Form 3160-3 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED	contrar.
OMB No. 1004-0137	AN OCH
Expires March 31, 2007	AT ZUUW

ວ.	Lease D	esignati	on,and	Senair	1(
	MMM		_(4 3 90	
	NIMAL	мдаа	735	40,241	. 1

AP	PLICATION FOR PERM	IIT TO DRILL	OR REEN	WER ODD 111	NMNM-997	735 OIL O			
=				ZUUD FIFTK 111 1		or Tribe Name			
	3.1.3"			AN . 111 41 411		₹ <u>\$</u>			
1a. Type of Work	⊠ DRILL	REENTER		RECEP	_ · ·	eement, Name and No.			
		Other Sin	ngle Zone	OTOTATALATA Multiple Zone		Well No			
1b. Type of Well:	Oil Well Gas Well	8. Lease Name and Well No. Synergy 21-7-7 # 135							
					9. API Well No.	1-7-7 # 135			
2. Name of Operato		h 18	M OGRID#	400.450		2 . 21001			
Synergy Oper	rating, LLC	163458	30 - 043 - 2102						
	PO Box 5513	25	. Phone Numbe		Basin Fruit	' '			
3a. Address	Farmington, NM 87499		(05) 325-5			or Blk. and Survey or Area			
4 Leasting of Matt	Footage, Sec, T. R., M, or Survey D		00) 020 0		11. 000., 1.,11., W.,	or bik. and carvey or raca			
·	Unit Letter K, 1775' F		I Sec 7	T21N-R7\\/	⊭ Sec 07 T-	21-N, R-07-W			
At surface:		3L, 1900 1 VV	L, OCC 7,	(2 IN-1\/ / VV	\\\C \C\C\C\C\T\T\	2114,1107			
At proposed prod. Zo					12. County or Paris	h. 13. State			
	s and direction from nearest town or	•	EEO NANA	112.05	·	New Mexico			
	th of Lybrook, New Mexico. T	urn South US H	T .		Sandoval				
15. Distance from p	•	m Cauth Line	16. No of /	Acres in lease	17. Spacing Unit de	alcated to this well			
location to nearest	1775 Feet from	in South Line	4 00	1 60 4	320,56	roo Most Half			
propety or lease line		1.60 Acres	322.58 ACI	es - West Half					
(Also to nearest drig.					<u> </u>				
18. Distance from pa	·		19. Propos	sed Depth	20. BLM/BIA Bond No. on file				
location to nearest	1960 Feet from	m West Line	850'		NM-2559				
propety or lease line,	, ft.								
21. Elevation (Show	whether DF, KDB, RT, GL, etc.)		22. Approx	imate date work will start*	23. Estimated duration				
6593' Ground	Level			15, 2006	30 days				
			ttachments						
	, completed in accordance with the r	requirements of Onsh	nore Oil and Ga	-		by an aviating hand an file /age			
vveii plat c A Drilling F	ertified by a registered surveyor.			Item 20 above).	erations unless covered	by an existing bond on file (see			
•	Use Plan (if the location is on Nation	nal Forest System La	inds.the	Operator certification.					
	all be filed with the appropriate Fores	=		•		ans as may be required by the			
				authorized officer		0.53			
Size of Hole	Grade, Size of Casing	Weigh	t per Foot	Setting Depth	MO Quan	ny of Cement			
12-1/4"	8-5/8" K-55	24		200 12	<u> </u>	74 ft3 - 100% Excess			
7-7/8"	5-1/2" K-55	15	5.5#	850'	211 sxs	s, 294 ft3 - 100% OH Excess			
						<u> </u>			
	L								
		SEE ATTA	CHED APD	INFORMATION	Latitude:	36.06387 Deg N			
	<i>//</i>					07.61964 Deg W			
25. Signature		7		Name(Printed/Typed)		Date			
	Mh 4 4/6			Thomas E. Mullir	ns	4-14-06			
Title Engii	neering Manager		· · · · · · · · ·						
Approved by (Signat	ure) ///			Name(Printed/Typed)		Date			

*(Instructions on reverse)

conduct operations thereon.

Conditions of approval, if any, are attached.

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowlingly and willfully to make to any department or agency of the

United States any false, ficticious, or fraudulent statements or representations as to any matter within its jurisdiction.

Office

DISTRICT | 1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

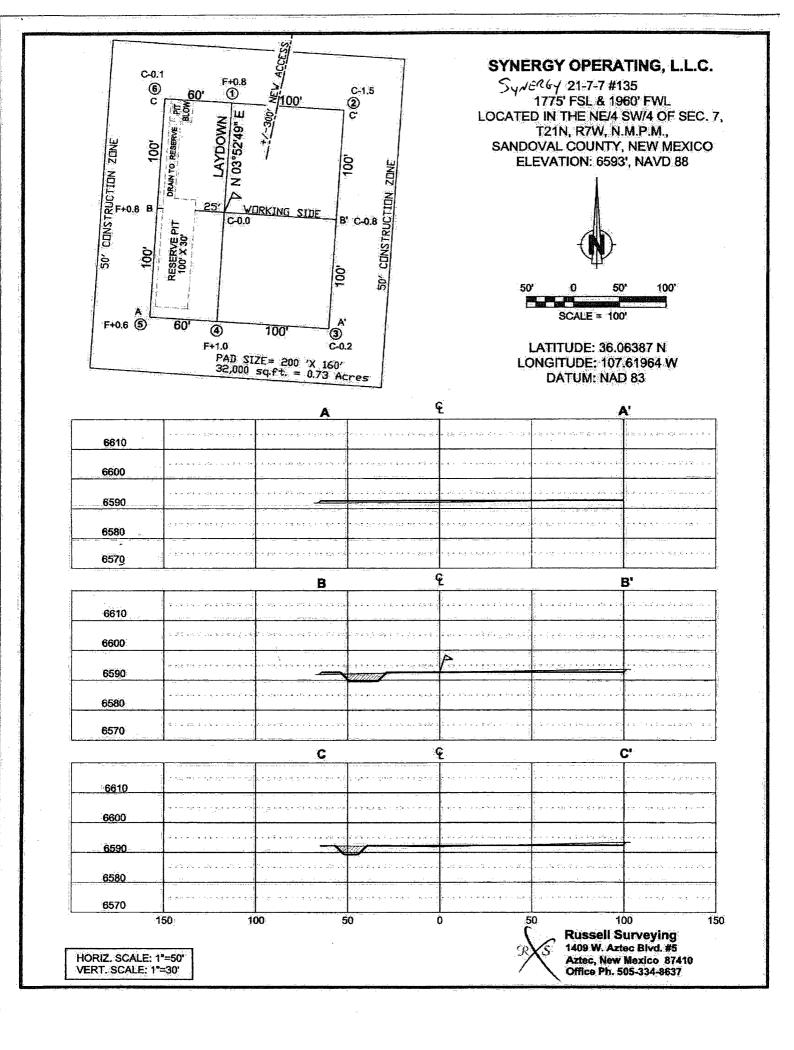
DISTRICT II 811 South First, Artesia, N.M. 88210

OIL CONSERVATION DIVISION

REVISION: #1

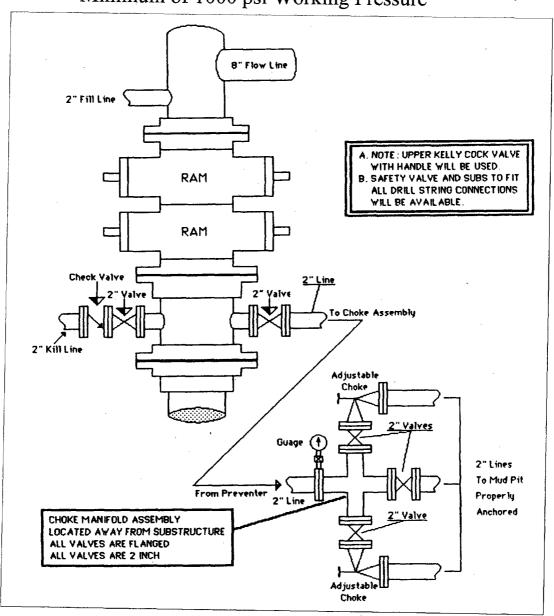
Submit to Appropriate District Office
State Lease - 4 Copies

DISTRICT III 1000 Rio Brazos I	Rd., Aztec,	N.M. 87410		OIL C		uth Pache e, NM 875		4 6	m 10 2	24		ise - 3 Copies
DISTRICT IV 2040 South Pache	co, Santa	Pe, NM 87505						∧ Œ IN	uan		AMEN	DED REPORT
		Ŋ	WELL I	OCATIO	N AND	ACREA	GE, DEDI	CAT				
	30 - 043 - 21021 Pool Code FRUITLAND COAL											
Property Co	ode					perty Name					• We	il Number
301	23			YNERG		1-7-7			was and the state of the state		9	135 Elevation
190,444,7 (90)	70GRD No. Operation Name 163458 SYNERGY OPERATING, L.L.C. 6593'									1.0 40.000.000		
(L. S. S. Santiana et al.					10 Surf	ace Loce	tion					
UL or lot no.	Section 7	Township 21N	Range 7W	Lot Idn	Feet from 1775		h/South line SOUTH		from the 950'	East/West WEST	***	SANDOVAL
	11 Bottom Hole Location If Different From Surface											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	17 and 1 and 1 and 1	h/South line		from the	East/West	line	County
Dedicated Acre	i s		19 Joint or	lofiil	¹⁴ Consolid	ation Code	erant - err v voger tradition in the control	15 Ord	er No.	,, r.,		
322.58	Acres -	(W/2)							· , , , , , , , , , , , , , , , , , , ,			
NO ALLOW	ABLE W						NTIL ALL APPROVED				en co	ONSOLIDATED
Bester of the control	. <u> </u>		39°39! W: :	- 10 - 10 - 10 - 10 - 10 - 10 - 10 - 10	.72' (R)	S) BEEN	FND 2'					trees.
FND 2 BC GLO 1948		N 89	38'51." W	5242	(M) '80.		GLO 1	948	:	a fra u sufstitut de usa i i s		ERTIFICATION
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7 C					; (***	· ·		5342.04' 5339.78'		11	· , ,	
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						1			Signatu	omas E.	11	J1C
							·		Printed	Name		LLINS
ENGINEERING MANNIGH								NANDUER.				
7 <u>4-12-06</u>								:				
18 SURVEYOR CERTIFICATION									RTIFICATION			
			6.06387 N			ĺ						ion shown on this plat unt surveys made by
			107:61964 (NAD 198:				j (24			r my supervisi to the best of		that the same is true
nia.	300				•	1		≩	A	PRIL	2.0	06
<u>.</u>					<u>-</u> :	!		N 0'04' ₩ 0'06'08"	Date of Signature	Surgiv		has Digweyor:
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										DAVID		SELL
FND 2 8C GLO 1948	N 89 45				5	5266.14' (R) 268.17' (M)	FIND 2 GLO	1948	Certificate	. Number		10201



Synergy Operating, LLC San Juan Basin

AM BOPE - Class ABOPE (a S Shown Minimum of 1000 psi Working Pressure



A BOP Stack consisting of either a manual two(2) ram preventer, (double or 2 singles) or a single Hydraulic annular preventer with a minimum of 1000 psi working pressure. The upper ram cavity Shall contain pipe rams to fit the drill pipe in use. The lower cavity shall contain blind rams.

The choke and kill manifold shall be minimum 2" in diameter and rated to minimum of 1000#.