

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-144
June 1, 2004

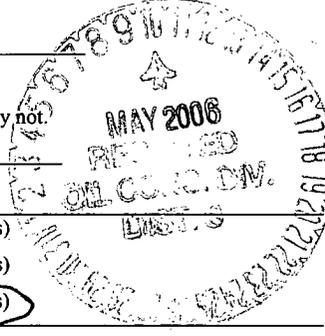
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes No
Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank

Operator: Synergy Operating, LLC (OGRID # 163458) Telephone: (505) 325-5449 e-mail address: tom.mullins@synergyoperating.com
Address: PO Box 5513, Farmington, NM 87499
Facility or well name: Synergy 21-7-7 # 136 API #: 30-043-21022-00-00 or Qtr/Qtr J Sec 7 T 21N R 7W
County: Sandoval Latitude: 36.06402 Deg N Longitude: -107.61515 Deg W NAD: 1927 1983 Surface Owner Federal State Private Indian

Pit	Below-grade tank		
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12+</u> mil Clay <input type="checkbox"/> Pit Volume <u>1000</u> bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____		
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)		
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No (0 points)		
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points)		
	Ranking Score (Total Points)		ZERO

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite offsite If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No Yes If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

Synergy plans to register and close the pit per the general guidelines and procedures. The pit will be inspected by Synergy prior to notification of the NMOCD for permission to close the pit.

The APD application has been filed with the BLM and is awaiting their approval.

Pit Approval

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described 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 .
Date: 05-08-2006

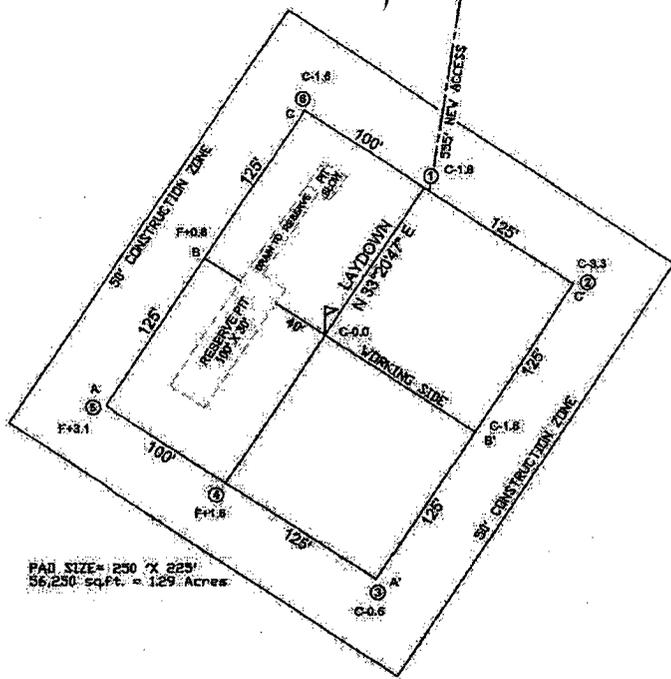
Printed Name/Title Thomas E. Mullins Signature [Signature]

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

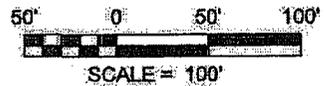
Approval: DEPUTY OIL & GAS INSPECTOR, DIST. #3 Signature Brandon Powell Date: MAY 10 2006

SYNERGY OPERATING, L.L.C.

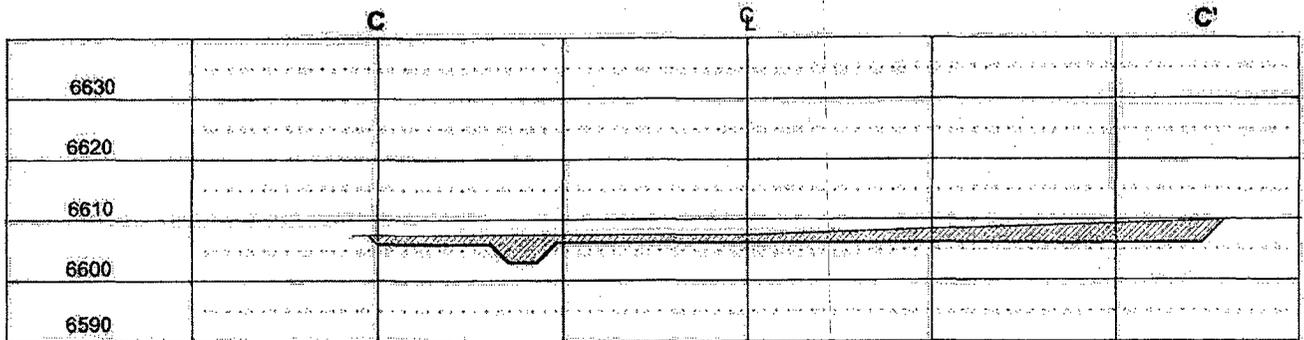
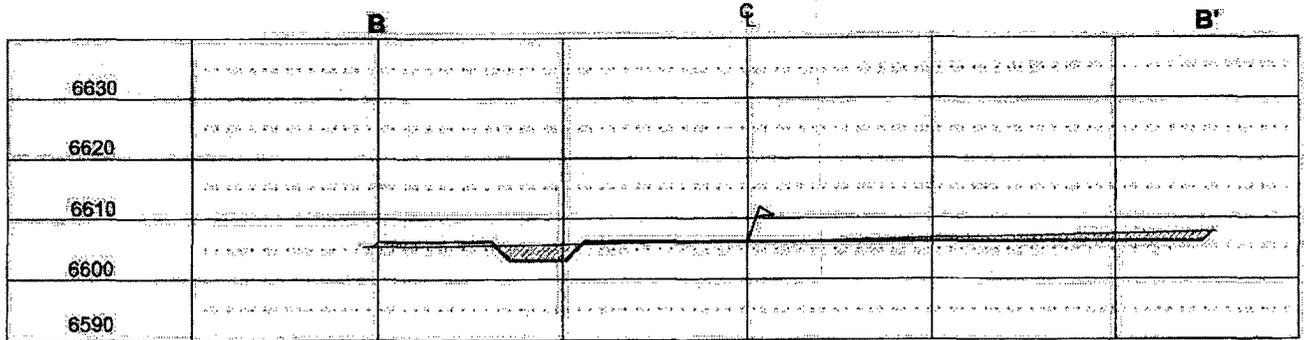
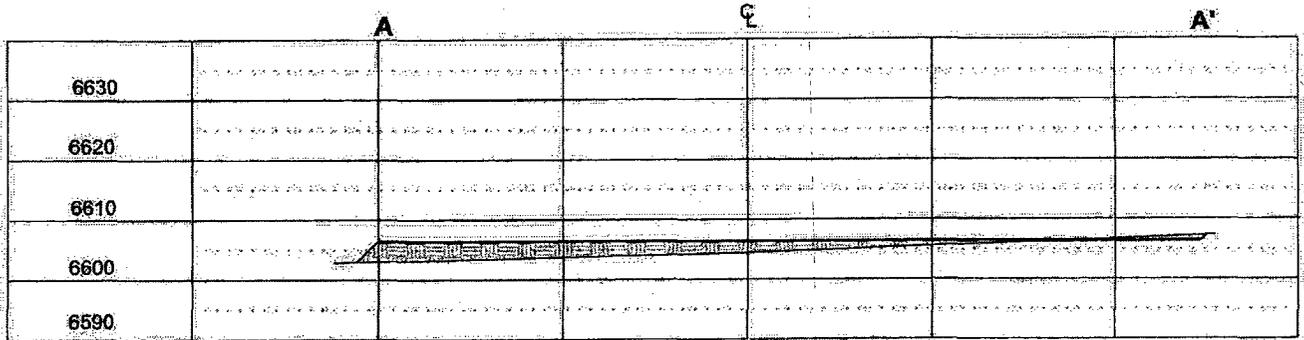
SYNERGY 21-7-7 #136
 1835' FSL & 1970' FEL
 LOCATED IN THE NW/4 SE/4 OF SEC. 7,
 T21N, R7W, N.M.P.M.,
 SANDOVAL COUNTY, NEW MEXICO
 ELEVATION: 6606', NAVD 88



PAD SIZE: 250' X 225'
 56,250 sq.ft. = 1.29 Acres



LATITUDE: 36.06402 N
 LONGITUDE: 107.61515 W
 DATUM: NAD 83



HORIZ. SCALE: 1"=50'
 VERT. SCALE: 1"=30'



Russell Surveying
 1409 W. Aztec Blvd. #5
 Aztec, New Mexico 87410
 Office Ph. 505-334-8637