

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No 1004-0135
Expires March 31, 1993
SEP 03 2008

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5 Lease Designation and Serial No.
Management
E: **NMNM:99735**

6. If Indian, Allottee or Tribe Name
RCVD SEP 5 '08

7 If Unit or CA, Agreement Designation
OIL CONS. DIV.

8 Well Name and No
DIST. 3
Synergy 21-7-7 # 130

9 API Well No
30-043-21020

10 Field and Pool, or Exploratory
Basin Fruitland Coal

11. County or Parish, State
Sandoval County, NM

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2 Name of Operator
Synergy Operating, LLC
 OGRID (163458)

3. Address and Telephone No.
P.O. Box 5513, Farmington, NM 87499 **(505) 325-5449**

4 Location of Well (Footage, Sec, T, R, M, or Survey Description)
Unit D, 695' FNL, 710' FWL, Sec 07, T21N - R07W
320 acres (W/2)

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input checked="" type="checkbox"/> Other: SUSPEND ACTIVITY |
| | <input type="checkbox"/> Change of Plans |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note Report results of multiple completion on Well Completion or recompletion Report and Log Form)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including, estimated date of starting work
If well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones of pertinent to this work

SYNERGY OPERATING REQUESTS AN ADDITIONAL EXTENSION OF SIX (6) MONTHS TO COMPLETE THE SUBJECT FRUITLAND COAL WELL. THIS LEASE HAS TWO (2) COMPLETED WELLS (# 135 & # 136).

SYNERGY HAS BEEN DELAYED IN COMPLETING OUR PIPELINE TIE-IN TO PNM (NOW CONTINENTAL RESOURCES).

WE BELIEVE THAT IN THE SPRING OF 2009, WE WILL HAVE TEN (10) FRUITLAND COAL WELLS COMPLETED AND PIPED INTO OUR GATHERING SYSTEM. WATER DISPOSAL WILL OCCUR DOWN THE APPROVED CALEB MESA SWD # 1.

SYNERGY PLANS TO PERFORATE THE FRUITLAND COAL FROM 671' TO 690' (19') - 4 SPF AND STIMULATE THE WELL WITH A MINOR AMOUNT OF PROPPANT AND FRESH WATER.

A 4" ELECTRIC SUBMERSIBLE PUMP WILL BE INSTALLED TO PRODUCE THE WATER WITH THE CASINGHEAD GAS SENT TO SALES.

THE COMPLETION REPORT WOULD THEREFORE BE FILED BY MARCH 1, 2009.

THIS SUNDRY IS IN RESPONSE TO LETTERS DATED MAY 14, 2008 AND AUGUST 5, 2008.

14. I hereby certify that the foregoing is true and correct

Signed: Thomas E. Mullins

Title: Engineering Manager Date: 08-30-2008
tom.mullins@synergyoperating.com

This space for federal or state office use

Approved by: Original Signed: Stephen Mason

Title: _____ Date: SEP 04 2009

Conditions of approval if any