

**District I**  
1625 N. French Dr., Hobbs, NM 88240

**District II**  
1301 W. Grand Ave., Artesia, NM 88210

**District III**  
1000 Rio Hondo Rd., Aztec, NM 87410

**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-101  
Permit 13694

**APPLICATION FOR PERMIT TO DRILL**

Operator Name and Address SYNERGY OPERATING LLC PO Box 5513 Farmington, NM 87499		OGRID Number 163458
		API Number 30-045-33249
Property Code 34956	Property Name DUGAN 29-13-22	Well No. 109

**Surface Location**

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	22	29N	13W	M	830	S	790	W	San Juan

**Proposed Pools**

BASIN FRUITLAND COAL (GAS) 71629  
KUTZ PICTURED CLIFFS, WEST (GAS) 79680

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 5266
Multiple Y	Proposed Depth 1400	Formation Pictured Cliffs Formation	Contractor	Spud Date 10/01/2005

**Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	350	220	0
Prod	7.875	5.5	15.5	1400	250	0

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Glen Papp

Title: Operations Manager

Date: 07/20/2005

Phone: 505-325-3449

**OIL CONSERVATION DIVISION**

Electronically Approved By: Charlie Perrin

Title: District Supervisor

Approval Date: 07/25/2005

Expiration Date: 07/25/2006

Conditions of Approval:  
There are conditions. See Attached.

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Form C-102  
Permit 13694

**WELL LOCATION AND ACREAGE DEDICATION FLAT**

API Number 30-045-33249	Pool Name BASIN FRUITLAND COAL (GAS)	Pool Code 71629
Property Code 34956	Property Name DUGAN 29-13-22	Well No. 109
OGRID No. 163458	Operator Name SYNERGY OPERATING LLC	Elevation 5266

**Surface And Bottom Hole Location**

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	22	29N	13W	M	830	S	790	W	San Juan
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			

x			

**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

Electronically Signed By: Glen Pepp

Title: Operations Manager

Date: 07/20/2005

**SURVEYOR CERTIFICATION**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

Surveyed By: David Russell

Date of Survey: 07/13/2005

Certificate Number: 10201

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Permit 13694

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-045-33249	Pool Name KUTZ PICTURED CLIFFS, WEST (GAS)	Pool Code 79680
Property Code 34956	Property Name DUGAN 29-13-22	Well No. 109
OGRID No. 163458	Operator Name SYNERGY OPERATING LLC	Elevation 5266

**Surface And Bottom Hole Location**

UL or Lot	Section	Township	Range	Lot Idn.	Feet From	N/S Line	Feet From	E/W Line	County
M	22	29N	13W	M	830	S	790	W	San Juan
Dedicated Acres 160		Joint or Infill		Consolidation Code		Order No.			

x			

**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

Electronically Signed By: Glen Papp

Title: Operations Manager

Date: 07/20/2005

**SURVEYOR CERTIFICATION**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

Surveyed By: David Russell

Date of Survey: 07/13/2005

Certificate Number: 10201

**Permit Conditions Of Approval**  
C-101, Permit 13694

Operator: SYNERGY OPERATING LLC , 163458

Well: DUGAN 29-13-22 #109

OCD Reviewer	Condition
SHAYDEN	Notice is to be given to the OCD prior to construction of the pit(s)
SHAYDEN	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines