



09-09-11
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March 29, 2011

2142121840X
Mr. Dave Chase
Chief, Reservoir Management Group
Bureau of Land Management
Casper District Office – Wyoming Reservoir Management Team
2987 Prospector Drive
Casper, WY 82604-2968

Re: Plan of Development for 2011
Review of Operations for 2010
Rule Minnelusa "B" Unit
Campbell County, Wyoming

Mr. Chase:

Pursuant to the Unit Agreement for the development and operation of Rule Minnelusa "B" Unit, SM Energy, as Operator, hereby submits for your information and approval a Review of Operations for 2010 and Plan of Development for 2011.

2010 REVIEW OF OPERATIONS

Water flood operations continued during 2010 with the water injection averaging 1,026 barrels per day. Production averaged 64 BOPD, 5 MCFD and 960 BWPD.

Routine remedial work and equipment changes were carried out to maintain the unit at maximum producing capacity.

Attached for your record you will find a well status and production summary.

2011 PLAN OF DEVELOPMENT

Effective January 13, 2011 RIM Operating Inc. became the effective operator. No further plans for development, deepening, recompletions or workovers are anticipated for 2011; however, the Bureau of Land Management will be notified of any changes made to this schedule.

SM Energy, as Operator of the Rule Minnelusa "B" Unit, respectfully requests your approval of this 2010 Review of Operations and 2011 Plan of Development.

Sincerely,
SM ENERGY


Luke Studer
Regulatory and Safety Compliance Specialist

NO ACTIVITY PLANNED
ACCEPTED
FOR THE RECORD

BUREAU OF LAND MANAGEMENT
HIGH PLAINS DISTRICT
CASPER FIELD OFFICE
2011 APR - 4 A 7:00

TRKR
BH

WELL STATUS AND PRODUCTION HISTORY STATISTICS - 2010

Rule Minnelusa "B" Unit Campbell County, Wyoming

Well Status (12/31/2010)

Drilling	0
Producing	1
Injecting	1
Water Source	0
Shut In	0

December, 2010 Production - Injection

Oil-Barrels	1,910
Gas-MCF	155
Water-Barrels	30,270
Water Injection -Barrels	30,270

2010 Production - Injection

Oil-Barrels	23,509
Gas-MCF	1,771
Water-Barrels	350,554
Water Injection -Barrels	374,514

Cumulative Production - Injection

Oil-Barrels	1,362,011
Gas-MCF	85,615
Water-Barrels	2,747,678
Water Injection -Barrels	3,913,594

Drilling Wells:

None

Producing Well:

Rule Mnls. Unit #10-15, NWSE, Sec. 15, T52N, R69W

Injection Well:

Rule Mnls. Unit #7-15, SWNE, Sec. 15, T52N, R69W

Shut-in Wells:

None

BUREAU OF LAND MANAGEMENT
HIGH PLAINS REGION
CASPARIAN, WY
2011 APR -4 A 7:00