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Form 3160-5

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

MAR 0 4 2008

FORM APPROVED

Budget Bureau No 1004-0135

outeau of Lario Management BUREAU OF LAND MANAGEMENT (June 1990) Expires March 31, 1993 Farmington Fie d Gflease Designation and Serial No SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to deepen or reentry to a different reservoir NMNM-99740 Use "APPLICATION FOR PERMIT -" for such proposals 6 If Indian, Allottee or Tribe Name SUBMIT IN TRIPLICATE RCVD MAR 7 '08 1 Type of Well 7 If Unit or CA, Agreement Designation OIL CONS. DIV. Oil Well Gas Well 8 Well Name and No DIST. 3 2. Name of Operator OGRID (163458) Synergy 22-7-31 # 144 Synergy Operating, LLC 9 API Well No 3 Address and Telephone No. 30-043-21053 P.O. Box 5513, Farmington, NM 87499 (505) 325-5449 10 Field and Pool, or Exploratory 4. Location of Well (Footage, Sec, T. R., M, or Survey Description) **Basin Fruitland Coal** Unit P, 720' FSL, 895' FEL, Sec 31, T22N - R07W 11. County or Parish, State 320 acres (E/2) Sandoval County, NM 12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandoment Change of Plans Recompletion **New Construction** Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Converion to Injection Other: Deferral of Termination Dispose Water (Note Report results of multiple completton 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 02-10-08 SM. Establish Circulation. Drill ahead and TD 7-7/8" hole at 958'. Circulate hole. Survey hole 927' - 1.0 degree. COOH laying down DP and BHA. RU Jet West Loggers. Openhole log well from 956' to surface w/ GR-Density. RD Logger RU to run 5-1/2" Casing. Run new 5-1/2" 15.5# K-55 LT&C production casing (22 Jts). Run 11 centralizers every other joint. Casing landed at 944', Float Collar 933', Marker Jt at 670'. Secure Well Location overnight. Cement on Freeze in AM. SM. Wait on H2O Truck. Circulate 5-1/2" Casing w/ rig pump at 945'. RU Key Cementers. 02-11-08 Cement 5-1/2" 15.5# K-55 Production Casing @ 945' w/ 5 bbls H2O ahead, then 70 sxs Lead Type 5 Cement w/ 2% SM, w/ 3#/sx gilsonite, 0.25#/sx celloflake @ 12.5 ppg (25.7 bbls/ 144.2 ft3), and 59 sxs Tail Type 5 Cement w/ 2% CaCl, w/ 3#/sx gilsonite, 0.25# celloflake @ 14.8 ppg (13.9 bbls/77.8 ft3), displace 22.2 bbls FW. Bump plug to 500#. Held good. Circulate 11 bbls good cement to surface. Rig Down Rig. Wash up BOP and pump to reserve pit. Finish Rig down and move out all equipment on the freeze. BOP and accumulator skid to be collected tomorrow\_by\_C&J\_Trucking 02-12-08 Leave Substructure until weather improves and/or rig has another well. Rig Released at 10:00 hrs on 2/11/08 ACCEPTED FOR RECORD Include pt on 5/2 CSG Next Report, MAR 0 5 2008

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

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

Thomas. E. Mullins

This space for federal or state office use

Signed:

Approved by:

Conditions of approval if any

Title:

Engineering Manager

tom.mullins@synergyoperating.com

02-29-2008