

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED

OMB No. 1004-0136

Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

Lease Designation and Serial No.

NMNM-105533

If Indian, Allottee or Tribe Name

1a. Type of Work



DRILL



REENTER

1b. Type of Well:



Oil Well



Gas Well



Other



Single Zone

7. If Unit or CA, Agreement, Name and No.

28893

8. Lease Name and Well No.

Bois d' Arc Divide 22 # 4

9. API Well No.

30-043-20980

10. Field and Pool, or Exploratory

WC 21N5W 22# Mesaverde (Oil)

11. Sec., T., R., M., or Blk. and Survey or Area

F Sec 22, T-21-N, R-05-W

2. Name of Operator

Synergy Operating, LLC

NM OGRID # 163458

3a. Address

PO Box 5513
Farmington, NM 87499

3b. Phone Number

(505) 325-5449

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

At surface: Unit Letter F, 1945' FNL, 2155' FWL, Sec 22, T21N-R05W

At proposed prod. Zone: Same

14. Distance in miles and direction from nearest town or post office*

10 Miles West of Johnsons Trading Post

12. County or Parish,

Sandoval

13. State

New Mexico

15. Distance from proposed*

location to nearest
property or lease line, ft.

1945 Feet from North Line

(Also to nearest drlg. Unit line, if any)

16. No of Acres in lease

1280 Acres

17. Spacing Unit dedicated to this well

40 Acres SE 1/4 NW 1/4

18. Distance from proposed*

location to nearest
property or lease line, ft.

2155 Feet from West Line

19. Proposed Depth

4050'

20. BLM/BIA Bond No. on file

NM-2559

21. Elevation (Show whether DF, KDB, RT, GL, etc.)

7295' Ground Level

22. Approximate date work will start*

June 30th 2003

23. Estimated duration

30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan

3. A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO shall be filed with the appropriate Forest Service Office.4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the
authorized officer

Size of Hole	Grade, Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12-1/4"	8-5/8" K-55	24 #	170'	89 sxs, 105 ft3 - 50% Excess
7-7/8"	5-1/2" K-55	15.5#	4050'	370 sxs, 877 ft3 - 25% Excess

SEE ATTACHED APD INFORMATION

Latitude: 36 Deg, 02 Min, 12 Sec N
Longitude: 107 Deg, 21 Min, 09 Sec W

25. Signature

Name(Printed/Typed)

Thomas E. Mullins

Date

6-3-2003

Title

Engineering Manager

Approved by (Signature)

/s/ David R. Sitzler

Name(Printed/Typed)

Date

JUL 14 2003

Title

Acting Assistant Field Manager

Office

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to
conduct operations thereon.

Conditions of approval, if any, are attached.

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 reverse)

Attached

* Surface cement will be pumped
@ 100% excess & production @ 50% excess

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-043-20980	² Pool Code 97283	³ Pool Name WC 21N5W 22; Mesquite (oil)
⁴ Property Code 28893	⁵ Property Name BOIS d' ARC DIVIDE 22	⁶ Well Number 4
⁷ GRID No. 163458	⁸ Operator Name SYNERGY OPERATING LLC.	⁹ Elevation 7295




¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	22	21-N	5-W		1945	NORTH	2155	WEST	SANDOVAL

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ FD 2 1/2" 1925 GLO BC S 89°58'40" E 2618.1' (M) S 00°10'46" W 2612.70' (M) 2155' 846' 463' 638' 668' 1945' 22	 LAT: 36°02'12" N. (NAD 83) LONG: 107°21'09" W. (NAD 83)	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature:  Printed Name: THOMAS E. MULLINS Title: ENGINEERING MANAGER Date: 3-24-2003
FD 2 1/2" 1925 GLO BC		¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  Date of Survey: Signature and Seal of Professional Surveyor: 14827 Certificate Number: 14827

SYNERGY OPERATING, LLC

WELL NAME: Bois d' Arc Divide 22 # 4

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit F, 1945' FNL & 2155' FWL
Section 22, T21N, R05W
Sandoval County, New Mexico
2. Unprepared Ground Elevation: @ 7295'
3. The geological name of the surface formation is Nacimiento.
4. Type of drilling tools will be Rotary.
5. Proposed drilling depth is 4050'.
6. The estimated tops of important geologic markers are as follows (reference GL):

Nacimiento -		Chacra -	
Ojo Alamo -	1050'	La Ventana (Cliffhouse) -	2276'
Kirtland -	'	Meneffe -	2859'
Fruitland -	1268'	Pt. Lookout -	3834'
Pictured Cliffs -	1530'	T. D. -	4050'
Lewis Shale -	1609'		
7. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Oil and Gas Zones		Water Zones		Coal Zones	
Meneffe	2777'	Ojo Alamo	1050'	Fruitland	1268'
		Pictured Cliffs	1530'		
Pt. Lookout	3834'	Cliffhouse	2276'	Meneffe	2859'
8. The proposed casing program is as follows:

Surface String: 8-5/8", 24#, J/K-55 @ 170' *

Production String: 5-1/2", 15.5# J/K-55 @ 4050' (see details below)

* The surface casing will be set at a minimum of 170' KB, but could be set deeper if required to maintain hole stability.

9. Cement Program:

Surface String: 100 sacks of Class "B" cement or equivalent (1.39 ft³/sx yield, 14.6 ppg) with 3 percent CaCl in mix water and 1/4# sack celloflake. Volume is based upon 100% excess. A wooden wiper plug will be displaced within 20' of the shoe. This casing string will be cemented to surface.

Production String: **Lead Cement:** 381 sacks Type III Cement + 3% bwow Potassium Chloride + 0.25 lbs/sack Cello Flake+ 4 lbs/sack Pheno Seal + 8% bwoc Bentonite +0.3% bwoc Sodium Metasilicate + 126.2% Fresh Water mixed at 12.2 ppg (2.50 cf/sx yield = 952 cf)

Tail Cement: 76 sacks Premium Lite High Strength FM + 5% bwow Sodium Chloride + 0.25 lbs/sack CelloFlake + 0.3% bwoc CD-32 + 0.7% bwoc FL-52 +4 lbs/sack Pheno Seal + 107.7% Fresh Water mixed at 12.5 ppg (2.09 cf/sx yield = 158 ft³)

A Guide Shoe, and autofill float collar will be run 20' off of bottom. A marker jt will be run on the 5-1/2" casing at approximately 3400'.

Note: Synergy continues to work to improve the cement slurries on our wells. Any modifications to cement will be of equivalent total volume, but would have better mechanical properties than the cement we are currently using.

Centralizer Program:

Surface: Total four (4) minimum - 10' above shoe and top of 2nd, 3rd, & 4th jts. One Centralizer will be run per joint.

Production: Total seven (7) - 20' above shoe and top of 1st, 2nd, 4th, 6th, 8th, & 10th jts. a cement basket will be run above the Pictured Cliffs, with turbulators above and below it.

Turbulators: Total Four (4) - one at 1st jt below Pictured Cliffs and 1 jt above this turbulator. Also one 1st jt below Ojo Alamo and 1 jt above this turbulator.

10. A 3000# Blow-Out Preventer System will be used for this well, consisting of the following items:

2 Hydraulic Rams (Pipe & Blind) or Hydraulic and Annular with Blind Ram on Bottom.

1- Kill Line (2-inch minimum)

1- Kill Line Valve (2-inch minimum)

1 - Choke Line Valve

2 chokes (refer to diagram in Attachment) on Choke Manifold

Upper kelly cock valve in open position with handle available

Safety Valve (in open position) and subs to fit all drill strings in use (with handle available)
Pressure gauged choke manifold
2 inch minimum choke line
Fill-up line above the uppermost preventer

The BOP equipment will be pressure and function tested according to Onshore Order # 2 – III.A-1 with a 30% safety factor. Please see that attached diagram.

11. Drilling Mud Prognosis:

Depth	Type	Wt./ppg.	Vis.,	Fluid Loss	pH
0'-170'	FW gel/lime spud mud	8.4 – 8.7	30-50	NC	10
170' - TD	Low solids non-dispersed	8.4 - 9.0	30-40	<20 cc's	9.5-10

Sufficient material needed to maintain mud properties, control loss circulation, and absorbent materials to contain any unforeseen pressure control situations will be maintained at the wellsite during all drilling operations. A mud logging unit w/ gas detector as well as a mud pit level indicator will be used out from under surface to TD.

12. The testing, logging, and coring programs are as follows:

D.S.T.s or cores: None Planned

Logs: Mud logger out from under Surface to TD, Openhole Logs to include SP, Induction, Density, & Neutron. Additional logs may be run.

13. No Anticipated or abnormal pressures or temperatures should be encountered. No hydrogen sulfide is present or anticipated.

Estimated Bottomhole pressures: Pt. Lookout is - +/- 1700 psi

Surface casing and BOPE equipment will be tested to 1500 psi prior to drilling of the shoe. 3000# BOPE equipment will be utilized during production hole drilling operations.

14. The anticipated starting date is sometime in late June 2003 with duration of drilling operations for approximately 6 days thereafter. Completion Operations should take 10 days. Production Equipment will be installed and the well production tested based upon completion results.