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JUN 06 2017

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Farmington Field Office
Bureau of Land Management

FORM APPROVED
Budget Bureau No. 1004-0137
Expires March 31, 2014

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

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Synergy Operating, LLC (OGRID # 163458)

3a. Address

PO Box 5513
Farmington, NM 87499

3b. Phone No. (include area code)

(505) 325-5549

4. Location of Well (Footage, Sec, T. R., M, or Survey Description)

Unit K, 1775' FSL, 1960' FWL, Sec 07, T21N - R07W

5. Lease Serial No.

NMNM-99735

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Synergy 21-7-7 # 135

9. API Well No.

30-043-21021

10. Field and Pool, or Exploratory

Basin Fruitland Coal

11. County or Parish, State

Sandoval County, New Mexico

OIL CONS. DIV DIST. 3

JUN 14 2017

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

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

13. Describe Proposed or Completed Operations: (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 recomplate 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 the 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 recomplate 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 NOTIFIED BOTH THE BLM AND NMOCD 48 HOURS IN ADVANCE OF PRODUCTION TESTS

05-14-2017 TO 05-16-2017

Start pumping unit equipment on natural gas, casing pressure 17#, Produce well to production tank battery located on # 136 location. Meter Natural Gas, Take Natural Gas Sample and Produced Water Samples. Production Witnessed by Mark Decker with BLM on May 16th. See attached production charts, integrated volumes, gas sample and water analysis.

Gas Production: 1.07 MCF, Water Volume: 35 Barrels, BTU value: 979.7, Water TDS: 6,720, Producing Time: 47 hours

Well remains capable of production in paying quantities, well is shut-in pending improved natural gas commodity prices and pipeline infrastructure. Well is requested for long term shut-in status, until commodity prices improve and pipeline infrastructure is available, including necessary salt water disposal system and water gathering. Synergy requests 24 month shut-in status per IM: NM-2016-017

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

THOMAS E. MULLINS tom.mullins@synergyoperating.com

Title ENGINEERING MANAGER

Signature

Date JUNE 6, 2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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

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)

ACCEPTED FOR RECORD

JUN 12 2017

FARMINGTON FIELD OFFICE
BY: J. Medina

BP NMOCD Accepted For Record

R & L Charts

(505) 632-9625

Production Period: 05/2017

Customer: 81 SYNERGY
 Field: 2
 Station: 81010 0 SYNERGY 21-7-7 #135

District: Unknown District
 County: Unknown County
 State:

Station Name: SYNERGY 21-7-7 #135
 Meter Number:

STATION DATA

 Eff. Date: 05/01/17 -- Calculation Bases -- Rotation: 48.0 ----- Ranges ----- Tap Type: Flange
 Time: 00:00 Press: 14.730 Temp: 60 Orifice: 0.2500 Static: 100 Temp: 150 Static Source: Downstream
 Atmos: 12.000 BTU: Dry Tube Size: 3.0670 Diff.: 100 Press: Absol Measurement Type: Dry Flow
 Type: AGA3-92 Super Type: AGA8-Auto

VOLUME DATA

Date	Time	Date	Time	Chart	Orif.	Spec.	Factors	Volume	Volume	
On	On	Off	Off	Count	PSIG	Diff	Hours Temp	(MCF)	(MMBTU)	
05/14	13:09	05/15	00:00	44	33.0A	0.68	8.2 68	0.2500 0.6000 1.2910 0.9926 1.0016 0.0000 1.0000	0.65	0.00
05/15	00:00	05/16	00:00	71	29.1A	0.78	13.4 68	0.2500 0.6000 1.2910 0.9921 1.0013 0.0000 1.0000	1.05	0.00
05/16	00:00	05/16	12:12	0	0.0A	0.00	0.0 69	0.2500 0.6000 0.0000 0.0000 0.0000 0.0000 0.0000	0.00	0.00

 21.6

 1.70

 0.00

Analytical Report

Lab Order 1705E05

Date Reported:

Hall Environmental Analysis Laboratory, Inc.

CLIENT: SYNERGY OPERATING

Client Sample ID:21-7-7 #135

Project: Synergy Shallow Coal Wells

Collection Date:5/16/2017 12:15:00 PM

Lab ID: 1705E05-002

Matrix: AQUEOUS

Received Date:5/26/2017 7:50:00 AM

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 300.0: ANIONS						Analyst: MRA
Chloride	3400	250	*	mg/L	500	5/31/2017 7:03:10 PM
Sulfate	ND	2.5		mg/L	5	5/27/2017 4:51:12 AM
EPA METHOD 200.7: DISSOLVED METALS						Analyst: pmf
Calcium	30	1.0		mg/L	1	5/31/2017 3:36:44 PM
Iron	ND	0.020		mg/L	1	5/30/2017 3:27:26 PM
Magnesium	7.8	1.0		mg/L	1	5/31/2017 3:36:44 PM
Potassium	15	1.0		mg/L	1	5/31/2017 3:36:44 PM
Sodium	2600	50		mg/L	50	5/31/2017 3:42:56 PM
SM2340B: HARDNESS						Analyst: pmf
Hardness (As CaCO3)	110	6.6		mg/L	1	5/31/2017
SM2510B: SPECIFIC CONDUCTANCE						Analyst: JRR
Conductivity	13000	5.0		µmhos/cm	5	6/1/2017 3:03:53 PM
SM4500-H+B: PH						Analyst: JRR
pH	7.88		H	pH units	1	5/30/2017 12:02:17 PM
SM2320B: ALKALINITY						Analyst: JRR
Bicarbonate (As CaCO3)	658.4	20.00		mg/L CaCO3	1	5/30/2017 12:02:17 PM
Carbonate (As CaCO3)	ND	2.000		mg/L CaCO3	1	5/30/2017 12:02:17 PM
Total Alkalinity (as CaCO3)	658.4	20.00		mg/L CaCO3	1	5/30/2017 12:02:17 PM
SPECIFIC GRAVITY						Analyst: LGT
Specific Gravity	0.9951	0			1	5/31/2017 3:58:00 PM
SM2540C MOD: TOTAL DISSOLVED SOLIDS						Analyst: KS
Total Dissolved Solids	6720	100	*HD	mg/L	1	5/31/2017 4:34:00 PM

Refer to the QC Summary report and sample login checklist for flagged QC data and preservation information.

Qualifiers:	* Value exceeds Maximum Contaminant Level.	B Analyte detected in the associated Method Blank
D	Sample Diluted Due to Matrix	J Value above quantitation range
H	Holding times for preparation or analysis exceeded	J Analyte detected below quantitation limits
ND	Not Detected at the Reporting Limit	P Sample pH Not In Range
R	RPD outside accepted recovery limits	RL Reporting Detection Limit
S	% Recovery outside of range due to dilution or matrix	W Sample container temperature is out of limit as specified

PRELIMINARY



2030 Afton Place
Farmington, NM 87401
(505) 325-6622

Analysis No: SY170001
Cust No: 73300-10135

Well/Lease Information

Customer Name:	SYNERGY OPERATING, LLC	Source:	METER RUN
Well Name:	SYNERGY 21-7-7 #135; MTR	Pressure:	15 PSIG
County/State:	SANDOVAL NM	Sample Temp:	DEG. F
Location:		Well Flowing:	Y
Field:		Date Sampled:	05/16/2017
Formation:	FRUITLAND COAL	Sampled By:	JUSTIN INGRAM
Cust. Str. No.:		Foreman/Engr.:	THOMAS MULLINS

Remarks:

Analysis

Component::	Mole%:	**GPM:	*BTU:	*SP Gravity:
Nitrogen	3.906	0.4300	0.00	0.0378
CO2	0.245	0.0420	0.00	0.0037
Methane	95.175	16.1620	961.27	0.5272
Ethane	0.606	0.1620	10.72	0.0063
Propane	0.000	0.0000	0.00	0.0000
Iso-Butane	0.000	0.0000	0.00	0.0000
N-Butane	0.000	0.0000	0.00	0.0000
I-Pentane	0.000	0.0000	0.00	0.0000
N-Pentane	0.000	0.0000	0.00	0.0000
Hexane Plus	0.068	0.0300	3.58	0.0023
Total	100.000	16.8260	975.58	0.5772

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

**@ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z): 1.0019

BTU/CU.FT (DRY) CORRECTED FOR (1/Z): 979.7

BTU/CU.FT (WET) CORRECTED FOR (1/Z): 962.7

REAL SPECIFIC GRAVITY: 0.5781

GPM, BTU, and SPG calculations as shown above are based on current GPA factors.

DRY BTU @ 14.650: 974.4

DRY BTU @ 14.696: 977.4

DRY BTU @ 14.730: 979.7

DRY BTU @ 15.025: 999.3

CYLINDER #: 6118

CYLINDER PRESSURE: 16 PSIG

DATE RUN: 5/31/17 8:30 AM

ANALYSIS RUN BY: SHYANN ELLEDGE



SYNERGY OPERATING, LLC
WELL ANALYSIS COMPARISON

Lease: SYNERGY 21-7-7 #135; MTR
Stn. No.:
Mtr. No.:

METER RUN
FRUITLAND COAL

06/01/2017
73300-10135

Smpl Date:	05/16/2017	01/27/2007
Test Date:	05/31/2017	01/30/2007
Run No:	SY170001	SY270005
Nitrogen:	3.906	3.493
CO2:	0.245	0.095
Methane:	95.175	95.643
Ethane:	0.606	0.767
Propane:	0.000	0.000
I-Butane:	0.000	0.000
N-Butane:	0.000	0.000
I-Pentane:	0.000	0.000
N-Pentane:	0.000	0.000
Hexane+:	0.068	0.002
BTU:	979.7	983.8
GPM:	16.8260	16.8500
SPG:	0.5781	0.5740