

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

(See other instructions on reverse side)

OMB NO. 1004-0137  
Expires: February 28, 1995

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG\***

1a. TYPE OF WORK  
OIL WELL  GAS WELL  Other 2005 SEP 14 PM 1 05

1b. TYPE OF WELL  
NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF RESVR  Other RECEIVED

2. NAME OF OPERATOR  
Synergy Operating, LLC OGRID # 163458

3. ADDRESS AND TELEPHONE NO.  
PO Box 5513, Farmington, NM 87499 (505) 325-5449

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)\*  
At Surface Unit Letter C, 1215' FNL, 715' FWL, Sec 06, T29N, R13W

At top prod. Interval reported below  
At total depth

5. LEASE DESIGNATION AND SERIAL NO.  
SF - 078977

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.  
Madrid 29-13-6 # 112

9. API WELL NO.  
30-045-33470

10. FIELD AND POOL OR WILDCAT  
Basin Fruitland Coal

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA  
SEC 06, T29N, R13W

12. COUNTY OR PARISH San Juan 13. STATE New Mexico

14. PERMIT NO. DATE ISSUED  
15. DATE SPUDDED 05-30-06 16. DATE T.D. REACHED 06-04-06 17. DATE COMPL. (Ready to prod.) 09-08-06 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\* 5502' GL, 5507' KB (5') 19. ELEV. CASINGHEAD 5502'

20. TOTAL DEPTH, MD & TVD 21. PLUG BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY 24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)\*

1445 MD 1445 TVD 1395 MD 1395 TVD D&D Rig # 1  
Fruitland Coal Formation: 1048' to 1203' - Total of 100 perforations

25. WAS DIRECTIONAL SURVEY MADE Yes  
26. TYPE ELECTRIC AND OTHER LOGS RUN Openhole: GR, Caliper, Compensated Density & Neutron, Cased Hole: GR-CCL 27. WAS WELL CORED Yes

23. CASING RECORD (Report all strings set in well)

| CASING SIZE/GRADE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | TOP OF CEMENT, CEMENTING RECORD | AMOUNT PULLED          |
|-------------------|-----------------|----------------|-----------|---------------------------------|------------------------|
| 8-5/8" K-55       | 24#             | 210'           | 12-1/4"   | 130 sxs (157 ft3) w/ 3%CaCl     | circ 47 sxs            |
| 5-1/2" K-55       | 15.5#           | 1434'          | 7-7/8"    | 125 sxs (258 ft3) lead          |                        |
|                   |                 |                |           | 125 sxs (166 ft3) tail          | circ 62 sxs or 23 bbls |

29. LINER RECORD 30. TUBING RECORD

| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | SIZE   | DEPTH SET (MD) | PACKER SET (MD) |
|------|----------|-------------|---------------|-------------|--------|----------------|-----------------|
|      |          |             |               |             | 2-3/8" | 1289'          | none            |

31. PERFORATION RECORD (Interval, size and number)

| INTERVAL             | SIZE  | NUMBER |
|----------------------|-------|--------|
| 1048' to 1050' (2')  | 0.34" | 8      |
| 1074' to 1080' (6')  | 0.34" | 24     |
| 1151' to 1154' (3')  | 0.34" | 12     |
| 1182' to 1192' (10') | 0.34" | 40     |
| 1199' to 1203' (4')  | 0.34" | 16     |

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED                             |
|---------------------|--|
| 1048' - 1203'       | 750 gals 7.5% HCl w/ balls                                   |
| 1048' - 1203'       | 139,840# 20/40 brady & 10,420# SLC<br>50,274 gals 20# XL gel |

33.\* PRODUCTION

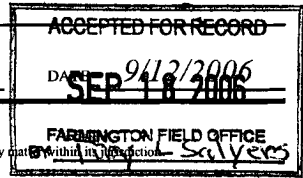
| DATE FIRST PRODUCTION | PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) | WELL STATUS (Producing or shut-in) |                         |           |             |                         |               |
|-----------------------|---|------------------------------------|-------------------------|-----------|-------------|-------------------------|---------------|
| 09-08-06              | Pumping Rod Pump - 2" x 1-1/2" x 12' RWAC                             | Shut-in                            |                         |           |             |                         |               |
| DATE OF TEST          | HOURS TESTED  | CHOKE SIZE                         | PROD'N. FOR TEST PERIOD | OIL--BBL. | GAS--MCF.   | WATER--BBL.             | GAS-OIL RATIO |
| 09-07-06              | 1   | 1/2"                               |                         | 0         | tstm        | 10                      | n/a           |
| FLOW. TUBING PRESS.   | CASING PRESSURE   | CALCULATED 24-HOUR RATE            | OIL--BBL.               | GAS--MCF. | WATER--BBL. | OIL GRAVITY-API (CORR.) |               |
| n/a                   | 130#  |                                    | 0                       | tstm      | 10          | n/a                     |               |

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Gas to be sold through EPFS Meter # to be issued TEST WITNESSED BY Glen O. Papp

35. LIST OF ATTACHMENTS  
Merge Log (Cased & Openhole) - Directional Surveys

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED [Signature] TITLE Engineering Manager



\*(See Instructions and Spaces for Additional Data on Reverse Side)

NMOCDC

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);

| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. | GEOLOGIC MARKERS   |             |                  |
|-----------|-----|--------|-----------------------------|--------------------|-------------|------------------|
|           |     |        |                             | NAME               | MEAS. DEPTH | TRUE VERT. DEPTH |
|           |     |        |                             | Log Tops:          |             |                  |
|           |     |        |                             | Fruitland Top      | 788'        | 788'             |
|           |     |        |                             | Fruitland Sand Top | 872'        | 872'             |
|           |     |        |                             | Basal Coal Top     | 1181'       | 1181'            |
|           |     |        |                             | PC Top             | 1204'       | 1204'            |
|           |     |        |                             | PC Base            | 1306'       | 1306'            |
|           |     |        |                             | TD:                | 1445'       | 1445'            |
|           |     |        | No Cores, Cuttings, or DSTs |                    |             |                  |

