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Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0137
Expires March 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well.
Use Form 3160-3 (APD) for such proposals

Farmington Field Office
Bureau of Land Management

5. Lease Serial No.

NMNM-99735

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Synergy 21-7-7 # 135

9. API Well No.

30-043-21021

10. Field and Pool, or Exploratory

Basin Fruitland Coal

11. County or Parish, State

Sandoval County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

OIL CONS. DIV DIST

2. Name of Operator

Synergy Operating, LLC (OGRID # 163458)

DEC 08 2016

3a. Address

PO Box 5513
Farmington, NM 87499

3b. Phone No. (include area code)

(505) 325-5549

4. Location of Well (Footage, Sec, T, R., M, or Survey Description)

Unit K, 1775' FSL, 1960' FWL, Sec 07, T21N - R07W

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- Acidize
- Alter Casing
- Casing Repair
- Change Plans
- Convert to Injection
- Deepen

- Fracture Treat
- New Construction
- Plug & Abandon
- Plug Back
- Production (Start/Resume)
- Reclamation

- Recomplete
- Temporary Abandon
- Water Disposal
- Water Shut-Off
- Well Integrity
- Other: _____

13. Describe Proposed or Completed Operations: (Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

SYNERGY PROPOSES TO PRODUCTION TEST THE SUBJECT WELL AND TAKE A CURRENT NATURAL GAS SAMPLE AND WATER SAMPLE.

SYNERGY PROPOSES TO PERFORM A PRODUCTION VERIFICATION TEST FROM THE EXISTING FRUITLAND COAL PERFORATIONS FROM 515' TO 537', TO DEMONSTRATE VIABILITY OF THE FRUITLAND COAL. THE WELL WILL BE SHUT-IN FOLLOWING THE PRODUCTION TEST.

BLM AND NMOCD WILL BE NOTIFIED 48 HOURS PRIOR TO PRODUCTION TEST BEING PERFORMED TO FACILITATE WITNESS PRODUCTION WILL OCCUR FOR A MINIMUM OF 24 HOURS.

PRODUCTION TEST WILL BE PERFORMED PRIOR TO APRIL 15, 201~~6~~⁷.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

THOMAS E. MULLINS tom.mullins@synergypoperating.com

Title ENGINEERING MANAGER

Signature

Date NOVEMBER 28, 2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

AG Elmadani

Title PE

Date 12/5/16

Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office FFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD FV