

\*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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-045-10894
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 <b>Synergy Operating, LLC</b>		6. State Oil & Gas Lease No.
3. PO Box 5513 Farmington, NM 87499 (505-325-5449)		7. Lease Name or Unit Agreement Name <b>A. Gross</b>
4. Well Location Unit Letter <b>K</b> : <b>1650'</b> feet from the <b>South</b> line and <b>1850'</b> feet from the <b>West</b> line Section <b>9</b> Township <b>31N</b> Range <b>13W</b> NMPM County: <b>San Juan</b>		8. Well Number <b># 1</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number <b>163458</b>
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat <b>Basin Dakota</b>
Pit type <b>Reserve-Lined</b> Depth to Groundwater <b>&gt; 100'</b> Distance from nearest fresh water well <b>&gt; 1000'</b> Distance from nearest surface water <b>&gt; 1000'</b>		
Pit Liner Thickness: <b>12+</b> mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

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

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

SYNERGY OPERATING, LLC SUBMITS THE FOLLOWING POST SUNDRY NOTICE OF WORK PERFORMED BY BMG DRILLING CORPORATION FROM 4/4/06 TO 4/20/06, AS DIRECTED BY STEVE HAYDEN.

TOM MULLINS WITH SYNERGY MET WITH STEVE HAYDEN AND HENRY VILLANUEVA ON 5/10/2006 AT 14:00 HRS. WE DISCUSSED THE PROCEDURE IN DETAIL, AND SYNERGY SUPPLIED COPIES OF THE CBL LOG AND THE CASING INSPECTION LOG. WE REVIEWED FORMATION TOPS AND SYNERGY'S PLANNED REMEDIAL WORK WAS VERBALLY APPROVED AT THIS TIME. MR. HAYDEN REQUESTED THAT THE BMG INFORMATION BE SUPPLIED FOR THE RECORD.

SEE ATTACHED SHEET.

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 NMOC guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Thomas E. Mullins TITLE Engineering Manager DATE 09-10-2006  
Type or print name: Thomas E. Mullins E-mail address: tom.mullins@synergyoperating.com Telephone No. (505) 320-1751

**For State Use Only**

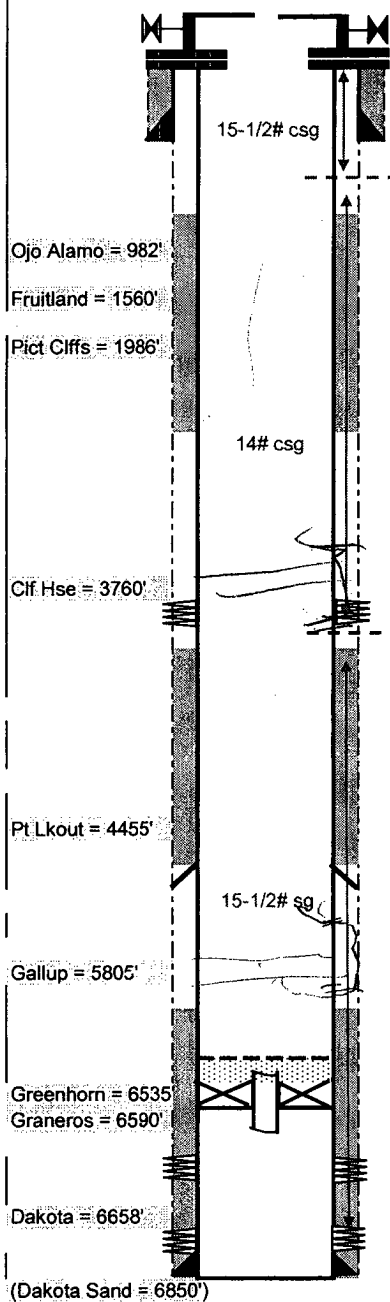
APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #1 DATE SEP 11 2006  
Conditions of Approval (if any):

## SUMMARY OF WORK PERFORMED BY BMG DRILLING CORPORATION

### A. GROSS # 1 WELL

- 4/4/2006 Crew on location @ 0700 hrs - Start up & safety meeting - 10 psi tbg - 45 psi csg - 46 psi BH - NDWH - One lock down pin stripped threads backing out - WO WSI to repair WH - NUBOPE - Load annulus( 16 bbls ? ) to PT - No test as circulated out tbg - 2 hrs attempting to unseat Model R pkr - RD stripper head so we could remove tbg hanger - Jarred down on pkr & pulled until movement , then POOH w/ pkr & tbg - Found 1/2" hole 8' from pin end in jt # 102 - TBG above & below jt # 102 pitted - Last 8 jts , 10' sub & SN / NC plugged w/ sand - Close/lock blind rams & close csg valves - Drain / rack up & secure rig - Released crew @ 2000 hrs - SDON -
- 4/5/2006 Crew & Knight Oil tools on location @ 0700 hrs - Start up & safety meeting - 470 psi csg - 45 psi BH - PU 4 3/4" bit / scrapper & RIH to 6400' - POOH , laying down old tbg string on float & haul to Cave - World-Star Trucking brought out 206 jts new 2 3/8" 4.7# J55 tbg from Cave & hauled in old tbg - Attempt to run Pkr/RBP but wind w/ 50/55 mph gusts caused blocks swinging & cross thread tbg - Close/lock blind rams & all csg valves - Drain/rack up & secure rig - Released crew @ 1500 hrs - SDON -
- 4/6/2006 Crew & Knight Oil Tools on location @ 0700 hrs - Start up & safety meeting - 30 psi csg - 8 psi BH - PU RBP & RIH on new 2 3/8" 4.7# J55 tbg , tally / rabbit PU from float - Set RBP @ 6380' ( did not go to 6400' as string started taking weight @ 6390' ) LD jt of tbg - Load hole , close rams/csg valve & PI @ 500 psi 3 B/M - Unseat RBP , pull up & reset @ 3170' - Load hole , close rams / csg valve & PI @ 500 psi 3 B/M - Unseat RBP & RIH - Reset RBP @ 6390' POOH - PU 5 1/2" pkr w/ RBP retrieving head on bottom & RIH to 6360' set same & PT to 1000 psi - OK - Unseat pkr , close/lock rams , close csg valve & install closed tbg valve - Drain up , rack up & release crew @ 1800 hrs - SDON -
- 4/7/2006 Crew & Knight Oil Tools on location @ 0700 hrs - Start up & safety meeting - 0 psi csg - 38 psi BH - POOH setting pkr 10 times isolating csg failure from 2260' to 4225' - RIH & latched RBP - POOH - LD & load out tools - Drain / rack up - Close/lock blind rams & csg valves - Released crew @ 1800 hrs - SDO weekend -
- 4/10/2006 Crew & BlueJet on location @ 0700 hrs - Start up & safety meeting - 0 psi on csg & BH - RU Blue Jet & run junk basket , perforate 4110'-4114' ( 2 spf ) & set 5 1/2" composite BP @ 4250' - PU 5 1/2" cement retainer & RIH on 2 3/8" tbg - Set @ 2244' - Ready to PT tbg before pulling out of retainer - Install closed valve in tbg - Close/lock pipe rams - Close all csg valves & secure rig/well - Released crew @ 1500 hrs - SDON -
- 4/11/2006 Rig on standby - Crew working on rig - 10' x 15' x10' deep pit being dug , lined & fenced @ 1500 hrs - Pumper brought 2 ea 2" valve/nipples for BH - Will install tomorrow AM prior to squeeze job - Crew went home @ 1400 hrs - SDON -
- 4/12/2006 Crew on location @ 0700 hrs - Start up & safety meeting - 0 psi on well - Install 2' valve , nipple in BH & RU manifold for returns from BH to either rig pit or reserve pit - Schlumberger , Overright Trucking & Knight on location @ 0800 hrs RU , load & PT tbg 1000 psi - OK - PU backside to 500 psi - Pump 25 bbls H2O , Mix 360 sx LiteCrete 11.4#/gal & displace w/ 8.4 bbls H2O - Good returns out BH - Sting out of retainer dumping cmt on top , reverse out & recovered about 1 bbl cmt - RD Schlumberger - POOH , BO setting tool , load out - Close/lock blind rams & close all wellhead valves - Secure rig & released crew @ 1400 hrs - SDON -
- 4/13/2006 Crew on location @ 0700 hrs - Start up & safety meeting - 0 psi on well - RU for 2 7/8" tbg - Dawn on location @ 0800 Spot both floats - PU 4 3/4" bit / scrapper , 6 ea 3 1/8" DCs & RIH on 2 7/8" L-80 tbg off float ( tally / rabbit ) - Tag cmt @ 2242' - RU swivel & break circulation - Drill 2' cmt & 3" of retainer - Swivel started actig up - Slow RPM & no torque - Work on swivel while waiting on replacement - Metal cuttings in hydraulic system - Replacing motor for hydraulic system - Crew released @ 1600 hrs - SDON -
- 4/14/2006 Crew on location @ 0700 hrs - Start up & safety meeting - 0 psi on well - RU replacement swivel & blew hydraulic hose - Operator took it to Hoopers for repair , returned & installed - Finished swivel RU & start drilling on retainer @ 1100 hrs - Finished drilling out retainer @ 1500 hrs - Drilled out cement to 2320' @ 5'/min - Ran out of cement & RIH to 2356' , no cement - Cir clean - Hang back swivel - Installed closed tbg valve & pull up 1 std - Close/lock pipe rams - Close all valves on wellhead - Drain / rack up & secure rig - Released crew @ 1800 hrs - SDO weekend -
- 4/18/2006 Crew on location @ 0700 hrs - Start up & safety meeting - 0 psi on well - FRIH to composit plug @ 4250' & DO same - FRIH to 6364' , hit 126' fill - POOH , LD bit / scrapper - Remove stripper head - Drain / rack up - Close / lock blind ram s - Close all csg valves - Secure well / rig - Release crew @ 1900 hrs - SDON -
- 4/19/2006 Crew on location @ 0700 hrs - Start up & safety meeting - Received orders for PTA & to lay down 2 7/8" work string - RIH w/ 2 7/8" tbg work string & LD same on floats - Close / lock blind rams & close all wellhead valves - Drain / rack up & secure rig - Released crew @ 1700 hrs - SDON -
- 4/20/2006 Crew on location @ 0700 hrs - Start up & safety meeting - 0 psi on well - Clean & minor repairs on rig - Police & clean up location - Brad called & NMO&GC plugging procedure not complete - Released crew @ 1500 hrs ( min 8 hrs) - SDON -

# **After Schlumberger Squeeze**



Spud: 6/26/61

**B-M-G DRILLING CORP., INC.**  
**Gross #1-9 API #30-045-10894**  
**1650' FSL-1850' FWL, SEC 9-T31N-R13W**

10-3/4" 32-3/4 # H-40 csg @ 176' W/ 150 sx cmt

GL = 5862', KB = 5874'

(All depths referenced to KB unless otherwise noted)

TOC 917', Blue Jet CBL, 4/18/06

Cum. Oil: 1719 BBL OIL  
 Cum. Gas: 215,501 MCFG  
 Cum. Wtr: 332 BBL WTR

IP = 1855 MCFD (all Dakota zones)

**4/7/2006:** Casing annulus pressure tested surf - 2260'.  
 Btm Cement 2310', Blue Jet CBL, 4/18/06

**4/12/2006:** Set composite plug @ 4250', perf sqz holes 4110-14' (2spf), set CR @2244'  
 Schlumberger sqz 360 sx Litecrete 11.4 #/gal. Drilled out and found bottom  
 of cement @ 2320'. Ran Blue Jet Casing Insp Log & found numerous holes  
 between 2310' - 4187', decided to P&A well.

TOC 4187' (2nd Stage), Blue Jet CBL, 4/18/06

**4/7/2006:** Casing annulus pressure tested 4225' - 6390'

Stage Collar @ 4800', cemented w/150 sx

TOC 6105' (1st Stage), Blue Jet CBL, 4/18/06

**4/18/2006:** T/of Fill @ 6364'

**4/3/84:** Set 5-1/2" Model R packer @ 6499'  
**5/9/03:** Attempt to unseat packer, PU w/40,000#, packer would not unseat  
 Chemical cut 2-3/8" MT tbq @ 6490',

**7-7/8" hole to 6900';** 5-1/2" 15-1/2# csg @ 820', 5-1/2" 14# csg 820 - 4186',  
 5-1/2" 15-1/2# csg 4186-6897'; cement 1st Stage w/125 sx cmt,

**7/22/61:** Perf 6664-6744'; Sandwater frac, no reported treatment volumes  
 Drilled BP @ 6780', commingled all zones;

**7/21/61:** Perf 6794-6802', 6856-6864'; Sandwater frac, no reported treatment volumes  
 set BP @6780', frac'ed upper Dakota perms

rev - jmh 4/19/06

*Handwritten signature*  
 5-8-06