Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

2004 AUG 20 AM 11 23

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT -" for such proposals

RECEIVED
070 FARMINGTON NM

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.
NMNM-18327

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
29-4 Carson 28 # 1

2. Name of Operator
Synergy Operating, LLC

9. API Well No.
30-039-2467300

3. Address and Telephone No.
PO Box 5513 (505) 325-5449
Farmington, NM 87499

10. Field and Pool, or Exploratory
Wildcat NACIMIENTO (GAS)

4. Location of Well (Footage, Sec, T. R., M, or Survey Description)
1905' FSL & 1604' FWL Sec 28, T29N, R04W

11. County or Parish, State
Rio Arriba County
New Mexico

SEP 2004

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
☒ Notice of Intent	☒ Abandonment	☐ Change of Plans
☐ Subsequent Report	☐ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Converion to Injection
	☒ Other	☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including, estimated date of starting work. If well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones of pertinent to this work.

SYNERGY OPERATING, LLC IS WRITING IN RESPONSE TO MR. MASON'S LETTER DATED 07-22-2004.

IN 2003, SYNERGY OPERATING, LLC RECOMPLETED THE ADJACENT WELL (28 # 3) TO THE PT. LOOKOUT FORMATION. SYNERGY IS EVALUATING RESTORING THIS WELL TO PRODUCTION IN THE FRUITLAND COAL AND PICTURED CLIFFS FORMATIONS. THIS LEASE IS ACTIVELY PRODUCING.

THIS WELLBORE IS CURRENTLY IN A TEMPORARILY ABANDONED STATUS WITH A CIBP @ 1827' ABOVE ALL PERFORATIONS. THE CASING WAS PRESSURE TESTED TO 500 PSI. THIS WORK WAS PERFORMED ON JUNE 24, 2002.

SYNERGY HEREBY REQUESTS TEMPORARY ABANDONED STATUS TO BE EXTENDED AND APPROVED UNTIL JULY 1, 2005. THIS IS A ONE YEAR REQUEST.TO EXTEND THE VALID TEMPORARY ABANDONMENT STATUS.

SYNERGY IS ATTEMPTING TO DETERMINE IF THE CAVITATION METHOD MAY BE THE PREFERABLE METHOD IN THIS AREA TO DEVELOP THE FRUITLAND COAL. ALL PROSPECTIVE FORMATIONS ARE ISOLATED WITH CEMENT. SEE ATTACHED WELLBORE.

14. I hereby certify that the foregoing is true and correct

Signed: Thomas E. Mullins Title: Engineering Manager Date: 08-19-2004

This space for federal or state office use

Approved by: **Original Signed: Stephen Mason** Title: _____ Date: AUG 30 2004

Conditions of approval if any

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, ficticious, or fraudulent statements or representations as to any matter within its jurisdiction

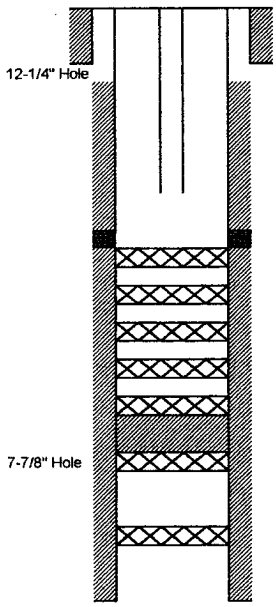
NMOCD

Carson 29-4 28 # 1
Unit K, Section 28-T29N-R04W
1905' FSL, 1604' FWL
7401' GL, 13' KB

Araphoe # 7
Bayless Rig # 6

Spud: 07/21/90
Completed: 11/7/90

API # 30-039-2467300



8-5/8" 24# K-55 Casing @ 259' w/ 210 sxs
Circulated 5 bbls cement to surface
Cement Fell Back, Cmt 30 sxs down annulus

2-7/8" 6.5# J-55 Tubing @ 2901', SN one jt up (59 jts) @ 1797'
No Rods in Well. Polish Rod Installed on Tubing

2 Sqz Holes @ 1560', Cemented w/ 300 sxs. TOC Temp Survey 500'+/-

DV Tool @ 2033' (See Cmt Detail Below)

CIBP @ 1827'

CIBP @ 2500'

San Jose Perforations (Currently Open)
1906'-1912' & 1922'-1928' Frac 2/ 2K 20/40 in 70Q N2 Foam

CIBP @ 2820'

Nacimiento Perforations
Open Perfs from 2602' to 2880', A portion of perfs from 2602' to 2741' Frac w/ 2K 20/40 in 70Q N2 Foarm

CIBP @ 2928'

Cmt Retainer @ 3520' (Cmt from 3515' to 3613')

Fruitland Coal Perforations
Upper: 4086'-4088', 4130'-4139' (10 Holes) Frac w/ 10K 40/70 & 11K 20/40 in 70Q N2 Foam (Screen Out)
Lower: 4164'-4190' (18 Holes) Frac w/ 20K 40/70 & 120K 20/40 in 70Q N2 Foam

CIBP @ 3700'

5-1/2" 17# N-80 Casing @ 4496', w/ 1st Stage w/ 200 sxs 50/50 Poz 2% gel 0.6% Halad 322
tail with 225 sxs B w/ 0.4% Halad 344, 0.4% CFR-3 & 2% Super CBL

CIBP @ 4000'

Circulate 3 hrs, 2nd Stage w/ 350 sxs Howco Lite 0.6% Halad 322, 2% KCl and 1/4# Flocel,
tail with 50 sxs B neat. Lost Circulation 28 bbls into Displacement.

Formation Tops	
San Jose	Surf
Nacimiento	
Ojo Alamo	3642'
Kirtland	3862'
Fruitland	3980'
Pict Cliffs	4192'
Lewis	4440'

Formation Name: **Fruitland Coal**
Drill out DV Tool, CO to PBTD 4456', RU Basin, Run GR-CCL-CBL 4438' to 1800',
Spot 7-1/2% HCl acid across Coal zone. Perforate 4164', 4166', 4167', 4168', 4170', 4171', 4172', 4176', 4178', 4179', 4181',
4182', 4183', 4184', 4185', 4186', 4189', 4190' (18 holes) -0.38". Opened well the next AM, Hydrocarbons unloaded
to the pit and caught fire, burned off. GIH w/ SPIT tool, set across each perf and establish communication on all.
Set tool @ 4116', RU to swab. Making Gas after 5th run. COOH w/ tool. RU to Frac. Smith Energy Frac Lower Coal
w/ 20K 40/70 sand & 120K 20/40 sand in 70Q N2 at 45-55 BPM 2600 ATP, ISIP 1600 Foam Flush, SI 2-hrs flowback on 1/4" choke
Well making 5% Parraffin, Tag Sand Fill @ 4390', CO fill. RU Basin, Set 5-1/2" RBP @ 4150', PT 3000 psi Okay. GIH and Spot 7-1/2% HCl
Acid across Upper Coal perforations. Perforate Upper Coal interval at 4087', 4088', 4130', 4131', 4132', 4133', 4134', 4137', 4138', 4139' (10 Holes)
Break down perfs w/ SPIT tool, All Open, Set tool @ 4020', RU to swab. Recover Spent Acid, Parriffin, & Water, w/ good Gas Flow.
SITP = 1020 psi, COOH w/ tool. RU Smith Energy to Frac Upper Coal. Frac w/ 10K 40/70 sand and 11,290# 20/40 sand in 70Q N2 Foam
Well pressuring out, cut N2, flush w/ linear gel and 5ppg Blender sand concentration. ISIP 3600 psi. SI 2 hrs, Open well on 1/4" choke, Recovered
Plugs of Parriffin & Coal fines, GIH w/ tubing tagged sand bridge at 4118', GIH and retreive RBP
Recover Frac Sand Coal fines and Parriffn. Cleanout to PBTD. Landed 2-7/8" tubing at 4282'. RD Release Bayless Rig # 6. RU Swab Unit. Swab Well
Recover Coal Fines, & Parriffn. **10-20-90** RU Big A # 5. Run 2" x 1-1/4" pump & 169 rods w/ 2 ponys.

Open Hole Logs (Halliburtion)
GR-Ind,Dens-Neut, MicroLog

Cased Hole Logs
Temp Survey (10-24-90)
GR-CCL-CBL (09-17-90)
GR-CCL-CBL (10-25-95)
GR-NEU-GSL (10-09-95)

Cement Squeeze
10-25-90 RU Bayless # 6. Pull Rods & Pump, RU Basin, Set RBP @ 1715', Test to 1000 psi, Perforate 2 holes at 1560', Pump into holes. RU Howco,
Pump 300 sxs B cement w/ 0.6% Halad 322, Displace w/ water to 1460'. Displaced at 1 BPM 2000 psi, Ran Temp Survey found TOC @ 500'+/-
DO cement, Test to 1000 psi, Recover RBP. Land tubing & New Pump Same Depths.

Nitrogen Cleanout & Acidize
06-19-91 RU R&S Rig # 27, LD Pump & Rods, Pull & LD 2 jts tubing. Install 2-7/8" valve. Reverse Circulate w/ 160 deg N2, recover 25% Parriffin, Reverse w/ 80 bbls 160 deg water
Recover Parriffn, Unload w/ N2. SI tubing, Pump 750 gals 20% HCl acid w/ N2 heated to 160 degs, Displace w/ N2 Foam @ 150 degs, SI 30 mins.
Flowback thru tubing. Recovering Large amount of Coal Fines and Paraffin, Install Plunger and Piston Catcher. SICP 650 psi. Swab Well and Trip Piston w/ same recovery. Recover
10% Parriffn w/ Coal Fines. 07-05-91 Piston Recovering 15% Parraffin, 5% Oil, 11 bbls H2O & 90 MCFD.

Formation Name: **Ojo Alamo & Nacimiento**
10-09-95 RU Big A # 11, LD Rods & Pump, Could not circulate out Parriffn w/ 90 bbls water. RU Blue Jet, Run GR-NEU-GSL log. Set CIBP @ 4000', FL @ 2870'.
PT RBP to 1600 psi. RU BJ Services, Spot 1200 gals 7-1/2% HCl at 3818'. RU Basin to Perforate 1 SPF @ 2609', 2614', 2736', 2741', 2853', 2877', 2880', 2941', 2989', 2992'
3001', 3254', 3302', 3380', 3384', 3392', 3405', 3428', 3435', 3438', 3470', 3472', 3487', 3490', 3538', 3584', 3613', 3784', 3792', 3824' (30 Holes)
GIH w/ Halliburton PKR set at 2432', Acidize w/ 1500 gals 15% HCl w/ ball sealers. Good Breaks. Swabbed back w/ FL @ 2400'.
Set PKR @ 3889', and Swab Test made 4 runs, swabbed dry, Reset PKR @ 3340', FL constant at 2200'. COOH w/ PKR. GIH w/ BP & PKR Combination
Set RBP @ 3340', Swab Test 2609' to 3340', FL constant at 2200', Set PKR @ 2494'. Swat test 2494' to 3340', FL constant at 2100'.
Move RBP to 3520', Set PKR @ 3340', Swab test 3340' to 3520', FL constant at 2100', Release RBP, Set PKR @ 3520', Swab test 3520' to 3824', FL stable @ 2100'
Reset PKR @ 3706', Swab Test 3706' to 3824', FL constant at 1800', Set RBP @ 2920' & PKR @ 2790', Swab Test 2790'-2920', FL constant 1800' shows of gas. COOH w/ tools
10-19-95 Set CIBP @ 3700', Set Cmt Retainer at 3520'. Establish rate at 2 BPM 425 psi, Cement w/ 100 sxs (3538', 3584', 3613').
Tag cement at 2785', RU to swab, 7 runs swabbed dry. COOH w/ bit, GIH w/ PKR set at 2420'. PT to 1000 psi, bleeds off in 2 mins, Establish rate below 2420' of 2 BPM @ 1000 psi.
RU Halliburton, Cement w/ 50 sxs below PKR, Hesitate sqz to 1535 psi, displace to 2462', Test Csg to 1000 psi, Release PKR, Tag TOC @ 2474'. Drill out
Cement from 2474' to 2616', PT Csg to 1000 psi, GIH to 2785', DO cement from 2785' to 2795', PT to 1000 psi, GIH to 2805', Tag Cement, DO from 2805' to 2969'
PT Casing to 1000 psi, Okay, Drilled Cement from 2969' to 3030', PT 1000 psi, Okay, DO from 3030' to 3340', PT 1000 psi, Okay, DO 3340' to 3505', PT 1000 psi, Okay, DO
COOH w/ bit, RU Halliburton, Run GR-CBL log from 3515' to 1800', GIH w/ tubing, swab FL down to 2900', Attempt to perforate 2-1/8" slick gun, 4 attempts, No good.
RU Halliburton, Perforate thru tubing select fire at # 2 2609', 2614', 2736', 2741', 2853', 2877', 2880', 2941', 2989', 2992', 3001', 3254', 3302', 3380', 3384', 3392', 3405', 3428',
3435', 3438', 3470', 3472', 3487', 3490' (24 Holes), RU Swab Equipment, Swab Well Dry, Wait 30 mins, Well still Dry. SDON, FL @ 1700', GIH w/ Hal SPIT Tool
Set Tool across 3487'-3490', Formation Broke at 3200 psi, Treated 0.7 BPM @ 3000 psi, Set tool 3470' to 3472', Break down zone at 2300 psi, Treat 2 BPM @ 3000 psi,
Set Tool 3435' to 3438' Unable to breakdown zone at 3800 psi, Set tool across 3428', Unable to BD w/ 3800 psi, MIRU Basin Wireline. Shoot 3-1/8" guns Perforate
at 3490', 3487', 3472', 3470', 3438', 3435', 3428', 3405', 3392', 3384', 3380'. GIH w/ SPIT tool Set 3435'-3438', Spot 2 bbls 15% HCl at tool, Break down at 3000 psi, Treat 0.7 BPM
at 3750 psi, Reset across 3428', Break at 1600 psi, Treat at 2 BPM 1600 psi, Set across 3405', Break 2200 psi, Treat 2 BPM 2000 psi, Set 3392', Break at 3800 psi.
Treat at 2 BPM 1300 psi, Set across 3384', Break at 3800 psi, Treat 2 BPM 3800 psi, Set across 3380', Break 1600 psi, 2 BPM 1300 psi, Set tool @ 3350'
RU to Swab, Recover all Water. RU Basin Wireline, Set 5-1/2" CIBP @ 2928', Perforate # 3 2881', 2880', 2879', 2878', 2877', 2876', 2854', 2853', 2852', 2851' (10 holes)
GIH w/ SPIT tool Set across 2851' to 2854', Break at 2000 psi, Treat 2 BPM 1125 psi, Reset tool across 2881' to 2876', Break 2000 psi, Treat 2.5 BPM 1800 psi, Retreive valve
RU to Swab, Swab zone Dry. RU to Acidize zone, Pump 600 gals at 1.8 BPM 225 psi. Reset across zone 2854' to 2851', Acidize w/ 400 gals 15% HCl
Rate 0.8 BPM at 300 psi. Set tool @ 2800'. Swab well dry, COOH w/ SPIT, GIH w/ 95 jts (2901'+/-), Swab well dry 45 bbls. Well swabbed dry. COOH, GIH w/
final tubing string, Mud Anchor, SN, 94 jts, Land Tubing at 2901' KB, Run Top Hold down pump & 113 7/8" rods Hang & Space Out.
RD and Move off Rig 10-31-95

Thomas E. Mullins
Updated 08-19-2004

Nacimiento
08-15-2000 MIRU Key Rig # 30. COOH w/ rods. NU BOPE, Test same. RU Basin Perforators. RIH set **CIBP @ 2820'**, Dump bail 3 sxs cmt on top of plug.
Test Csg to 500 psi 30 minutes, good test. SQZ HOLE AT 1560' AND EIGHT (8) PERFORATIONS NOT BROKEN DOWN AS SUSPECTED PREVIOUSLY.
PERFORATE ADDITIONAL NACIMIENTO PERFS FROM **2724' TO 2730'** (6') @ 2 SPF, AND **2602' TO 2608'** (6') @ 2 SPF
GIH W/ PACKER ON TBG. SET PKR AT 2796'. TEST TUBING AND CIBP TO 4000 PSI. GOOD TEST on plug. RELEASE PRESS
RESET PKR AT 2676'. BD Perfs from 2724' to 2741' (12 New + 4 Old) 16 Holes with Water. Broke @ 1600 psi.
Acidize & Ball-Off with 250 gallons 10% Acetic Acid & 25 - 1.3 SG 7/8" RCN Ball Sealers. Ball Off to 5000 psi. Surge Off.
Establish Rate of 2 BPM @ 450 psi. ISIP 310. ND BJ. Release PKR. Stand Back 2 Stands. Set PKR @ 2549'.
Place 250 psi on Backside. RU BJ. Drop 6 balls Ahead. Run 250 gals 10% Acetic Acid and Total of 50 - 1.3 SG 7/8"
RCN Balls. Displace. Saw Distinct Breakdown of upper holes at 2600 psi. Ball-Off Perfs
to 4000 psi. Bleed off. Pump at 2 BPM @ 1200 psi. ISIP 250 psi. ND BJ Services.
Release PKR. GIH w/ 2 Stands & PU 2 Jts. Knock Balls past all Perfs. Stand Back 3 Stands. Set PKR @ 2549'.
Remove Tubing Collar. Install 2-9/16" 5000# Gate Valve. NU Flow Tee.
Rig Crew Arrive. Rig Up BJ Services. Transfer Water between Tanks. Pressure Test BJ lines to 5000 psi. Good Test.

Frac Nacimiento Perforations From **2602' to 2609' and 2714' to 2741'** (32 holes total) With 128 bbls Fluid & 198,000 SCF Nitrogen @ 20 BPM Total Rate, 5 BPM Liquid Rate,
7100 SCFM Nitrogen, Running 0.5 ppg @ the Blender (As slow as possible) or 0.125 ppg Downhole Concentration. Run 2,160 lbs 20/40 Super DC Resin Coated Sand. Run Sand
Until Densiometer Reached Zero ppg. Flush With Foam. ATP of 2800 psi, Max 2900 psi ISIP 2000 psi, 5 Min 1500 psi.
Well Logged Off. No Flow. Flowback Pit increased approximately 20 bbls Overnight. Estimated Total Fluid Recovery 170 bbls. Shut Well In @ 10:15 Hrs.
Plan to Move on to Next Zone (San Jose).

ND Flowback Assembly. ND 2-9/16" Frac Valve. Release Packer. COOH Laying Down 26 Joints of 2-7/8", Total of 31 Jts Out. COOH.
RU Basin Perforators w/ Pack-Off. RIH w/ 5-1/2" Owen CIBP. Set **CIBP @ 2500'**, Covering Nacimiento Perforations. FL @ 1200'
Load Hole. PT CIBP & entire Casing to 500 psi. Good Test.RIH w/ 3-1/2" Dump Bailer. Dump Bail 2 sxs of Cement on top of CIBP @ 2500'. POOH
San Jose
Perforate San Jose from **1922' to 1928'** (6' - 12 holes), & **1906' to 1912'** (6' - 12 holes). PU & Run PKR. Set Packer at 1828'.
BD San Jose Perforations with water at 1000 psi. Establish a rate of 1.5 BPM @ 1000 psi ISIP Zero.
Release PKR. PU Tubing Hanger. ND Stripping Head, Land Hanger. Set Packer in 8,000# Compression @ 1828'. RD Key Rig # 30.
8/27/2000 SITP on San Jose is Zero psi. MIRU BJ Services PT Lines to 6500#. BD Perfs on Water. Good Breaks. Establish rate of 11.3 BPM @ 1450 psi. ISIP Zero.
Fracture Stimulate San Jose Perforations From 1906' to 1928' with 2,040 lbs of 20/40 Super DC Resin Coated proppant in a total of 165 bbls 5# Gel and 174,000 SCF Nitrogen
Pump Liquid @ 5 BPM and Nitrogen at 6,000 SCFM. Total rate of 20 BPM at 75 Quality Foam. Sand at 0.1 ppg . Flush with 8 bbls Liquid & Nitrogen.
ISIP = 1000 psi, 5 Min = 770 psi. Total Foam 25,242 gallons RD BJ. Flowback Well.
09-04-2000 MIRU Swab Rig from Farmington. RU to Swab 2-7/8" Tubing Swab tubing, Recover 18.8 bbls Tight Spot at 1100'+/- FL @ 1250'+/-
parted swab line. Dropped 400' of line and Swab tools down the well. Tbg 90 psi. Attempt to fish tools, No Good. RD Release Swab Rig.
09-21-2000 MIRU Key # 17. SICP=SITP = zero Pull PKR, Land 69 Jts 2-7/8" tubing w/ pumping assembly.
GIH with production 2-7/8" tubing as follows: 1 jt, OE for mud anchor, perf sub, SN, and 68 joints 2-7/8" Tubing. Land Tubing at 2101.81' (69 jts total)
ND BOPE. NU WH. X-O to run 7/8" rods. PU Energy Pump (2-1/2"x1-1/4"x14'x18' RHAC-2) Run in the hole on 81 - 7/8" rods. Space out pump. Hang on Horse Head.
Check pump Action. RD RELEASE RIG. Rod pump San Jose Formation. Recover 160 bbls water per day. No gas. Take H2O sample.
Well produced No Gas, and all Water at a rate of 170 BWPD for 2 weeks.
WELL IS INACTIVE. EVALUATE FOR FURTHER PLANS.

TEMPORARY ABANDONMENT
06-24-2002
MIRU Key Rig # 38. Fire Watch H2O truck on location. COOH, LD 81- 7/8" rods & pump. ND WH, NU BOPE
COOH w/ 69 jts 2-7/8", LD BHA. GIH w/ 5-1/2" CIBP on tubing, set CIBP @ 1827', above San Jose perforations
Top perf @ 1906'. Load hole w/ 29 bbls. Test Casing & CIBP to 500 psi. Good test. COOH w/ setting tool.
LD setting tool. GIH and land 59 jts of 2-7/8" tubing @ 1797'. Install hanger. ND BOPE, NU WH. Install
Polish Rod, RDMO Key Rig # 38 to Sunray B # 4. Well is in an official temporary abandoned status.

Updated 08-19-2004
TEM