

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 13694

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address SYNERGY OPERATING LLC PO Box 5513 Farmington, NM 87499		OGRID Number 163458
		API Number 30-045-33249
Property Code 34956	Property Name DUGAN 29-13-22	Well No. 109

Surface Location

UL or Lot M	Section 22	Township 29N	Range 13W	Lot Idn M	Feet From 830	N/S Line S	Feet From 790	E/W Line W	County San Juan
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Proposed Pools

BASIN FRUITLAND COAL (GAS) 71629
KUTZ PICTURED CLIFFS, WEST (GAS) 79680

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 5266
Multiple Y	Proposed Depth 1400	Formation Pictured Cliffs Formation	Contractor	Spud Date 10/01/2005

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	350	220	0
Prod	7.875	5.5	15.5	1400	250	0

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Glen Papp

Title: Operations Manager

Date: 07/20/2005

Phone: 505-325-5449

OIL CONSERVATION DIVISION

Electronically Approved By: Charlie Perrin

Title: District Supervisor

Approval Date: 07/25/2005

Expiration Date: 07/25/2006

Conditions of Approval:

There are conditions. See Attached.