

RECEIVED

MAY 22 2017

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Farmington Field Office
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

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 21-7-8 # 139

9. API Well No.

30-043-21034

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. 3

2. Name of Operator

Synergy Operating, LLC (OGRID # 163458)

JUN 05 2017

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 B, 710' FNL, 1495' FEL, Sec 08, 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 recompletion 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.)

NOTIFIED BOTH BLM AND NMOCD PRIOR TO PERFORMING MIT TESTS

04-20-2017 MIRU TESTING UNIT, WITH BOTH ANALOG CHART RECORDER AND DIGITAL CHART RECORDER. CIBP @ 655' PRESSURE TEST 5-1/2" CASING TO 596 PSIG FOR 30 MINUTES. TEST WITNESSED BY BLM AND NMOCD PERSONNEL. MIT TEST PASSED. RD TESTING EQUIPMENT. SEE ATTACHED WELLBORE DIAGRAM AND CHARTS.

PER IM - NM-2016-017, SYNERGY RESPECTFULLY REQUESTS TEMPORARY ABANDONED (TA) STATUS FOR A PERIOD OF ONE YEAR TO BE RENEWED ANNUALLY FOR UP TO FIVE YEARS BEFORE MECHANICAL INTEGRITY MUST BE REDEMONSTRATED.

TA APPROVAL IS REQUESTED BECAUSE OF LOW NATURAL GAS COMMODITY PRICES AND WAITING ON PIPELINE. APPROVAL IS REQUESTED UNTIL MAY 15, 2018.

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

THOMAS E. MULLINS tom.mullins@synergyoperating.com

Title ENGINEERING MANAGER

Signature

Date MAY 20, 2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

Title

JUN 01 2017

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

FARMINGTON FIELD OFFICE

BY: [Signature]

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

U



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

MECHANICAL INTEGRITY TEST REPORT
(TA OR UIC)

Date of Test 4/20/2017 Operator Synergy API # 30-043-21034

Property Name Synergy 21-7-8 Well # 139 Location: Unit B Sec 8 Twn 21 Rge 7

Land Type:

State _____
Federal X _____
Private _____
Indian _____

Well Type:

Water Injection _____
Salt Water Disposal _____
Gas Injection _____
Producing Oil/Gas X _____
Pressure observation _____

Temporarily Abandoned Well (Y/N): _____ TA Expires: _____

Casing Pres. 0 Tbg. SI Pres. NA Max. Inj. Pres. NA
Wellhead Pres. 0 Tbg. Inj. Pres. NA
Tubing Pres. NA
Int. Casing Pres. NA

Pressured annulus up to 596 psi for 30 mins. Test passed/failed

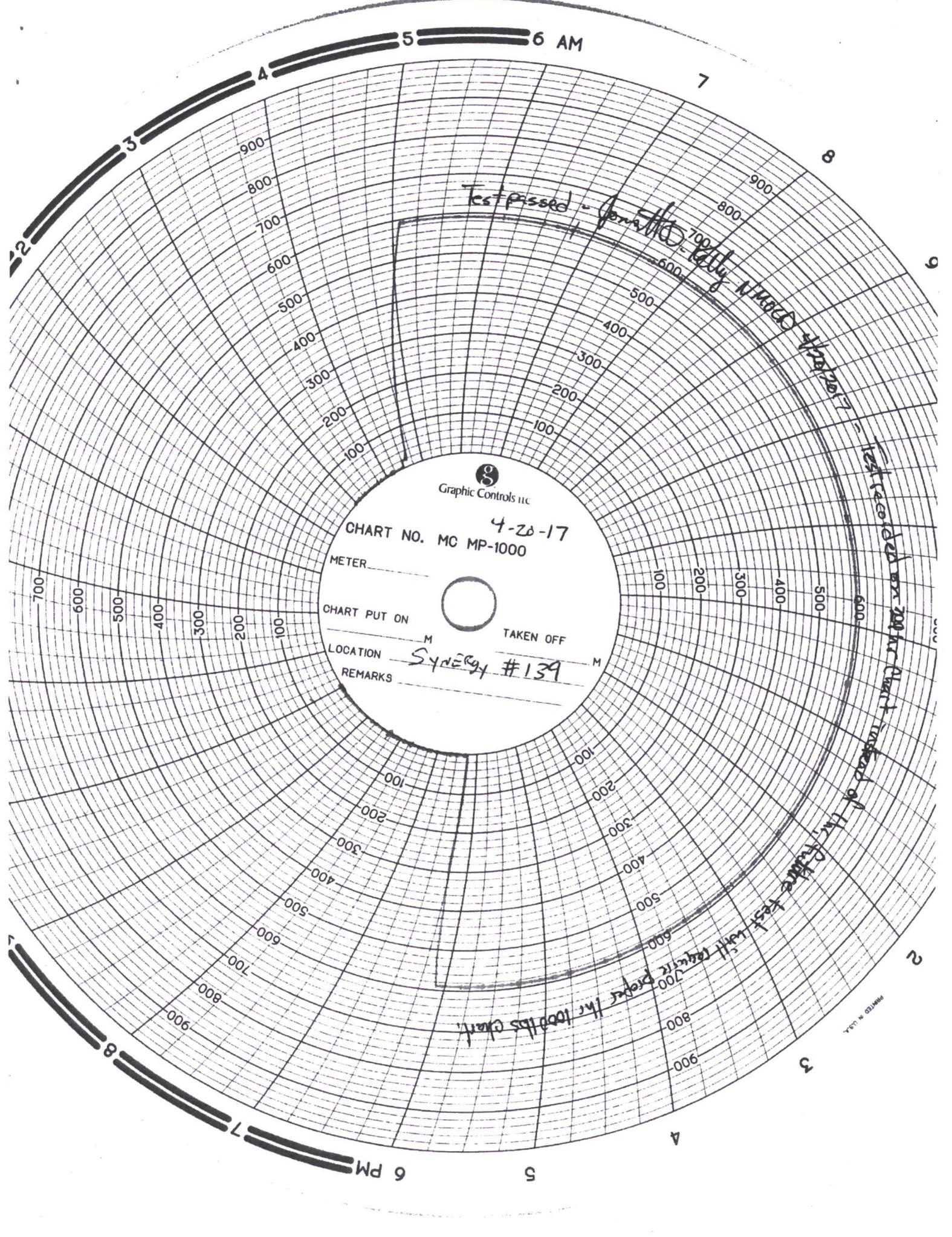
REMARKS: 1000 lbs spring, 1 hr clock, 24 hr 1000 lbs chart, started @ 0 psi pressured up to 596 psi,
5 min 596 psi BH 0 psi, 10 min 595 psi BH 0 psi, 15 min 595 psi BH 0 psi, 20 min 594 psi BH 0 psi,
25 min 594 psi BH 0 psi, 30 min 594 psi BH 0 psi, bled back to 0 psi.

by Thomas Muller
(Operator Representative)

Witness Jennifer Kelly
(NMOCD)

(Position)

Revised 02-11-02



Graphic Controls Inc

CHART NO. MC MP-1000 4-20-17

METER _____

CHART PUT ON _____

TAKEN OFF _____

LOCATION _____

REMARKS _____

Synergy #139

Test passed - Jonatto Kelly N. M. R. C. 4/20/17

Test recorded on 200 hr chart instead of 1 hr. Future test will require proper the 100 hrs chart.

MADE IN U.S.A.

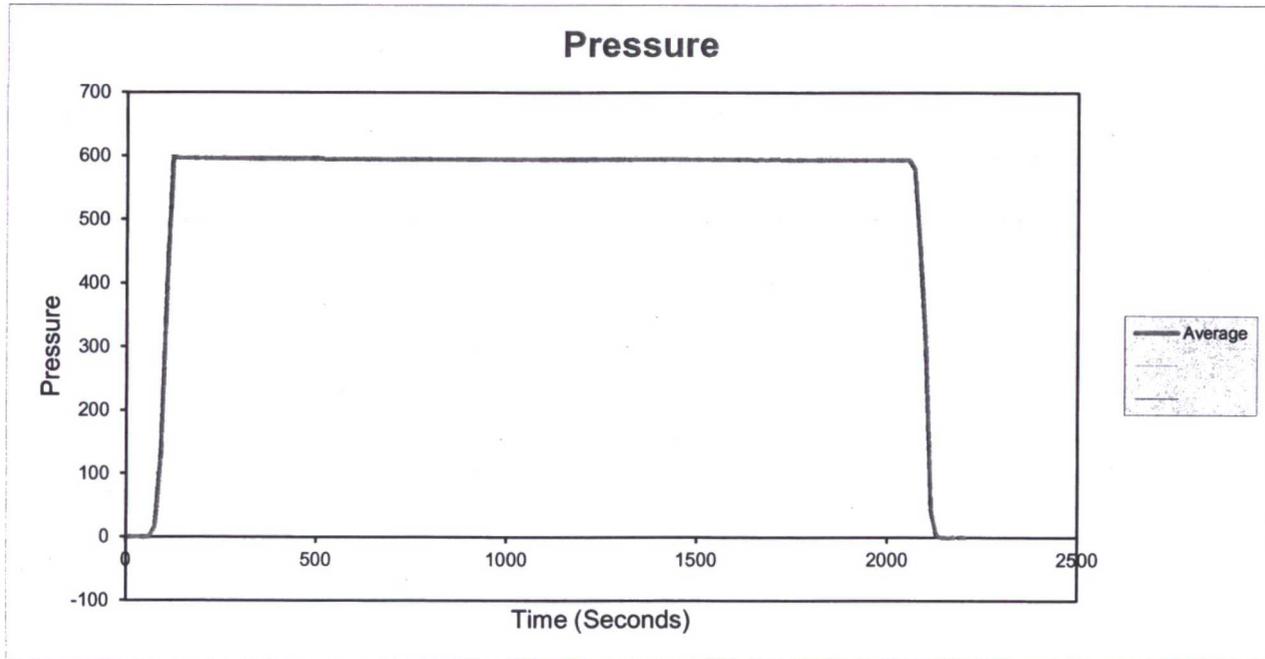
2 3 4 5 6 AM 7 8 9 100 200 300 400 500 600 700 800 900 100 200 300 400 500 600 700 800 900 100 200 300 400 500 600 700 800 900 100 200 300 400 500 600 700 800 900 2 3 4 5 6 PM 7 8 9

SYNERGY # 139

Data Collection Report

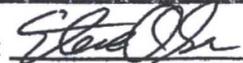
Gauge Information	
Serial Number	649601
Model	2KPSIXP2I
Message Store	-----
Units	PSI

Run Info	
Start Time	4/20/17 2:48:08 PM
Stop Time	4/20/17 3:25:08 PM
Logging Interval	15



Synergy Operating, LLC PO Box 5513 Farmington, NM 87499	Customer Information Tech: Tom Mullins PO #: CC Account #: SO115
---	---

Description: Digital Test Gauge Manufacture: Crystal Accuracy: Manufacture's Specifications	Instrument Identification Model: 2KPSIXP2i Serial #: 649601
---	---

Reason For Service: Maintenance of Accuracy Type Of Calibration: Hydraulic Gauge As Found Condition: In Tolerance As Left Condition: In Tolerance Procedure: 1000898 Technician Remarks: Previous calibration by Crystal on 05/03/2006	Certification Information Attested By:  Technician: Steve Olsen Cal Date: 07-Nov-2016 Cal Due: 07-Nov-2017 Temperature: 23 +/- 3.0° C Relative Humidity: 20% - 60%
---	---

This instrument has been calibrated using standards with accuracies traceable to the National Institute of Standards and Technology, derived from natural physical constants, derived from ratio measurements, or compared consensus standards.

MESA MEASUREMENT's calibrations, as applicable, are performed in compliance with the requirements of ANSI/NCSL Z540-1-1994, ISO 10012-1 & ISO/IEC 17025 Quality Standards.

The results contained herein relate only to the item calibrated. Calibration due dates appearing on the Certificate of Calibration and label are determined by the client for administrative purposes and do not imply continued conformance to specification.

Calibration Data

Range	: 0 to 2000 PSIG	Standard	: RPM4-E-DWT
Stated Accuracy	: +/- 0.1% of R or 0.02% of F.S, whichever is greater	Serial No.:	: 2439

Step	Reference's Indicated Value	As Found Gauge's Reading	As Left Gauge's Reading	Acceptance Minimum	Limits Maximum
1	0.00	0.0	0.0	-0.4	0.4
2	2000.00	1998.3	2000.0	1998.0	2002.0
3	1800.00	1798.3	1800.0	1798.2	1801.8
4	1600.00	1598.5	1600.0	1598.4	1601.6
5	1400.00	1398.6	1400.0	1398.6	1401.4
6	1200.00	1198.9	1200.0	1198.8	1201.2
7	1000.00	999.0	1000.0	999.0	1001.0
8	800.00	799.2	800.0	799.2	800.8
9	600.00	599.4	600.0	599.4	600.6
10	400.00	399.6	400.0	399.6	400.4
11	200.00	199.6	200.0	199.6	200.4
1	0.00	0.0	0.0	-0.4	0.4
Multiplier:		1.00000	1.00093		

Technician Remarks: New batteries were installed.

SYNERGY 21-7-8 # 139
 Unit B, Section 08-T21N-R07W
 710' FNL, 1495' FEL
 6676' GL, 7' KB

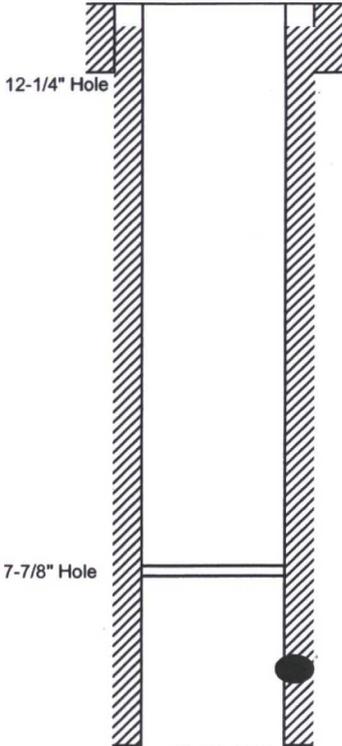
Steve & Son Rig # 1 Spud: 01/31/09
 Completed: 11/11/09

API # 030-043-21034

36.07162 deg North, 107.59576 deg West

8-5/8" 24# K-55 Casing @ 132' w/ 110 sxs
 Circulated 8 bbls cement to surface

Dev Surveys	
237'	1.00
833'	1.00



5-1/2" CIBP @ 655'

Fruitland Coal Perforations	
669' to 685' (80 holes)	

5-1/2" 15.5# K-55 LT&C Casing @ 850', w/ 65 sxs (125.7 ft3) Lead Type 5 cement @ 12.5 ppg tail with 50 sxs (63 ft3) Type 5 @ 15.2 ppg. Good Circulation, Circulate 7 bbls to surface

PBD: 806'
 TD: 865'

Formation Tops	
San Jose	
Nacimiento	
Ojo Alamo	
Kirtland	148'
Fruitland	366'
Pict Cliffs	724'
TD:	865'

Formation Name: **Fruitland Coal**

06-29-2009 MIRU Jet West, Run GR-CCL. Correlate with OH Logs
 11-11-2009 MIRU PACE, Pressure Test 5-1/2" casing 500# 30 mins, 1200# for 2 mins, chart tests
 RU Blue Jet. Correlate logs. Perforate Fruitland Coal 669' to 685' (16') with 80 holes in 2 - 10' guns 4 SPF
 02-24-2017 MIRU Basin Perforators. SICP = 0#, Blow down. RIH and set CIBP @ 660' to isolate perforations.
 03-15-2017 Load 5-1/2" casing from surface. Test casing to 50#.
 04-20-2017 MIRU Testing unit. Perform witnessed MIT test on 5-1/2" casing to 596# for 30 mins, chart tests.
 Performed witness bradenhead test. Well Secure.

Specialty Logs, Misc
 none

Open Hole Logs (Jet West)
 GR-Density-Caliper
 (02-04-2009)

Cased Hole Logs (Jet West)
 GR-CCL (06-29-2009)

Thomas E. Mullins
 May 20, 2017