

PERMITS WEST, INC.

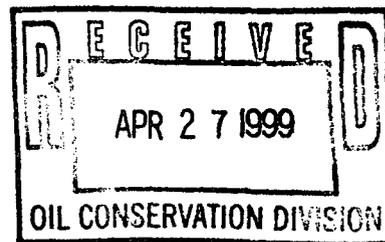
PROVIDING PERMITS for LAND USERS

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

ABOVE THIS LINE FOR DIVISION USE ONLY

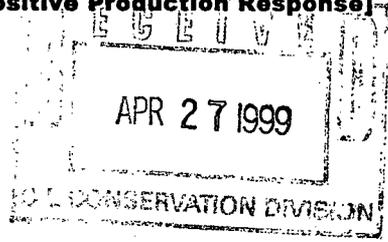
NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

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
Print or Type Name

Brian Wood
Signature

Consultant
Title

4-26-99
Date

REQUEST FOR ADMINISTRATIVE APPROVAL FOR NON-STANDARD LOCATION
FOR SYNERGY OPERATING, LLC AS AGENT
FOR RUTTER AND WILBANKS CORPORATION'S FAJADA WASH 7 #2 OIL WELL
1110' FNL & 2390' 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 (210' from the south quarter-quarter line and 250' from the west quarter-quarter line instead of the standard minimum 330'). The APD is attached.

II. A C-102 showing the well location and proration unit (NWNE 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. The closest known proposed well is Rutter and Wilbanks' Fajada Wash 7 #1 which is 1,256' southeast. 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 1,110' radius. Rutter and Wilbanks is the operator of all oil and gas interests in its private lease. The closest non-Rutter and Wilbanks lease (1,110' 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.

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

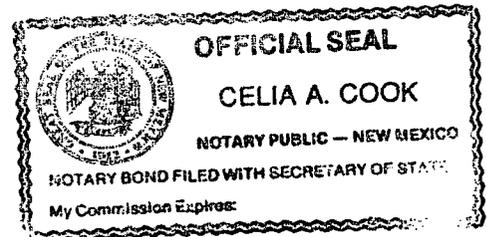
STATE OF NEW MEXICO)
) SS:
COUNTY OF SANTA FE)

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

Notary Public

My Commission Expires: DECEMBER 11, 2001

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



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

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 WILDCAT - ENTRADA	
⁴ Property Code		⁴ Property Name Fajada Wash			⁴ Well Number 7-2
⁷ OGRID No.		¹ Operator Name SYNERGY OPERATING, LLC			⁸ Elevation 6269

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
B	7	20 N	10 W		1110	North	2390	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

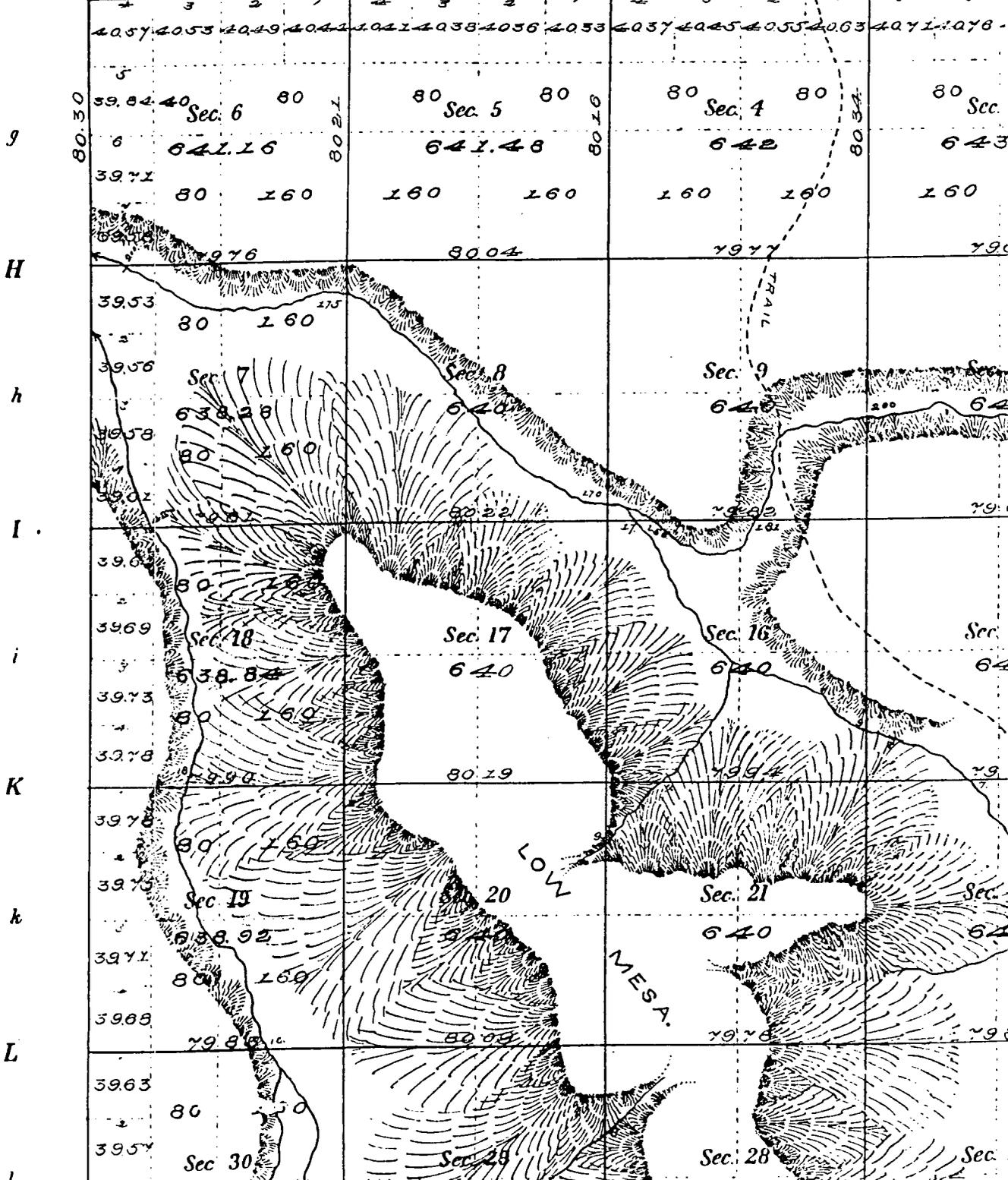
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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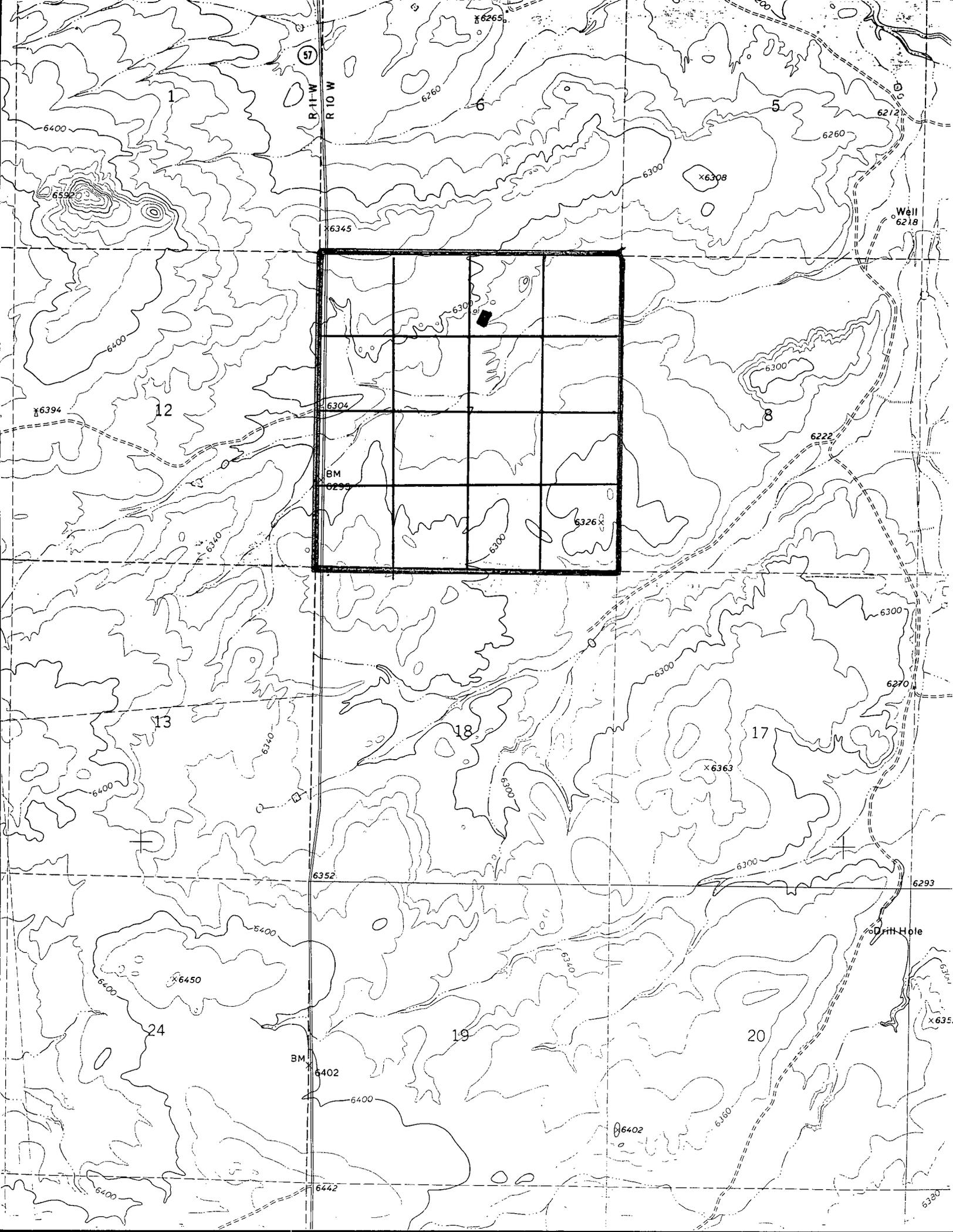
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

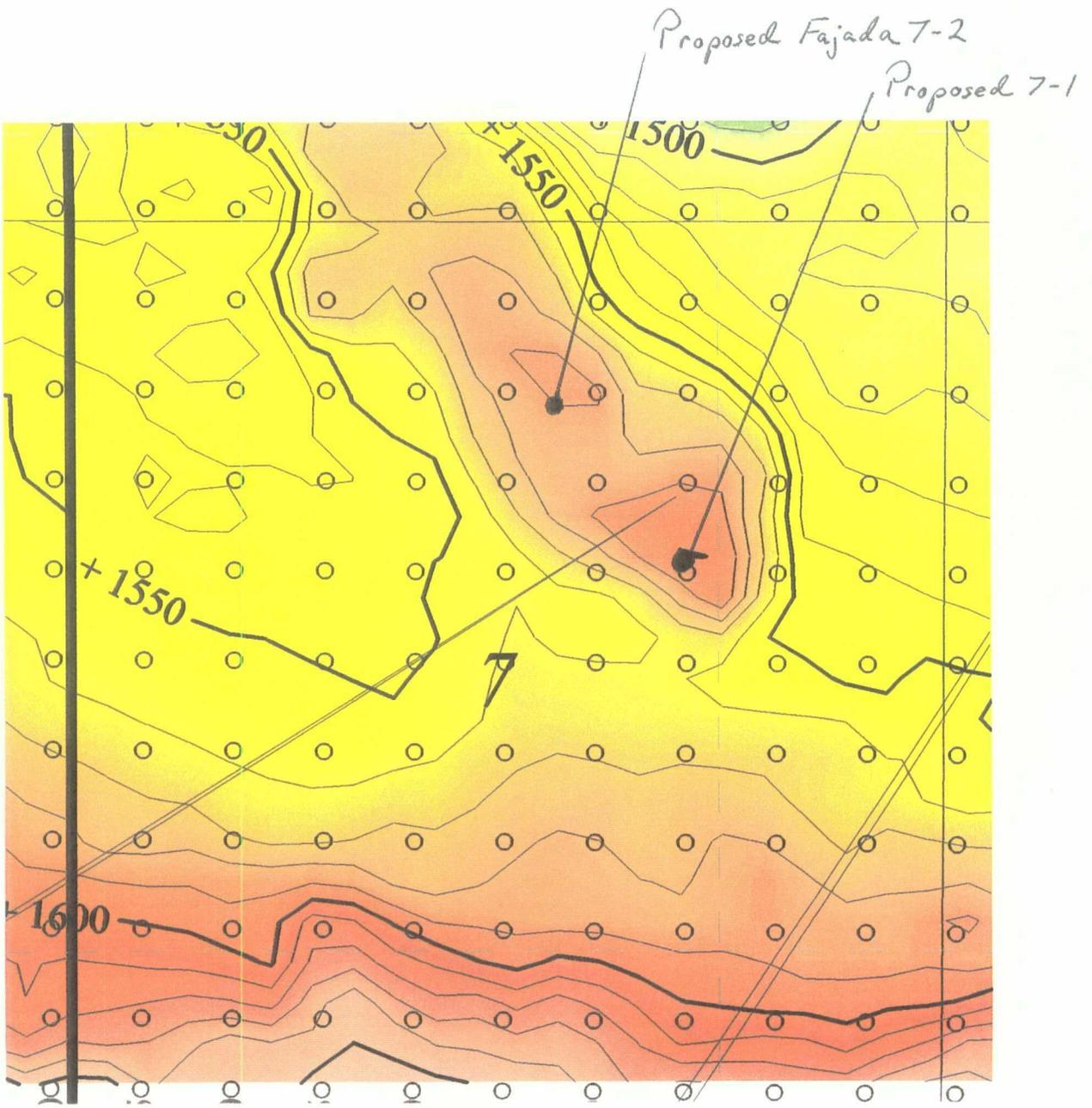
<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Brian Wood</i></p> <p>Signature BRIAN WOOD</p> <p>Printed Name CONSULTANT</p> <p>Title MARCH 6, 1999</p> <p>Date</p>	
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>Gerald C. Huddleston</i></p> <p>GERALD C. HUDDLESTON REGISTERED PROFESSIONAL SURVEYOR NEW MEXICO 8844</p>	
	<p>Certificate Number</p>	

TOWNSHIP N^o 20 NORTH RANGE N^o 10 W

G F E D
 Sec. 31. Sec. 32. Sec. 33. Sec.
 2.28 Ch. E. 2.300 Ch. E. FIFTH 2.300 Ch. CORRECTION 2.310 Ch. E. L







Structure Map on Entrada Sandstone

District II
 811 South First, Artesia, 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

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	¹ OGRID Number
			¹ API Number 30 - 0
⁶ Property Code	¹ Property Name Fajada Wash 7		⁶ Well No. #2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	7	20n	10w		1110	North	2390	East	McKnlly.

⁸ 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

⁹ Proposed Pool 1 Wildcat (Entrada)	⁹ Proposed Pool 2
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¹⁰ Work Type Code N	¹⁰ Well Type Code O	¹⁰ Cable/Rotary R	¹⁰ Lease Type Code P	¹⁰ Ground Level Elevation 6269'
¹⁰ Multiple No	¹⁰ Proposed Depth 5,200'	¹⁰ Formation Entrada	¹⁰ Contractor	¹⁰ Spud Date 6-10-99

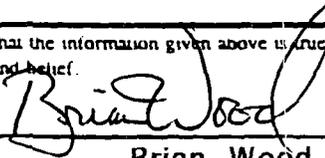
²¹ Proposed Casing and Cement Program

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

²¹ 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

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

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
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State of New Mexico
 Energy, Minerals & Natural Resources Department

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 Revised February 21, 1994
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 APT Number		2 Pool Code		3 Pool Name WILDCAT - ENTRADA	
4 Property Code		5 Property Name Fajada Wash			6 Well Number 7-2
7 OGRID No.		8 Operator Name SYNERGY OPERATING, LLC			9 Elevation 6269

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
B	7	20 N	10 W		1110	North	2390	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.
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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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Brian Wood</i></p> <p>Signature BRIAN WOOD</p> <p>Printed Name CONSULTANT</p> <p>Title MARCH 6, 1999</p> <p>Date</p>
		18 SURVEYOR CERTIFICATION
		<p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>Gerald R. Huddleston</i></p> <p>GERALD R. HUDDLESTON REGISTERED LAND SURVEYOR NEW MEXICO 8844</p> <p>Certificate Number</p>

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 #2 oil well. The wellbore is 210' to 250' from the closest quarter-quarter lines. This is less than the state minimum 330' from a quarter-quarter line. It is 1,110' from the closest lease line.

Well Name: Fajada Wash 7 #2

Proposed Producing Zone: Entrada

Location: 1110' FNL & 2390' 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

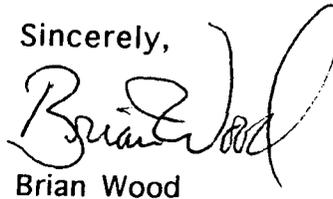
Applicant Name: Rutter & Wilbanks Corporation (915) 683-1824

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

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

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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

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U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
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Note: Statement must be completed by an individual with supervisory capacity.

<u>BRIAN WOOD</u>	<u><i>Brian Wood</i></u>	<u>Consultant</u>	<u>4-26-99</u>
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 #2 OIL WELL
1110' FNL & 2390' 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 (210' from the south quarter-quarter line and 250' from the west quarter-quarter line instead of the standard minimum 330'). The APD is attached.

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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.

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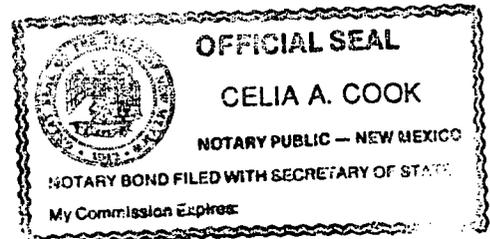
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) SS:
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Form C-102
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4 Property Code		5 Property Name Fajada Wash			6 Well Number 7-2
7 OGRID No.		8 Operator Name SYNERGY OPERATING, LLC			9 Elevation 6269

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
B	7	20 N	10 W		1110	North	2390	East	McKinley

11 Bottom Hole Location If Different From Surface

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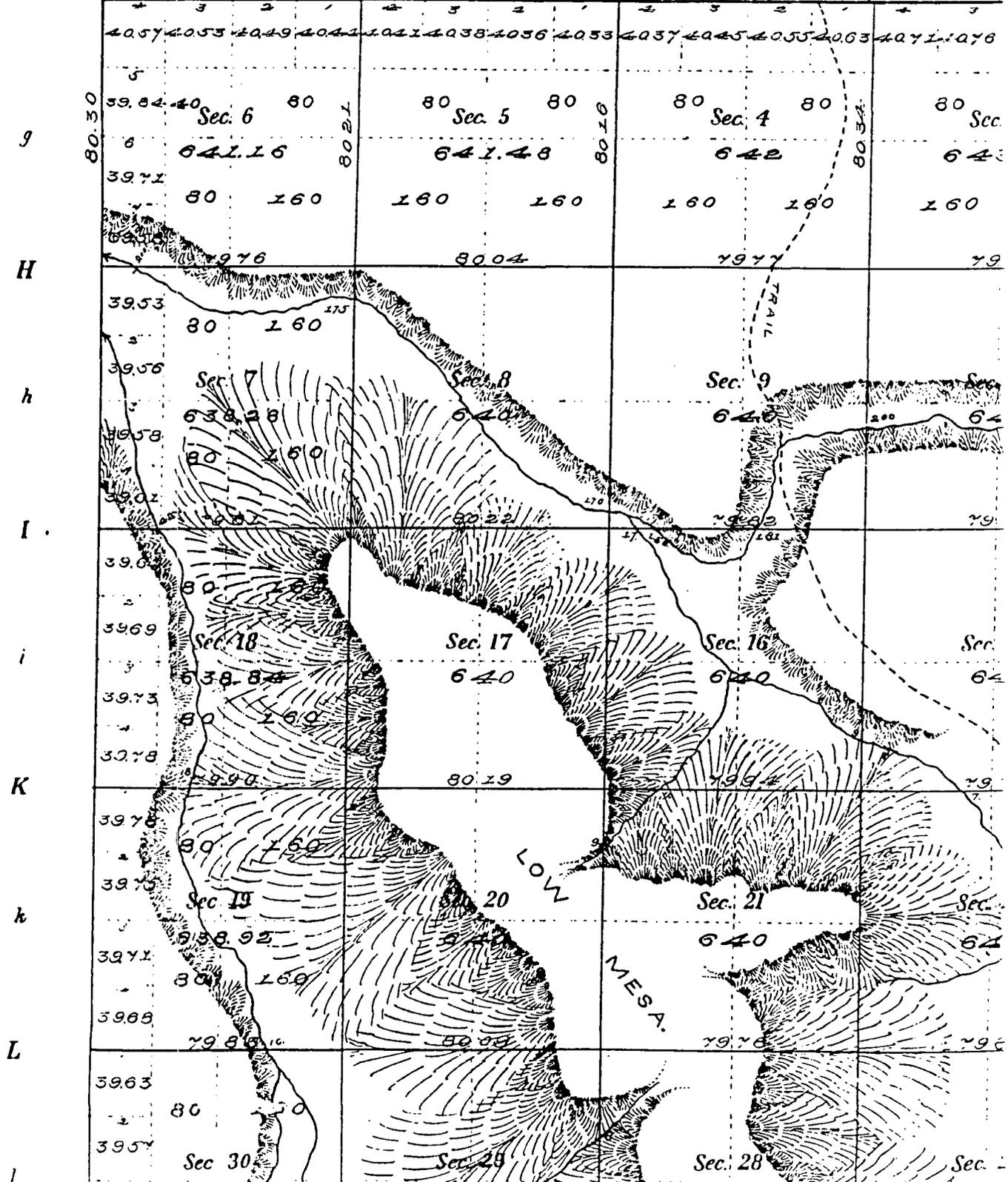
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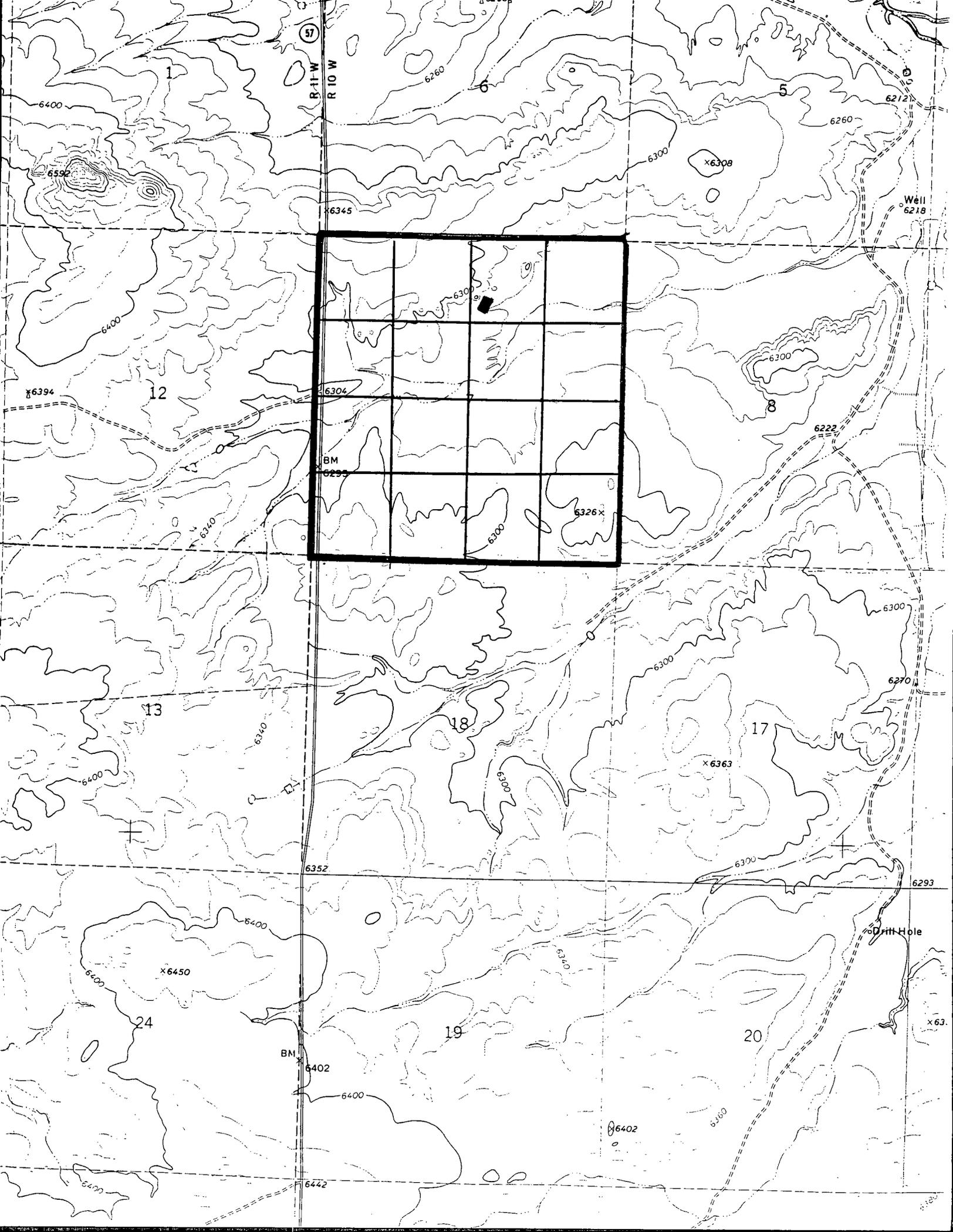
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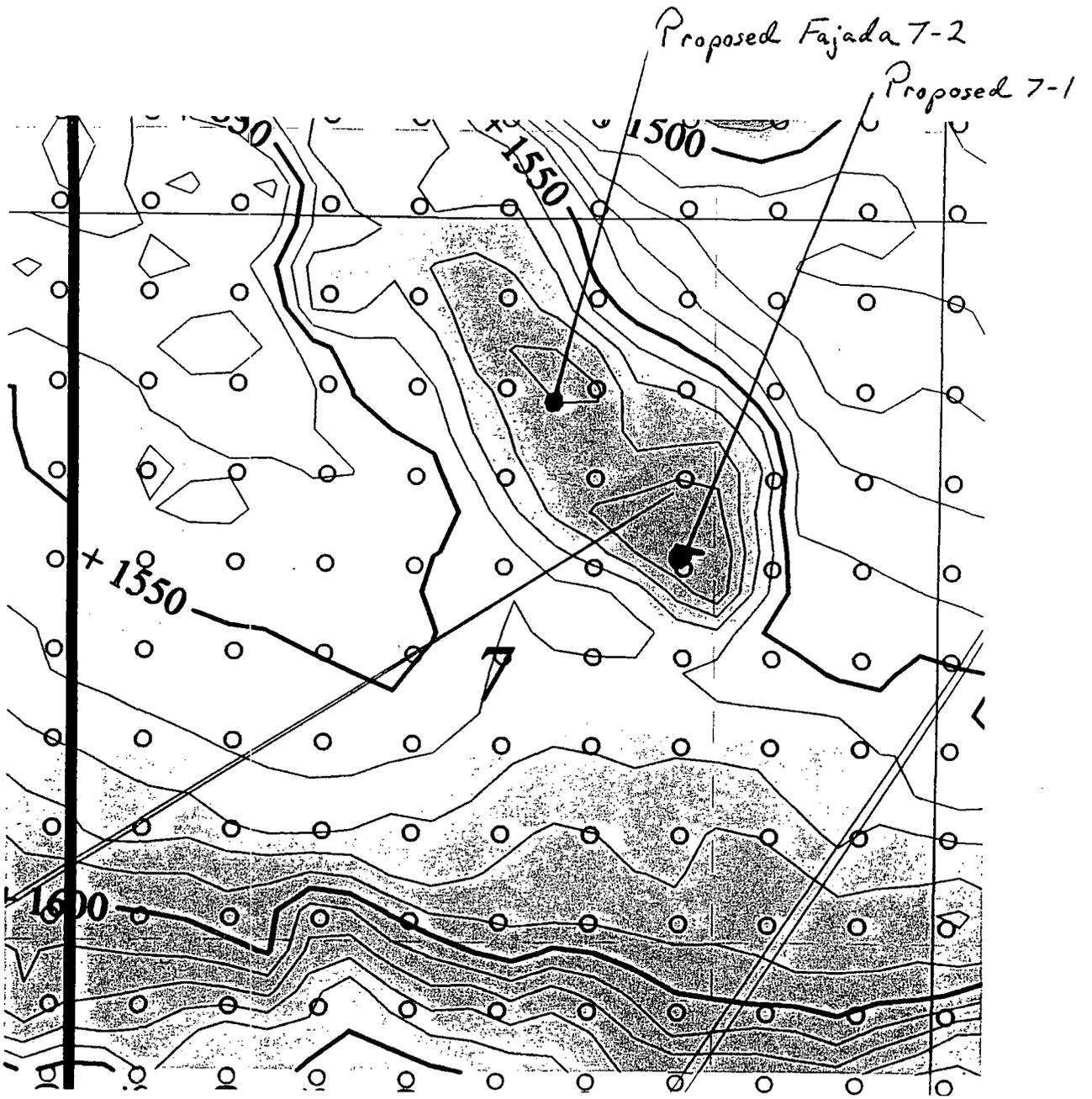
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		18 SURVEYOR CERTIFICATION
		<p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyor: <i>Gerald B. Huddleston</i> Certificate Number</p>

TOWNSHIP N^o 20 NORTH RANGE N^o 10 W

G F E D
 Sec. 31. Sec. 32. Sec. 33. Sec.
 2.28 Ch. E. 2.30 Ch. E. FIFTH 2.30 Ch. E. CORRECTION 2.11 Ch. E. L







Structure Map on Entrada Sandstone

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 1000 Rio Brazos Rd., Aztec, NM 87410
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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	¹ OGRID Number
			² API Number 30 - 0
³ Property Code	⁴ Property Name Fajada Wash 7		⁵ Well No. # 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	7	20n	10w		1110	North	2390	East	McKnlly.

⁸ 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

⁹ Proposed Pool 1 Wildcat (Entrada)	¹⁰ Proposed Pool 2
---	-------------------------------

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 6269'
¹⁶ Multiple No	¹⁷ Proposed Depth 5,200'	¹⁸ Formation Entrada	¹⁹ Contractor	²⁰ Spud Date 6-10-99

²¹ Proposed Casing and Cement Program

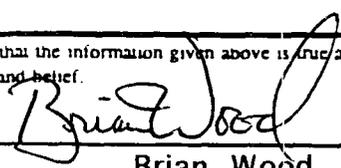
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	9-5/8"	36	250'	200 sx	Surface
8-3/4"	7"	23&26	5,200'	785 sx	Surface

²² 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

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: 
 Printed name: Brian Wood
 Title: Consultant
 Date: April 21, 1999
 Phone: (505) 466-8120

OIL CONSERVATION DIVISION

Approved by:
 Title:
 Approval Date: Expiration Date:
 Conditions of Approval
 Attached

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

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 APT Number	² Pool Code	³ Pool Name WILDCAT - ENTRADA
⁴ Property Code	⁵ Property Name Fajada Wash	⁶ Well Number 7-2
⁷ OGRID No.	⁸ Operator Name SYNERGY OPERATING, LLC	⁹ Elevation 6269

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
B	7	20 N	10 W		1110	North	2390	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.

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 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Brian Wood</i> Signature BRIAN WOOD</p> <p>Printed Name CONSULTANT</p> <p>Title MARCH 6, 1999</p> <p>Date</p>
				<p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>Gerald Huddleston</i></p> <p>GERALD H. HUDDLESTON REGISTERED PROFESSIONAL SURVEYOR NEW MEXICO 8844</p>
				Certificate Number

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 #2 oil well. The wellbore is 210' to 250' from the closest quarter-quarter lines. This is less than the state minimum 330' from a quarter-quarter line. It is 1,110' from the closest lease line.

Well Name: Fajada Wash 7 #2

Proposed Producing Zone: Entrada

Location: 1110' FNL & 2390' 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

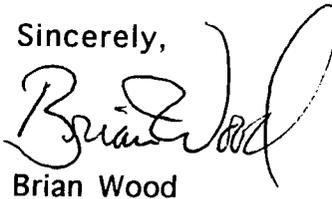
Applicant Name: Rutter & Wilbanks Corporation (915) 683-1824

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?	SENDER: ■ Complete Items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.	I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
	3. Article Addressed to: Akhtar Zaman Minerals Dept. PO Bx 1910 Window Rock, Az	4a. Article Number 4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD 7. Date of Delivery
5. Received By: (Print Name) Melissa Burnside	8. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent) X Melissa Burnside		

Thank you for using Return Receipt Service.

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION05/11/99 10:16:11
OGOMES -TP29
PAGE NO: 1

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

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

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

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION05/11/99 10:18:18
OGOMES -TP29
PAGE NO: 2

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

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

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