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November 28, 2006

Mark E. Fesmire, P.E. Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Order No. R-12451/Case Nos. 13,537 (Lance Oil & Gas Company, Inc.) and 13,539 (Synergy Operating, LLC)/W½ \$22-29N-13W

Dear Mr. Fesmire:

I have received Mr. Kellahin's response to my letter of October 25, 2006. Synergy simply requested that no further well commencement extensions be granted to Lance. Paragraphs 7 and 8 of Mr. Kellahin' letter, regarding commencement of the wells, address most of Synergy's concerns. The rest of the statements in Mr. Kellahin's letter are irrelevant or misleading.

Very truly yours,

cc:

Attorney for Synergy Operating, LLC

W. Thomas Kellahin

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Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505