

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
SYNERGY OPERATING, LLC FOR
COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO

Case No. 13,486

OBJECTION TO AMENDED APPLICATION FOR COMPULSORY POOLING

Edwin Smith ("Owner"), interest owner in the west half of Section 8, Township 29 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, (the "Property") states:

1. Owner owns a 0.46875 interest in mineral rights in the Property. Joseph C. Robbins and India Robbins own a 0.03125 interest in the mineral rights in the Property.
2. Owner presents the following documents with respect to the remaining one-half interest in the mineral rights in the Property:

Exhibit A. Warranty Deed conveying undivided one-half interest in the Property from Margaret Hasselman Jones, Julia Hasselman Keller, May Hasselman Kouns, and Jennie Hasselman Hill to Earl Kouns, on April 28, 1951.

Exhibit B. Warranty Deed conveying the same undivided one-half interest in the Property from Earl Kouns to Margaret Hasselman Jones, Julia Hasselman Keller, May Hasselman Kouns, and Jennie Hasselman Hill as joint tenants with a right of survivorship, on April 28, 1951.

Exhibit C. Court order confirming ownership of the same undivided one-half interest in the Property by Margaret Hasselman Jones, Julia Hasselman Keller, May Hasselman Kouns, and Jennie Hasselman Hill, dated August 19, 1958.

Exhibit D. Warranty Deed conveying the same undivided one-half interest in the Property to June Hill Walmsley from Jennie Hasselman Hill, as the surviving joint tenant of Margaret Hasselman Jones, Julia Hasselman Keller, May Hasselman Kouns, and Jennie Hasselman Hill, dated September 8, 1981.

3. The court order in Exhibit B, while silent as to the type of tenancy, did not effect a conveyance and did not change the fact that the owners owned the property in joint tenancy. Generally, once property has been conveyed by deed, the property must be "re-conveyed" before the law will recognize another person as having acquired title. *Gonzales v. Gonzales*, 166 N.M. 838, 845, 867 P.2d 1220, 1227 (1993).

4. These documents show that June Hill Walmsley was the sole owner of the remaining one-half interest in the Property from September 8, 1981, to the present.

5. Synergy Operating, LLC, bases its interest in the Property on the Assignments to Synergy Operating, LLC, attached as Exhibit E.

6. These Assignments purport to assign interests from the heirs of joint tenants May Hasselman Kouns and Julia Hasselman Keller in October and November of 2004.

7. Because May Hasselman Kouns and Julia Hasselman Keller owned their interests in the Property as joint tenants with Jennie Hasselman Hill and Margaret Hasselman Jones, the heirs of May Hasselman Kouns and Julia Hasselman Keller had no interest in this property following the deaths of May Hasselman Kouns and Julia Hasselman Keller.

8. May Hasselman Kouns and Julia Hasselman Keller had no ownership interest in the Property, other than that interest which they held in joint tenancy.

9. Therefore, there is doubt as to the validity of the assignments to Synergy Operating, LLC.

WHEREFORE, Owner requests the Oil Conservation Division enter an order to stay proceedings on Synergy Operating, LLC's amended application for compulsory pooling until a court of competent jurisdiction determines title to the Property.

Respectfully submitted,

SUTIN THAYER & BROWNE,
A Professional Corporation

By _____
Sarita Nair
Attorneys For Owner
Suite 1000
6565 Americas Parkway, N.E.
P. O. Box 1945
Albuquerque, New Mexico 87103
(505) 883-2500
(505) 888-6565 (FAX)

Exhibit A.

Warranty Deed conveying undivided one-half interest in the Property from Margaret Hasselman Jones, Julia Hasselman Keller, May Hasselman Kouns, and Jennie Hasselman Hill to Earl Kouns, on April 28, 1951.

Recorded at _____
Exception No. _____

108
159/108

THIS DEED; Made this 28th day of April in the year of our Lord
one thousand nine hundred and fifty-one
between Margaret Hasselman Jones
Julia Hasselman Keller, May Hasselman Kouns and Jennie Hasselman Hill,
of the City and County of Denver and State of Colorado, of the first part, and
Earl M. Kouns
of the City and County of Denver and State of Colorado, of the second part:

WITNESSETH, That the said part-ies of the first part, for and in consideration of the sum of
Ten dollars (\$10.00) other good and value consideration, ~~RECEIVED~~
to the said part-ies of the first part in hand paid by the said part y of the second part, the receipt
whereof is hereby confirmed and acknowledged, he vs grant, bargain, sold and conveyed, and by these
presents do grant, bargain, sell, convey and confirm, unto the said part y of the second part, his
heirs and assigns forever, all the following described lot S or parcel S of land, situate, lying and being
in the County of San Juan and State of New Mexico

An undivided one half interest in and to the Southwest
quarter of Section eight (8) in Township Twenty-nine (29) North
Range eleven (11) west N.M.P.M.

TOGETHER with all and singular the covenants and appurtenances thereto belonging, or in anywise
appertaining, and the reversions and reversions, remainders and remainders, rents, issues and profits thereof, and all
the estate, right, title, interest, claim and demand whatsoever of the said part-ies of the first part, either in law
or equity, of in and to the above bargained premises, with the hereditaments and appurtenances.
TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the
said part y of the second part, his heirs and assigns forever. And the said part-ies of the first part
for themselves their heirs, executors, and administrators, do covenant, grant, bargain,
and agree to and with the said part-ies of the second part, their heirs and assigns, that at the time of the
executing and delivery of these presents, are well seized of the premises above conveyed, as of good, sure,
perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and have good right, full power
and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same
are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments and encumbrances of
whatever kind or nature soever.

and the above bargained premises in the quiet and peaceable possession of the said part y of the second part,
his heirs and assigns against all and every person or persons lawfully claiming or to claim the whole
or any part thereof, the said part-ies of the first part shall and will WARRANT AND FOREVER DEFEND
IN WITNESS WHEREOF, the said part-ies of the first part have hereunto set their hand S
and seal S the day and year first above written.

Julia Hasselman Keller
May Hasselman Kouns
Jennie Hasselman Hill
Margaret Hasselman Jones
(SEAL) (SEAL) (SEAL) (SEAL)

STATE OF COLORADO
County of Denver
The foregoing instrument was acknowledged before me this
28th day of April 1951, by Margaret Hasselman Jones
My commission expires April 11

8th day of April 1951
Witness my hand and official seal
Margaret D. Lahey
Notary Public

109

WARRANTY DEED
HARRIS, HUSSELMAN, JONES, KELLER
HUSSELMAN, JONES, KELLER
JONES AND HUSSELMAN
HILL

STATE OF FLORIDA
COUNTY OF WELLS

The instrument on the reverse side hereof was acknowledged before me by Jennie Husselman Hill, the second affiant, this 21st day of May, A.D. 1951

Witness my hand and official seal
[Signature]
Notary Public

STATE OF COLORADO)
COUNTY OF PUEBLO) (SS

The foregoing instrument was acknowledged before me this 24th day of May, 1951, by Margaret Husselman Jones and Rudolf Husselman Keller

Witness my hand and official seal
My commission expires April 18, 1954

[Signature]
Notary Public

Exhibit B.

Warranty Deed conveying undivided one-half interest in the Property from Earl Kouns to Margaret Hasselman Jones, Julia Hasselman Keller, May Hasselman Kouns, and Jennie Hasselman Hill as joint tenants with a right of survivorship, on April 28, 1951.

This Deed, Made this 28th day of April in the year of our Lord one thousand nine hundred and fifty-one between Earl M. Kouns

of the City and County of Denver and State of Colorado, of the first part, and Margaret Hasselman Jones, Julia Hasselman Keller, May Hasselman Kouns and Jennie Hasselman Hill

of the City and County of Denver and State of Colorado, of the second part:

WITNESSETH, that the said part y of the first part, for and in consideration of the sum of Ten dollars (\$10.00) other good and value consideration

to the said part y of the first part in hand paid by the said parties of the second part, the receipt whereof is hereby confessed and acknowledged, he is granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell, convey and confirm unto the said parties of the second part, not in tenancy in common but in joint tenancy, the survivor of them, their assigns and the heirs and assigns of such survivor forever, all the following described lot, s or parcel s of land, situate, lying and being in the County of San Juan and State of New Mexico, to-wit:

An undivided one half interest in and to the Southwest quarter of Section eight (8) in Township Twenty-nine (29) North Range eleven (11) west N.M.P.M.

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever of the said part y of the first part, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the said parties of the second part, the survivor of them, their assigns, and the heirs and assigns of such survivor, forever. And the said part y of the first part for himself his heirs, executors, and administrators do covenant, grant, bargain and agree to and with the said parties of the second part, the survivor of them, their assigns and the heirs and assigns of such survivor, that at the time of the sealing and delivery of these presents is well seized of the premises above conveyed, as of good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and he is good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments and incumbrances of whatever kind or nature soever,

and the above bargained premises in the quiet and peaceable possession of the said parties of the second part, the survivor of them, their assigns and the heirs and assigns of such survivor, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the said part y of the first part shall and will WARRANT AND FOREVER DEFEND.

IN WITNESS WHEREOF the said part y of the first part has hereunto set his hand and seal the day and year first above written.

Signed, Sealed and Delivered in the Presence of
[Signature: Earl M. Kouns] [SEAL]
[SEAL]
[SEAL]

STATE OF COLORADO, City and County of Denver
The foregoing instrument was acknowledged before me this 28th day of April 1953 by Earl M. Kouns
my commission expires April 14, 1953. Witness my hand and official seal.
[Signature: Margaret D. Fisher] Notary Public

Notary Public, State of Colorado, My Commission Expires April 14, 1953. The Board of Equalization, P.O. Box 1000, Denver, Colo. 80202. If by natural person or persons here insert name or names; if by person acting in representative or official capacity or as attorney-in-fact insert name of person or persons, authority-in-fact or other capacity as described; if by officer or corporation then insert name of such officer or corporation and the president or other officer of such corporation, name of such corporation, and address.

No. _____

WARRANTY DEED

JONATHAN

PAUL M. KOWNS

30
Margaret Hasselblad Jones,
Julia Hasselblad Koller, by
Hasselblad Kow's and
Jens Hasselblad-1111

STATE OF MICHIGAN

County of Wayne

I hereby certify that this instrument was filed

for record in my office this _____ day of _____

_____ A. D. 1951

at _____ by _____ and duly recorded

in book _____ page _____

By _____

Handwritten notes:
Cass 1111
1099
1111

Exhibit C.

Court order confirming ownership of undivided one-half interest in the Property by Margaret Hasselman Jones, Julia Hasselman Keller, May Hasselman Kouns, and Jennie Hasselman Hill, dated August 19, 1958.

defaulted and have failed to appear or answer, and that the Clerk of this Court has issued a Certificate of Non-appearance against the defendants, and each of them.

IT IS, THEREFORE, ORDERED, ADJUDGED and DECREED by the Court that each and all of the defendants, except those defendants heretofore noted, and they hereby are jointly and severally in default, and that this cause proceed to be heard as against all of said defaulting defendants.

That the cause is to be heard by the Court, upon the affidavits filed by the plaintiffs, and upon the Motion of the plaintiffs for final judgment herein against all defendants, including those in default, and the plaintiffs being present and represented by their attorney, Clement Koogler, and each of the defaulting defendants as are now in the military service of the United States being present by their duly appointed and acting attorney, Laver Barnhart, and the defendants, George B. Robbins and J. R. Robbins, being present by their attorney, Haskell Roseborough, and the Court having fully considered the evidence heard, and having examined the files in the case, and being fully advised in the premises, FINDS AS FOLLOWS:

The Northwest Quarter (24) of Section 16 (S), Township Twenty-ninth (29) North of Range Eleven East, except as to the ownership of the defendants

George B. Robbins and J. R. Robbins, the allegations and each of them made in plaintiffs' Amended Complaint are true and correct and the persons named in said Amended Complaint as heirs of the deceased persons named therein are true, and it is determined that said heirs at law of said deceased persons are the sole and only heirs at law of said deceased persons, and are alleged to be their next of kin, and that plaintiffs have made diligent search and inquiry to ascertain the residences and whereabouts of each and all of the defaulting defendants as stated in plaintiffs' complaint, and that said defaulting defendants, and each of them, have been served with process in compliance with the rules of this Court and the statutes of the State of New Mexico, all as is more

particularly shown by the verified Amended Complaint, the proof of publication of summons and notice of suit pending, and the Clerk's Certificate of non-appearance, all of which are now on file in this cause, and that this Court has jurisdiction of the parties and of the subject matter of this suit and has the power to enter its Decree herein against each and all of the defendants.

George B. Robbins and J. R. Robbins

III.
shown above, plaintiffs are entitled to a decree quieting their title to the real estate hereinafter described, as against each of an undivided one-twentieth of the oil, gas and other minerals in and under and that may be produced from the following described lands, situated in San Juan County, New Mexico, being

four (4) mineral acres:
The Southwest Quarter (SW¹) of Section Eight (8), Township Twenty-nine (29) North of Range Eleven (11) West, N.M.P.M.

That the defendant, J. R. ROBBINS, is the owner of an undivided one-one hundred and sixtieth of the oil, gas and other minerals in and under and that may be produced from the following described lands, situated in San Juan County, New Mexico, being one (1) mineral acre:
The Southwest Quarter (SW¹) of Section Eight (8), Township Twenty-nine (29) North, Range Eleven (11) West, N.M.P.M.

That the defendant, J. R. ROBBINS, is the owner of an undivided one-one hundred and sixtieth of the oil, gas and other minerals in and under and that may be produced from the following described lands, being 75 mineral acres:
The Southwest Quarter (SW¹) of Section Eight (8), Township Twenty-nine (29) North of Range Eleven (11) West, N.M.P.M.

That all other persons and each of them make some claim adverse to the respective estates of the above-named defendants and the plaintiffs herein, but such claims are subject to and inferior to the estates of the plaintiffs and are without foundation; that such persons who are alleged to be deceased, and whose names here are made defendants, during their respective lifetimes made some claim adverse to the estate of the plaintiffs, but that said claims were and are subject to and inferior to the estates of the plaintiffs and were and are without foundation; that such corporations which are alleged to

be defunct, during the term of their operation made some claim adverse to the estates of the plaintiffs, but that said claims were and are subject to and inferior to the estates of plaintiffs and were and are without foundation.

And now the Court having made the above and foregoing findings of fact concludes as a matter of law that, excepting ~~the interest of the defendants~~ George B. Robbins and J. R. Robbins shown above, plaintiffs are entitled to a decree quieting their title to the real estate hereinafter described, as against each and all of the defendants to this cause, including those in military service, those appearing and those in default, and that judgment should be entered.

IT IS, THEREFORE, FURTHER ORDERED, ADJUDGED AND DECREED that the plaintiff, CLAUDE SMITH, is the owner in fee simple, free and clear of all liens and encumbrances, all of that certain land and real estate lying and situated in San Juan County, New Mexico, more particularly described as follows:

AN UNDIVIDED ONE-HALF OF SURFACE RIGHTS ONLY IN AND TO:

The Southwest Quarter (SW $\frac{1}{4}$) of Section Eight (8), Township Twenty-nine (29) North, Range Eleven (11) West, N.M.P.M.

AN UNDIVIDED SEVENTY-FIVE-ONE HUNDRED AND SIXTIETH (75/100) of the oil, gas and other minerals in and under and that may be produced from the following described lands, being 75 mineral acres:

The Southwest Quarter (SW $\frac{1}{4}$) of Section Eight (8), Township Twenty-nine (29) North, Range Eleven (11) West, N.M.P.M.

IT IS, THEREFORE, FURTHER ORDERED, ADJUDGED AND DECREED that the plaintiffs, MARGARET HASSELMAN JONES, JULIA HASSELMAN KELLER, JENNIE HASSELMAN HILL and MAY HASSELMAN KOUNS, as heirs at law of HERMAN HASSELMAN, deceased, are the owners in fee simple of the following described real property situated in San Juan County, New Mexico:

AN UNDIVIDED ONE-HALF OF:

The Southwest Quarter (SW $\frac{1}{4}$) of Section Eight (8), Township Twenty-nine (29) North, Range Eleven (11) West, N.M.P.M.

IT IS FURTHER ORDERED, ADJUDGED and DECREED that the title of plaintiffs in and to said described real estate, in their respective estates, be and the same is hereby quieted and set at rest against all claims and demands of said defendants, all and either of them, and said defendants, and each and all of them, and all persons claiming or to claim by, through, or under them, are hereby forever barred and estopped from having, claiming or setting up any lien upon, or right, title interest or demand in or to said real estate, or any part thereof, adverse to the title thereto now vested in the plaintiffs.

BY THE COURT.

C. C. McCallah
DISTRICT JUDGE

La. W. W. Brinkman
Attorney for Military Defendants

Marshall Brinkman
Attorney for George B. Robbins and
J. R. Robbins

STATE OF NEW MEXICO | ss.
COUNTY OF SAN JUAN |

I hereby certify that the above and foregoing *Judgment* is a true and perfect copy of the original on file in my said office.

Virginia A. Kittell
Clerk of District Court

Exhibit D.

Warranty Deed conveying undivided one-half interest in the Property to June Hill Walmsley from Jennie Hasselman Hill, as the surviving joint tenant of Margaret Hasselman Jones, Julia Hasselman Keller, May Hasselman Kouns, and Jennie Hasselman Hill, dated September 8, 1981.

WARRANTY DEED (Joint Tenants)

JENNIE HASSELMAN HILL, surviving joint tenant of MARGARET HASSELMAN JONES, JULIA HASSELMAN KELLER and MAY HASSELMAN KOUNS, all deceased, for consideration paid, grant

to JENNIE HASSELMAN HILL, as her sole and separate property.

whose address is Route 1 Box 31, Colbert, Washington 99005

and JUNE HILL WATMSLEY, a married woman as her sole and separate property

whose address is Route 1 Box 31, Colbert, Washington 99005.

as joint tenants the following described real estate in San Juan County, New Mexico

An undivided one half interest in and to the Southwest Quarter of Section Eight (8) in Township Twenty-Nine (29) North, Range Eleven (11) West, N.M.P.M.

with extrinsic covenants. WITNESS My hand and seal this 23rd day of September, 1981.

(Seal) Jennie Hasseلمان Hill (Seal) JENNIE HASSELMAN HILL, surviving joint tenant of MARGARET HASSELMAN JONES, JULIA HASSELMAN KELLER and MAY HASSELMAN KOUNS, all deceased (Seal)

ACKNOWLEDGMENT FOR NATURAL PERSONS

STATE OF NEW MEXICO WASHINGTON

COUNTY OF Spokana

The foregoing instrument was acknowledged before me this 23rd day of September, 1981.

by JENNIE HASSELMAN HILL, surviving joint tenant of MARGARET HASSELMAN JONES, JULIA HASSELMAN KELLER and MAY HASSELMAN KOUNS, all deceased

My commission expires: (Seal) Henry Public



ACKNOWLEDGMENT FOR CORPORATION

STATE OF NEW MEXICO

COUNTY OF

The foregoing instrument was acknowledged

by _____ of _____

(Name of Officer)

of _____ (State of Corporation Incorporation)

incorporation, on behalf of said

My commission expires: Henry Public

FOR RECORDER'S USE ONLY FILED OR RECORDED BOOK 221 PAGE 199 SAN JUAN COUNTY, NEW MEXICO SEPT. 16, 1981 AT 10:50 O'CLOCK COUNTY CLERK DEPUTY 8.7.103291



Exhibit E.

Assignments to Synergy Operating, LLC, dated October and November, 2004.

ASSIGNMENT OF ALL RIGHT, TITLE AND INTEREST
SURFACE TO BASE OF PICTURED CLIFFS

Jodie Yates, dealing with her sole and separate property and successor in interest to May H. Kouns, also known as May Hasselman Kouns, hereinafter called "Seller", for and in consideration of the sum of One Hundred Dollars (\$100.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby assign, transfer, sell and convey unto Synergy Operating, LLC, hereinafter called "Buyer", all of Seller's right title and interest in and to the Claude Smith #1 well and the associated minerals in the southwest quarter of section 8, Township 29 North, Range 11 West, San Juan County, New Mexico, restricted to those formations from the surface of the earth down to one hundred feet below the stratigraphic equivalent of the Pictured Cliffs formation, underlying the above described lands, together with all of Seller's rights incident thereto, effective October 1, 2004.

Seller warrants that Seller is the lawful owner of and has good title to the interest herein assigned. Seller guarantee Buyer that Seller has not borrowed money using the Claude Smith #1 well as collateral and that this well and the described minerals are free and clear of all liens, mortgages and any other burdens.

Buyer agrees to assume the plugging and restoration liabilities of the Claude Smith #1 well at the point in time this well is abandoned

Seller hereby agrees to execute any additional paperwork that may be required, in the future, to effectuate the transfer of the interests covered by this Assignment. The terms and provisions of this Assignment shall be considered to be covenants running with the land and shall bind and inure to the benefit of the Seller and Buyer, their respective heirs, successors, representatives or assigns.

THE TERMS AND PROVISIONS of this Assignment are considered to be covenants running with the land and shall bind and inure to the benefit of the Seller and Buyer, their respective heirs, successors, representatives or assigns.

EXECUTED this 4th day of Nov, 2004.

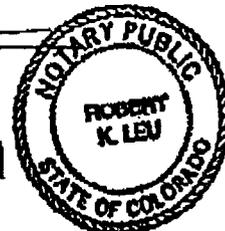
SELLER: Jodie Yates
Jodie Yates,
Dealing with her sole and separate property.

STATE OF Colorado)
COUNTY OF Montrose)

The foregoing instrument was acknowledged before me this 4th day of November, 2004, by Jodie Yates, who executed the foregoing instrument as a free and voluntary act and deed for the uses and purposes therein set forth.

My commission expires: 3-9-2006

[Signature]
Notary Public



ORIGINAL

SIGN & RETURN
THIS COPY

ASSIGNMENT OF ALL RIGHT, TITLE AND INTEREST
SURFACE TO BASE OF PICTURED CLIFFS

Robert E. Kouns, dealing with his sole and separate property and successor in interest to May H. Kouns, also known as May Hasselman Kouns, hereinafter called "Seller", for and in consideration of the sum of One Hundred Dollars (\$100.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby assign, transfer, sell and convey unto Synergy Operating, LLC, hereinafter called "Buyer", all of Seller's right title and interest in and to the Claude Smith #1 well and the associated minerals in the southwest quarter of section 8, Township 29 North, Range 11 West, San Juan County, New Mexico, restricted to those formations from the surface of the earth down to one hundred feet below the stratigraphic equivalent of the Pictured Cliffs formation, underlying the above described lands, together with all of Seller's rights incident thereto, effective October 1, 2004.

Seller warrants that Seller is the lawful owner of and has good title to the interest herein assigned. Seller guarantee Buyer that Seller has not borrowed money using the Claude Smith #1 well as collateral and that this well and the described minerals are free and clear of all liens, mortgages and any other burdens.

Buyer agrees to assume the plugging and restoration liabilities of the Claude Smith #1 well at the point in time this well is abandoned

Seller hereby agrees to execute any additional paperwork that may be required, in the future, to effectuate the transfer of the interests covered by this Assignment. The terms and provisions of this Assignment shall be considered to be covenants running with the land and shall bind and inure to the benefit of the Seller and Buyer, their respective heirs, successors, representatives or assigns.

THE TERMS AND PROVISIONS of this Assignment are considered to be covenants running with the land and shall bind and inure to the benefit of the Seller and Buyer, their respective heirs, successors, representatives or assigns.

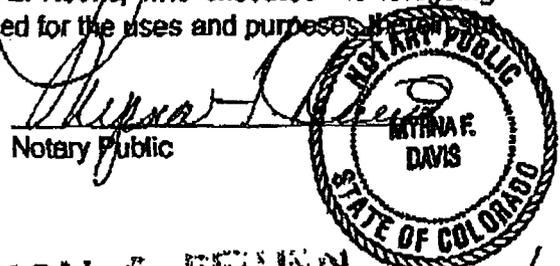
EXECUTED this 29th day of OCTOBER, 2004.

SELLER [Signature]
Robert E. Kouns
Dealing with his sole and separate property.

STATE OF Colorado
COUNTY OF La Plata

The foregoing instrument was acknowledged before me this 29th day of October, 2004, by Robert E. Kouns, who executed the foregoing instrument as a free and voluntary act and deed for the uses and purposes therein set forth.

My commission expires: 5/19/2005



ORIGINAL

SIGN & RETURN
THIS COPY
My Commission Expires 5/19/05

ASSIGNMENT OF ALL RIGHT, TITLE AND INTEREST
SURFACE TO BASE OF PICTURED CLIFFS

Charla Varner, dealing with her sole and separate property and successor in interest to May H. Kouns, also known as May Hasselman Kouns, hereinafter called "Seller", for and in consideration of the sum of One Hundred Dollars (\$100.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby assign, transfer, sell and convey unto Synergy Operating, LLC, hereinafter called "Buyer", all of Seller's right title and interest in and to the Claude Smith #1 well and the associated minerals in the southwest quarter of section 8, Township 29 North, Range 11 West, San Juan County, New Mexico, restricted to those formations from the surface of the earth down to one hundred feet below the stratigraphic equivalent of the Pictured Cliffs formation, underlying the above described lands, together with all of Seller's rights incident thereto, effective October 1, 2004.

Seller warrants that Seller is the lawful owner of and has good title to the interest herein assigned. Seller guarantees Buyer that Seller has not borrowed money using the Claude Smith #1 well as collateral and that this well and the described minerals are free and clear of all liens, mortgages and any other burdens.

Buyer agrees to assume the plugging and restoration liabilities of the Claude Smith #1 well at the point in time this well is abandoned

Seller hereby agrees to execute any additional paperwork that may be required, in the future, to effectuate the transfer of the interests covered by this Assignment. The terms and provisions of this Assignment shall be considered to be covenants running with the land and shall bind and inure to the benefit of the Seller and Buyer, their respective heirs, successors, representatives or assigns.

THE TERMS AND PROVISIONS of this Assignment are considered to be covenants running with the land and shall bind and inure to the benefit of the Seller and Buyer, their respective heirs, successors, representatives or assigns.

EXECUTED this 1st day of November 2004.

SELLER: Charla Varner
Charla Varner,
Dealing with her sole and separate property.

STATE OF Colorado

COUNTY OF Larimer

The foregoing instrument was acknowledged before me this 1st day of November, 2004, by Charla Varner, who executed the foregoing instrument as a free and voluntary act and deed for the uses and purposes therein set forth.

My commission expires: 9/22/08

Teri Asmusen
Notary Public

Page 1 of 1

ORIGINAL

SIGN & RETURN
THIS COPY



ASSIGNMENT OF ALL RIGHT, TITLE AND INTEREST
SURFACE TO BASE OF PICTURED CLIFFS

Margaret K. Dunn, successor in interest to Julia H. Keller, hereinafter called "Seller", for and in consideration of the sum of One Hundred Dollars (\$100.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby assign, transfer, sell and convey unto Synergy Operating, LLC, hereinafter called "Buyer", all of Seller's right title and interest in and to the Claude Smith #1 well and the associated minerals in the southwest quarter of section 8, Township 29 North, Range 11 West, San Juan County, New Mexico, restricted to those formations from the surface of the earth down to one hundred feet below the stratigraphic equivalent of the Pictured Cliffs formation, underlying the above described lands, together with all of Seller's rights incident thereto, effective October 1, 2004.

Seller warrants that Seller is the lawful owner of and has good title to the interest herein assigned. Seller guarantee Buyer that Seller has not borrowed money using the Claude Smith #1 well as collateral and that this well and the described minerals are free and clear of all liens, mortgages and any other burdens.

Buyer agrees to assume the plugging and restoration liabilities of the Claude Smith #1 well at the point in time this well is abandoned.

Seller hereby agrees to execute any additional paperwork that may be required, in the future, to effectuate the transfer of the interests covered by this Assignment. The terms and provisions of this Assignment shall be considered to be covenants running with the land and shall bind and inure to the benefit of the Seller and Buyer, their respective heirs, successors, representatives or assigns.

THE TERMS AND PROVISIONS of this Assignment are considered to be covenants running with the land and shall bind and inure to the benefit of the Seller and Buyer, their respective heirs, successors, representatives or assigns.

EXECUTED this 3rd day of November, 2004.

SELLER:

Margaret K. Dunn
Margaret K. Dunn
Dealing with her sole and separate property.

200420375 11/16/2004 03:06P
1 of 1 B1399 P272 R 9.00 D 0.00
San Juan County, NM Clerk FRANK HANFORDT

STATE OF Colorado

COUNTY OF Fremont

The foregoing instrument was acknowledged before me this 2nd day of November, 2004, by Margaret K. Dunn, who executed the foregoing instrument as a free and voluntary act and deed for the uses and purposes therein set forth.

My commission expires: 10-11-06

Julia Pech
Notary Public



Page 1 of 1



ORIGINAL SIGN & RETURN THIS COPY

ASSIGNMENT OF ALL RIGHT, TITLE AND INTEREST
SURFACE TO BASE OF PICTURED CLIFFS

Kimberly Brautigam, dealing with her sole and separate property and successor in interest to May H. Kouns, also known as May Hasselman Kouns, hereinafter called "Seller", for and in consideration of the sum of One Hundred Dollars (\$100.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby assign, transfer, sell and convey unto Synergy Operating, LLC, hereinafter called "Buyer", all of Seller's right title and interest in and to the Claude Smith #1 well and the associated minerals in the southwest quarter of section 8, Township 29 North, Range 11 West, San Juan County, New Mexico, restricted to those formations from the surface of the earth down to one hundred feet below the stratigraphic equivalent of the Pictured Cliffs formation, underlying the above described lands, together with all of Seller's rights incident thereto, effective 10/1/2004.

Seller warrants that Seller is the lawful owner of and has good title to the interest herein assigned. Seller guarantee Buyer that Seller has not borrowed money using the Claude Smith #1 well as collateral and that this well and the described minerals are free and clear of all liens, mortgages and any other burdens.

Buyer agrees to assume the plugging and restoration liabilities of the Claude Smith #1 well at the point in time this well is abandoned

Seller hereby agrees to execute any additional paperwork that may be required, in the future, to effectuate the transfer of the interests covered by this Assignment. The terms and provisions of this Assignment shall be considered to be covenants running with the land and shall bind and inure to the benefit of the Seller and Buyer, their respective heirs, successors, representatives or assigns.

THE TERMS AND PROVISIONS of this Assignment are considered to be covenants running with the land and shall bind and inure to the benefit of the Seller and Buyer, their respective heirs, successors, representatives or assigns.

EXECUTED this 28 day of October, 2004.

SELLER: Kimberly Brautigam
Kimberly Brautigam
Dealing with her sole and separate property.



STATE OF WA
COUNTY OF King

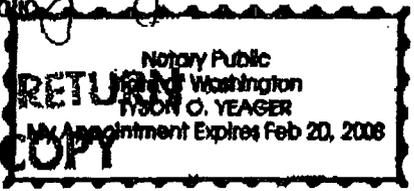
The foregoing instrument was acknowledged before me this 28th day of October, 2004, by Kimberly Brautigam, who executed the foregoing instrument as a free and voluntary act and deed for the uses and purposes therein set forth.

My commission expires: 02/20/2006 Tyson Yeager
Notary Public

Page 1 of 1

ORIGINAL

SIGN & RETURN
THIS COPY



ASSIGNMENT OF ALL RIGHT, TITLE AND INTEREST
SURFACE TO BASE OF PICTURED CLIFFS

Annemarie Keller, successor in interest to Julia H. Keller, hereinafter called "Seller", for and in consideration of the sum of One Hundred Dollars (\$100.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby assign, transfer, sell and convey unto Synergy Operating, LLC, hereinafter called "Buyer", all of Seller's right title and interest in and to the Claude Smith #1 well and the associated minerals in the southwest quarter of section 8, Township 29 North, Range 11 West, San Juan County, New Mexico, restricted to those formations from the surface of the earth down to one hundred feet below the stratigraphic equivalent of the Pictured Cliffs formation, underlying the above described lands, together with all of Seller's rights incident thereto, effective October 1, 2004.

Seller warrants that Seller is the lawful owner of and has good title to the interest herein assigned. Seller guarantee Buyer that Seller has not borrowed money using the Claude Smith #1 well as collateral and that this well and the described minerals are free and clear of all liens, mortgages and any other burdens.

Buyer agrees to assume the plugging and restoration liabilities of the Claude Smith #1 well at the point in time this well is abandoned

Seller hereby agrees to execute any additional paperwork that may be required, in the future, to effectuate the transfer of the interests covered by this Assignment. The terms and provisions of this Assignment shall be considered to be covenants running with the land and shall bind and inure to the benefit of the Seller and Buyer, their respective heirs, successors, representatives or assigns.

THE TERMS AND PROVISIONS of this Assignment are considered to be covenants running with the land and shall bind and inure to the benefit of the Seller and Buyer, their respective heirs, successors, representatives or assigns.

EXECUTED this 29th day of October, 2004.

SELLER

Annemarie Keller

Annemarie Keller
Dealing with her sole and separate property.

STATE OF Colorado)

COUNTY OF Pueblo) §

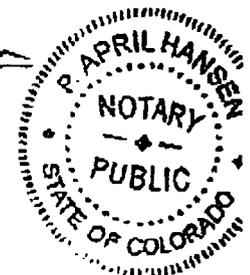


200420372 11/16/2004 03:06P
1 of 1 B1399 P269 R 9.00 D 0.00
San Juan County, NM Clerk FRANK HANBERDT

The foregoing instrument was acknowledged before me this 29th day of October, 2004, by Annemarie Keller, who executed the foregoing instrument as a free and voluntary act and deed for the uses and purposes therein set forth.

My commission expires: June 27, 2005

P. April Hansen
Notary Public



ORIGINAL

SIGN & RETURN
THIS COPY