

**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.*

NMNM106715  
 6. If Indian, Allottee or Tribe Name  
 7. If Unit of CA/Agreement, Name and/or No.  
 NMNM101361X  
 8. Well Name and No.  
 ESDU 31 ✓  
 9. API Well No.  
 30-025-41320 ✓  
 10. Field and Pool or Exploratory Area  
 Shugart; Delaware, East  
 11. County or Parish, State  
 Lea Co, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well  
 Oil Well     Gas Well     Other  
**HOBBS OCD**  
 2. Name of Operator  
 SM ENERGY COMPANY ✓  
 3a. Address  
 6301 Holiday Hill Rd, Bldg 1 Midland TX 79707  
 3b. Phone No. (include area code)  
 (432) 848-4833  
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 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
 Sec 19 T18S R32E 1150 FNL 1675 FWL ✓

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>Variance in paint scheme</u> |
|  | <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 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 requests a variance to the BLM paint scheme. We requests the use of Carlsbad Canyon instead of Shale Green for the surface equipment due to the existing us of Carlsbad Canyon in the immediate and surrounding areas.

*Accepted for record*  
**NMOCD**

**NM OIL CONSERVATION**  
 ARTESIA DISTRICT  
 JAN 08 2016  
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14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
 LISA HUNT  
 Title REGULATORY TECHNICIAN  
 Signature *Lisa Hunt*  
 Date 12/03/2015

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

Approved by  
*James A. Amos*  
 Title *SPE T*  
 Date *1-5-16*  
 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 *PCO*

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)

*OK per NTH/lass 1-5-2016*

**MAR 10 2016**

*CAF*