

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.

NM-1696

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Boling-Federal #5

9. API Well No.

30-043-20092

10. Field and Pool, or Exploratory

Media Gallup Pool

11. County or Parish, State

Sandoval, New Mexico

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other

- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completion on Well Completion or recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including, estimated date of starting work.
If well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones of pertinent to this work.

Synergy Operating proposes to Plug & Abandon the subject well according to the attached procedure

*Add CH Plus @ 480'
Add Mancos Top of formation Plus 2180'
TALKed to Mark Young*

9-24-2002

14. I hereby certify that the foregoing is true and correct

Signed: *[Signature]*

Title: **Operations Manager**

Date: **7/31/2002**

This space for federal or state office use

Approved by: **/s/ Brian W. Davis**
Conditions of approval if any

Lands and Mineral Resources

Title: _____

Date: **AUG 29 2002**

1 & E

PLUG AND ABANDONMENT PROCEDURE

7/30/02

Boling Federal #5-22

Mancos SWD

400' FNL and 1980' FWL, Section 22, T19N, R3W
Sandoval County, New Mexico

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type II, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. Install and test rig anchors. Prepare blow pit. Comply with all NMOCD, BLM and Synergy safety rules and regulations. Conduct safety meeting for all personnel on location. MO and RU daylight pulling unit. NU relief line and blow well down; kill with water as necessary. ND wellhead and NU BOP and stripping head; test BOP.
2. PU on tubing and release packer. TOH and tally 90 joints 2-7/8" plastic lined tubing, total 2790', LD packer. If unable to release packer and the tubing does not leak, then pump plug #1 down the tubing to fill the perforations and then cut off the tubing. *Top 2180*
3. **Plug #1 (Mancos perforations and top, 2754' - 2630')**: TIH and set 7" CR at 2754'. Pressure test tubing to 1000#. Load casing with water and circulate clean. Pressure test casing to 500#. If casing does not test, spot or tag subsequent plug as appropriate. Mix 33 sxs cement and spot a balanced plug on top of retainer to isolate the Mancos perforations. TOH and LD tubing.
4. **Plug #2 (10-3/4" casing shoe, 291' - Surface)**: Perforate 3 HSC squeeze holes at 291'. Establish circulation down 7" casing and out the bradenhead valve. Mix and pump approximately 135 sxs cement down 7" casing to circulate good cement out bradenhead valve. Shut in well and WOC.
5. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

*Plug
Cliffhouse
@ 480'*

Boling Federal 5-22

Proposed P&A

Mancos SWD

API #30-043-20092

NW, Section 22, T-19-N, R-3-W, Sandoval County, NM

Today's Date: 7/30/02

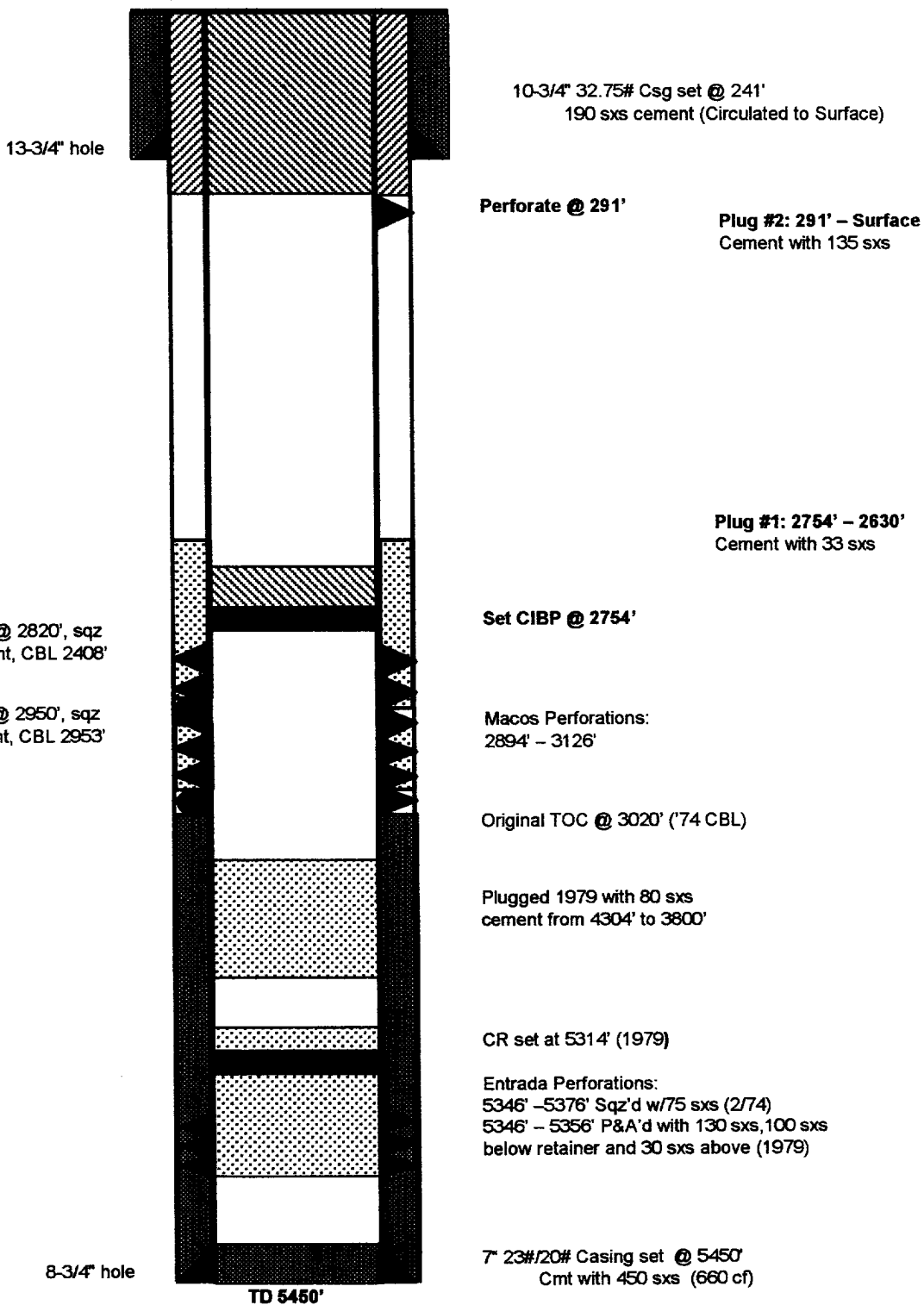
Spud: 4/14/72

Comp: 6/15/72

Elevation: 6896' (GL)

6910' (KB)

LaVentana @ Surface



10-3/4" 32.75# Csg set @ 241'
190 sxs cement (Circulated to Surface)

13-3/4" hole

Perforate @ 291'

Plug #2: 291' - Surface
Cement with 135 sxs

Plug #1: 2754' - 2630'
Cement with 33 sxs

Mancos @ 2680'

Perforate @ 2820', sqz
175 sxs cmt, CBL 2408'
(1/79)

Perforate @ 2950', sqz
175 sxs cmt, CBL 2953'
(1/79)

Set CIBP @ 2754'

Macos Perforations:
2894' - 3126'

Original TOC @ 3020' ('74 CBL)

Plugged 1979 with 80 sxs
cement from 4304' to 3800'

CR set at 5314' (1979)

Entrada Perforations:
5346' - 5376' Sqz'd w/75 sxs (2/74)
5346' - 5356' P&A'd with 130 sxs, 100 sxs
below retainer and 30 sxs above (1979)

7" 23#/20# Casing set @ 5450'
Cmt with 450 sxs (660 cf)

8-3/4" hole

TD 5450'

Dakota @ 4150'

Morrison @ 4260'

Entrada @ 5345'

Boling Federal 5-22

Current

Mancos SWD

API #30-043-20092

NW, Section 22, T-19-N, R-3-W, Sandoval County, NM

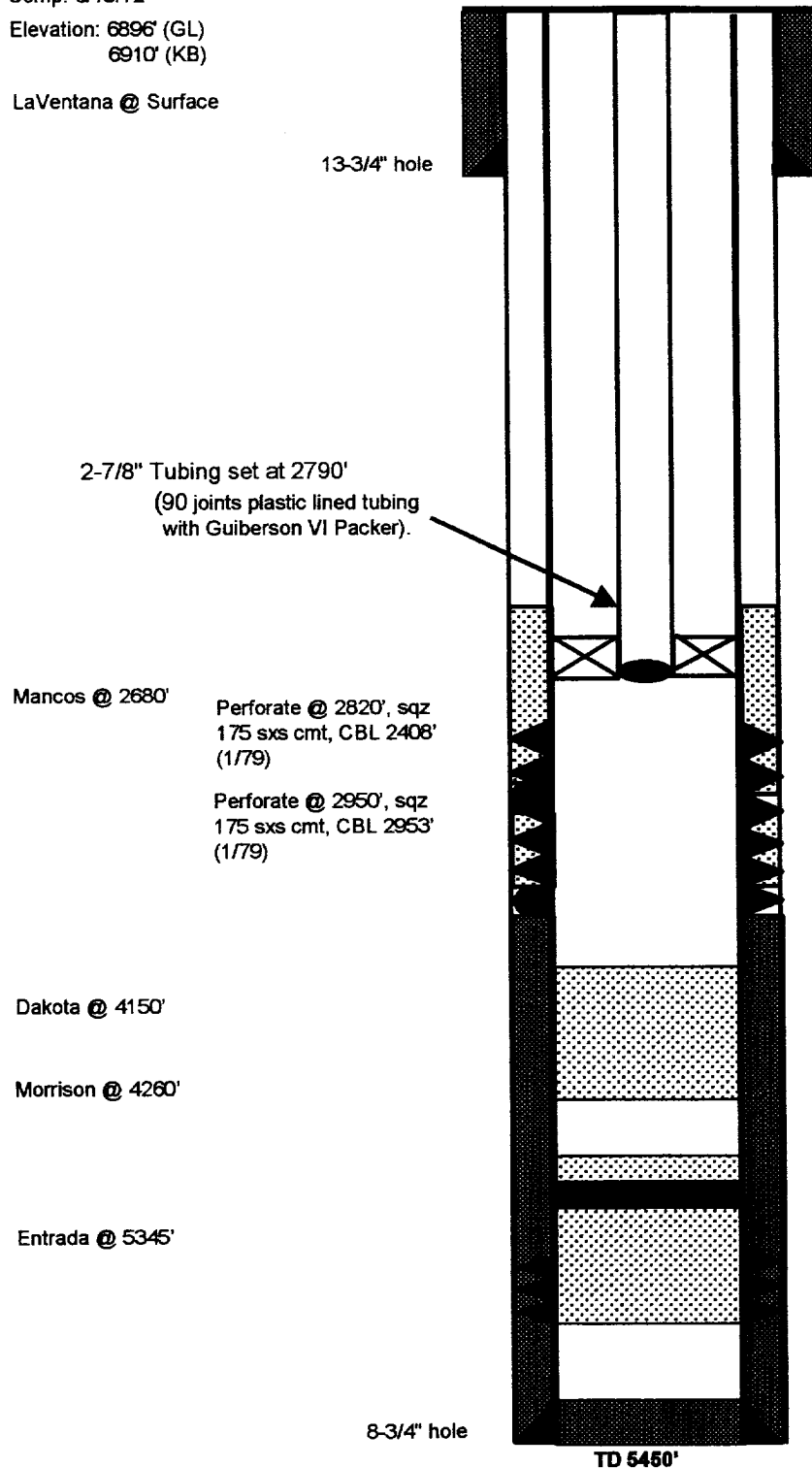
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Workover History

Feb '74: Cmt Sqz, Re-Perf, Re-Completion:

Tag bottom at 5310', ran 5-3/4" bit, washed out fill at 5360', drilled out to 5365', ran CBL, TOC 3020', sqz existing Entrada perms with 75 sxs cement, Re-perforated 5346' - 5356', swab dry, Pumped 100 bls saltwater into formation 3 bpm at 2500#, ran tubing with rods and pump.

Jan '79: Re-complete as SWD well. RIH with wireline TD check, 5347'. RIH with bit, CO to 5359'. Set Halliburton retainer at 5314', 100 sxs below and 30 sxs above to P&A Entrada perms. PUH to 4304' and spot 80 sxs cement from 4304' to 3800', Run CBL, TOC 3032', perf at 2950', squeeze with 175 sxs, DO to 2953', Run CBL, TOC 2953', perf at 2820', squeeze with 175 sxs, DO to 2822', CBL TOC at 2408, Perf Gallup zone 2894' to 3126', acidize, swabbed, land plastic coated tubing in Guiberson packer at 2790', load backside with corrosion inhibitor and bactericide.
Dec '95 & Jun '97: Well failed MIT, reference to possible casing leak.

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IN REPLY REFER TO
3162.3-1 (017)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT
Albuquerque Field Office
435 Montano N.E.
Albuquerque, New Mexico 87107

Company Synergy Operating LLC (formerly Marrion)

Well No. Boling-Federal No. 5-22

Location 400' FNL & 1980' FEL Sec.22, T19N, R3W, NMPM

Lease No. NMNM-1696

Government Contacts:

Bureau of Land Management , Albuquerque Field Office Office 505.761.8700
Manager: Steve Anderson, Assistant Field Manager 505.761.8982
Petroleum Engineer: Brian W. Davis 505.761.8756, Home 505.323-8698,
Pager 505.969-0146, Cell 505.249.7922.
Petroleum Engineering Technician: **Al Yepa 505.321-4426 and 505.289.3748**
BLM Geology / Environmental Contact: Patricia M. Hester 505.761.8786

GENERAL REQUIREMENTS
FOR
OIL AND GAS OPERATIONS ON FEDERAL AND INDIAN LEASES

1. Plugging operations authorized are subject to the "General Requirements for Permanent Abandonment of Wells on Federal and Indian Leases."
2. For wells on Indian leases, Bryce Hammond with the Jicarilla Nation Tribal Oil and Gas Office is to be notified at least 24 hours (48 hours if possible) before the plugging operations commence. His phone number is (505) 759-1823, x-31 office, (505) 320-9741 cell. Office hours are 7:45 a.m. to 4:30 p.m.
3. Blowout prevention equipment is required.
4. The sundry is approved with the following requirements:

Change surface plug to 200 sxs and move perms to 425'.

BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work should be submitted with a Sundry Notice. Questions? Call Pat Hester at (505) 761-8786.

1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location. Non-retrieved flowlines and pipelines will be abandoned in accordance with State Rule 714. Information supporting the non-retrieval will be included in the subsequent report or final abandonment Sundry Notice.

2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils can be remediated on-site according to these guidelines or disposed of in an approved facility.

3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped to a minimum of 12" in depth before reseeding.

4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to deter vehicle travel. Access will be ripped to a minimum of 12" in depth, water barred and reseeded. All erosion problems created by the development must be corrected prior to acceptance of release. Water bars should be spaced as shown below along the fall line of the slope:

% Slope	Spacing Interval
Less than 20%	200'
2 to 5 %	150'
6 to 9 %	100'
10 to 15 %	50'
Greater than 15%	30'

5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required). Seed mix must be certified weed free to avoid the introduction of noxious weeds. Refer to the original APD for seed mix.

6. Notify Surface Managing Agency seven (7) days prior to seeding so that they may be present to witness.

7. The period of liability under the bond of record will not be terminated until the well is inspected and the surface rehabilitation approved.

Other Surface Managing Agencies (SMA's) may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us. On private land, a letter from the fee owner stating that the surface restoration is satisfactory will be provided to the office. Questions? Call Pat Hester at (505) 761-8786.