

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-043-21045
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Synergy Operating, LLC (505-325-5449)		6. State Oil & Gas Lease No. NMNM-99734
3. Address of Operator PO Box 5513, Farmington, NM 87499		7. Lease Name or Unit Agreement Name Synergy 21-7-20 #
4. Well Location Unit Letter E, 1780' feet from the NORTH line and 845' feet from the WEST line Section 20 Township 21N Range 07W NMPM County Sandoval		8. Well Number 159
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6824' GL		9. OGRID Number 163458
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type Reserve Depth to Groundwater >100 Distance from nearest fresh water well 1.0 miles Distance from nearest surface water n/a		
Pit Liner Thickness: 12+ mils Below-Grade Tank: Volume 500 bbls; Construction Material Existing Soil & Lined		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Reserve Pit Construction <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

This new well location is permitted for a lined reserve pit. This small pit will be utilized for a fresh water mud system, that will use approximately 20 sacks of bentonite gel, and three (3) 5 gallon jugs of poly-plus (fresh water polymer).

The well will be drilled with a daylight drilling rig to a depth of 950 feet+/-.

The reserve pit will be utilized for less than 3 days, and will be closed immediately per the regular NMOC guidelines. The location of the reserve pit is clearly shown on the BLM APD site plats and documents.

We plan to spud this well in August or Early September 2007.

RCVD AUG 13 '07
OIL CONS. DIV.
DIST 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Thomas E. Mullins TITLE Engineering Manager DATE 8-10-2007

Type or print name E-mail address: tom.mullins@synergyoperating.com Telephone No. 505-566-3725

For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE AUG 27 2007
Conditions of Approval (if any):