OCD Received 7/29/2020

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

5. Lease Serial No. NMNM99735

6. If Indian, Allottee or Tribe Name

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2	7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well ☐ Gas Well ☑ Other:	COAL BED METHANE	8. Well Name and No. SYNERGY 21-7-7 130
2. Name of Operator	Contact: GLEN PAPP	9. API Well No

SYNERGY OPERATING, LLC E-Mail: gpapp@synergyoperating.com 30-043-21020-00-S1

3b. Phone No. (include area code)
Ph: 505-599-4908 Ext: 1582 10. Field and Pool or Exploratory Area BASIN FRUITLAND COAL 3a. Address FARMINGTON, NM 87499 Fx: 505-599-4900

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State

Sec 7 T21N R7W NWNW 695FNL 710FWL SANDOVAL COUNTY, NM 36.071780 N Lat, 107.623830 W Lon

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
☑ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice	☐ Acidize ☐ Alter Casing ☐ Casing Repair ☐ Change Plans ☐ Convert to Injection	 □ Deepen □ Hydraulic Fracturing □ New Construction ☑ Plug and Abandon □ Plug Back 	☐ Production (Start/Resume) ☐ Reclamation ☐ Recomplete ☐ Temporarily Abandon ☐ Water Disposal	☐ Water Shut-Off ☐ Well Integrity ☐ Other	

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.

Synergy Operating LLC plans to plug and abandon the subject well.

Attached are the follow documents:

- 1) Wellbore plugging plan
- 2) Reclamation plan

KP

Notify NMOCD 24hrs Prior to beginning operations

14. I hereby certify that the	ne foregoing is true and correct. Electronic Submission #519463 verifie For SYNERGY OPERATING, Committed to AFMSS for processing by	LLĆ, se	ent to the Farmington	
Name(Printed/Typed)	THOMAS MULLINS	Title	ENGINEERING MANAGER/PARTNER	
Signature	(Electronic Submission)	Date	06/18/2020	
	THIS SPACE FOR FEDERA	L OR	STATE OFFICE USE	
_Approved By_JOE KIL	LI <u>N</u> S	Title	NGINEER	Date 07/24/2020
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	Farmington	

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.

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT FARMINGTON DISTRICT OFFICE

6251 COLLEGE BLVD. FARMINGTON, NEW MEXICO 87402

Attachment to notice of Intention to Abandon

Well: 130 SYNERGY 21-7-7 API: 30-043-21020-00-S1

CONDITIONS OF APPROVAL

- 1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
- 2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
- 3. If casing fails to test contact BLM Engineering. No changes are to be made to this approved Sundry without prior approval from the BLM.
- 4. A Subsequent Report Sundry Notice (Form 3160-5) must be submitted within 30 days after plugging operations are complete.

BLM FLUID MINERALS Geologic Report

Date Completed: 7/16/2020

Well No.	Synergy 21-7-7 #130		Location	695	FNL	&	710	FWL
Lease No.	NMNM-99735		Sec. 07	T21N			R07W	
Operator	Synergy Operating		County	Sandoval State		State	New Mexico	
Total Depth	888	PBTD 862		Formation Fruitland Coal (target), Pictured Cliffs (TD))		
Elevation (GL)	6709			Elevation (KB) 6716				

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Surface/Fresh water sands
Nacimiento Fm					Fresh water sands
Ojo Alamo Ss			Surface	138	Aquifer (fresh water)
Kirtland Shale			138	318	
Fruitland Fm			318	748	Coal/Gas/Possible water
Pictured Cliffs Ss			748	PBTD	Gas
Lewis Shale					
Chacra					
Cliff House Ss					Water/Possible gas
Menefee Fm					Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale					
Gallup					O&G/Water
Graneros Shale					
Dakota Ss					O&G/Water

Remarks: P & A

1) Same Fm. Tops

Log analysis of reference well #2 (attached worksheet) indicates the Oio Alamo

- Log analysis of reference well #2 (attached worksheet) indicates the Ojo Alamo sands investigated contain fresh water (≤5,000 ppm TDS).
- Plugging plan has entire casing filled with cement, which will protect fresh water sands in the well bore.
- Perforations @ 671'-690'. CIBP @ 650'.

2) M & M Production Socorro 21-7-10 #34 330' FSL, 2200' FEL Sec. 10, T21N, R07W GL 6771', KB 6783'

Reference Well:

Prepared by: Chris Wenman

Well Information:

Well Name & #:	Synergy 21-7-7 # 130
API #:	30-043-21020
Legal Location:	695' FNL, 710' FWL, Unit D, Section 7 – T21N-R07W, Sandoval County, NM
Latitude/Longitude:	36.07179 / -107.62383
Federal Lease #:	NMNM-99735
USGS Topo Map:	Lybrook SE
Drilling Spud date:	February 6, 2007
TD / PBTD:	888' / 862'
Surface Hole Size:	12-1/4"
Surface Casing:	8-5/8" 24# J-55 @ 132' Cmt'd w/ 95-sxs Type V cmt – Circ 3 bbls to surface
Production Hole Size:	7-7/8"
Production Casing:	5-1/2" 15.5# K-55 @ 860' Cmt'd w/ 124 sxs (255.4 ft3) Type 5 Lead and 75 sxs (89.3 ft3) Type 5 Tail Cement – Circulated 45 bbls to surface
Perforations:	Fruitland Coal: 671' to 690' (19') – 80 holes
Tubing in Hole:	None
Formation Tops (KB):	Kirtland @ 138', Fruitland @ 331', Pictured Cliffs @ 748'

Project Summary:

Synergy Operating, LLC ("Synergy") is the operator of the Synergy 21-7-7 # 130 well. A Fruitland Coal gas well. Synergy is submitting a Notice of Intent to Abandon (NIA) to the BLM to permanently plug and abandon the well and reclaim the surface disturbances.

No Cement Bond Log is planned to be run, due to all casing strings being cemented and circulated to surface.

Multiple Wells will be cemented to surface in a single day, utilizing 1" PVC tubing run (rigless) and cemented inside the 5-1/2" Production Casing. A rig will be required to remove the 2-7/8" tubing from the well. A Cast Iron Bridge Plug is currently set at 650', above the existing Perforations (671' to 690').

Two (2) previous Sundry Notices have been submitted on this well that have not been returned by the BLM. The first was submitted on July 29, 2019, and the second was submitted on 10/31/2019.

The NIA will be submitted on the <u>Sundry Notices and Reports on Wells</u>, Form 3160-5.

Proposed wellbore plugging procedure:

RIGLESS ABANDONMENT.

PERFORATIONS 671' TO 690'. PRESSURE TEST 5-1/2" CASING TO 550#. HOLD AND CHART 30 MINS. BLEED OFF PRESSURE.

RIH W/ 1" POLY PIPE AND TAG CIBP @ 650'. PULL UP. MIRU CEMENT PUMP TRUCK AND CIRCULATION TANK

MIX AND PUMP 15.47 BBLS CLASS G NEAT CEMENT AT 15.5 PPG ($86.86\ FT3$ / $73.6\ SXS$ @ 1.18 YIELD). FILLING ENTIRE CASING

WITH CEMENT TO SURFACE. CUT OFF WELLHEAD AND INSTALL ABOVE GROUND DRYHOLE MARKER.

REMOVE ALL SURFACE EQUIPMENT AND TANK BATTERY. RIP LOCATION AND RECONTOUR PER BLM CONSULTATION.

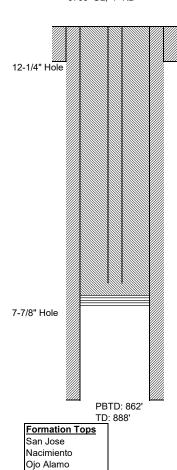
RESEED SURFACE LOCATION AND SUBMIT FOR FINAL ABANDONMENT APPROVAL.

Wellbore diagrams:

Attached are simple wellbore schematics of the well before and after the above well work is completed.

SYNERGY 21-7-7 # 130

Unit D, Section 07-T21N-R07W 695' FNL, 710' FWL 6709' GL, 7' KB



Steve & Son Rig # 1 Spud: 02/06/07

Completed: 11/11/09

API # 030-043-21020

36.07179 deg North, 107.62383 deg West

8-5/8" 24# K-55 Casing @ 132' w/ 95 sxs Circulated 3 bbls cement to surface

> Dev Surveys 137' 1/2 888' 1/2

5-1/2" CIBP @ 650'

Fruitland Coal Perforations 671' to 690' (80 holes)

5-1/2" 15.5# K-55 LT&C Casing @ 860', w/ 124 sxs (255.4 ft3) Lead Type 5 cement @ 12.5 ppg tail with 75 sxs (89.3 ft3) Type 5 @ 15.5 ppg. Good Circulation, Circulate 45 bbls to surface

Thomas E. Mullins May 10, 2017

Kirtland

Fruitland

Pict Cliffs TD: 138' 331'

748'

888'

SYNERGY 21-7-7 # 130

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PBTD: 862'

TD: 888'

Formation Tops
San Jose
Nacimiento
Ojo Alamo
Kirtland 138'
Fruitland 331'
Pict Cliffs 748'
TD: 888'

Specialty Logs, Misc none

Open Hole Logs (Jet West) GR-Density-Calipher (2-09-2007)

Cased Hole Logs (Jet West) GR-CCL (7-11-2007)

Thomas E. Mullins May 10, 2017 Formation Name: Fruitland Coal

07-11-2007 MIRU Jet West, Run GR-CCL. Correlate with OH Logs

11-12-2009 MIRU PACE, Pressure Test 5-1/2" casing 500# 30 mins, 1200# for 2 mins, chart tests RU Blue Jet. Correlate logs. Perforate Fruitland Coal 671' to 690' (19') with 80 holes in 2 - 10' guns 4 SPF 02-24-2017 MIRU Basin Perforators. SICP = 2#, Blow down. RIH and set CIBP @ 650' to isolate perforations. 03-15-2017 Load 5-1/2" casing from surface. Test casing to 50#.

04-20-2017 MIRU Testing unit. Perform witnessed MIT test on 5-1/2" casing to 602# for 30 mins, chart tests. Performed witness bradenhead test. Well Secure.