

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

RECEIVED
SUBMIT IN DUPLICATE*
(See other instructions on reverse side)
NOV 06 2008

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO NMMN-99740
1b. TYPE OF WELL NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR. <input type="checkbox"/> Other _____		6 IF INDIAN, ALLOTTEE OR TRIBE NAME RCUD NOV 10'08
2 NAME OF OPERATOR Synergy Operating, LLC		7 UNIT AGREEMENT NAME OIL CONS. DIV.
3 ADDRESS AND TELEPHONE NO PO Box 5513, Farmington, NM 87499		8 FARM OR LEASE NAME, WELL NO DIST. 3
4 LOCATION OF WELL (Report locations clearly and in accordance with any State requirements *) Unit Letter P, 720' FSL, 895' FEL, Sec 31, T22N, R07W		9 API WELL NO Synergy 21-7-31 # 144
14 PERMIT NO _____ DATE ISSUED _____		10 FIELD AND POOL OR WILDCAT Basin Fruitland Coal
12 COUNTY OR PARISH Sandoval		11 SEC., T., R., M., OR BLOCK AND SURVEY OR AREA SEC 31, T22N, R07W
13 STATE New Mexico		

15 DATE SPUDDED 09-29-07	16 DATE T.D. REACHED 02-12-08	17 DATE COMPL. (Ready to prod.) 04-16-08	18 ELEVATIONS (DF, RKB, RT, GR, ETC)* 6660' GL, 6665' KB (5')	19 ELEV CASINGHEAD 6661'
20 TOTAL DEPTH, MD & TVD 958' MD 958' TVD	21 PLUG BACK T.D., MD & TVD 925' MD 925' TVD	22 IF MULTIPLE COMPL., HOW MANY* _____	23 INTERVALS DRILLED BY Steve & Son Rig #1	24 PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)* Fruitland Coal Formation: 728' to 742' - (14') Total of 80 perforations
25 TYPE ELECTRIC AND OTHER LOGS RUN Openhole: GR, Caliper, Compensated Density, Casedhole: GR-CCL				26 WAS DIRECTIONAL SURVEY MADE Yes
27 WAS WELL CORED No				

23 CASING RECORD (Report all strings set in well)					
CASING SIZE/GRADE	WEIGHT, LB/FT	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8" K-55	24#	127'	12-1/4"	90 sxs (107 ft3) w/ 2% CaCl	Circ 7 bbls
5-1/2" K-55	15.5#	945'	7-7/8"	129 sxs (222 ft3) w/ additive	Circ 11 bbls to Surface

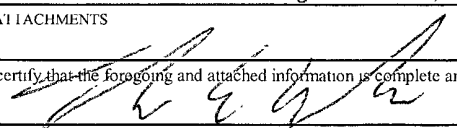
29 LINER RECORD				30 TUBING RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	804'	none

31. PERFORATION RECORD (Interval, size and number)			32 ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
INTERVAL	SIZE	NUMBER	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
728' to 738' (10')	0.34"	40	728' to 742'	8,400 gals Fresh Water
732' to 742' (10')	0.34"	40		
Overlapped				

33 * DATE FIRST PRODUCTION Wait on pipeline		PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) Pumping, 4" Electric Submersible Pump				WELL STATUS (Producing or shut-in) Shut-in	
DATE OF TEST 07-01-2008	HOURS TESTED 24	CHOKE SIZE 2" Open	PROD'N FOR TEST PERIOD 0	OIL--BBLs 0	GAS--MCF 2 MCFD	WATER--BBL 78	GAS-OIL RATIO n/a
FLOW TUBING PRESS n/a	CASING PRESSURE 51 #	CALCULATED 24-HOUR RATE 0	OIL--BBL 0	GAS--MCF 2 MCFD	WATER--BBL 78	OIL GRAVITY API (CORRECTED) n/a	WELL RECORD 07 2008

34 DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Used for Fuel Powering Generator, Waiting on Pipeline Connection	TEST WITNESSED BY Tom Mullins
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35 LIST OF ATTACHMENTS

36 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records	SIGNED 	TITLE Engineering Manager	DATE 11/4/2008
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*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes 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

Do not produce well until C04 NMOC is approved

by

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);				38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Synergy 22-7-31 # 144				Log Tops:		
Fruitland Coal	728'	742'	Coal Seams	Kirtland	330'	330'
				Fruitland Top	443'	443'
				Basal Coal Top	726'	726'
				PC Top	890'	890'
				TD:	958'	958'