Form 3160-5 (March 2012)

entitle the applicant to conduct operations thereon.

(Instructions on page 2)

ficticious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED

Budget Bureau No. 1004-0137

Expires March 31, 2014

5. Lease Serial No.

BUREAU OF LAND MANAGEMENT	OCT 2	2016

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. NMNM-29168 Use Form 3160-3 (APD) for such proposals

Bureau of Land Management 6. If Indian, Allottee or Tribe Name SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well 7. If Unit or CA/Agreement, Name and/or No. Oil Well Gas Well Other 8. Well Name and No. 2. Name of Operator Synergy Operating, LLC (163458) **OGRID # 163458 Tayler 29-13** 9. API Well No. 3a. Address 3b. Phone No. (include area code) PO Box 5513 (505) 325-5449 30-043-20569 Farmington, NM 87499 10. Field and Pool, or Exploratory 4. Location of Well (Footage, Sec, T. R., M, or Survey Description) Rio Puerco Mancos Unit M, 990' FSL, 990' FWL, Sec 29, T21N - R03W 11. County or Parish, State Sandoval County, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Notice of Intent Fracture Treat Acidize Recomplete Alter Casing **New Construction** Temporary Abandon Water Disposal Casing Repair Plug & Abandon Subsequent Report Change Plans Plug Back Water Shut-Off Well Integrity Production (Start/Resume) Final Abandonment Notice Convert to Injection Reclamation Other: Deepen ried Operations: (Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration 13. Describe Proposed or Comple Describe Proposed or Completed Operations: (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 the 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 WAS PERFORMING A ROUTINE DOWNHOLE PUMP CHANGE ON 10-10-2016. DURING INITIAL OPERATIONS, IT WAS IDENTIFIED THAT THE 2-7/8" PRODUCTION TUBING STRING WAS STUCK IN THE WELLBORE. A CASING FAILURE IS SUSPECTED. SYNERGY WILL PROCEED TO REMOVE THE STUCK TUBING, SET A CAST IRON BRIDGE PLUG AND PRESSURE TEST THE 7" PRODUCTION CASING. CEMENT SQUEEZE OPERATIONS WILL BE CONDUCTED AS NECESSARY TO ENSURE THE MECHANICAL INTEGRITY OF THE 7" CASING STRING TO 500 PSIG. THE WELL WILL BE RETURNED TO PRODUCTION. A SUBSEQUENT REPORT WILL BE FILED DETAILING THE WORK PERFORMED FOR CONSISTENT WITH ALL REGULATIONS. CONDITIONS OF APPROVAL VERBAL NOTICE TO INSPECTOR LUCAS VARGO OF THIS OPERATION WAS GIVEN ON 10/11/2016 AT 9:03 AM TO BE FOLLOWED BY SUBMITTAL OF THIS INTENT SUNDRY 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) THOMAS E. MULLINS ENGINEERING MANAGER **OCTOBER 19, 2016** THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by PE 10/21/16 Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equilable title to those rights in the subject lease which would

NMOCD A

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

BLM CONDITION OF APPROVAL

CASING REPAIR, WORKOVER AND RECOMPLETION OPERATIONS:

- If casing repair operations are needed, obtain prior approval from this office before commencing repairs. If a CBL or other logs are run, provide this office with a copy.
- After any casing repair operations, test cement squeeze to a minimum of 500# for 30 minutes with no more than 10 % pressure fall off in the 30 minute test period. Provide test chart with your subsequent report of operations
- A properly functioning BOP and related equipment must be installed prior to commencing workover, casing repair, and/or recompletion operations.
- 4. Contact this office at (505) 564-7750 prior to conducting any cementing operations

SPECIAL STIPULATIONS:

- 1. Pits will be fenced during work-over operation.
- 2. All disturbance will be kept on existing pad.
- All pits will be pulled and closed immediately upon completion of the recompletion and work-over activities.
- 4. Pits will be lined with an impervious material at least 12 mils thick.

Tayler #29-13

Field: Rio Puerco Mancos (52260)

GL: 7032' KB: 12' AGL

Tubing Head: 3000' Flanged w/ tbg hanger

B-1 Adapter flange w/ 2-7/8 EUE thrds

Companion Flange to RU: None

12-1/4" Hole

9-5/8" 32# H-40 @ 412' Cmt'd w/ 265-sxs Cl 'B' cmt w/ 2% CaCl-2 - Circ to surface

Ojo Alamo Top @ 950'

Hole - 8-3/4"

Pictured Cliffs Top @ 1320'

Chacra Top @ 2150'

Deviations 422' - 0.50 deg

1635' - 0.75 deg

2618' - 0.75 deg

2794' - 2.00 deg

3210' - 2.00 deg

3783' - 1.00 deg

4200' - 1.50 deg

Menefee Top @ 2840'

Point Lookout @ 3520'

Mancos Shale @ 3760'

7" 23# J-55 @ 4507'
1st Stg: 200-sxs 50:50 Poz-Mix cmt, top
@ 2800' (By calculation, no log)
2nd Stg: 210-sxs 50:50 Poz-Mix cmt,
Circ cmt to surface



Property Code: 20952 API # 30-043-20569 Lease # NM-29168

990' FSL & 990' FWL Sec. 29-M, T21N-R03W Sandoval Co., New Mexico

36 deg, 00 min, 58.2 sec N Latitude (36.0161800 deg) 107 deg, 11 min, 25.8 sec W Longitude (-107.1847900)

Logs: OH - Gearhart (5-23-81): Dual ILL 4564 - 4507', GR: 4554 - 0'

DV Tool @ 1514'

Tubing: 1-Jt 2-7/8" MA, SN, 3-Jts 2-7/8", 7" x 2-7/8" TAC, 146-Jts 2-7/8" 6.5#, J-55 EUE 8rd tbg, EOT @ 4588', SN @ 4554', 7" x 2-7/8" TAC @ 4398' in 16,000# tension.

Rods & Pump: (Last pump chg: 9/13/07)
2-1/2" x 1-1/2" x 18' RWBC w/ 1' gas anchor,
180 - 3/4" rods, 1-1/4" x 16' polished rod.
(No polished rod liner, pumping tee is 2-7/8"
on bottom & 2-3/8" on top" 2-1/2" pump
will NOT fit through top of pumping tee,
2-3/8" stuffing box)

OH (Mancos): 4-3/4" F/4507 - T/4620'