

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources

Form C-104
Revised June 10, 2003

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

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Synergy Operating, LLC PO Box 5513 Farmington, NM 87499 (505) 325-5449		² OGRID Number 163458
		³ Reason for Filing Code/ Effective Date NW / 05/17/07
⁴ API Number 30 - 045 - 33662	⁵ Pool Name Basin Fruitland Coal (Gas)	⁶ Pool Code
⁷ Property Code 35750	⁸ Property Name Kelly FC	⁹ Well Number # 2

II. ¹⁰ Surface Location

UL or lot no. F	Section 12	Township 27N	Range 13W	Lot.Idn	Feet from the 1550'	North/South Line FNL	Feet from the 1680'	East/West line FWL	County San Juan
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¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Lse Code F	¹³ Producing Method Code (P) Pumping	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
7057	Enterprise Field Service PO Box 4324, Houston, TX 77210		G	Well Location - EPFS Meter RCUD MAY18'07 OIL CONS. DIV. DISL 3

IV. Produced Water

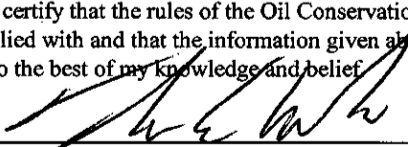

²³ POD	²⁴ POD ULSTR Location and Description 400 BBL Produced Water Tank on Location
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V. Well Completion Data

²⁵ Spud Date 08-26-06	²⁶ Ready Date 08-29-06 5-17-07	²⁷ TD 1485'	²⁸ PBTB 1431'	²⁹ Perforations 1202' to 1264'	³⁰ DHC, MC Single Completion
³¹ Hole Size 12-1/4"	³² Casing & Tubing Size 8-5/8" 24# K-55	³³ Depth Set 205'	³⁴ Sacks Cement 170 sxs to Surface		
7-7/8"	5-1/2" 15.5# K-55	1472'	250 sxs to Surface		
	2-3/8" 4.7# J-55	1329'	n/a		

VI. Well Test Data

³⁵ Date New Oil N/A	³⁶ Gas Delivery Date Wait on C-104	³⁷ Test Date 05-17-2007	³⁸ Test Length 24 hrs	³⁹ Tbg. Pressure N/A	⁴⁰ Csg. Pressure 60#
⁴¹ Choke Size 1/2"	⁴² Oil none	⁴³ Water 60 BWPD	⁴⁴ Gas TSTM (est)	⁴⁵ AOF n/a	⁴⁶ Test Method (P) Pumping

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: 		5/24/07 OIL CONSERVATION DIVISION
Printed name: Thomas E. Mullins		Approved by: 
Title: Engineering Manager		Title: SUPERVISOR DISTRICT # 3
E-mail Address: tom.mullins@synergyoperating.com		Approval Date: MAY 24 2007
Date: 05-18-2007	Phone: (505) 325-5449 or 505.566.3725	