

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

WELL API NO. 30-031-21006
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-1683
7. Lease Name or Unit Agreement Name Torreon Wash "36" State
8. Well Number 1
9. OGRID Number 163458
10. Pool name or Wildcat Arena Blanca Entrada (Oil) #2285
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6636' GR
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>
Pit type <u>Workover</u> Depth to Groundwater <u>50'</u> Distance from nearest fresh water well <u>>100'</u> Distance from nearest surface water <u>>200'</u>
Pit Liner Thickness: <u>12- mil</u> Below-Grade Tank: Volume <u>1000-Bbls</u> ; Construction Material <u>Synthetic</u>

SUNDRY NOTICES AND REPORTS ON WELLS
(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.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Synergy Operating LLC

3. Address of Operator
P.O. Box 5513, Farmington, NM 87499

4. Well Location
Unit Letter I: 2143 feet from the South line and 1223 feet from the East line
Section 36 Township 20N Range 05W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6636' GR

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type Workover Depth to Groundwater 50' Distance from nearest fresh water well >100' Distance from nearest surface water >200'

Pit Liner Thickness: 12- mil Below-Grade Tank: Volume 1000-Bbls; Construction Material Synthetic

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
OTHER Pit ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

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.

See attached Plugging & Abandonment Procedure.

The workover pit will be constructed and closed per the November 1, 2004 NMOCD pit guideline information and Rule 50. The pit will be lined with an approved lining material, a minimum of 12-mils in thickness.

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

SIGNATURE Glen O. Papp TITLE Operations Manager DATE 10-2-06

Type or print name Glen O. Papp E-mail address: gpapp@synergyoperating.com Telephone No. 505-325-5449
For State Use Only

APPROVED BY A. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE OCT 10 2006
Conditions of Approval (if any, B 10/17/06)

PLUG AND ABANDONMENT PROCEDURE

Torreon Wash "36" State #1

Arena Blanco Entrada Oil

2143' FSL and 1223' FEL, Section 36, T20N, R5W

McKinley County, New Mexico, API 30-031-21006

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type III, mixed at 14.8 ppg with a 1.32 cf/sx yield.

1. Install and test rig anchors. Prepare blow pit. Comply with all NMOCD and Synergy safety rules and regulations. Conduct safety meeting for all personnel on location. MIRU daylight pulling unit. NU relief line and blow well down; kill with water as necessary. ND wellhead and NU BOP and stripping head; PT BOP.
2. PU on rods and release pump. Re-seat pump. PT 2-7/8" tubing to 1000#. TOOH and LD rods and pump. TOOH and tally 2-7/8" tubing, total 5300'. If 2-7/8" tubing does NOT PT, use a workstring.
3. **Plug #1 (Entrada interval, 5441' – 5341')**: TIH and set 7" cement retainer at 5441'. Load casing with water and circulate well clean. PT casing to 800#. *If the casing does not test, then spot or tag subsequent plugs as appropriate.* Mix and pump 26 sxs Type III cement. PUH to 4794'.
4. **Plug #2 (Morrison and Dakota tops, 4794' – 4313')**: Mix 89 sxs Type III cement and spot balanced plug inside casing to cover through the Dakota top. PUH to 3320'.
5. **Plug #3 (Gallup top, 3320' – 3120')**: Mix 26 sxs Type III cement and spot balanced plug inside casing to cover the Gallup top. PUH to 1330'.
6. **Plug #5 (La Ventana top, 1330' – 1230')**: Mix 26 sxs Type III cement and spot balanced plug inside casing to cover the La Ventana top. PUH to 545'.
7. **Plug #5 (Pictured Cliffs top and 9.625" casing shoe, 545' - Surface)**: Attempt to pressure test the BH annulus to 300#. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 100 sxs Type III cement and spot a balanced plug from 545' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing and the annulus.
8. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Torreon Wash "36" State #1

Current

Arena Blanca Entrada Oil

2143' FSL & 1223' FEL, Section 36, T-20-N, R-5-W, McKinley County, NM

API 30-031-21006

Spud: 12/30/00
Comp: 1/16/01
Elevation: 6636' GL

12.25" Hole

Pictured Cliffs @ 495'

La Ventana @ 1280'

Gallup @ 3270'

Dakota @ 4363'

Morrison @ 4754'

8.75" Hole

Entrada @ 5495'

6.25" Hole

TOC at Surface

9.625" 36#, J-55 Casing set @ 353'
Cement with 248 sxs

Well History

No Workover of Record

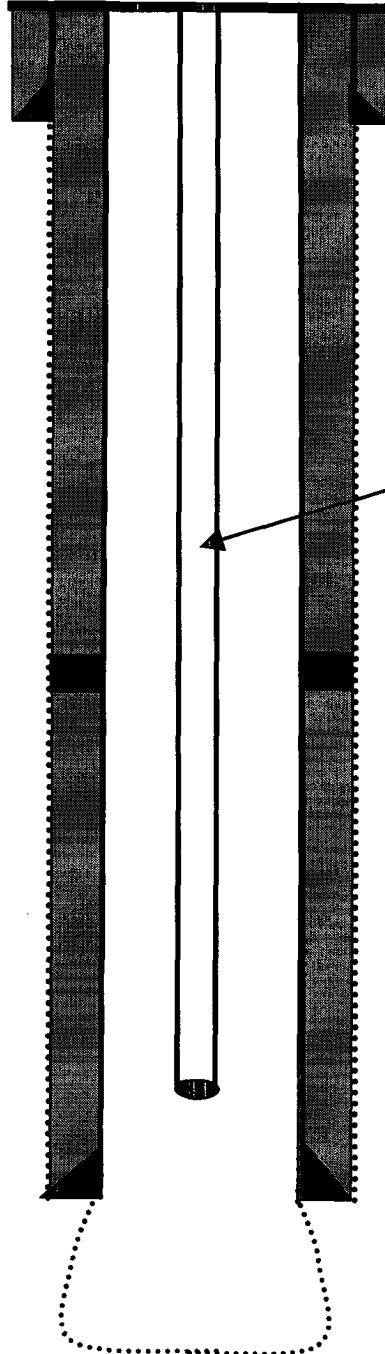
2.375" Tubing set at 5300'
(with rods and pump)

DV Tool @ 3040'
Cement with 400 sxs (856 cf)
Circulated 45 sxs to surface

7" 23#, J-55 Casing @ 5491'
Cement with 500 sxs (1070 cf)
TOC at DV Tool.

Entrada Open Hole Interval:
5491' - 5505'

5505' TD



Torreón Wash "36" State #1

Proposed P&A

Arena Blanca Entrada Oil

2143' FSL & 1223' FEL, Section 36, T-20-N, R-5-W, McKinley County, NM

API 30-031-21006

Spud: 12/30/00
Comp: 1/16/01
Elevation: 6636' GL

12.25" Hole

Pictured Cliffs @ 495'

La Ventana @ 1280'

Gallup @ 3270'

Dakota @ 4363'

Morrison @ 4754'

Entrada @ 5495'

8.75" Hole

6.25" Hole

5505' TD

TOC at Surface

9.625" 36#, J-55 Casing set @ 353'
Cement with 248 sxs

Plug #5: 545' – 0'
Type III cement, 100 sxs

Plug #4: 1330' – 1230'
Type III cement, 26 sxs

DV Tool @ 3040'
Cement with 400 sxs (856 cf)
Circulated 45 sxs to surface

Plug #3: 3320' – 3120'
Type III cement, 26 sxs

Plug #2: 4794' – 4313'
Type III cement, 89 sxs

Plug #1: 5441' – 5341'
Type III cement, 26 sxs

Set 7" CR at 5441'

7" 23#, J-55 Casing @ 5491'
Cement with 500 sxs (1070 cf)
TOC at DV Tool.

Entrada Open Hole Interval:
5491' – 5505'