXICO.	
Survey Date: 05-17-2013	Sheet 1 of 1 Sheets



access

East Shugart Delaware Unit 32

unit boundary

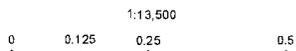
1 mile radius

OIL FIELD



ESDU #32
H₂S Contingency Plan:
1 Mile Radius Map

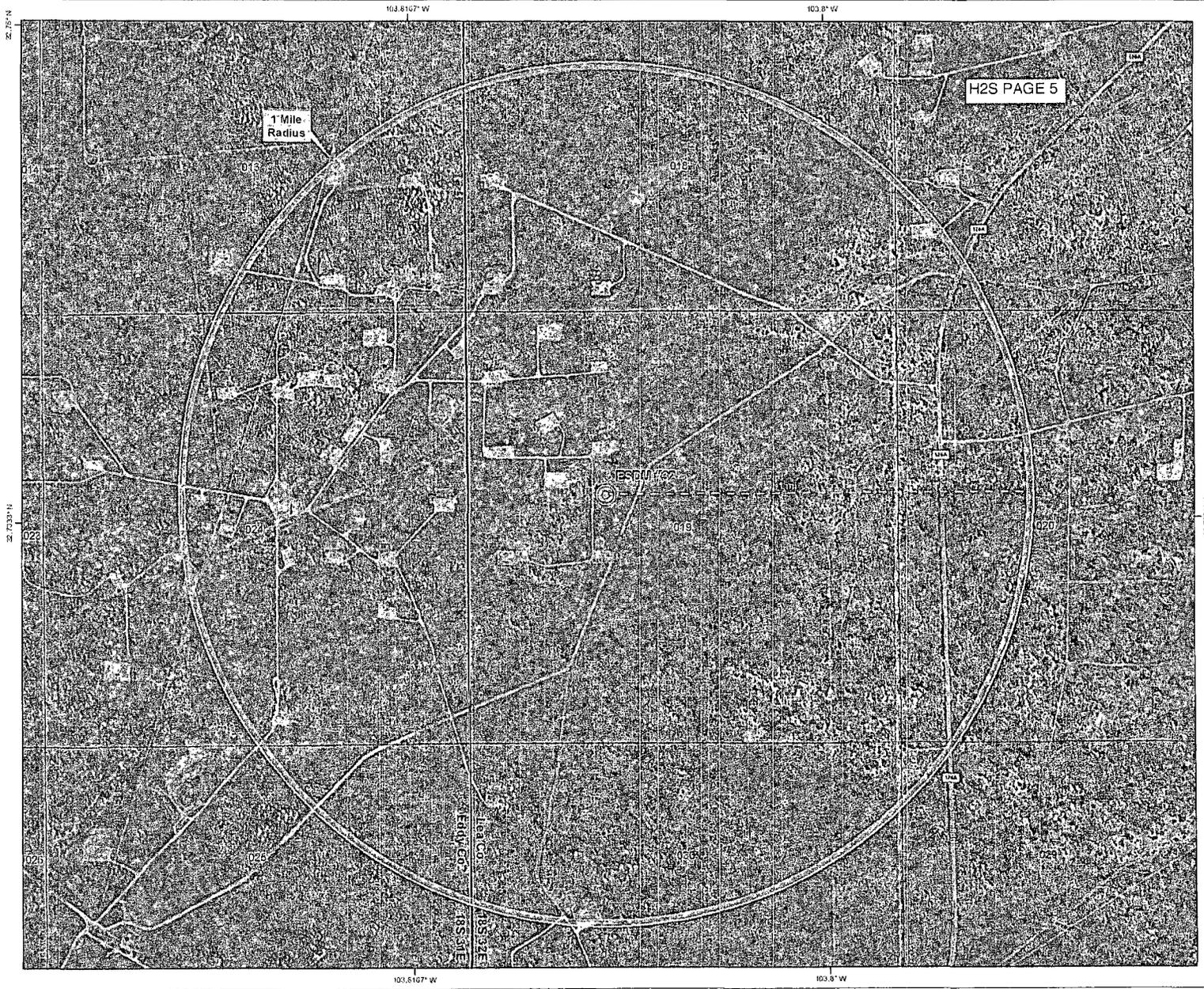
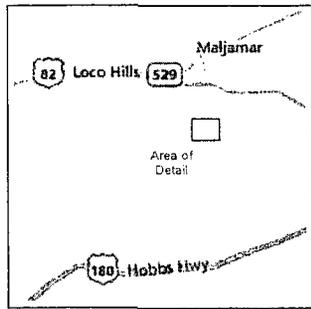
Section 19, Township 18S, Range 32E
Lea County, New Mexico



NAD 1927 New Mexico State Plane East
FIPS 3001 Feet



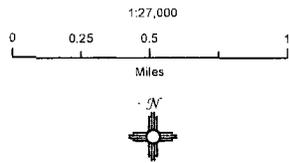
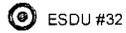
Prepared by Permits West, Inc., June 24, 2013
for SM Energy Company





ESDU #32
H₂S Contingency Plan:
2 Mile Radius Map

Section 19, Township 18S, Range 32E
Lea County, New Mexico



NAD 1927 New Mexico State Plane East
FIPS 3001 Feet



Prepared by Permits West, Inc., June 24, 2013
for SM Energy Company

