

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

RECEIVED

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

SUBMIT IN TRIPLICATE

1 Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	7 If Unit or CA, Agreement Designation RCVD JUN 18 '09
2 Name of Operator Synergy Operating, LLC (163458) OGRID # 163458	8 Well Name and No OIL CONS. DIV. Synergy 21-7-5 # 142
3 Address and Telephone No PO Box 5513 (505) 325-5549 Farmington, NM 87499	9 API Well No DIST. 3 30-043-21036
4 Location of Well (Footage, Sec, T R, M, or Survey Description) Unit J, 1810' FSL, 1950' FEL, Sec 05, T21N - R07W	10 Field and Pool, or Exploratory Basin Fruitland Coal
	11 County or Parish, State Sandoval County New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" 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 type="checkbox"/> Other
	<input checked="" 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.

- 06-03-2009 SM. BLM Representative Wanda Weatherford on location ND 8-5/8" Landing Jt NU 8-5/8" casing head, 11" 3K drill flange and 9" double gate 3K BOP studded for 11". Note test plug will not seat in 10-3/4" bowl of head. RU High Tech Rental Tools 3rd party testers. Test Blind rams and 8-5/8" casing to 500#. Bleeds off to 170# Test failed. Test against TIW valve good test. Choke & Kill manifold not on location Synergy agreed to retest all items tomorrow per MMS onshore order # 2
- 06-04-2009 SM BLM inspectors Lucero, Chavez, & Halliburton on location. PT Blind rams, Pipe rams, choke & kill manifold to 250# low & 750# high pressure. All passed Upper Kelly Cock valve did not pass test. PT floor valve to 250# 5 min & 500# 10 min Good test Obtain exemption to proceed without upper kelly-cock valve test Function test accumulator Good. GIH w/ 7-7/8" bit on 6-1/4" DCs. Tag cement at 85'. Drill cement to 132' KB. Drill new hole from 132' to 395'. Circ Clean. Pull up hole. Close pipe rams, install valve. Secure well, SDFN. Note all tests witnessed and charted.
- 06-05-2009 SM. Trip out of hole with 4" DP & 6-1/4" DCs, bit # 1 worn Run Bit # 2 - 7-7/8" GT-S09C (13-13-13) & TIH w/ same. Tag at 395' Drill new 7-7/8" hole with fresh water mud from 395' to 927' (532' progress) Circulate clean. Pull kelly up, install valve, close pipe rams. Secure well. SDFN

See Page # 2 for remainder of report

14 I hereby certify that the foregoing is true and correct

Signed: Thomas E Mullins Title: Engineering Manager Date: 06-11-2009
tom.mullins@synergyoperating.com Telephone: (505) 599-4905

This space for federal or state office use

Approved by: _____ Title: _____ Date: _____
 Conditions of approval if any

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction

REPORT TOC FOR 5 1/2" CASING
 REPORT PRESSURE TEST DURATION AND RESULTS FOR 8 5/8" CASING
 REPORT PRESSURE TEST FOR 5 1/2" CASING NMOC

ACCEPTED FOR RECORD

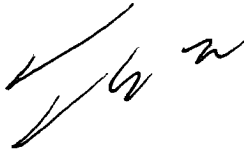
JUN 15 2009

FARMINGTON FIELD OFFICE
 BY [Signature]

6/19

06-06-2009 SM. Drill ahead and TD 7-7/8" hole at 959'. Circulate clean. Survey hole 931' @ 1.0 deg. COOH w/ DP, DCs, & 7-7/8" bit
Several tight spots. RU Jet West OH Loggers. RIH and tag at 639' w/ GR - compensated Density log. POOH X-O pipe
rams to 5-1/2" Csg rams. Run 5-1/2" 15.5# J-55 Production Casing (22 Jts + marker), Circ Csg and land at 952'. RU BJ
BLM Rep Weatherford witness cement job. 9 Centralizers run equally spaced floating. Cement 10 bbls mud clean, 10 bbls
FW, 236 sxs (328 ft3 - 58.4 bbls) Type III cement 1% CaCl + 0.2% FL-52 + 0.25# Celloflake + 2# Phenoseal (1.39 yield)
density 14.6 ppg @ 4.0 BPM. SD, drop wiper, clean lines. Displace 21.7 bbls water. Plug down 17:10 hrs to 1550#.
Begin Rig Down. 5-1/2" 15.5# J-55 Casing @ 952' KB, Float Collar @ 911', and Marker Jt @ 680'

06-07-2009 Complete Rig Down. Release Rig at 8:00 hrs on 6/7/09

Handwritten signature or initials in black ink, appearing to be 'V/L' with a flourish.