

ABOVE THIS LINE FOR DIVISION USE ONLY

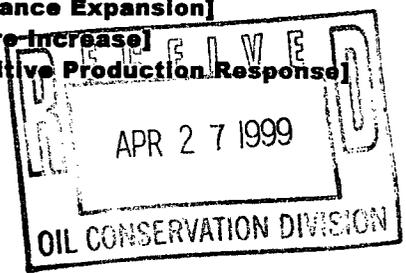
NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVER SHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]



[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
- NSL  NSP  DD  SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
- DHC  CTB  PLC  PC  OLS  OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- WFX  PMX  SWD  IPI  EOR  PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

BRIAN WOOD Brian Wood Consultant 4-26-99  
 Print or Type Name Signature Title Date

# **PERMITS WEST**, INC.

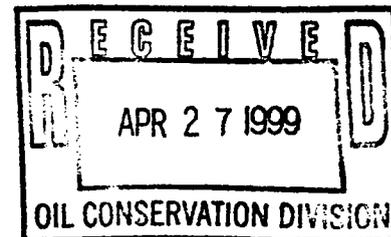
PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87505

(505) 466-8120

April 27, 1999

Mike Stogner  
NM Oil Conservation Div.  
2040 South Pacheco  
Santa Fe, NM 87505



Dear Mike,

Enclosed are two copies each of Non-Standard Location applications for Synergy Operating, LLC as agent for Rutter and Wilbanks Corporation's Fajada Wash 7 #1 and #2 wells.

Both are wildcat Entrada wells. Locations were picked from 3-D seismic. Seismic plan views are enclosed, which we ask be kept CONFIDENTIAL.

First priority is the #1 well. Synergy would like to spud June 1, 1999.

Please call me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Brian Wood".

Brian Wood

cc (w/ encl.): Aztec OCD

# **PERMITS WEST**, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87505

(505) 466-8120

REQUEST FOR ADMINISTRATIVE APPROVAL FOR NON-STANDARD LOCATION  
FOR SYNERGY OPERATING, LLC AS AGENT FOR  
RUTTER AND WILBANKS CORPORATION'S FAJADA WASH 7 #1 OIL WELL  
2110' FNL & 1630' FEL SEC. 7, T. 20 N., R. 10 W., MCKINLEY COUNTY, NM

I. The well is on Navajo Tribal fee surface and a private oil and gas lease. The proposed location is non-standard (310' from the east quarter-quarter line instead of the standard minimum 330'). The APD is attached.

II. A C-102 showing the well location and proration unit (SWNE of Sec. 7 which totals 40.00 acres) and lease (all of Sec. 7 which totals 638.28 ac. and is part of a several thousand acre lease including as a minimum all of 7-20n-10w) is attached. A General Land Office survey plat is also attached which shows Section 7.

III. According to NM Oil Conservation Records, there is no production of any kind within a mile radius. A copy of the Seven Lakes NW 7.5' USGS map is attached showing the proposed well (rectangle), spacing units (thin solid lines), and lease (thick solid line). There is only one lease within a minimum 1,630' radius. Rutter and Wilbanks is the operator of all oil and gas interests in its private lease. The closest non-Rutter and Wilbanks lease (2,110' north) is unleased Navajo Tribal oil and gas minerals in 6-20n-10w. A registered letter was sent on April 25 to the Navajo Nation Minerals Dept. A copy of the receipt and letter will be provided.

IV. A copy of the Seven Lakes NW 7.5' USGS map is attached. The proposed well is marked by a rectangle. Proration units (quarter-quarters) are marked by thin lines.

V. Rutter and Wilbanks selected its location based on a 1998 3-D seismic survey with lines. A standard drilling window does not overlap the top of the indicated reservoir (see attached CONFIDENTIAL Entrada structure map from the seismic survey).

VI. No archaeology sites were found.

VII. Surface conditions are not an issue.



District I  
 PO Box 4980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-102  
 Revised February 21, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name <b>WILDCAT - ENTRADA</b>	
4 Property Code		5 Property Name <b>Fajada Wash</b>			6 Well Number <b>7-1</b>
7 OGRID No.		8 Operator Name <b>SYNERGY OPERATING, LLC</b>			9 Elevation <b>6266</b>

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	7	20 N	10 W		2110	North	1630	East	McKinley

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

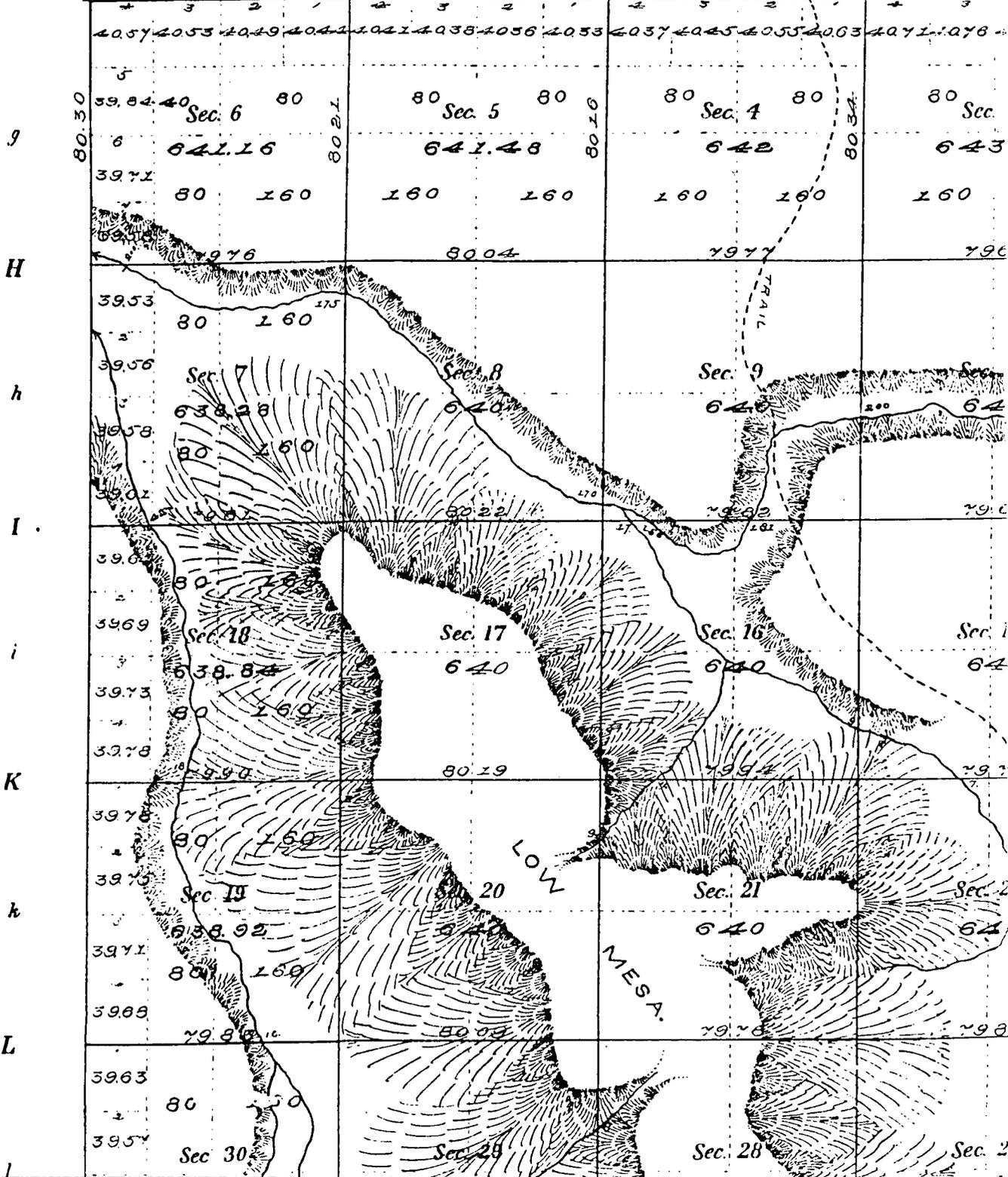
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

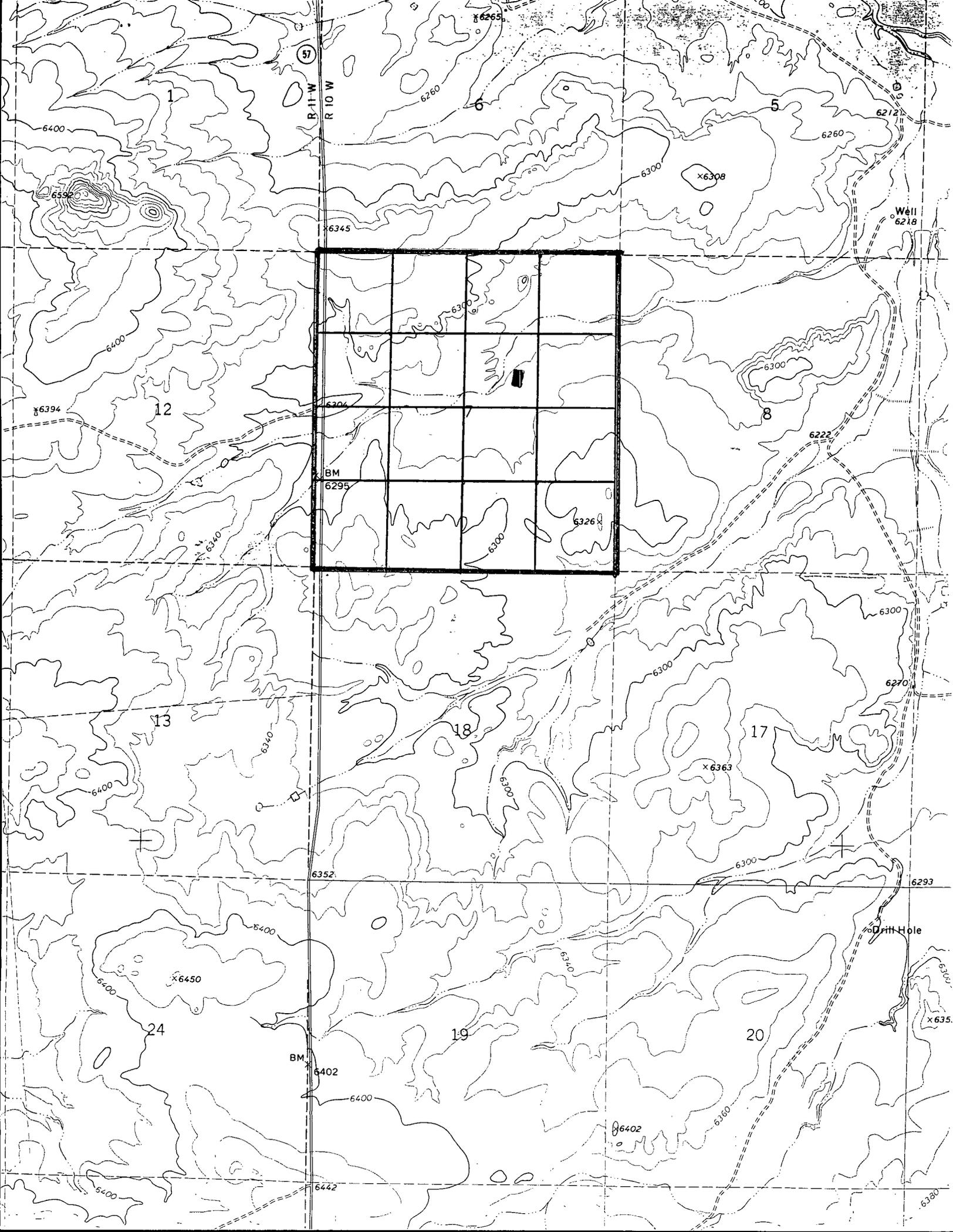
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

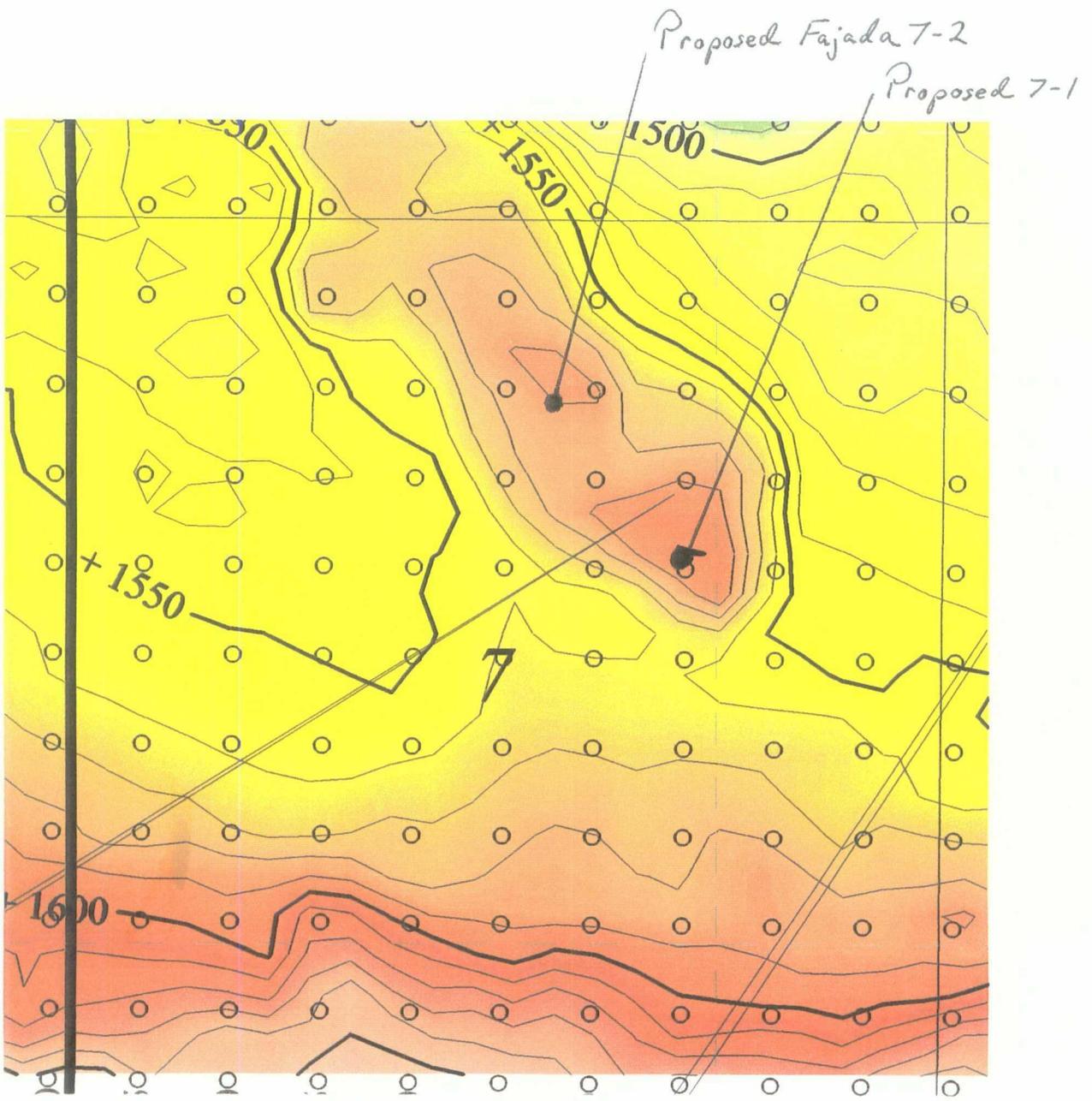
16		17 OPERATOR CERTIFICATION
		<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p><i>Brian Wood</i>          Signature <b>BRIAN WOOD</b>          Printed Name <b>CONSULTANT</b>          Title <b>MARCH 6, 1999</b>          Date</p>
		18 SURVEYOR CERTIFICATION
		<p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>10/7/98          Date of Survey  <i>Gerald G. Huddleston</i>          Signature and Seal of Registered Surveyor            Certificate Number</p>

TOWNSHIP N<sup>o</sup> 20 NORTH RANGE N<sup>o</sup> 10 W

G F E D  
 T. 21. N. R. 10. W  
 Sec. 31. Sec. 32. Sec. 33. Sec.  
 2.28 Ch. E. 2.30 Ch. E. FIFTH 2.35 Ch. E. CORRECTION 2.11 Ch. E. L







Structure Map on Entrada Sandstone

PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Aztec, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

**OIL CONSERVATION DIVISION**  
 2040 South Pacheco  
 Santa Fe, NM 87505

Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 6 Copies  
 Fee Lease - 5 Copies

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

Operator Name and Address. Synergy Operating, LLC* P. O. Box 1317, Aztec, NM 87410		(505) 325-5449	OGRID Number
			API Number 30 - 0
Property Code	Property Name Fajada Wash 7		Well No. #1

Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	7	20n	10w		2110	North	1630	East	McKnlly.

Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Proposed Pool 1 Wildcat (Entrada)	Proposed Pool 2
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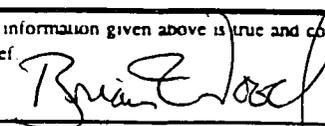
Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 6266'
Multiple No	Proposed Depth 5,200'	Formation Entrada	Contractor	Spud Date 6-1-99

Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	9-5/8"	36	250'	200 sx	Surface
8-3/4"	7"	23&26	5,200'	785 sx	Surface

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Will use 3000# BOP, run logs, test, and complete.

\*Synergy Operating, LLC as agent for Rutter and Wilbanks Corporation

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 		<b>OIL CONSERVATION DIVISION</b>	
Printed name Brian Wood		Approved by:	
Title Consultant		Title:	
Date April 21, 1999		Approval Date:	Expiration Date:
Phone (505) 466-8120		Conditions of Approval Attached <input type="checkbox"/>	

District I  
 PO Box 4980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
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 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

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 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-102  
 Revised February 21, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name <b>WILDCAT - ENTRADA</b>	
4 Property Code		5 Property Name <b>Fajada Wash</b>			6 Well Number <b>7-1</b>
7 OGRID No.		8 Operator Name <b>SYNERGY OPERATING, LLC</b>			9 Elevation <b>6266</b>

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	7	20 N	10 W		2110	North	1630	East	McKinley

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16		17 OPERATOR CERTIFICATION
		<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p><i>Brian Wood</i>          Signature <b>BRIAN WOOD</b>          Printed Name  <b>CONSULTANT</b>          Title  <b>MARCH 6, 1999</b>          Date</p>
		18 SURVEYOR CERTIFICATION
		<p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>107/28          Date of Survey  <i>Gerold G. Huddleston</i>          Signature and Seal of Professional Surveyor            Certificate Number</p>

# PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87505

(505) 466-8120

April 25, 1999

Akhtar Zaman  
Minerals Dept.  
P.O. Box 1910  
Window Rock, Az. 86515

Dear Akhtar,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Rutter and Wilbanks Corporation is applying to drill the Fajada Wash 7 #1 oil well. The wellbore is 310' from the closest quarter-quarter line. This is less than the state minimum 330' from a quarter-quarter line. It is 2,110' from the closest lease line.

Well Name: Fajada Wash 7 #1

Proposed Producing Zone: Entrada

Location: 2110' FNL & 1630' FEL Sec. 7, T. 20 N., R. 10 W.,  
McKinley County, NM on a private lease

Approximate Locations: ≈16 air miles west of Pueblo Pintado, NM

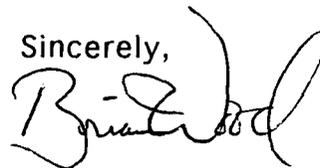
Applicant Name: Rutter & Wilbanks Corporation (915) 683-1824

Applicant's Address: P.O. Box 3186, Midland, Tx. 79702

Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 2040 S. Pacheco, Santa Fe, NM 87504. Their phone number is (505) 827-7131.

Please call me if you have any questions.

Sincerely,



Brian Wood

Is your RETURN ADDRESS completed on the reverse side?	<b>SENDER:</b> <ul style="list-style-type: none"><li>Complete items 1 and/or 2 for additional services.</li><li>Complete items 3, 4a, and 4b.</li><li>Print your name and address on the reverse of this form so that we can return this card to you.</li><li>Attach this form to the front of the mailpiece, or on the back if space does not permit.</li><li>Write "Return Receipt Requested" on the mailpiece below the article number.</li><li>The Return Receipt will show to whom the article was delivered and the date delivered.</li></ul>	I also wish to receive the following services (for an extra fee): <ul style="list-style-type: none"><li><input type="checkbox"/> Addressee's Address</li><li><input type="checkbox"/> Restricted Delivery</li></ul> Consult postmaster for fee.	
	3. Article Addressed to: Akhtar Zaman Minerals Dept. PO Bx 1910 Window Rock, Az	4a. Article Number	4b. Service Type <ul style="list-style-type: none"><li><input type="checkbox"/> Registered <input type="checkbox"/> Certified</li><li><input type="checkbox"/> Express Mail <input type="checkbox"/> Insured</li><li><input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD</li></ul>
5. Received By: (Print Name) Melissa Burnside	6. Signature: (Addressee or Agent) X Melissa Burnside	7. Date of Delivery	8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVER SHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

**Application Acronyms:**

- [NSP-Non-Standard Proration Unit]     [NSL-Non-Standard Location]  
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 [SWD-Salt Water Disposal]     [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification]     [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling  
 NSL     NSP     DD     SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement  
 DHC     CTB     PLC     PC     OLS     OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply**

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
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U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
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[3] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

BRIAN WOOD                      Brian Wood                      Consultant                      4-26-99  
 Print or Type Name                      Signature                      Title                      Date

REQUEST FOR ADMINISTRATIVE APPROVAL FOR NON-STANDARD LOCATION  
FOR SYNERGY OPERATING, LLC AS AGENT FOR  
RUTTER AND WILBANKS CORPORATION'S FAJADA WASH 7 #1 OIL WELL  
2110' FNL & 1630' FEL SEC. 7, T. 20 N., R. 10 W., MCKINLEY COUNTY, NM

- I. The well is on Navajo Tribal fee surface and a private oil and gas lease. The proposed location is non-standard (310' from the east quarter-quarter line instead of the standard minimum 330'). The APD is attached.
- II. A C-102 showing the well location and proration unit (SWNE of Sec. 7 which totals 40.00 acres) and lease (all of Sec. 7 which totals 638.28 ac. and is part of a several thousand acre lease including as a minimum all of 7-20n-10w) is attached. A General Land Office survey plat is also attached which shows Section 7.
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- V. Rutter and Wilbanks selected its location based on a 1998 3-D seismic survey with lines. A standard drilling window does not overlap the top of the indicated reservoir (see attached CONFIDENTIAL Entrada structure map from the seismic survey).
- VI. No archaeology sites were found.
- VII. Surface conditions are not an issue.

VIII. Directional drilling is not feasible because it is not cost effective for this wildcat well at current low oil prices.

IX. I hereby certify that notice has been sent to the following lessees, lessors, surface management owners/agencies, operators of spacing units, or owners of undrilled leases which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct:

Navajo Nation Minerals Dept.

Brian Wood, Consultant, 4-26-99

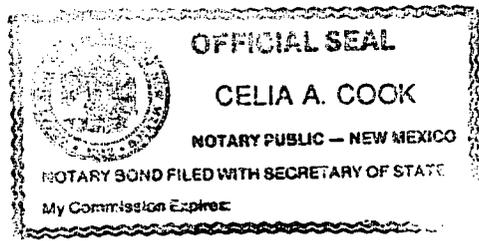
Signature, Title, & Date

STATE OF NEW MEXICO     )  
  ) SS:  
COUNTY OF SANTA FE     )

The foregoing instrument was acknowledged before me this 26 day of April, 1999 by Brian Wood. Witness my hand and official seal.

Celia A. Cook

Notary Public



My Commission Expires: DECEMBER 11, 2001

Business Address: 37 VERANO LOOP, SANTA FE, NM 87505

AMENDED REPORT

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

District I  
PO Box 4980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
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PO Box 2088, Santa Fe, NM 87504-2088

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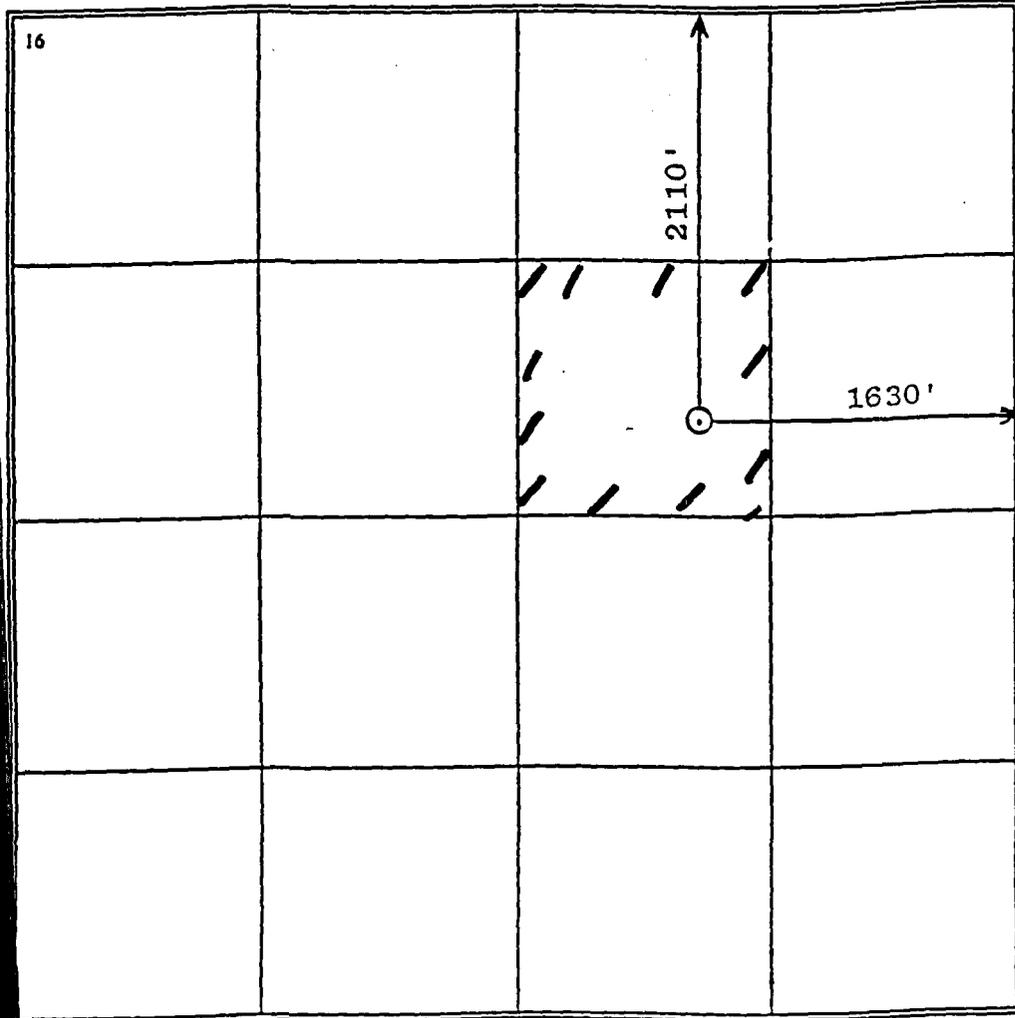
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
--------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief*

*Brian Wood*  
Signature **BRIAN WOOD**

Printed Name **CONSULTANT**

Title **MARCH 6, 1999**

Date

18 SURVEYOR CERTIFICATION

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

Date of Survey **10/7/98**

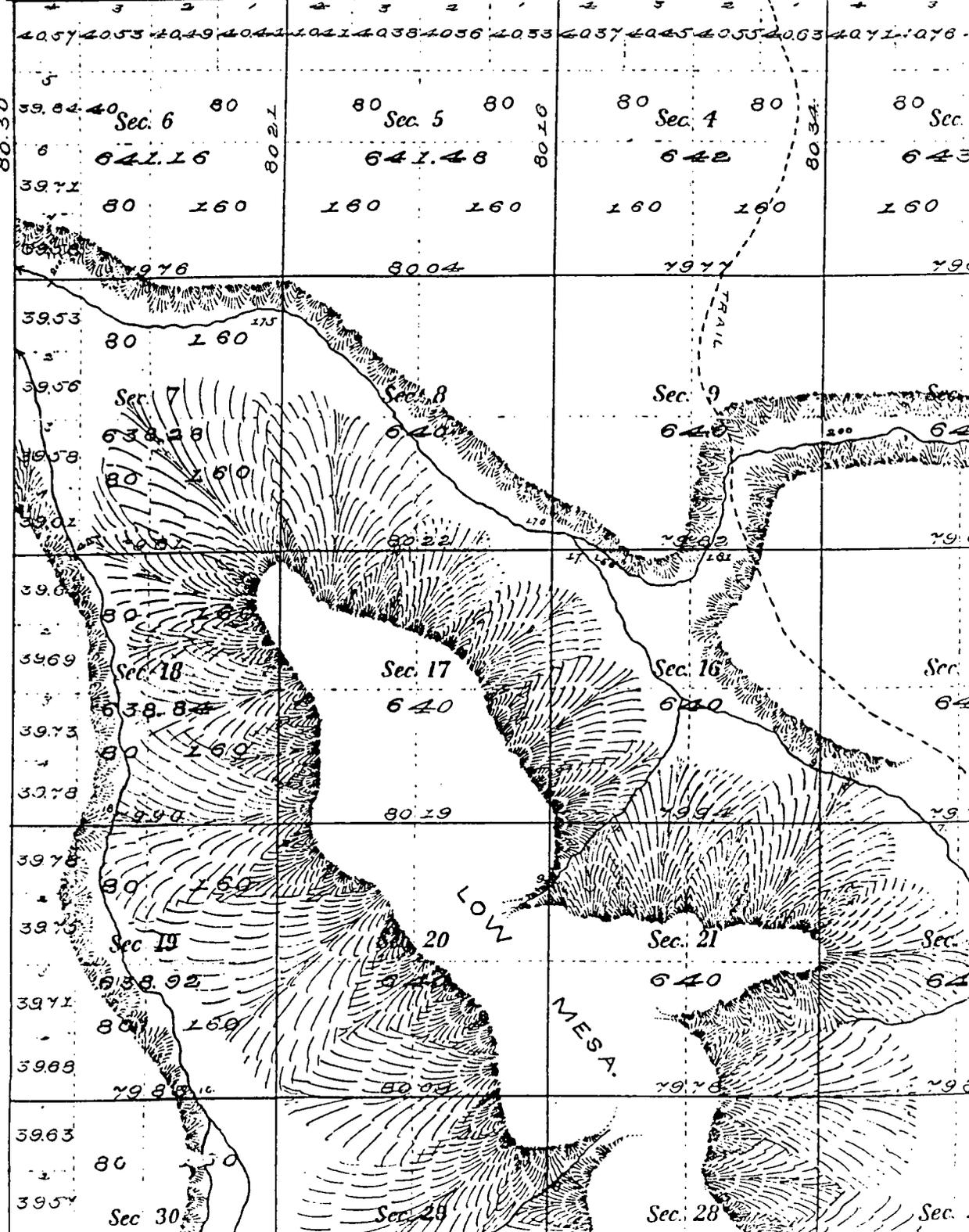
Signature and Seal of Registered Land Surveyor  
*Gerald G. Huddleston*  
**GERALD G. HUDDLESTON**  
REGISTERED LAND SURVEYOR  
6844

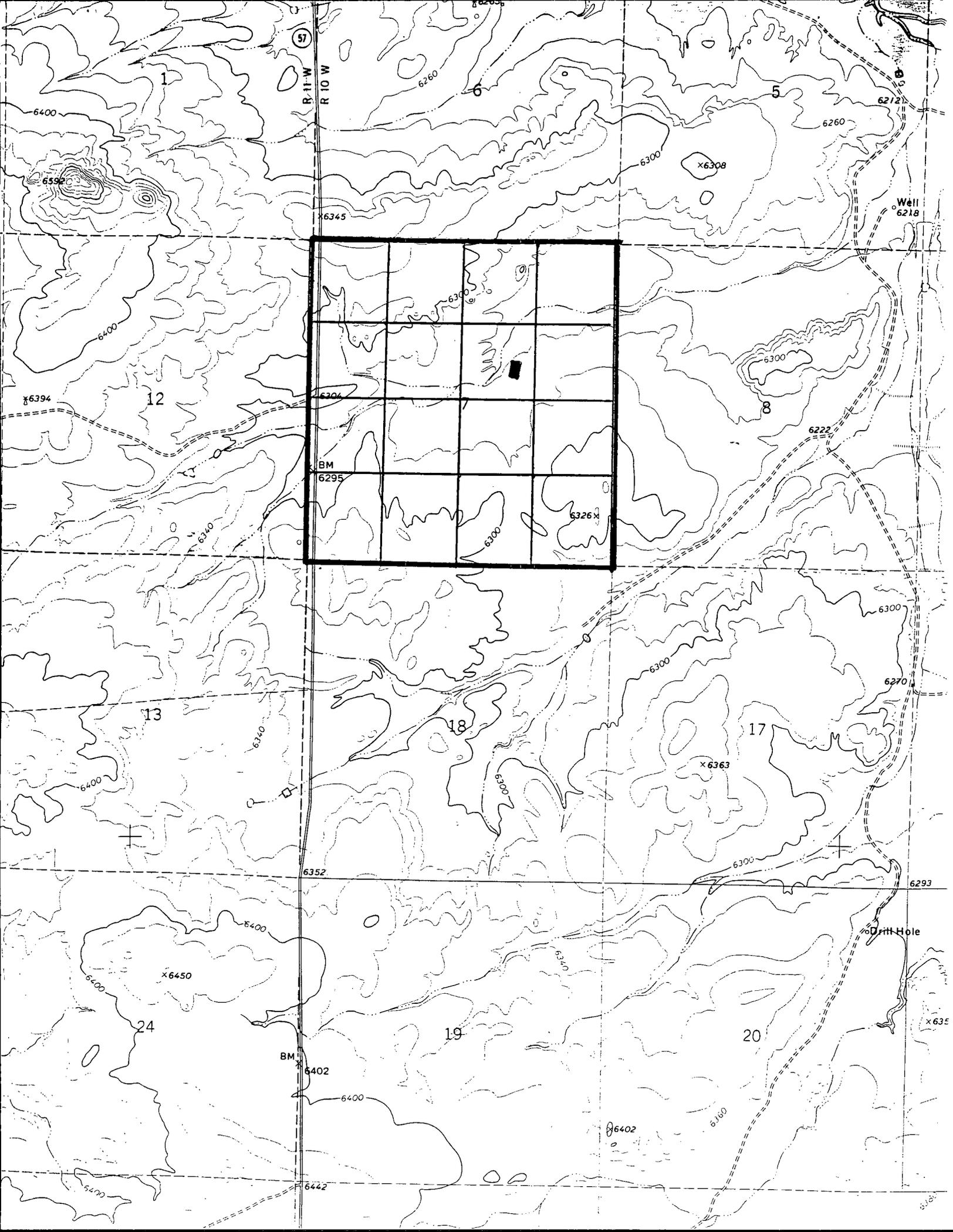
Certificate Number

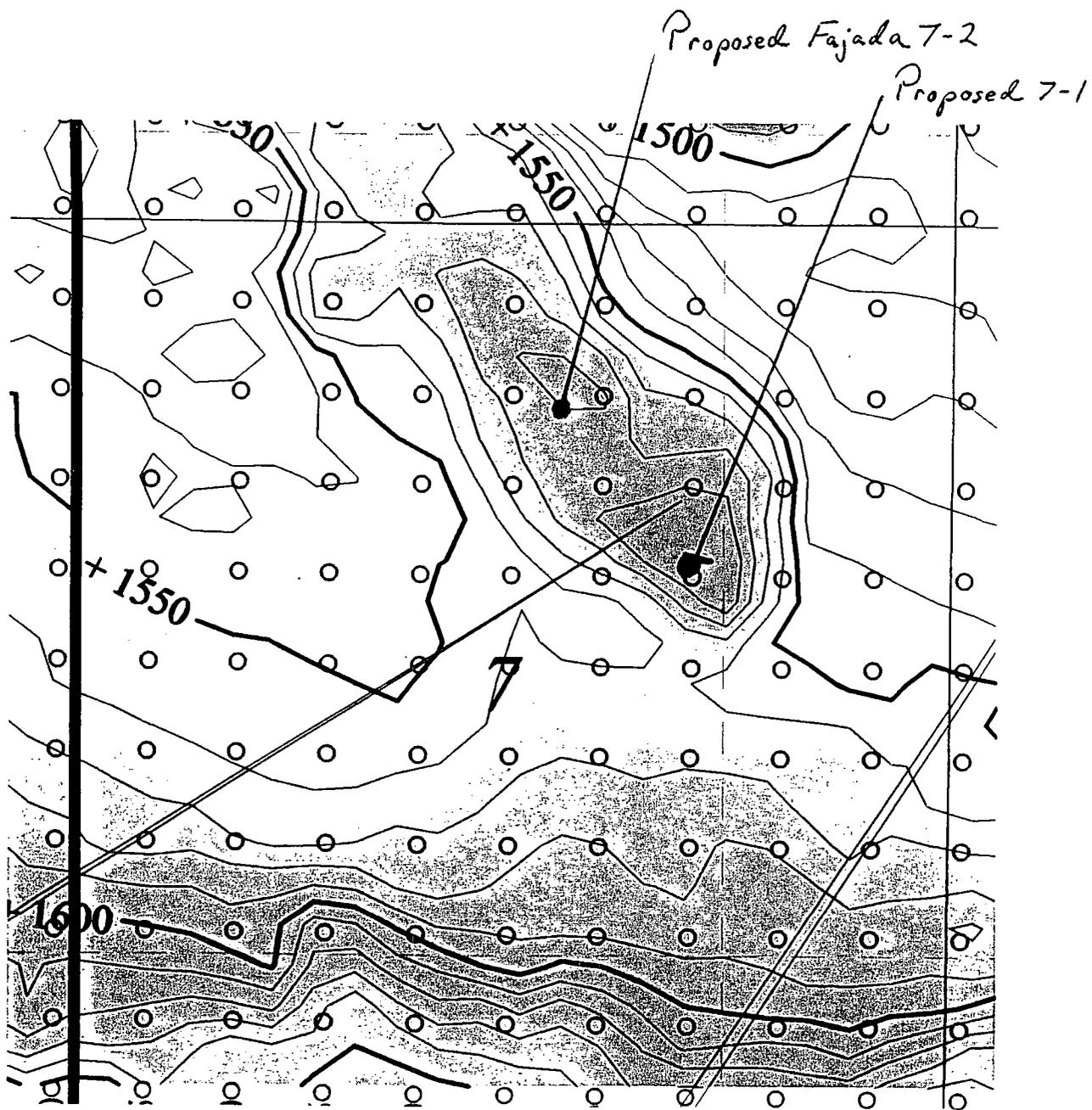
TOWNSHIP N<sup>o</sup> 20 NORTH RANGE N<sup>o</sup> 10 W

G F E D T. 21 N. R. 10 W

Sec. 31. Sec. 32. Sec. 33. Sec. 34.  
 2.28 Chs. E. 2.30 Chs. E. FIFTH 2.32 Chs. E. CORRECTION 2.34 Chs. E. L







Structure Map on Entrada Sandstone

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District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
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AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address. <b>Synergy Operating, LLC* P. O. Box 1317, Aztec, NM 87410</b>		<sup>2</sup> OGRID Number  
		<sup>3</sup> API Number <b>30 - 0</b>
<sup>4</sup> Property Code  	<sup>5</sup> Property Name <b>Fajada Wash 7</b>	<sup>6</sup> Well No. <b># 1</b>

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	7	20n	10w		2110	North	1630	East	McKnlly.

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>9</sup> Proposed Pool 1 <b>Wildcat (Entrada)</b>	<sup>10</sup> Proposed Pool 2  
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<sup>11</sup> Work Type Code <b>N</b>	<sup>12</sup> Well Type Code <b>O</b>	<sup>13</sup> Cable/Rotary <b>R</b>	<sup>14</sup> Lease Type Code <b>P</b>	<sup>15</sup> Ground Level Elevation <b>6266</b>
<sup>16</sup> Multiple <b>No</b>	<sup>17</sup> Proposed Depth <b>5,200'</b>	<sup>18</sup> Formation <b>Entrada</b>	<sup>19</sup> Contractor <b>.</b>	<sup>20</sup> Spud Date <b>6-1-99</b>

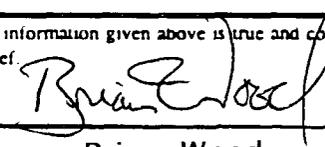
<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	9-5/8"	36	250'	200 sx	Surface
8-3/4"	7"	23&26	5,200'	785 sx	Surface

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Will use 3000# BOP, run logs, test, and complete.

\*Synergy Operating, LLC as agent for Rutter and Wilbanks Corporation

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 	<b>OIL CONSERVATION DIVISION</b>	
Printed name: <b>Brian Wood</b>	Approved by:	
Title: <b>Consultant</b>	Title:	
Date: <b>April 21, 1999</b>	Approval Date:	Expiration Date:
Phone: <b>(505) 466-8120</b>	Conditions of Approval: Attached <input type="checkbox"/>	

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised February 21, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 APT Number		2 Pool Code		3 Pool Name <b>WILDCAT - ENTRADA</b>	
4 Property Code		5 Property Name <b>Fajada Wash</b>			6 Well Number <b>7-1</b>
7 OGRID No.		8 Operator Name <b>SYNERGY OPERATING, LLC</b>			9 Elevation <b>6266</b>

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	7	20 N	10 W		2110	North	1630	East	McKinley

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p><i>Brian Wood</i>          Signature <b>BRIAN WOOD</b>          Printed Name  <b>CONSULTANT</b>          Title  <b>MARCH 6, 1999</b>          Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>107/28          Date of Survey          Signature and Seal of Registered Surveyor:            Certificate Number</p>			

# PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87505

(505) 466-8120

April 25, 1999

Akhtar Zaman  
Minerals Dept.  
P.O. Box 1910  
Window Rock, Az. 86515

Dear Akhtar,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Rutter and Wilbanks Corporation is applying to drill the Fajada Wash 7 #1 oil well. The wellbore is 310' from the closest quarter-quarter line. This is less than the state minimum 330' from a quarter-quarter line. It is 2,110' from the closest lease line.

Well Name: Fajada Wash 7 #1

Proposed Producing Zone: Entrada

Location: 2110' FNL & 1630' FEL Sec. 7, T. 20 N., R. 10 W.,

McKinley County, NM on a private lease

Approximate Locations: ≈16 air miles west of Pueblo Pintado, NM

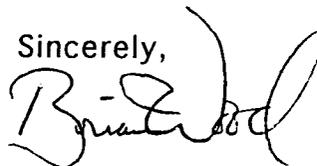
Applicant Name: Rutter & Wilbanks Corporation (915) 683-1824

Applicant's Address: P.O. Box 3186, Midland, Tx. 79702

Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 2040 S. Pacheco, Santa Fe, NM 87504. Their phone number is (505) 827-7131.

Please call me if you have any questions.

Sincerely,



Brian Wood

<p><b>SENDER:</b></p> <ul style="list-style-type: none"> <li>■ Complete items 1 and/or 2 for additional services.</li> <li>■ Complete items 3, 4a, and 4b.</li> <li>■ Print your name and address on the reverse of this form so that we can return this card to you.</li> <li>■ Attach this form to the front of the mailpiece, or on the back if space does not permit.</li> <li>■ Write "Return Receipt Requested" on the mailpiece below the article number.</li> <li>■ The Return Receipt will show to whom the article was delivered and the date delivered.</li> </ul>	<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>
<p>3. Article Addressed to:</p> <p>Akhtar Zaman Minerals Dept. PO Bx 1910 Window Rock, Az</p>	<p>4a. Article Number</p> <hr/> <p>4b. Service Type</p> <p><input type="checkbox"/> Registered <span style="margin-left: 100px;"><input type="checkbox"/> Certified</span></p> <p><input type="checkbox"/> Express Mail <span style="margin-left: 100px;"><input type="checkbox"/> Insured</span></p> <p><input type="checkbox"/> Return Receipt for Merchandise <span style="margin-left: 100px;"><input type="checkbox"/> COD</span></p> <hr/> <p>7. Date of Delivery</p>
<p>5. Received By: (Print Name)</p> <p>Melissa Burnside</p>	<p>8. Addressee's Address (Only if requested and fee is paid)</p>
<p>6. Signature: (Addressee or Agent)</p> <p>X Melissa Burnside</p>	

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

05/11/99 10:16:11  
OGOMES -TP2S  
PAGE NO: 1

Sec : 07 Twp : 20N Rng : 10W Section Type : NORMAL

1 39.53  Indian owned	C 40.00  Indian owned	B 40.00  Indian owned A	A 40.00  Indian owned
2 39.56  Indian owned	F 40.00  Indian owned	G 40.00  Indian owned A	H 40.00  Indian owned

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD      PF09 PRINT   PF10 SDIV     PF11            PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

05/11/99 10:18:18  
OGOMES -TP25  
PAGE NO: 2

Sec : 07 Twp : 20N Rng : 10W Section Type : NORMAL

3 39.58  Indian owned	K 40.00  Indian owned	J 40.00  Indian owned	I 40.00  Indian owned
4 39.61  Indian owned	N 40.00  Indian owned	O 40.00  Indian owned	P 40.00  Indian owned

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD      PF09 PRINT   PF10 SDIV     PF11            PF12

CMD : ONGARD 05/11/99 10:16:33  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TP2S

OGRID Idn : 163458 API Well No: 30 31 20995 APD Status(A/C/P): A  
Opr Name, Addr: SYNERGY OPERATING LLC Aprvl/Cncl Date : 05-05-1999  
PO BOX 5513  
4301 N DUSTIN  
FARMINGTON,NM 87499-5513

Prop Idn: 24579 FAJADA WASH 7 Well No: 1

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: G	7	20N	10W			FTG 2110 F N	FTG 1630 F E
OCD U/L	: G		API County	: 31				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F  
Lease typ(F/S/P/N/J/U/I): P Ground Level Elevation : 6266

State Lease No: Multiple Comp (Y/N) : N  
Prpsd Depth : 5200 Prpsd Frmtn : WC 20N10W7G ENTRADA (O)

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12