

(See other instructions on reverse side)

OMB NO. 1004-0137
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK OIL WELL ☐ GAS WELL ☒ DRY ☐ 2007 FEB 21 AM 11:55
1b. TYPE OF WELL NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR. ☐ Other ☐

2. NAME OF OPERATOR Synergy Operating, LLC OGRID # 163458
3. ADDRESS AND TELEPHONE NO. PO Box 5513, Farmington, NM 87499 (505) 325-5449

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements. *)
At Surface Unit Letter J, 1835' FSL, 1970' FEL, Sec 07, T21N, R07W
At top prod. Interval reported below
At total depth

5. LEASE DESIGNATION AND SERIAL NO. NMNM-99735

6. IF INDIAN, ALLOTTEE OR TRIBE NAME RCVD FEB 28 '07

7. UNIT AGREEMENT NAME OIL CONS. DIV.

8. FARM OR LEASE NAME, WELL NO. DIST. 3

9. API WELL NO. Synergy 21-7-7 # 136

10. FIELD AND POOL OR WILDCAT 30-043-21022

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Basin Fruitland Coal

SEC 07, T21N, R07W

14. PERMIT NO. DATE ISSUED 12. COUNTY OR PARISH Sandoval 13. STATE New Mexico

15. DATE SPUDDED 06-17-06 16. DATE T.D. REACHED 06-22-06 17. DATE COMPL. (Ready to prod.) 01-10-07 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 6606' GL, 6611" KB (5') 19. ELEV. CASINGHEAD 6607'

20. TOTAL DEPTH, MD & TVD 764' MD 764' TVD 21. PLUG BACK T.D., MD & TVD 764' MD 764' TVD 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY Steve & Son Rig # 1 24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*

Fruitland Coal Formation: 536' to 554' - Total of 88 perforations

25. WAS DIRECTIONAL SURVEY MADE Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN Openhole: GR, Caliper, Compensated Density, Casedhole: GR-CCL 27. WAS WELL CORED No

23. CASING RECORD (Report all strings set in well)					
CASING SIZE/GRADE	WEIGHT, LB/FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8" K-55	24#	138'	12-1/4	125 sxs (147 ft3) w/ 3%CaCl	Circ 20 bbls
5-1/2" K-55	15.5#	764'	7-7/8"	44 sxs (90 ft3) lead	Circ 20 bbls
				144 sxs (190 ft3) tail	to Surface

29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-7/8"	672'	none

31. PERFORATION RECORD (Interval, size and number)			32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
INTERVAL	SIZE	NUMBER	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
536' to 554' (18')	0.34"	88	536' - 554'	1,680 gallons water
				No Acid, No Frac

33.* PRODUCTION							
DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)					WELL STATUS (Producing or shut-in)	
01/10/07	Pumping Rod Pump - 2.5" x 1-3/4" x 12' RWAC					Shut-in	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL--BBL.	GAS--MCF	WATER--BBL.	GAS-OIL RATIO
01/10/07	24	0.125"		0	TSTM	35	n/a
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL--BBL.	GAS--MCF	WATER--BBL.	OIL GRAVITY-API (CORR.)	
n/a	60#		0	TSTM	35	n/a	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Used for Fuel, Waiting on Pipeline Connection

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED [Signature] TITLE Engineering Manager

FARMINGTON FIELD OFFICE
BY [Signature] DATE 2/19/2006

*(See Instructions and Spaces for Additional Data on Reverse Side)

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37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);				38. GEOLOGIC MARKERS			
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TOP	TRUE VERT. DEPTH
Synergy 21-7-7 # 136			Mudlog hole from 139' to 764' (TD)	Log Tops:			
Fruitland Coal	530'	554'	Coal consists of mostly bright intermediate satin (65%) coal is banded w/ very thin lamina, micro stringers and streaks of bright black vitreous coal (20%) minor flat/dull black coal (15%), exhibits good cleating with common cuttings exhibiting intersecting cleat faces (cubic cuttings), some conchoidal and subconchoidal fracture seen in brightest coal, no observed secondary mineralization coal is very firm Bag Coal Samples for analysis	Fruitland Top Basal Coal Top PC Top TD:	176' 535' 607' 764'		176' 535' 607' 764'