UNITED STATES FORM APPROVED DEPARTMENT OF THE INTERIORYA Budget Bureau No. 1004-0135 BUREAU OF LAND MANAGEMENT Expires March 31, 1993 (June 1990) 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-18316 Use "APPLICATION FOR PERMIT ... for such proposals ... 6. If Indian, Allottee or Tribe Name SUBMIT IN TRIPLICATE 496 7. If Unit or CA, Agreement Designation 1. Type of Well Oil Well Gas Well Other 8. Well Name and No. 2. Name of Operator Synergy Operating, LLC OGRID # 163458 29-4 Conoco # 2 9. API Well No. 3. Address and Telephone No. PO Box 5513 (505) 325-5449 30-039-20649 Farmington, NM 87499 10. Field and Pool, or Exploratory 4. Location of Well (Footage, Sec, T. R., M, or Survey Description) Pool Code (73720) Campo (Gallup) GP 1770' FNL & 944' FEL Sec 11, T29N, R04W 11. County or Parish, State Unit Letter H Rio Arriba County New Mexico 12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Change of Plans Abandonment Recompletion **New Construction** Subsequent Report Non-Routine Fracturing Plugging Back Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Converion to Injection Other Dispose Water 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 completed the following Gallup Abandonment and Mesaverde Abandonment Operations, subsequently followed by the recompletion operations to the Pictured Cliffs and Fruitland Coal. The Abanonment operations are filed under the current Gallup Pool. Please see the attached information regarding the Gallup Abandonment. Verbal approval of plugging modifications were obtained during a 7:00 hrs phone discussion with Jim Lovato and Steve Mason on 09-19-2003. 14. I hereby certify that the foregoing is true and correct Signed: **Engineering Manager** Thomas E. Mullins This space for federal or state office use Approved by: Date: 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

29-4 Conoco (11) # 2
Gallup Abanonment Sundry Notice. DATED 11-24-2003

- 09-17-2003 MIRU BHWS Rig # 2 with Auxillary Equipment. 3 Frac Tanks on location. Csg 275# (MV), Tubing 400# (GP). BD well. ND WH. NU BOPE. RU floor and equipment. Lock down pins were hard and leaking.

 Attempt to unland hanger. No success. RU blowdown lines. Tubing unloading some condensate/green oil to rig pit. SDFN.
- 09-18-2003 SM. Csg 100#, Tbg 40#. Remove 2-7/8", sub, install 2-3/8" sub. RU Wireline Specialties.

 Attempt to freepoint tubing. Try to distinguish between Model D PKR @ 7340', Seal Assembly, and 2nd PKR @ 6207'. No success. COOH w/ FP tool, not functioning properly. FP tubing at 6320', indicated below top PKR to be free. Not sure though. Need to make cut to determine. Attempt to contact BLM to modify plugging plan.

 RD Wireline Specialties. Shut-in well.
- 09-19-2003 Modify Plugging Plan after discussion with Jim Lovato and Steve Mason at BLM 7:00 hrs. RU BJ Services. Mix and pump 50 sxs (12.1 bbls cement at 14.6 ppg), displace with water. Abandon Gallup with Cement plug from 7100' to 7685'. RU Blue Jet. Jet Cut tubing at 6921'. Attempt to release PKR @ 6207' No good. Jet Cut tubing at 6165', LD 1 jt to 6133'. BJ Services. Mix and pump Mesaverde abandonment plug with 84 sxs (15 bbls @ 14.6 ppg) displace with water. Abandon Mesaverde with plug from 5582' to 6133'. COOH w/ tubing LD unneeded jts. Pressure Test MV plug and entire casing string to 2000#. Good Test. (See 2nd Page for rest of report summary).

Tom Mullins Spoke with Jim Lovato and Duane Spencer at the BLM-FFO regarding the modified plugging plan. Agreed to increase the cement volume and place cement plugs inside casing on top of existing PKRS, since no success has been had in removing the PKRS. 7:00 hrs. RU BJ services to 2-3/8" tubing in PKR. Mix and pump 35 bbls water ahead, and 50 sxs (12.1 bbls of cement at 14.6 ppg, EOT @ 7685', perf in tubing @ 7322', displace with 26.5 bbls water. Hesitate 15 mins to 125#. SD. Bleed-off pressure. Top of plug @ 7100', PT was to 3500#. RU Blue Jet, Inc. MU Jet cutter and RIH on Electric line. Attempt cut at 6981'. Suspect tool failure. RIH w/ 2nd Jet Cutter. Cut 2-3/8" tubing at 6921'. Good cut. Attempt to release tubing and top PKR. Work for approximately 1 hr, no success. Gallup Permanent abandonment plug from 7100' to 7685'. (CEMENT YIELD IS 1.37 ft3/sack)
After good cut at 6921', work to release PKR at 6207'. No success. Pressure up on 1st plug to

500#. Good test.

Blue let make 3rd let cut on tubing at 6165' above 2nd PKR for Mesaverde plug. Work tubing

Blue Jet, make 3rd Jet cut on tubing at 6165', above 2nd PKR for Mesaverde plug. Work tubing free. Lay down one jt, placing btm of tubing at 6133'.

BJ Services, mix and pump Mesaverde abanondment plug as follows: 5 bbls H2O ahead, 15 bbls (115.3 ft3 @ 14.6 ppg), good circulation for balanced plug setting. Displace tubing with 21 bbls COOH, laying down 64 jts of 2-3/8" 4.7# J-55 Tubing on CAJO Float.

COOH standing back with remaining tubing 67 stands 2-3/8".

With BJ. Pressure test entire casing string to 2000#. Repair leaks where possible on wellhead. Lock down pins are leaking. Good test. Mesaverde Plug placed from 6133' to 5582'. RU Blue Jet. RIH w/ 3-1/8" HSC Squeeze Gun. Shoot 3 - squeeze perfs in Pictured Cliffs at 3810' Correlate with old GO International GR-Bond Log run 10-11-73. POOH. Note CBL shows no bond BJ Services. BD PC Squeeze perfs and pump 15 bbls water at 1.3 BPM 730#. IISIP 530#, stable at 378 psi. No communication to surface. Appears to be pumping into PC zone. Blue Jet. RIH w/ 3-1/8" HSC Squeeze Gun. Shoot 3 - holes at 3602', in top of Fruitland Coal in preparation of performing a suicide squeeze.

RD Blue Jet. RU stripping rubber.

Start in the hole with Baker 5-1/2" Cement Retainer on 2-3/8" tubing. Well is starting to flow back up both the tubing and the casing. Getting Dark, losing daylight. Difficult to trip pipe. Continue to try and GIH with Retainer, the well continues to flowback. Decide that operations can not be completed timely, and safely. Tubing at 1900'. Secure Well location. Shut-down operations until Monday.

09-22-2003 SM. GIH w/ 5-1/2" cement retainer w/ CCL. Correlate w/ DV tool @ 3855'. RU BJ Services. Clear retainer w/ H2O. Set Retainer @ 3790'. Test tbg 2000#. Pump into sqz holes at 3602', 1.5 BPM @ 1330#. No circulation to surface. Pump into sqz holes at 3810'. 1.3 BPM @ 830#. No circulation. Call-off Sqz. RD BJ. Sting out of retainer. COOH. Wait on Blue Jet. RU Blue Jet. Run GR-CBL log from 3788' to 500'. Good cement bond as suspected.

FINAL ABANDONMENT OF GALLUP AND MESAVERDE INTERVALS. SEE NEXT SUNDRY FOR PC/FTC DETAIL