UNITED STATES
DEPARTMENT OF THE INTERIOR

FORM APPROVED

ОМВ	No.	1004-0136

APPLICATION FOR PERMIT TO DRILL OR REENTER 1a. Type of Work	APPLICATION FOR PERMIT TO DRILL OR REENTER 1a. Type of Work DRILL REENTER REENTER REENTER DRILL REENTER RE	ne and No. 3 8 8
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tocation to nearest 1915 Feet from South Line propety or lease line, ft. (Also to nearest ding Unit line, if any) 18. Distance from proposed* (location to nearest propety or lease line, ft.) 21. Elevation (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 7235* Ground Level 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 regislater daurveyor. 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. Size of Hole Grade, Size of Casing Weight per Foot 12-1/4* 8-5/6* K-55 24 # 170* 89 sxs, 105 ft3 - 50% Excess 7-7/8* 5-1/2* K-55 15.5# 4050* SEE ATTACHED APD INFORMATION Latitude: 36 Deg, 01 Min, 59 Sect Longitude: 107 Deg, 20 Min, 55 Sect Title Engineering Manager Approved by (Signature) Approved by (Signature) Approved by (Signature) Name(Printed/Typed) Date Title Cathy, are statched Approved by (Signature) Name(Printed/Typed) Date Title Brightering Manager Approved by (Signature) Name(Printed/Typed) Date Title U.S.C. Section 1212, make it a crime for any person knowlingly and willfully to make to any department or agency of the United States any files, fictions, or frasibutient statements or representations as to any matter within its jurisdiction.		
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1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

DISTRICT II 811 South First, Artesia, N.M. 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, N.M. 87410 OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

Pool Code

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

*Pool Name

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

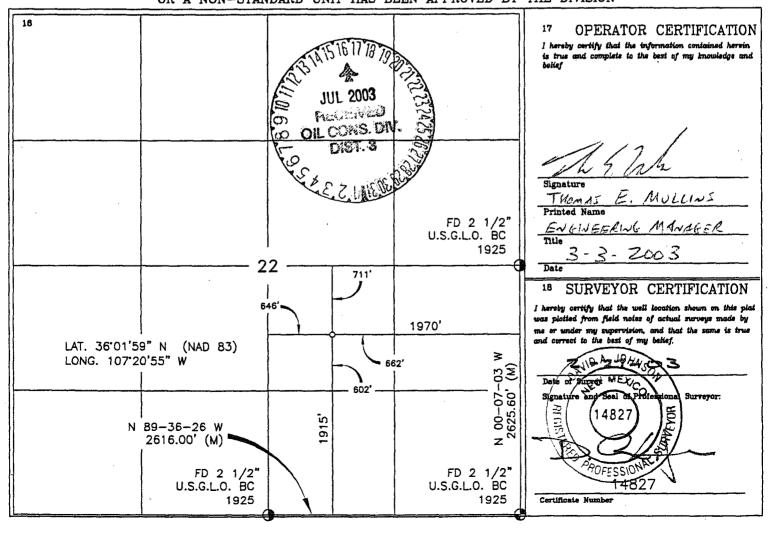
¹ API Number

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-043-20983			Pool Code			WC 21N6W22; Mesawde (O'R)				
∞ of	3-20	248 -) (9728	3	WC 21N62	022; Mes	auvele (C)	<u> </u>	
⁴ Property Code				Property Name				⁶ Well Number		
2 889	33			i	BOIS d'ARC DI	BOIS d'ARC DIVIDE 22			3	
OGRID No					Operator :	Name			² Elevation	
163458			SYNERGY OPERATING LLC					7235'		
					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	
J	22	21-N	5-W		1915'	SOUTH	1970'	EAST	SANDOVAL	
			11 Bott	om Hole	Location I	f Different Fr	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
	<u> </u>	}			,	}				
18 Dedicated Acre	3	<u> </u>	12 Joint or	Infill	14 Consolidation	Code	15 Order No.			
1 4	0					_				

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



SYNERGY OPERATING, LLC

WEL	L NAME: Bois d' Arc I	Divide 22 # 3					
DRIL	LING PROGNOSIS						
1.	Location of Proposed Well:	Unit J, 1915' FSL & Section 22, T21N, R Sandoval County, No.	R05W	 			
2.	Unprepared Ground Elevation	on: <u>@ 72</u> 3	35'				
3.	The geological name of the s	surface formation is 1	Nacimiento .				
4.	Type of drilling tools will be	Rotary.					
5.	Proposed drilling depth is	4050' .					
6.7.	The estimated tops of importance Nacimiento - Ojo Alamo - 1050' Kirtland - ' Fruitland - 1190' Pictured Cliffs - 1452' Lewis Shale - 1531' The estimated depths at w formations are expected to b	Chacra - La Ventana (Meneffe - Pt. Lookout - T. D Thich anticipated water	(Cliffhouse) -	2198' 2781' 3756' 4050'	bearing		
	Oil and Gas Zones	Water Zones		Coal Zones			
		Ojo Alamo Pictured Cliffs	1050° 1452°	Fruitland	1190'		
	Pt. Lookout 3756°	Cliffhouse	2198'	Meneffe	2781'		
8.	The proposed casing program	n is as follows:					
	Surface String: 8-5/8", 24#, Production String: 5-1/2", 1		(see details belo	ow)			
	* The surface casing will !		of 170' KB, but	could be set d	leeper if		
	required to maintain hole stablity.						

9. Cement Program:

Surface String:

100 sacks of Class "B" cement or equivlanet (1.39 ft3/sx yield, 14.6 ppg) with 3 percent CaCl in mix water and ¼# 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

its. 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 turbolators above and below it.

Turbulators:

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

- 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:

<u>Depth</u>	Type	Wt./ppg.	Vis.,	Fluid Loss	pН
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.