

A.A.P.L. FORM 610-1982

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

MARCH 1, 2005

OPERATOR

SYNERGY OPERATING, LLC

CONTRACT AREA: W/2 SECTION 8, T.29N, R11W, N.M.P.M.

Fruitland Coal Formation

COUNTY OR PARISH OF SAN JUAN

STATE OF NEW MEXICO

COPYRIGHT 1982 - ALL RIGHTS RESERVED
AMERICAN ASSOCIATION OF PETROLEUM
LANDMEN, 4100 FOSSIL CREEK BLVD., FORT
WORTH, TEXAS, 76137-2791, APPROVED
FORM. A.A.P.L. NO. 610 - 1982 REVISED

OIL CONSERVATION DIVISION

CASE NUMBER

EXHIBIT NUMBER 10

Fruitland Coal Formation

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This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this agreement shall be effective as of the 1st day of March, (year) 2005.

OPERATOR

Patrick Hegarty, PRINCIPAL

BURLINGTON RESOURCES OIL & GAS COMPANY **The Heirs of Claude Smith**

June Walmley Estate

**SIGN & RETURN
THIS COPY**

EXHIBIT "A"

Duff 29-11-8#104, W/2 Sec. 8, T29N, R11W

**Attached to and made a part of that certain Operating Agreement dated March 1,
between Synergy Operating, LLC, as Operator, and Burlington Resources Oil &
Gas Company et al. as Non-Operators.**

UNIT AREA, DEPTHS AND FORMATION COVERED

**W/2 of section 8 of Township 29 North, Range 11 West San Juan Co. N.M.
Limited to the Fruitland Coal formation.**

ADDRESS OF THE PARTIES

OPERATOR:

**Synergy Operating, LLC
PO Box 5513
Farmington, New Mexico 87499**

NON-OPERATORS:

**Burlington Resources Oil & Gas Co.
P.O. Box 4289
Farmington, New Mexico 87499**

**June Walmsley Estate
c/o Jerry T. Walmsley
801 West Paradise Road
Spokane, WA 99224**

**The Heirs of Claude Smith
c/o Ed Smith
40758 Jasper Drive (mailing Address)
Kingsberg, CA 93631-1316**

**Joseph C. Robbins
The Heirs of George B., Bessie H., J.R. & India B. Robbins
2136 Lakeshore Drive
Chapel Hill, North Carolina 27514**

.015625 Division of Interest -	
Synergy Operating, LLC et al	18.7500%
June Walmsley Estate	6.2500%
The Heirs of Claude Smith	23.4375%
The Heirs of George B. Robbins	1.5625%

<u>Burlington Resources Oil & Gas Company</u>	<u>50.00%</u>
TOTAL	100.00%



Enter
Same as Hartman Check
Entered
