

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

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
May 27, 2004

<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. 30-043-21032
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 type="checkbox"/>
2. Name of Operator Synergy Operating, LLC (505-325-5449)		6. State Oil & Gas Lease No. NMNM-99735
3. Address of Operator PO Box 5513, Farmington, NM 87499		7. Lease Name or Unit Agreement Name Synergy 21-7-8 #
4. Well Location Unit Letter D, 830' feet from the NORTH line and 970' feet from the WEST line Section 8 Township 21N Range 07W NMPM County Sandoval		8. Well Number 132
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6653' GL		9. OGRID Number 163458
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Basin Fruitland Coal
Pit type Reserve Depth to Groundwater >100' Distance from nearest fresh water well > 1000' Distance from nearest surface 200' to 1000'		
Pit Liner Thickness: 20+ mils Below-Grade Tank: Volume 500 bbls; Construction Material Existing Soil & Lined		

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 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 type="checkbox"/>	
OTHER: Reserve Pit Construction <input checked="" 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.

This new well location is permitted for a lined reserve pit. This small pit will be utilized for a fresh water mud system, that will use approximately 20 sacks of bentonite gel, and three (3) - 5 gallon jugs of poly-plus (fresh water polymer). A 20 mil liner will be utilized.

The well will be drilled with a daylight drilling rig to a depth of 900 feet+/-.

A soil sample will be taken below the pit prior to use. A soil sample of contents will be taken following completion of drilling. This pit will be drained and closed prior to the "New" Rule 17 going into effect.

RCVD MAY 29 '08

The reserve pit will be utilized for less than 3 days, and will be closed immediately per the regular NMOCD guidelines. The location of the reserve pit is clearly shown on the BLM APD site plats and documents.

OIL CONS. DIV.  
DIST. 3

We plan to spud this well June 1<sup>st</sup>, and finish Drilling June 5<sup>th</sup>, 2008

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 Thomas E. Mullins TITLE Engineering Manager DATE 5-29-08

Type or print name E-mail address: tom.mullins@synergyoperating.com Telephone No. 505-599-4905

**For State Use Only**

APPROVED BY: Brandon Dell TITLE Oil & Gas Inspector, District #3 DATE MAY 29 2008  
Conditions of Approval (if any):