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

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

2005 OCT 31 PM 3 14

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.
NM-99705

6. If Indian, Allottee or Tribe Name

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

RECEIVED
070 FARMINGTON NM

7. If Unit or CA, Agreement Designation

2. Name of Operator
Synergy Operating, LLC (163458) OGRID # 163458

8. Well Name and No.
Eagle Springs "8" Federal # 1

3. Address and Telephone No.
PO Box 5513 (505) 325-5549
Farmington, NM 87499

9. API Well No.
30-043-20949

4. Location of Well (Footage, Sec, T. R., M, or Survey Description)
Unit B, 263' FNL, 2548' FEL, Sec 08, T19N - R04W

10. Field and Pool, or Exploratory
96899
Arena Blanca Entrada, Southeast

11. County or Parish, State
Sandoval
New Mexico

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 compleiton 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 REQUESTS APPROVAL TO PLUG AND ABANDON THE SUBJECT WELLBORE PER THE ATTACHED PROCEDURE AND WELLBORE DIAGRAM.

A SMALL LINED EARTHEN CEMENT RETURN PIT WILL BE PLACED NEAR THE WELLHEAD AND CLOSED FOLLOWING THE COMPLETED RIG ACTIVITY.

NOV 2005
RECEIVED
OIL CONS. DIV.
DIST. 3

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

Signed: Thomas E. Mullins Title: Engineering Manager Date: 10-31-2005
Telephone: (505) 566-3725

This space for federal or state office use

Approved by: **Original Signed: Stephen Mason** Title: _____ Date: NOV 0 4 2005

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

PLUG AND ABANDONMENT PROCEDURE

Eagle Springs "8" Federal # 1
Unit B, Section 08-T19N-R04W
263' FNL, 2548' FEL
6717' GL, 12' KB

Secure all approvals before commencing plugging operations. NMOCD, BLM, & Partner Approvals.

9-5/8" 36# J-55 Casing at 400'. 8-3/4" hole drilled out.
7" 23# L-80 Casing to 5740', DV tool at 3103' (6.366" ID, 0.039365 bbls/ft)
2-7/8" 6.5# J-55 Tubing at 5400' (169 Jts) (2.441" ID, 0.002371 bbls/ft)
7" Model 84-32 DB Permanent PKR at 5400'
Perforations from 5534' to 5547' (150 holes)
Bradenhead Shallow Gas Flow

1) Perform NM One Call. Test Anchors. Dig and Line Small Pit for Cement Returns during plugging operation, near the wellhead.
2) Contact both the BLM and the NMOCD 24 hrs prior to commencing plugging operations.
3) MIRU Workover Rig with Auxiliary Equipment. Need Trailer to Lay Down Tubing, and Work Tank for Cement Mix Water.
4) Check & Record Pressures on Bradenhead, 7" Casing, and Tubing.
5) BD all. ND WH. NU BOPE.
6) Unseat Hanger and Unseat Seal Assembly from PKR. Remove Tbg Hanger. Reseat 2-7/8" tubing in PKR at 5400'.
7) Close Pipe rams and hold 500# pressure on casing during cement job.
8) **PLUG # 1A** (5400' to 5547')– Establish rate below PKR at 5400' and into perforations. Mix and pump (11.5 bbls cement – 100% excess), below retainer. Displace with an additional 2 bbls cement, followed by 10.8 bbls water. Pull above Permanent PKR placing the 2 bbls on top of the PKR, for cement **PLUG # 1B** from 5350' to 5400'.
9) Lay Down 850' tubing (27 jts+/-), placing EOT at 4550'. 4920 ~~4925~~ ~~2132~~
10) Mix and pump **PLUG # 2** (~~4450~~' to ~~4550~~') inside 7" casing from ~~4550~~' to 4450'. Pump total of ~~4~~ 6 bbls cement. Displace as appropriate (10.7 bbls tbg capacity at 4450'. This plug ensures balanced plug coverage of the Dakota formation. ~~4310~~
11) Lay Down 1,450' tubing (46 Jts +/-), placing EOT at 3100'.
12) Mix and pump **PLUG # 3** (~~3000~~' to ~~3100~~') inside 7" casing. Pump total of ~~4~~ 6 bbls cement. Displace as appropriate (7.35 bbls tbg capacity at 3100'). This plug ensures balanced plug coverage across the DV tool and the Gallup formation. ~~3188~~ ~~3088~~ ~~3000~~
13) Lay down 700' tubing (22 Jts +/-), placing EOT at 2400'.
14) COOH w/ 2-7/8" tubing from 2400'. Lay Down Seal Assembly for PKR.
15) MIRU wireline. Run sinker bars. Tag Plug # 3. Report depth. POOH.

16) RIH and perforate squeeze gun 3-1/8" HSC (or equivalent). Perforate four (4) squeeze holes at 2400'+/-. Above current TOC at 2428' per GR-USI log. POOH.
17) Establish rate down 7" casing, note returns on bradenhead if any.
18) GIH w/ 7" 23# Cement Retainer on 2-7/8" tubing. Set Retainer at 2350'.
19) **PLUG # 4** (2275' to 2400')– Establish rate below retainer, monitor returns on Bradenhead. Annular volume (0.026773 bbls/ft). Mix and Pump 10 bbls cement below retainer, covering 100' plug outside 7" casing w/ 100% excess. Sting out of retainer, placing 3 bbls cement on top of retainer. Displace as appropriate. This plug covers the Mancos and Pt. Lookout formations.
20) Lay down 1400' tubing (45 jts +/-), placing EOT at 950'.
21) COOH w/ 2-7/8" tubing. LD setting tool.
22) Wireline. RIH and perforate squeeze gun 3-1/8" HSC (or equivalent). Perforate four (4) squeeze holes at 950'+/-. POOH.
23) Establish rate down 7" casing, note returns on bradenhead if any.
24) GIH w/ 7" 23# Cement Retainer on 2-7/8" tubing. Set Retainer at 900'.
25) **PLUG # 5** (~~825~~ 802' to ~~950~~ 902')– Establish rate below retainer, monitor returns on Bradenhead. Annular volume (0.026773 bbls/ft). Mix and Pump 10 bbls cement below retainer, covering 100' plug outside 7" casing w/ 100% excess. Sting out of retainer, placing 3 bbls cement on top of retainer. Displace as appropriate. This plug covers the Mesaverde Top.
26) COOH w/ 2-7/8". LD remaining Tubing. LD setting tool.
27) Wireline. RIH and perforate squeeze gun 3-1/8" HSC (or equivalent). Perforate four (4) squeeze holes at 450'+/-. POOH.
28) Establish rate down 7" casing, note returns on bradenhead.
29) **PLUG # 6** (325' to 450'). Mix and Pump 30 bbls cement down casing and out squeeze hole. Displace w/ 12 bbls water, ensuring cement to surface on the annulus and top of Plug # 6 inside 7" casing at 325'. WOC 2 hrs.
30) Release pressure slowly. Clean BOP Stack. Surface plug inside casing from 195' - Surface to cover Pictured Cliffs & Fruitland.
31) Cut-Off Wellhead.
32) PLUG # 7 - Install Dryhole Marker w/ 5 sxs cement above ground level as required.
33) Close out Cement wash-up pit per NMOCD guidelines.
34) Remove Surface equipment from wellsite, rip location and reseed location per BLM specifications.
35) Submit all documentation. Secure final abandonment approvals.

Prepared by Tom Mullins
10/31/2005

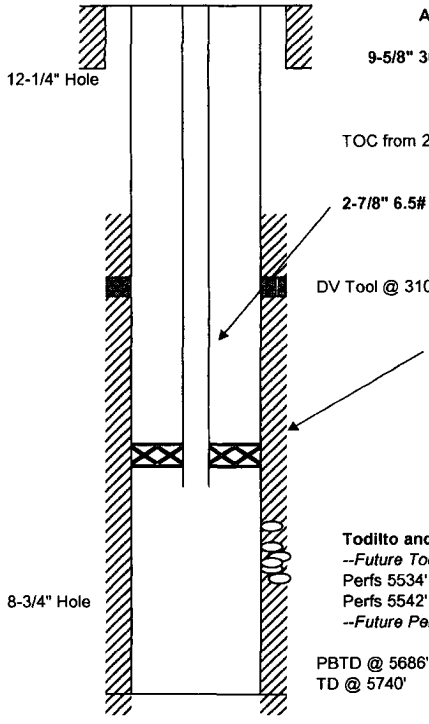
Eagle Springs "8" Federal # 1
Unit B, Section 08-T19N-R04W
263' FNL, 2548' FEL
6717' GL, 12' KB

Key Rig # 43
BHWS # 2

Spud: 12/11/99
Completed: 03/08/00

Lease # NMNM-99705

API # 030-043-2094900



9-5/8" 36# J-55 Casing @ 400' w/ 270 sxs (351 ft3)
Circulated 27 bbls cement to surface

TOC from 2nd Stage Cement Job @ 2428' per GR-USI log

2-7/8" 6.5# J-55 EUE Tubing set @ 5400' (169 Jts)

(12.00') KB Depth
(32.53') 2-7/8" 6.5# J-55 Tubing Jt
DV Tool @ 3103' (WL Depth) (12.25) 2-7/8" 6.5# N-80 Pup Jts (2' and 10')
(5341.20') 2-7/8" 6.5# EUE tubing - 168 Jts
Above PKR the following: (0.90') Locator Seal fir 80-32 "EBH-22" anchor tubing assembly
7" Baker Model 84-32 DB Permanent Production Packer @ 5400' (Wireline Depth) (3.9')
Below PKR the following: (6.25') 4-1/2" STC pup jt
(0.35') 4-1/2" STC pin x 2-7/8" EUE pin Cross over
(2.10') 2-7/8" 6.5# EUE pup jt
(1.12') 2.31" Baker BX Nipple
(8.05') 2-7/8" 6.5# EUE pup jt
(1.12') 2.31" Baker BXN Nipple
EOT @ 5423' (0.67') 2-7/8" wireline Re-entry

Todilto and Entrada Perforations
--Future Todilto Perforations 5510' to 5534' (14') - 80 holes - 56 SPF
Perfs 5534' to 5539' (5') - 75 holes - 15 SPF - Todilto
Perfs 5542' to 5547' (5') - 75 holes - 15 SPF - Entrada
--Future Perforations 5547' to 5735' (14') - 80 holes - 56 SPF

PBTD @ 5686'
TD @ 5740'

7" 23# L-80 Casing. Set at 5740'
1st Stage Cement w/ 481 sxs (976 ft3) Lead Cement 960 psi lift pressure, Circ 10 bbls good cement
2nd Stage Cement w/ 604 sxs (1226 ft3) Cement. Lost Circ 80 bbls in of 122 bbls displacement

Formation Tops	
Pict Cliffs	420'
Lewis	
Cliffhouse	849'
Menefee	1556'
Pt. Lookout	2338'
Mancos	2485'
Gallup	
Greenhorn	4320'
Graneros	4397'
Dakota	4564'
Morrison	4768'
Todilto	5510'
Entrada	5542'
Carmel	5735'
TD	5740'

Specialty Logs, Misc
Mud Log (400'-TD)
DST # 1 (5532'-5538')

Open Hole Logs (HES)
GR-Ind-Neu-Dens-Sonic (5744'-Surf) 12-23-99
GR-MRI log (5450'-5650', 3266'-3272') 12-23-99
Cased Hole Logs (Schlumberger)
GR-USI (2000'-5686') 03-01-00

January 24, 2004
Updated 10-31-05

Formation Name: **Todilto/Entrada**

02-27-2000 MIRU Completion Unit. NU BOP. GIH w/ 6-1/8" Bit & Six (6) 3-1/2" DCs. Tag cmt at 3018'. Bit plugged w/ LCM. COOH.
unplug bit & BS. DO cmt from 3028' to 3105'. Circ Clean. Test Csg to 1000#. Good. GIH. Tag at 5637'. DO to FC @ 5686'.
COOH. TIH w/ casing scraper. COOH.
03-02-2000 RU Schlumberger. Run cased hole GR-USI log. Bond across zones of interest. COOH.
03-03-2000 GIH OE. Pickle tubing w/ 500 gals 15% HCl. Displace hole w/ diesel. LD 12 jts. Swab well to 450'. COOH.
03-05-2000 Schlumberger run Gyro Survey. Perf Todilto Limestone (to avoid water coning) from 5534' to 5539' (5') - 75 holes.
Fluid level same. GIH Model R PKR. Set at 5408'. Load backside w/ diesel & press test backside to 200#. Swab well.
03-07-2000 RU Schlumberger. Perforate Entrada Sandstone from 5542' to 5547' (5') - 75 holes. No change Fluid Level.
GIH w/ Model R PKR. Set at 5408'. Swab well. Recover all diesel and formation oil. Swab in 600' entry per hour of formation
oil. No show of water. SITP 160#. Blowdown. COOH.
Run Production tubing as follows. 1 Jt BP Mud Anchor, 4' Perf Sub, SN, 126 Jts (127 Jts) Total + 14' KB. EOT at 4046.18', SN @ 4010.63'
Pump Run (2.25" x 2" x 16' RWBC pump, 159 7/8" steel rods & polish rod.
03-14-2000 Pump 189 bbls New Oil, Zero Water. RD Rig.
03-16-2000 MIRU Welltech unit. POOH w/ rods & pump. RIH w/ 2.25" x 1.25" x 16' pump. Space out same rods.
03-17-2000 Pump 123 Bbls Oil, Zero Water.
04-05-2000 Shoot FL, found at 1586' in depth. NMOCD hearing to increase allowable.
09-14-2000 MIRU Pulling Unit. POH w/ rods & pump. RIH w/ 2.25" x 2" x 16' pump and same rods. Hang On.
09-15-2000 Pump 114 BO, 52 BW
09-18-2000 Pump 119 BO, 186 BW. Water Breakthrough.
10-26-2000 Pump 100 BO, 168 BW, Shoot FL found at 123 jts or 3912'
03-27-2001 MIRU Triple P Well Service. Unseat pump. LD 56 7/8" rods. ND WH. NU BOP. COOH w/ 2-7/8" tubing. LD perf sub.
GIH w/ 2-7/8" x 2.25" x 22' Tubing Pump bbl and 166 Jts 2-7/8" tubing. Land at 5316.77' KB. Run Rods as follows:
2.25" x 5' plunger, 2' 3/4" pony, 2 - 7/8" steel rods, 1 - 7/8" 26K shear tool, 100 - 7/8" rods, 72 - 1" Fiberglass rods, 2' 7/8" pony & PR
04-10-2001 Pumping 30 BO, 263 BW.
04-30-2001 Pumping same 25 BOPD, 258 BWPD.
05-02-2001 FL shot, at 86 Jts or 2745'
08-01-2003 MIRU BHWS # 2. COOH w/ rods laying down. ND WH. NU BOPE. COOH, Pulling wet. Swab oil off top.
COOH. Rig Repair. RU Blue Jet Wireline. RIH w/ gauge ring to 5670', Perfs from 5534' to 5547'. POOH.
RIH and set Baker Model DB Permanent Production PKR w/ exstensions. PKR set at 5400'.
RIH w/ Model EBH-22 Seal Assembly on 2-7/8" tubing. Mix inhibitor and roll hole to place fluid.
Land 169 Jts - 2-7/8" 6.5# J-55 tubing at 5400', in PKR.
ND BOPE. Swap out hanger to ensure seal on PKR test. PT Casing to 500#, for 30 mins good test.
10-28-2003 MIRU BJ Services. PT lines to 5000#. Perform Breakdown of Todilito/Entrada Perfs w/ 750 gals 15% HCl acid.
Peform Step Rate Test for Injection permiting. Pump 0.5 BPM at 650#, 1.0 @ 72#, 1.5 @ 885#, 1.75 @ 1030#
2.0 @ 1090# (2880 BWPD), 3.0 @ 1200#, 3.5 @ 1530#. ISIP Zero Vaccum.
03-23-2004 Perform MIT w/ NMOCD for permit to inject. Note Bradenhead w/ 280#? Pressure. 500# test failed.
MIT failed
03-29-2004 NMOCD Letter to keep well shut-in and deny injection.
07-01-2005 Letter requesting shut-in exstension, with Gas Sample tests, Approved for 90 day extension until Oct 1st.
10-05-2005 BLM response requiring decision by October 31st, 2005.