HOBBS OCD

DEC 12 2013

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Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. NMNM101361X

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other

b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator: SM ENERGY COMPANY
Contact: VICKIE MARTINEZ
E-Mail: VMARTINEZ@SM-ENERGY.COM

8. Lease Name and Well No.: ESDU 32

3. Address: 3300 N "A" STREET BLDG 7-200, MIDLAND, TX 79705

3a. Phone No. (include area code): Ph: 432-688-1709

9. API Well No.: 30-025-41321

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface: 2250FNL 1700FWL

At top prod interval reported below: 2250FNL 1700FWL

At total depth: 2250FNL 1700FWL

10. Field and Pool, or Exploratory: SHUGART;DELAWARE,EAST

11. Sec., T., R., M., or Block and Survey or Area: Sec 19 T18S R32E Mer

12. County or Parish: LEA

13. State: NM

14. Date Spudded	15. Date T.D. Reached	16. Date Completed	17. Elevations (DF, KB, RT, GL)*
10/21/2013	10/27/2013	☐ D & A ☒ Ready to Prod. 11/21/2013	3707 GL

18. Total Depth:	19. Plug Back T.D.:	20. Depth Bridge Plug Set:
MD 5505 TVD	MD 5414 TVD	MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
GR/CNL/CCL

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☐ Yes (Submit analysis)

23. Casing and Liner Record *(Report all strings set in well)*

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	8.625 J-55	24.0	0	1022		537	157	0	
7.875	5.500 J-55	15.5	0	5505		968	305	0	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875	5286							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BRUSHY CANYON UPPER	5053	5226	5053 TO 5226	0.370	30	OPEN
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
5053 TO 5226	80 BBLS 15% HCL, 1,836 BBLS GELLED FLUID, 80,278# 16/30, 30,080# 16/30 SLC

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/01/2013	12/01/2013	24	→	61.0	20.0	243.0	41.4		ELECTRIC PUMP SUB-SURFACE

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→	61	20	243	328	POW

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #229101 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

DEC 30 2013

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				YATES	2426
				SEVEN RIVERS	2912
				QUEEN	3574

32. Additional remarks (include plugging procedure):
LOG WILL BE MAILED TODAY

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.)
2. Geologic Report
3. DST Report
4. Directional Survey
5. Sundry Notice for plugging and cement verification
6. Core Analysis
7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #229101 Verified by the BLM Well Information System.
For SM ENERGY COMPANY, sent to the Carlsbad

Name *(please print)* RYAN HARRISON Title RESERVOIR ENGINEER

Signature (Electronic Submission) Date 12/10/2013

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 fradulent statements or representations as to any matter within its jurisdiction.

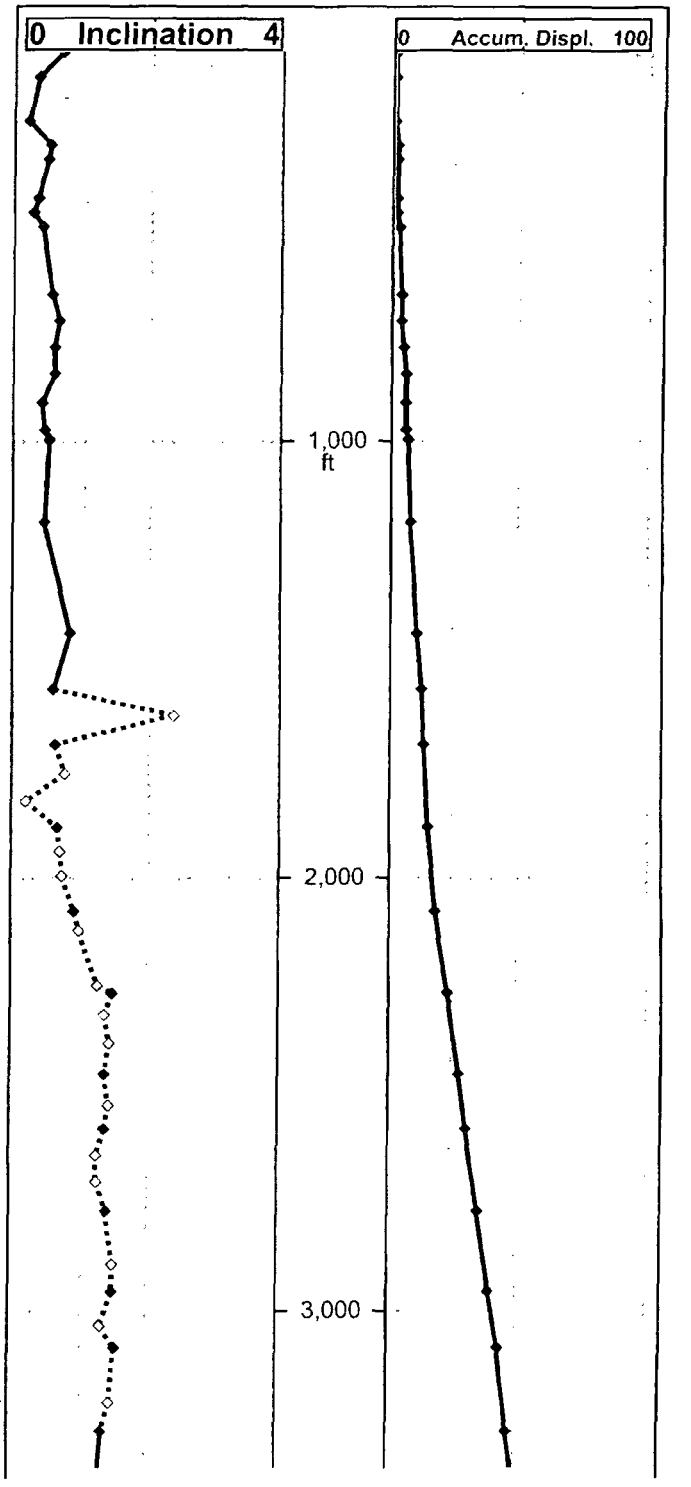
**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

Well Inclination Report

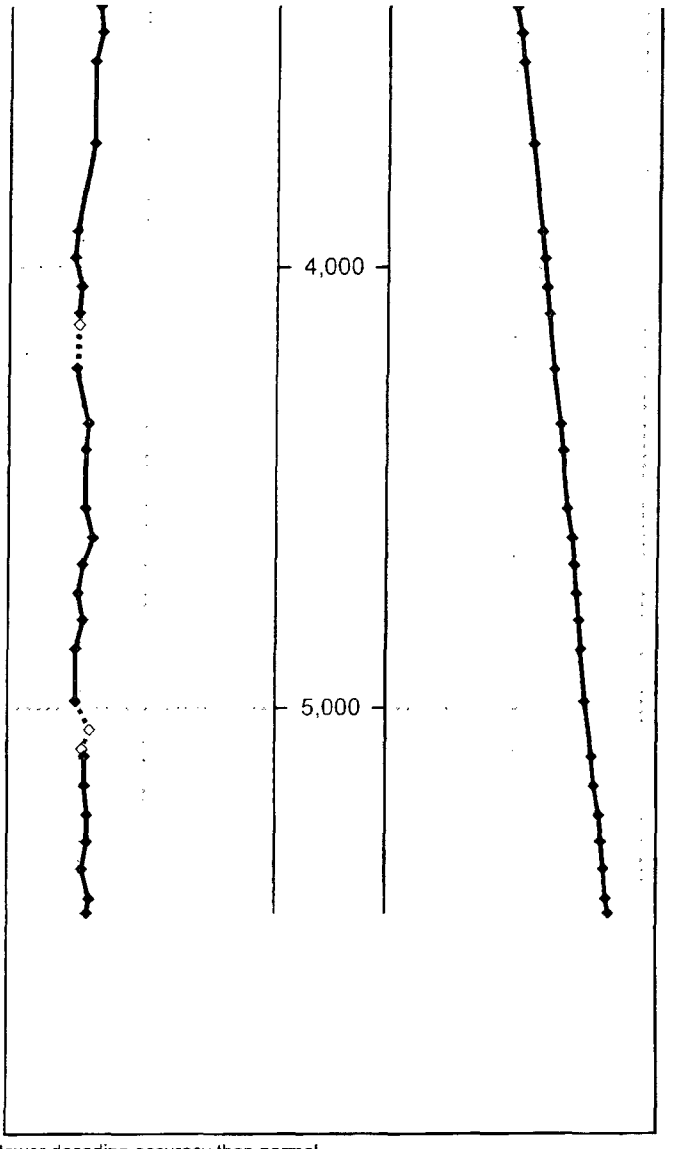
SM Energy
Key 888
EDSU 32
28 Oct 2013 11:40
Bit to Tool: 40.0 ft, Tool to Sensor: -3.0 ft

FloDRIFT

Date Time	Depth (ft)	Inc. (deg)	Accum. Displ. (ft)
(tie-in)	0	**0.0**	0.0
21 Oct 2013 03:49	111	**0.6**	1.2
21 Oct 2013 04:24	170	**0.2**	1.4
21 Oct 2013 07:14	266	**0.1**	1.6
21 Oct 2013 08:01	324	**0.4**	2.0
21 Oct 2013 08:46	355	**0.4**	2.3
21 Oct 2013 10:07	448	**0.2**	2.6
21 Oct 2013 11:17	479	**0.2**	2.7
21 Oct 2013 11:47	510	**0.3**	2.9
21 Oct 2013 15:21	667	**0.5**	4.2
21 Oct 2013 16:12	728	**0.5**	4.7
21 Oct 2013 16:45	728	**0.6**	0.0
21 Oct 2013 18:09	791	**0.5**	5.2
21 Oct 2013 18:57	853	**0.5**	5.8
21 Oct 2013 20:05	916	**0.3**	6.1
21 Oct 2013 21:08	979	**0.4**	6.5
23 Oct 2013 22:27	*[1,003]*	**0.3**	*[6.7]*
23 Oct 2013 23:15	1,003	**0.4**	6.7
24 Oct 2013 00:57	1,192	**0.4**	7.8
24 Oct 2013 02:26	1,445	**0.8**	11.2
24 Oct 2013 03:12	1,573	0.5	12.3
24 Oct 2013 03:34	*[1,633]*	**2.4**	*[12.9]*
24 Oct 2013 03:59	1,700	**0.5**	13.5
24 Oct 2013 04:22	*[1,771]*	0.7	*[14.2]*
24 Oct 2013 04:41	*[1,831]*	0.1	*[14.8]*
24 Oct 2013 04:59	1,890	**0.6**	15.4
24 Oct 2013 05:25	*[1,946]*	0.6	*[16.3]*
24 Oct 2013 05:51	*[2,002]*	**0.7**	*[17.1]*
24 Oct 2013 06:27	2,083	**0.8**	18.3
24 Oct 2013 06:52	*[2,131]*	**0.9**	*[19.5]*
24 Oct 2013 07:59	*[2,256]*	**1.2**	*[22.7]*
24 Oct 2013 08:06	2,272	**1.4**	23.1
24 Oct 2013 08:48	*[2,326]*	**1.3**	*[24.3]*
24 Oct 2013 09:37	*[2,390]*	**1.4**	*[25.8]*
24 Oct 2013 10:33	2,462	**1.3**	27.5
24 Oct 2013 12:04	*[2,536]*	**1.4**	*[29.2]*
24 Oct 2013 13:10	2,589	**1.3**	30.4
24 Oct 2013 13:52	*[2,650]*	**1.2**	*[31.9]*
24 Oct 2013 14:37	*[2,714]*	1.2	*[33.3]*
24 Oct 2013 15:22	2,779	**1.4**	34.9
24 Oct 2013 16:54	*[2,903]*	**1.5**	*[38.0]*



24 Oct 2013 17:40	2,965	**1.5**	39.6
24 Oct 2013 18:49	*[3,042]*	**1.3**	*[41.7]*
24 Oct 2013 19:35	3,093	**1.5**	43.0
24 Oct 2013 21:01	*[3,218]*	**1.4**	*[45.9]*
24 Oct 2013 21:46	3,283	**1.3**	47.4
24 Oct 2013 23:05	3,410	**1.3**	50.2
24 Oct 2013 23:53	3,474	**1.3**	51.7
25 Oct 2013 00:41	3,537	**1.2**	53.0
25 Oct 2013 04:07	3,727	**1.2**	56.8
25 Oct 2013 09:02	3,920	**0.9**	59.9
25 Oct 2013 10:32	3,984	**0.9**	60.8
25 Oct 2013 12:09	4,047	**1.0**	61.9
25 Oct 2013 13:28	4,111	**1.0**	63.0
25 Oct 2013 15:45	*[4,133]*	**1.0**	*[63.4]*
26 Oct 2013 02:04	4,233	**0.9**	64.9
26 Oct 2013 03:16	4,359	**1.1**	67.3
26 Oct 2013 04:05	4,423	**1.1**	68.5
26 Oct 2013 06:38	4,553	**1.0**	70.9
26 Oct 2013 08:18	4,616	**1.2**	72.2
26 Oct 2013 09:59	4,679	**1.0**	73.3
26 Oct 2013 11:26	4,742	**0.9**	74.4
26 Oct 2013 12:42	4,806	**1.0**	75.5
26 Oct 2013 14:09	4,869	**0.9**	76.5
26 Oct 2013 17:31	4,992	**0.9**	78.5
26 Oct 2013 18:57	*[5,055]*	**1.1**	*[79.6]*
26 Oct 2013 19:57	*[5,099]*	**1.0**	*[80.5]*
26 Oct 2013 20:24	5,119	**1.1**	80.8
26 Oct 2013 21:17	5,184	**1.1**	82.0
26 Oct 2013 22:13	5,246	**1.1**	83.3
26 Oct 2013 23:33	5,308	**1.1**	84.5
27 Oct 2013 00:20	5,370	**1.0**	85.5
27 Oct 2013 01:22	5,434	**1.1**	86.8
27 Oct 2013 02:05	5,465	**1.1**	87.4



Inclination readings displayed in a small font were measured with slightly lower decoding accuracy than normal.
This could occur, for example, if the Driller changed pump speed or tagged bottom prior to obtaining survey.
These surveys are often very accurate. However, any such measurement that appears 'out of line' should be confirmed with a repeat survey.

Data encased in [ ] are interpolated. The Driller chose not to enter depths for these surveys.
These interpolated surveys are marked in the graph with unfilled boxes and are joined with dotted lines.
Interpolated surveys are not used in the accumulative displacement calculation.