

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

2003 JUN 19

PM 5:08

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

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Synergy Operating, LLC (163458)

3. Address and Telephone No.

PO Box 5513
Farmington, NM 87499

(505) 325-5549

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

Unit P, 790' FSL, 790' FEL, Sec 26, T29N - R11W

5. Lease Designation and Serial No.

SF - 047020 13

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

Well Name and No.

Delo # 11

9. API Well No.

30-045-22639

10. Field and Pool, or Exploratory
Fulcher Kutz PC (T&Ad)

Undesignated Farmington

11. County or Parish, State

San Juan County
New Mexico

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other

- ☒ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ 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 HAS BEEN UNABLE TO COMPLETE OUR OPERATING RIGHTS TRANSACTION WITH
GENERAL MINERALS CORPORATION AND COAL GAS MART, LLC AS REFERENCED IN OUR SUNDRY NOTICE DATED 03-04-2003

SYNERGY OPERATING, LLC IS IN RECEIPT OF BLM LETTERS DATED MAY 12, 2003 AND JUNE 10, 2003 REGARDING THE
SUBMITTAL OF A PROCEDURE REGARDING A RECOMPLETION TO THE FRUITLAND COAL.

SYNERGY OPERATING, LLC HAS FORWARDED COPIES OF THIS SUNDRY NOTICE AND ABOVE REFERENCED BLM LETTERS
TO GENERAL MINERALS CORPORATION AS OF THIS DATE.

SYNERGY HAS BEEN UNABLE TO COMPLETE OUR TRANSACTION WITH GENERAL MINERALS CORPORATION.

PLEASE ADVISE SYNERGY IN WRITING THAT OUR CHANGE OF OPERATOR NOTIFICATION HAS NOT BEEN APPROVED BY THE
NMOCD, AND THEREFORE SYNERGY IS NOT THE AUTHORIZED OPERATOR OF THE SUBJECT WELL.

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

Signed:

Thomas E. Mullins

Title: Engineering Manager

Date: 06-16-2003

Telephone: (505) 566-3725

This space for federal or state office use

Approved by:

Conditions of approval if any

Title:

Date:

ACCEPTED FOR RECORD

NMOCD

FARMINGTON FIELD OFFICE
BY SW

JUN 20 2003



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:

NMSF-047020B (WC)
3162.3-2 (7100)

May 12, 2003

Mr. Glen Papp
Synergy Operating, LLC
PO Box 5513
Farmington, NM 87499

Dear Mr. Papp:

Reference is made to your well No. 11 Delo located 790' FSL & 790' FEL sec. 26, T. 29 N., R. 11 W., San Juan County, New Mexico, Lease NMSF-047020B. Also referenced is your Sundry Notice dated March 4, 2003, which stated a procedure to recompleting the well to the Fruitland Coal would be submitted within the next 30 days. You are required to submit the above mentioned procedure by June 6, 2003. You are also required to commence work over operations within 30 days following approval of your recompleting procedure.

Failure to comply within the time above may result in an assessment in accordance with 43 CFR 3163.1.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-93000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such requests shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions please contact Stephen Mason with this office at (505) 599-6364.

Sincerely,

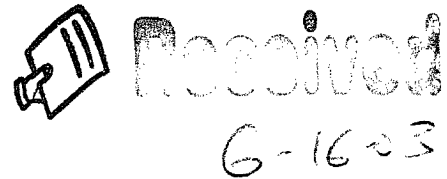
Stephen Mason
Petroleum Engineer, Petroleum Management Team



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway
Farmington, New Mexico 87401



IN REPLY REFER TO:

NMSF047020B (WC)
3162.3-2 (7100)

June 10, 2003

Mr. Glen Papp
Synergy Operating, LLC
PO Box 5513
Farmington, NM 87499

Dear Mr. Papp:

Reference is made to your well No. 11 Delo located 790' FSL & 790' FEL sec. 26, T. 29 N., R. 11 W., San Juan County, New Mexico, Lease NMSF-047020B. Also referenced is our letter dated May 12, 2003, which required you to submit a procedure to recomplete the well to the Fruitland Coal by June 6, 2003.

You are in violation of 43 CFR 3163.1. This is a minor violation. If the violation is not corrected you may be subject to an assessment. You have until July 10, 2003 to correct this violation. Failure to comply within the time above may result in an assessment in accordance with 43 CFR 3163.1.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-93000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such requests shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions please contact Stephen Mason with this office at (505) 599-6364.

Sincerely,

Stephen Mason
Petroleum Engineer, Petroleum Management Team