



Synergy Operating, LLC

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February 13, 2009

Oil Conservation Division
1220 South St. Francis Dr
Santa Fe, NM 87505

Attn: Florence Davidson

Re:

Actual Costs
Beck 29-12-10 #108 Well
Case No. 14032
Order No. R-12889

As per Order Number R-12889, Synergy Operating has attached an itemized schedule of the actual well costs accrued for the drilling, completion and equipping of the aforementioned well. The request for compulsory pooling, Case No. 14032, was heard by the New Mexico Oil Conservation Division on December 13, 2007 and the subsequent order was issued on January 24, 2008.

Should you have any questions, or need additional information, please contact me at (505) 325-5449, Ext #3 during business hours, or at the above letterhead address.

Sincerely,

Glen O. Papp, P.E.
Operations Manager

Attachments
xc: file

Synergy Operating LLC
Authorization for Expenditure

Beck 29-12-10 #108

Drill, complete & equip 1850' a dual Pictured Cliffs / Fruitland Coal well

Location: T29N-R12W, Sec 10, U/L: N

County: San Juan

State: NM

Operator: Synergy Operating

Stand-Alone FTC

FACILITY COSTS		Actual Costs
5604	Installation	7,670.57
5617	Contract Services	8,955.46
TOTAL Facility Costs		16,626.03

INTANGIBLE COMPLETION		Actual Costs
4403	Completion Rig	6,567.70
4408	Stimulation Treatments	39,127.34
4409	Completion Fluids	2,535.60
4411	Trucking	2,924.77
4412	Equipment Rentals	1,117.42
4415	Logging & Perforating	6,454.76
4418	Completion Supervision	1,029.72
4423	Water to Disposal	269.83
4424	Air Package &	0.00
4430	Flowback Iron	5,352.85
4435	Portable Toilet	622.74
TOTAL Intangible Completion		66,002.73

INTANGIBLE DRILLING		Actual Costs
3300	Site Access - Survey & Staking	2,288.06
3301	Site Access -	11,168.27
3303	Rig Mobilization	1,071.59
3304	Drilling - Footage	50,264.69
3308	Mud & Additives	391.47
3311	Water to Rig Pit	2,692.66
3312	Equipment Rental	0.00
3315	Openhole Logging	3,875.84
3318	Drilling Supervision	3,380.74
3321	Cementing - Drilling	13,262.48
3326	BOP Rental	2,750.26
3331	Safety Svc/BOP Testing	1,087.14
3333	Anchors Sets & Test	803.06
3338	Casing Crew	2,161.40
3349	Operator Overhead	5,000.00
TOTAL Intangible Drilling		100,197.66

TANGIBLE COMPLETION		Actual Costs
4419	Production Casing & Accessories	18,592.89
4502	Upper Wellhead	1,528.71
4503	Tubing	8,054.96
TOTAL Tangible Completion		<u>28,176.56</u>

TANGIBLE DRILLING		Actual Costs
3419	Surface Casing &	3,130.07
3425	Wellhead	1,241.52
TOTAL Tangible Drilling		<u>4,371.59</u>

TANGIBLE EQUIPPING		Actual Costs
5501	Sucker Rods &	7,727.16
5502	Valves & Fittings	9,991.77
5503	Downhole Pump	2,795.15
5504	Pumpjack & Base	10,700.00
5506	Flowline	15,217.72
5507	Separators	9,560.47
5508	Storage Tanks	8,837.40
5510	Engines & Motors	6,910.54
5511	Metering Equipment	10,000.00
5515	Noise Abatement	0.00
TOTAL Tangible Equipping		<u>81,740.21</u>
TOTAL ACTUAL COSTS		297,114.78