Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Received 7/29/2020

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

5. Lease Serial No. NMNM99735

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.

6. If Indian, Allottee or Tribe Name

| SUBMIT IN | 7. If Unit or CA/Agreement, Name and/or No. | | | | |
|---|--|--|--|---|--|
| 1. Type of Well ☐ Gas Well ☑ Oth | 8. Well Name and No. SYNERGY 21-7-7 135 | | | | |
| Name of Operator Contact: GLEN PAPP SYNERGY OPERATING, LLC E-Mail: gpapp@synergyoperating.com | | | | 9. API Well No. 30-043-21021-00-S1 | |
| 3a. Address FARMINGTON, NM 87499 | 10. Field and Pool or Exploratory Area BASIN FRUITLAND COAL | | | | |
| 4. Location of Well (Footage, Sec., T | ., R., M., or Survey Description |) | | 11. County or Parish, State | |
| Sec 7 T21N R7W NESW 2886 36.063866 N Lat, 107.619612 | SANDOVAL COUNTY, NM | | | | |
| 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
| Notice of Intent | ☐ Acidize | □ Deepen | ☐ Product | ion (Start/Resume) | ■ Water Shut-Off |
| Notice of Intent | ☐ Alter Casing | ☐ Hydraulic Fracturing | ng Reclamation | | ■ Well Integrity |
| ☐ Subsequent Report | ☐ Casing Repair ☐ New Construction ☐ Recomp | | | olete | ☐ Other |
| ☐ Final Abandonment Notice | ☐ Change Plans ☑ Plug and Abandon ☐ Tempor | | | arily Abandon | |
| | ☐ Convert to Injection ☐ Plug Back ☐ Water Disposal | | | | |
| 13. Describe Proposed or Completed Op If the proposal is to deepen directions Attach the Bond under which the wor following completion of the involved testing has been completed. Final At determined that the site is ready for fr | ally or recomplete horizontally, rk will be performed or provide I operations. If the operation resonation resonant Notices must be file | give subsurface locations and measure the Bond No. on file with BLM/BIA sults in a multiple completion or reco | red and true ve Required sul mpletion in a 1 | ertical depths of all pertinosequent reports must be new interval, a Form 316 | ent markers and zones. filed within 30 days 0-4 must be filed once |

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

Attached are the follow documents:

- Wellbore plugging plan
 Reclamation plan

KP

Notify NMOCD 24hrs Prior to beginning operations

| 14. I hereby certify that the | ne foregoing is true and correct. Electronic Submission #519468 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) THIS SPACE FOR FEDERA | Date | 06/18/2020 STATE OFFICE USE | | |
| Approved By JOE KIL | LI <u>N</u> S | Title | NGINEER | Date 07/28/2020 | |
| 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 | | |
| | Fitle 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 | | | | |

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: 135 SYNERGY 21-7-7 API: 30-043-21021-00-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 #135 | | Location | 1775 | FSL | & | 1960 | FWL |
|---------------------|---------------------|----------|---|----------|-----|-------|------------|------|
| Lease No. | NMNM-99735 | | Sec. 07 | T21N | | | | R07W |
| Operator | Synergy Operating | | County | Sandoval | | State | New Mexico | |
| Total Depth | 826 | PBTD 776 | Formation Fruitland Coal (target), Pictured Cliffs (TD) | | | | | |
| Elevation (GL) 6593 | | | Elevation (KB) 6598 | | | | | |

| 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 | 176 | Aquifer (fresh water) |
| Kirtland Shale | | | 176 | 318 | |
| Fruitland Fm | | | 318 | 764 | Coal/Gas/Possible water |
| Pictured Cliffs Ss | | | 764 | 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

- 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 @ 515'-537'. CIBP @ 500'.

Reference Well:

1) Same Fm. Tops

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

Prepared by: Chris Wenman

Well Information:

| Well Name & #: | Synergy 21-7-7 # 135 |
|-----------------------|---|
| API #: | 30-043-21021 |
| Legal Location: | 1775' FSL, 1960' FWL, Unit K, Section 7 – T21N-R07W, Sandoval County, NM |
| Latitude/Longitude: | 36.06387 / -107.61964 |
| Federal Lease #: | NMNM-99735 |
| USGS Topo Map: | Lybrook SE |
| Drilling Spud date: | June 12, 2006 |
| TD / PBTD: | 826' / 776' |
| Surface Hole Size: | 12-1/4" |
| Surface Casing: | 8-5/8" 24# J-55 @ 136' Cmt'd w/ 125-sxs Type V cmt – Circ 8 bbls to surface |
| Production Hole Size: | 7-7/8" |
| Production Casing: | 5-1/2" 15.5# K-55 @ 806' Cmt'd w/ 40 sxs (82.4 ft3) Type 5 Lead and 144 sxs |
| _ | (190 ft3) Type 5 Tail Cement – Circulated 20 bbls to surface |
| Perforations: | Fruitland Coal: 515' to 537' (22') – 88 holes |
| Tubing in Hole: | 22 Jts – 2-7/8" 6.5# J-55 w/ SN & MA, EOT @ 748' |
| Formation Tops (KB): | Fruitland @ 154', Pictured Cliffs @ 579' |

Project Summary:

Synergy Operating, LLC ("Synergy") is the operator of the Synergy 21-7-7 # 135 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 will be set above the existing Perforations (515' to 537').

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:

MIRU SERVICE RIG. RD HORSE'S HEAD. UNSEAT DH PUMP AND COOH LAYING DOWN ROD STRING AND DH PUMP

(Polish rod, 8' pony, 4' pony, 21 - 7/8" rods, 4 - 1.5" sinker bars & DH pump). ND WH. NU BOPE. COOH laying down 22 its -

2-7/8" 6.5# tubing from 748'. RU wireline. Correlate w/ GR-CCL. PERFORATIONS 515' TO 537'. RIH AND SET CIBP @ 500'.

POOH. RDMO RIG. LOAD HOLE W/ WATER TRUCK. TEST 5-1/2" CASING TO 550#. CHART PRESSURE TEST. RELEASE

PRESSURE. RIH W/ 1" POLY PIPE AND TAG CIBP @ 500'. PULL UP. MIRU CEMENT PUMP TRUCK AND CIRCULATION TANK

MIX AND PUMP 11.9 BBLS CLASS G NEAT CEMENT AT 15.5 PPG (66.81 FT3 / 57 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.

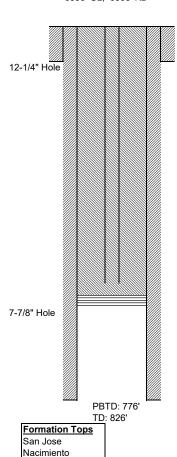
RESEED SURFACE LOCATION AND SUBMIT FOR FINAL ABANDONMENT APPROVAL.

Wellbore diagrams:

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

SYNERGY 21-7-7 # 135

Unit K, Section 07-T21N-R07W 1775' FSL, 1960' FWL 6593' GL, 6598' KB



Steve & Son Rig # 1 Spud: 06/12/2006

. Completed: 01/10/2007

API # 030-043-21021

36.06387 deg North, -107.61964 deg West

8-5/8" 24# K-55 Casing @ 136' w/ 125 sxs (147 ft3) Circulated 8 bbls cement to surface

Dev Surveys 200' Zero Deg 796' 0.75 Deg

1" PVC Coiled Pipe will be run in the well to tag the CIBP @ 500' This will be cemented in the hole cementing the entire wellbore with 57 sxs (66.81 ft3) Class G Neat Cement to surface.

No Cement Bond Log will be run, due to the shallow depths and full cement circulation on all casing strings.

5-1/2" CIBP @ 500' - Wireline Set

Fruitland Coal Perforations 515' to 537' - 22 feet (88 holes)

5-1/2" 15.5# K-55 LT&C Casing @ 806', w/ 40 sxs (82.4 ft3) Lead Type 5 cement @ 12.5 ppg tail with 144 sxs (190 ft3) Type 5 @ 15.5 ppg. Good Circulation, Circulate 20 bbls to surface

154'

579"

826'

Ojo Alamo Kirtland Fruitland

Pict Cliffs

TD:

Thomas E. Mullins June 17, 2020

SYNERGY 21-7-7 # 135

12-1/4" Hole

7-7/8" Hole

Unit K, Section 07-T21N-R07W 1775' FSL, 1960' FWL 6593' GL, 6598' KB Steve & Son Rig # 1 Spud: 06/12/2006 Completed: 01/10/2007

API # 030-043-21021

36.06387 deg North, -107.61964 deg West

8-5/8" 24# K-55 Casing @ 136' w/ 125 sxs (147 ft3) Circulated 8 bbls cement to surface

Dev Surveys
200' Zero Deg
796' 0.75 Deg

Tubing

22 Joints - 2-7/8" 6.5# J-55 Tubing @ 748' KB, SN up 1 jt

Rods

4 - 1.5" Sinker Bars, 21 - 7/8" Rods, 8' and 4' Pony

Fruitland Coal Perforations

515' to 537' - 22 feet (88 holes)

5-1/2" 15.5# K-55 LT&C Casing @ 806', w/ 40 sxs (82.4 ft3) Lead Type 5 cement @ 12.5 ppg tail with 144 sxs (190 ft3) Type 5 @ 15.5 ppg. Good Circulation, Circulate 20 bbls to surface

PBTD: 776'

TD: 826' Formation Name: Fruitland Coal

06-22-2006 MIRU Jet West, Run GR-CCL, Create Merge Log. PBTD 764"

06-29-2006 MIRU Silver Star. NU 3000# BOP. Test and Chart Casing to 1500 psi for 30 mins.

GIH w/ 2-3/8" Tubing, tag at 776' KB, 24 Joints. COOH with tubing. RU Blue Jet. Perforate Fruitland Coal 515' to 537' (22') with 88 holes

BD Perfs w/ 40 bbls Fresh Water, Break at 200#, 3.5 BPM @ 100 psi. ISIP zero.

GIH w/ 22 Joints 2-3/8" 4.7# J-55 Tubing. Land EOT @ 748' KB. Swab back load. RDMO.

10-18-2006 - Phoenix - Run Btm Hole Temp & Pressure @ 515'. Temp 65 F, BHP = 124.7 psig

11-14-2006 - Silver Star - MIRU. NU BOP, COOH w/ 2-3/8", Run 22 Jts - 2-7/8" 6.5# J-55 @ 748' EOT

11/18/2006 - Run DH pump, 4 - 1.5" Sinker Bars, 21 - 7/8" Rods, 8' pony and 4' pony, Polish Rod w/ liner.

<u>Specialty Logs, Misc</u> Space out and hang well on.

Mud Log 139' to 826', Took Coal Samples for Adsorption Work

Open Hole Logs (Jet West)

Formation Tops

San Jose Nacimiento

Ojo Alamo

Kirtland

Fruitland

Pict Cliffs

TD:

GR-CDL-EL (6/16/06) - Bridged at 585', logged to surface

Cased Hole Logs (Jet West)

154'

579"

826'

GR-CL-CNL (6/22/06) - Created Merge Log

Thomas E. Mullins

June 17, 2020