## UNITED STATES DEPARTMENT OF THE INTERIOR

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0 3 2008 Form 3160-5 Budget Bureau No 1004-0135 Bureau of Lanc Farmington Field Offi(Expires March 31, 1993 (June 1990) BUREAU OF LAND MANAGEMENT 5 Lease 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-99735 Use "APPLICATION FOR PERMIT -" for such proposals 6. If Indian, Allottee or Tribe Name SUBMIT IN TRIPLICATE RCUD SEP 5 '08 1 Type of Well 7 If Unit or CA, Agreement Designation OIL CONS. DIV. Oil Well Gas Well 8 Well Name and No 2 Name of Operator Synergy 21-7-7 # 131 OGRID (16348) Synergy Operating, LLC 9 API Well No. 3. Address and Telephone No 30-043-21023 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 H, 1495' FNL, 1000' FEL, Sec 07, T21N - R07W 11. County or Pansh, State 320 acres (E/2) Sandoval County, NM CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION X Notice of Intent Abandoment Change of Plans Recompletion **New Construction** Non-Routine Fracturing Plugging Back Subsequent Report Casing Repair Water Shut-Off Altering Casing Final Abandonment Notice Converion to Injection Other: SUSPEND ACTIVITY Dispose Water 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 REQUESTS AN ADDITIONAL EXTENSION OF SIX (6) MONTHS TO COMPLETE THE SUBJECT FRUITLAND COAL WELL. THIS LEASE HAS TWO (2) COMPLETED WELLS (# 135 & # 136). SYNERGY HAS BEEN DELAYED IN COMPLETING OUR PIPELINE TIE-IN TO PNM (NOW CONTINENTIAL RESOURCES). WE BELIEVE THAT IN THE SPRING OF 2009, WE WILL HAVE TEN (10) FRUITLAND COAL WELLS COMPLETED AND PIPED INTO OUR GATHERING SYSTEM. WATER DISPOSAL WILL OCCUR DOWN THE APPROVED CALEB MESA SWD # 1. SYNERGY PLANS TO PERFORATE THE FRUITLAND COAL FROM 655' TO 676' (21') - 4 SPF AND STIMULATE THE WELL WITH A MINOR AMOUNT OF PROPPANT AND FRESH WATER. A 4" ELECTRIC SUBMERSIBLE PUMP WILL BE INSTALLED TO PRODUCE THE WATER WITH THE CASINGHEAD GAS SENT TO SALES. THE COMPLETION REPORT WOULD THEREFORE BE FILED BY MARCH 1, 2009. THIS SUNDRY IS IN RESPONSE TO LETTERS DATED MAY 24, 2008 AND AUGUST 5, 2008. 14. I hereby certify that the foregoing is true and correct Title Engineering Manager Date: 08-30-2008 Signed: 4homas. E. Mullins tom.mullins@synergyoperating.com This space for federal or state office use SEP 0 4 2009 Original Signed: Stephen Mason Date: Approved by: Title: 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