

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM013885

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
FEDERAL 1

2. Name of Operator
SYNERGY OPERATING, LLC
Contact: GLEN PAPP
E-Mail: gpapp@synergyoperating.com

9. API Well No.
30-045-22723-00-S1

3a. Address
FARMINGTON, NM 87499

3b. Phone No. (include area code)
Ph: 505-599-4908 Ext: 1582
Fx: 505-599-4900

10. Field and Pool or Exploratory Area
BASIN FRUITLAND COAL
BLANCO PICTURED CLIFFS

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 24 T29N R12W NENW 0888FNL 1678FWL
36.716446 N Lat, 108.053421 W Lon

11. County or Parish, State
SAN JUAN COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice BP	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Synergy Operating LLC plans to plug and abandon the subject well.

Attached are the following documents:

- 1) Wellbore plugging plan
- 2) Reclamation plan

OCD Received
4-8-2020

Notify OCD 24hrs prior to beginning operations

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

**Electronic Submission #496944 verified by the BLM Well Information System
For SYNERGY OPERATING, LLC, sent to the Farmington
Committed to AFMSS for processing by JOE KILLINS on 12/26/2019 (20JK0077SE)**

Name (Printed/Typed) GLEN PAPP

Title OPERATIONS MANAGER / PARTNER

Signature (Electronic Submission)

Date 12/24/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS

Title ENGINEER

Date 04/01/2020

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Farmington

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

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**U.S. Department of the Interior
Bureau of Land Management**

Wellbore Plugging Plan

Synergy Operating, LLC

Federal #1

Plugging & Final Abandonment

Prepared by:

**Glen O. Papp, P.E.
Partner / Operations Manager**

December 2019

Submitted Electronically

**To: U.S. Department of the Interior-BLM
Farmington District – FFO
Farmington, NM 87402**

Well Information:

Well Name & #:	Federal #1
API #:	30-045-22723
Legal Location:	888' FNL & 1678' FWL, Section 24-C, T-29-N, R-12-W, San Juan Co., NM
Latitude/Longitude:	36.71639 / -108.05389
Federal Lease #:	NMNM-013885
USGS Topo Map:	Horn Canyon, NM 1965 (PR 1979), USGS Quad Code: 36108-F1
Drilling Spud date:	October 29, 1977
TD / PBD:	1785' / 1697'
Surface Hole Size:	9-7/8"
Surface Casing:	7" 20# K-55 @ 93' Cmt'd w/ 120-sxs Class B cmt – circ to surface ?
Production Hole Size:	6-1/4"
Production Casing:	4-1/2" 10.5# K-55 @ 1783' Cmt'd w/ 210-sxs cmt –TOC @ 270' (CBL 2/20/04)
Perforations:	Fruitland Coal: 1590-94', 1581-83', 1560-64', 1550-52', 1444-48', 1352-54' PC: 1634-40', 1610-30'
Tubing in Hole:	50-Jts 2-3/8" 4.7# J-55 EUE w/ SN, 4' PS & MA, EOT @ 1639'
Formation Tops (KB):	Ojo Alamo @ 389', Kirtland @ 522', Fruitland @ 1396', PC @ 1693'

Project Summary:

Synergy Operating, LLC ("Synergy") is the operator of the Federal #1 well. A Fruitland Coal gas well. The well has not been economic for some time. Synergy is submitting a Notice of Intent to Abandon (NIA) to the BLM to permanently plug and abandon the well and reclaim the surface disturbances. The NIA will be submitted on the Sundry Notices and Reports on Wells, Form 3160-5.

Proposed wellbore plugging procedure:

1. Notify BLM-FFO & NM OCD @ least 24-hrs prior to MIRU. MI well servicing rig. Check and record; P_{tbg}, P_{csg}, P_{bh}. Load 2-3/8" tbg with water & PT to 1000#.
2. Unseat rod pump and TOH, laying down polished rod, polished rod liner, 3/4" rod subs, 58 – 3/4" rods, 5 – 1-1/4" sinker-bars and 2" x 1-1/2" x 10' RWAC pump.
3. ND WH & NU 7-1/16" 3M x 8-5/8" API Modified flange. NU BOPE & Function Test.
4. TOOH tallying 50-Jts 2-3/8" 4.7# J-55 EUE tbg, LD 6' x 2-3/8" tbg sub, 2-3/8" Mud Anchor, 4' x 2-3/8" perf sub & SN.
5. TIH w/ 2-3/8" 4.7# J-55 EUE tbg OE'd to 1690'.
6. **Plug #1:** Mix and pump 45-sxs of Class 'G' cement and spot balanced plug F/1690' –T/1246'. PUH and WOC. TIH & tag TOC, top off if necessary.

7. PT 4-1/2" 10.5# csg to 800#.
8. TOOH w/ 2-3/8" 4.7# J-55 EUE tbg, standing back 490', LD remaining 2-3/8" tbg.
9. RIH & perforate 4-1/2" csg @ 265'.
10. TIH w/ 2-3/8" 4.7# J-55 EUE tbg to 490'. Establish Pump-In rate.
11. **Plug #2:** Mix and pump 80-sxs Class 'G' cement inside 4-1/2" casing (F/490' – T/Surface) and outside of 4-1/2" casing (F/265' – T/Surface).
12. TOOH and LD remaining 2-3/8" tbg.
13. ND BOPE. Cut-off wellhead & rig anchors. Top off cement if necessary and install P&A marker.
14. RD well service rig.
15. Submit subsequent report plug and abandon (SRA) using the Sundry Notices and Reports on Wells Form 3160-5.
16. See Reclamation Plan for surface restoration.

Wellbore diagrams:

Attached are simple wellbore schematics of the well before and after the above well work is completed.

Federal #1

Current

Fulcher Kutz PC/ FtC

888' FNL & 1678' FWL, Section 24, T29N, R12W

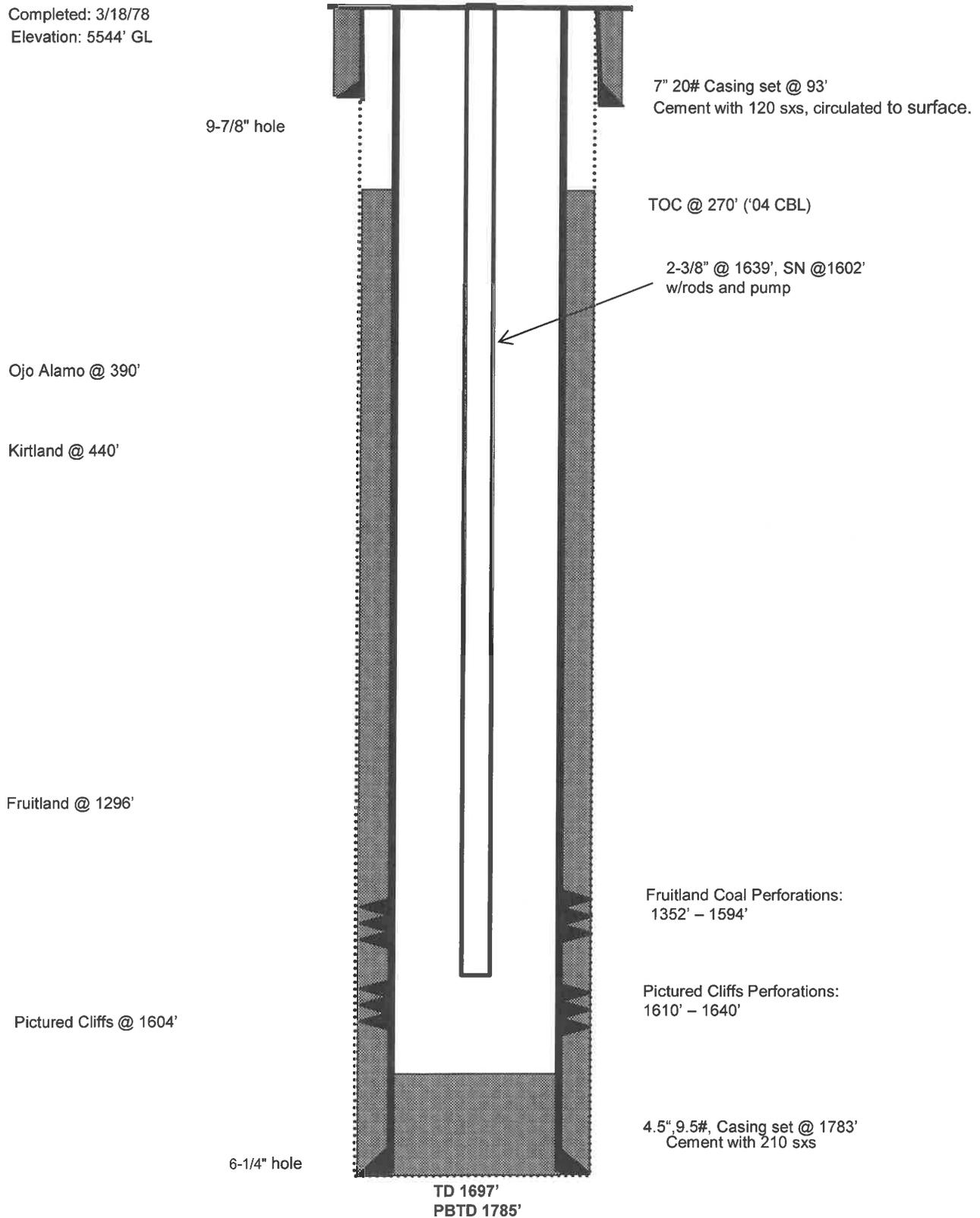
San Juan County, NM, API #30-045-22723

Today's Date: 11/14/19

Spud: 10/29/77

Completed: 3/18/78

Elevation: 5544' GL



Federal #1 Proposed P&A

Fulcher Kutz PC/ Basin FtC
888' FNL & 1678' FWL, Section 24, T29N, R12W
San Juan County, NM, API #30-045-22723

Today's Date: 11/14/19
Spud: 10/29/77
Completed: 3/18/78
Elevation: 5544' GL

9-7/8" hole

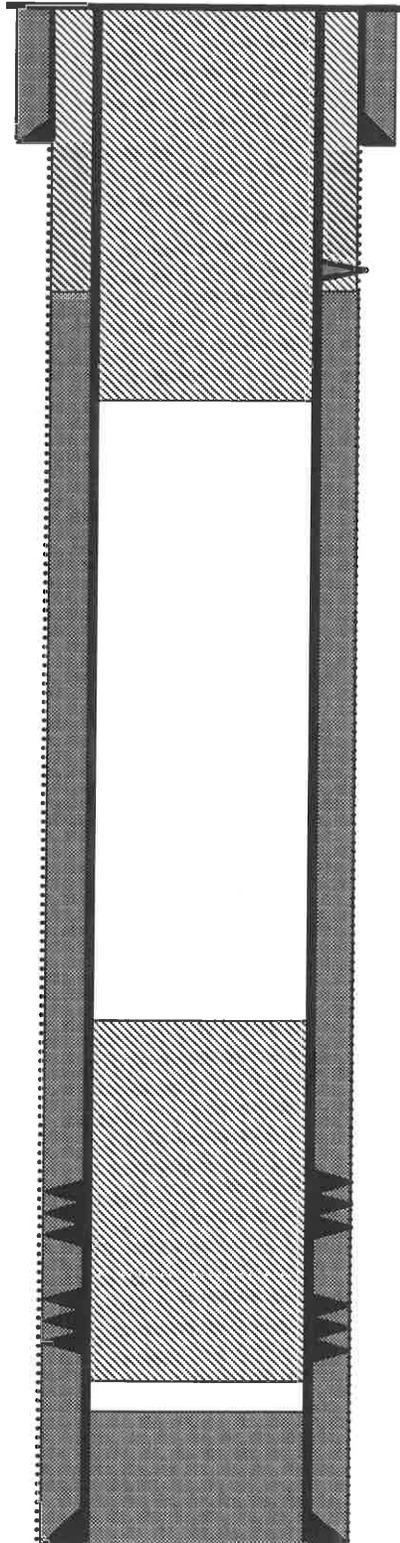
Ojo Alamo @ 260'

Kirtland @ 440'

Fruitland @ 1296'

Pictured Cliffs @ 1604'

6-1/4" hole



7" 20# Casing set @ 93'
Cement with 120 sxs, circulated to surface.

Perforate @ 265'

TOC @ 270' ('04 CBL)

Plug #2: 490' - 0'
Class G cement, 80 sxs

Plug #1: 1690' - 1246'
Class G cement, 45 sxs
(30% excess)

Fruitland Coal Perforations:
1352' - 1594'

Pictured Cliffs Perforations:
1610' - 1640'

4.5" 9.5# Casing set @ 1783'
Cement with 210 sxs

TD 1697'
PBD 1785'

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Federal 1

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. Submit the 2004 CBL to confirm cement coverage.
4. Submit electronic copy of the CBL for verification to the following addresses: jkillins@blm.gov , jhoffman@blm.gov and Brandon.Powell@state.nm.us . Based on CBL review inside/outside plugs and volumes may be adjusted accordingly. Please review the General Requirements document to ensure volumes meet required excess inside and outside casing.
 - a. BLM tops are based on the attached geologic report. Plugs will be adjusted based on cement coverage indicated by the CBL. Do not proceed with any plugging operations prior to reviewing CBL results with BLM and revising plug depths.

**BLM FLUID MINERALS
Geologic Report**

Date Completed: 3/30/2020

Well No. Federal #001 (API# 30-045-22723)	Location	888	FNL	&	1678	FWL
Lease No. NMNM-013885	Sec. 24	T29N			R12W	
Operator Synergy Operating, LLC	County	San Juan		State	New Mexico	
Total Depth 1785	PBTD 1697	Formation Pictured Cliffs, Fruitland Coal (commingled)				
Elevation (GL) 5544	Elevation (KB) 5557					

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					
Nacimiento Fm			Surface	328	Fresh water sands (probable)
Ojo Alamo Ss			328	440	Aquifer (fresh water probable)
Kirtland Shale			440	1296	
Fruitland Fm			1296	1604	Coal/Gas/Possible water
Pictured Cliffs Ss			1604	PBTD	Gas
Lewis Shale					
Chacara					
Cliff House Ss					Water/Possible gas
Menefee Fm					Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale					
Gallup					O&G/Water
Graneros Shale					
Dakota Ss					O&G/Water

Remarks:

P & A

Reference Well:

1) Same

Fm. Tops

- BLM geologist's pick for the top of the Ojo Alamo formation varies from operator's. No change to proposed plug #2 is required.
- Log analysis of reference wells in the region indicate that Nacimiento and Ojo Alamo sands investigated likely contain fresh water ($\leq 5,000$ ppm TDS). These fresh water sands are adequately covered by the proposed surface plug (490' – Surface).

Prepared by: Chris Wenman