

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-33470
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Synergy Operating LLC		6. State Oil & Gas Lease No. SF-078977
3. Address of Operator P.O. Box 5513, Farmington, NM 87499		7. Lease Name or Unit Agreement Name Madrid 29-13-6
4. Well Location Unit Letter <u>C</u> : <u>1215</u> feet from the <u>North</u> line and <u>715</u> feet from the <u>West</u> line Section <u>6</u> Township <u>29N</u> Range <u>13W</u> NMPM County <u>San Juan</u>		8. Well Number <u>112</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5502' GR		9. OGRID Number 163458
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Basin Fruitland Coal
Pit type <u>Drilling</u> Depth to Groundwater <u>140'</u> Distance from nearest fresh water well <u>700'</u> Distance from nearest surface water <u>3500'</u>		
Pit Liner Thickness: <u>12-mil</u> Below-Grade Tank: Volume <u>2000-Bbls</u> ; Construction Material <u>Synthetic</u>		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Construct Drilling/Reserve Pit</u> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The drilling reserve pit will be constructed and closed per the November 1, 2004 NMOCD pit guideline information and Rule 50. The pit will be lined with an approved lining material, a minimum of 12-mils in thickness. A form C-144 will be prepared and submitted upon closure of the reserve pit.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Glen O. Papp TITLE Operations Manager DATE 3-17-06

Type or print name Glen O. Papp E-mail address: gpapp@synergyoperating.com Telephone No. 505-325-5449

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE MAR 20 2006
 Conditions of Approval (if any):