Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Received 7/31/2020

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

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		
abandoned wel	6. II Indian, Alic	ottee of Tribe Name				
SUBMIT IN T	TRIPLICATE - Other ins	tructions on page 2	7. If Unit or CA	/Agreement, Name and/or No.		
Type of Well ☐ Gas Well		8. Well Name and No. SYNERGY 21-7-5 133				
Name of Operator SYNERGY OPERATING, LLC	9. API Well No. 30-043-210					
3a. Address		ol or Exploratory Area JITLAND COAL				
FARMINGTON, NM 87499 4. Location of Well (Footage, Sec., T.	P. M. or Suman Description	Fx: 505-599-4900	11. County or Pa	orish State		
, ,)				
Sec 5 T21N R7W NWSW 147 36.077638 N Lat, 107.604699			SANDOVA	L COUNTY, NM		
12. CHECK THE AF	PROPRIATE BOX(ES)	TO INDICATE NATURE O	F NOTICE, REPORT, OR	OTHER DATA		
TYPE OF SUBMISSION		TYPE OF	ACTION			
Notice of Intent ■ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resum	e) Water Shut-Off		
_	☐ Alter Casing	☐ Hydraulic Fracturing	□ Reclamation	■ Well Integrity		
☐ Subsequent Report	□ Casing Repair	☐ New Construction	□ Recomplete	☐ Other		
☐ Final Abandonment Notice	☐ Change Plans	□ Plug and Abandon	□ Temporarily Abandon			
	☐ Convert to Injection	☐ Plug Back	■ Water Disposal			
13. Describe Proposed or Completed Ope If the proposal is to deepen directions Attach the Bond under which the wor following completion of the involved testing has been completed. Final Ab determined that the site is ready for fi	ally or recomplete horizontally, k will be performed or provide operations. If the operation re andonment Notices must be fil	give subsurface locations and measur the Bond No. on file with BLM/BIA sults in a multiple completion or reco	ed and true vertical depths of all Required subsequent reports manipulation in a new interval, a Form	pertinent markers and zones. ust be filed within 30 days m 3160-4 must be filed once		
Synergy Operating LLC plans	to plug and abandon the	subject well.				
Attached are the follow docum	ents:					
Wellbore plugging plan Reclamation plan		Notify NMOCE	24hrs			
		Prior to begin	nning			
		operation	ns			
14. I hereby certify that the foregoing is	true and correct.					

, ,	ne foregoing is true and correct. Electronic Submission #519605 verifie For SYNERGY OPERATING, Committed to AFMSS for processing by C	LLĆ, se	ent to the Farmington	NER		
Tranic (Tranical Typea)	THOMAS MISELING	Title	LINGINEERING WANAGER/T ART	INCIX		
Signature	(Electronic Submission)	Date	06/19/2020			
THIS SPACE FOR FEDERAL OR STATE OFFICE USE						
Approved By JOE KIL		Title	NGINEER		Date 07/30/2020	
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	e 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.						

KP

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: SYNERGY 21-7-5 133 API: 300432103800S1

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.

GENERAL REQUIREMENTS FOR PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES FARMINGTON FIELD OFFICE

- 1.0 The approved plugging plans may contain variances from the following <u>minimum general</u> requirements.
 - 1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.
 - 1.2 Requirements may be added to address specific well conditions.
- 2.0 Materials used must be accurately measured. (densometer/scales)
- 3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.
 - 3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.
- 4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.
 - 4.1 The cement shall be as specified in the approved plugging plan.
 - 4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
 - 4.3 Surface plugs may be no less than 50' in length.
 - 4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
 - 4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.
 - 4.6 A cement bond log or other accepted cement evaluation tool is required to be run if one had not been previously ran or cement did not circulate to surface during the original casing cementing job or subsequent cementing jobs.

- 5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.
 - 5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.
 - 5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.
 - 5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.
 - 5.4 If perforations are required below the surface casing shoe, a 30 minute minimum wait time will be required to determine if gas and/or water flows are present. If flow is present, the well will be shut-in for a minimum of one hour and the pressure recorded. Short or long term venting may be necessary to evacuate trapped gas. If only a water flow occurs with no associated gas, shut well in and record the pressures. Contact the Engineer as it may be necessary to change the cement weight and additives.
- 6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.
 - 6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.
 - 6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.
- 7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H_2S .
- 8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), five copies, with the Field Manager, Bureau of Land Management, 6251 College Blvd., Suite A, Farmington, NM 87402. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.
- 9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.
- 10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.

BLM FLUID MINERALS Geologic Report

Date Completed: 7/16/2020

Well No.	Synergy 21-7-5 #133		Location	1470	FSL	&	1125	FWL
Lease No.	NMNM-99735		Sec. 05	T21N			R07W	
Operator	Synergy Operating		County	Sandoval		State	New Mexico	
Total Depth	865	PBTD 793	Formation Fruitland Coal (target), Pictured Cliffs (TD))
Elevation (GL)	6659		Elevation (KB) 6666					

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	136	Aquifer (fresh water)
Kirtland Shale			136	368	
Fruitland Fm			368	726	Coal/Gas/Possible water
Pictured Cliffs Ss			726	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 @ 677'-697'. CIBP @ 660'.

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

U.S. Department of the Interior Bureau of Land Management

Wellbore Plugging Plan

Synergy Operating, LLC

Synergy 21-7-5 # 133
Plugging & Final Abandonment

Prepared by:

Thomas E. Mullins, P.E. Partner / Engineering Manager

June 2020

Submitted Electronically

To: U.S. Department of the Interior-BLM Farmington District – FFO Farmington, NM 87402

Well Information:

Well Name & #:	Synergy 21-7-5 # 133
API #:	30-043-21038
Legal Location:	1470' FSL, 1125' FWL, Unit L, Section 5 – T21N-R07W, Sandoval County, NM
Latitude/Longitude:	36.07764 / -107.60471
Federal Lease #:	NMNM-99735
USGS Topo Map:	Lybrook SE
Drilling Spud date:	September 29, 2008
TD / PBTD:	865' / 793'
Surface Hole Size:	12-1/4"
Surface Casing:	8-5/8" 24# J-55 @ 138' Cmt'd w/ 140-sxs Type V cmt – Circ 8 bbls to surface
Production Hole Size:	7-7/8"
Production Casing:	5-1/2" 15.5# K-55 @ 850' Cmt'd w/ 65 sxs (126 ft3) Type 5 Lead and 50 sxs (63 ft3) Type 5 Tail Cement – Circulated 17 bbls to surface
Perforations:	Fruitland Coal: 677' to 697' (20') – 80 holes
Tubing in Hole:	None
Formation Tops (KB):	Kirtland @ 136', Fruitland @ 368', Pictured Cliffs @ 726'

Project Summary:

Synergy Operating, LLC ("Synergy") is the operator of the Synergy 21-7-5 # 133 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 Cast Iron Bridge Plug is currently set at 660', above the existing Perforations (677' to 697').

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 677' TO 697'. PRESSURE TEST 5-1/2" CASING TO 550#. HOLD AND CHART 30 MINS. BLEED OFF PRESSURE.

RIH W/ 1" POLY PIPE AND TAG CIBP @ 660". PULL UP. MIRU CEMENT PUMP TRUCK AND CIRCULATION TANK

MIX AND PUMP 15.7 BBLS CLASS G NEAT CEMENT AT 15.5 PPG (88.2 FT3 / 74.7 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 21-7-5 # 133

12-1/4" Hole

7-7/8" Hole

Unit L, Section 05-T21N-R07W 1470' FSL, 1125' FWL 6659' GL, 7' KB

Steve & Son Rig # 1 Spud: 09/29/08

Completed: 11/11/09

API # 030-043-21038

36.07764 deg North, 107.60471 deg West

8-5/8" 24# K-55 Casing @ 138' w/ 140 sxs Circulated 8 bbls cement to surface

Dev Surveys 206' 0.50 834' 0.75

1" PVC Coiled Pipe will be run in the well to tag the CIBP @ 660' This will be cemented in the hole cementing the entire wellbore with 74.7 sxs (88.2 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 @ 660'

Fruitland Coal Perforations 677' to 697' (80 holes)

5-1/2" 15.5# K-55 LT&C Casing @ 850', w/ 65 sxs (126 ft3) Lead Type 5 cement @ 12.5 ppg tail with 50 sxs (63 ft3) Type 5 @ 15.2 ppg. Good Circulation, Circulate 17 bbls to surface

PBTD: 793' TD: 865'

Formation Tops 136'

Nacimiento Ojo Alamo Kirtland Fruitland 368' Pict Cliffs 726' TD: 865'

Specialty Logs, Misc none

San Jose

Open Hole Logs (Jet West) GR-Density-Calipher (10-04-2008)

Cased Hole Logs (Jet West) GR-CCL (06-29-2009)

Thomas E. Mullins June 18, 2020

Formation Name: Fruitland Coal

06-29-2009 MIRU Jet West, Run GR-CCL. Correlate with OH Logs

11-11-2009 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 677' to 697' (20') with 80 holes in 2 - 10' guns 4 SPF 02-24-2017 MIRU Basin Perforators. SICP = 4#, Blow down. RIH and set CIBP @ 660' 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 574# for 30 mins, chart tests. Performed witness bradenhead test. Well Secure.

SYNERGY 21-7-5 # 133

12-1/4" Hole

7-7/8" Hole

Unit L, Section 05-T21N-R07W 1470' FSL, 1125' FWL 6659' GL, 7' KB Steve & Son Rig # 1 Spud: 09/29/08

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8-5/8" 24# K-55 Casing @ 138' w/ 140 sxs Circulated 8 bbls cement to surface

> Dev Surveys 206' 0.50 834' 0.75

5-1/2" CIBP @ 660'

Fruitland Coal Perforations 677' to 697' (80 holes)

5-1/2" 15.5# K-55 LT&C Casing @ 850', w/ 65 sxs (126 ft3) Lead Type 5 cement @ 12.5 ppg tail with 50 sxs (63 ft3) Type 5 @ 15.2 ppg. Good Circulation, Circulate 17 bbls to surface

PBTD: 793'
TD: 865' Formation Nan

Formation Name: Fruitland Coal

06-29-2009 MIRU Jet West, Run GR-CCL. Correlate with OH Logs 11-11-2009 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 677' to 697' (20') with 80 holes in 2 - 10' guns 4 SPF 02-24-2017 MIRU Basin Perforators. SICP = 4#, Blow down. RIH and set CIBP @ 660' 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 574# for 30 mins, chart tests. Performed witness bradenhead test. Well Secure.

Formation Tops
San Jose
Nacimiento

Nacimiento
Ojo Alamo
Kirtland 136'
Fruitland 368'
Pict Cliffs 726'
TD: 865'

Specialty Logs, Misc none

Open Hole Logs (Jet West) GR-Density-Calipher (10-04-2008)

Cased Hole Logs (Jet West) GR-CCL (06-29-2009)

Thomas E. Mullins May 20, 2017