

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Hondo 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 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 13694

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address SYNERGY OPERATING LLC PO Box 5513 Farmington, NM 87499		OGRID Number 163458
		API Number 30-045-33249
Property Code 34956	Property Name DUGAN 29-13-22	Well No. 109

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	22	29N	13W	M	830	S	790	W	San Juan

Proposed Pools

BASIN FRUITLAND COAL (GAS) 71629
KUTZ PICTURED CLIFFS, WEST (GAS) 79680

Work Type	Well Type	Cable/Rotary	Lease Type	Ground Level Elevation
New Well	GAS		Private	5266
Multiple	Proposed Depth	Formation	Contractor	Spud Date
Y	1400	Pictured Cliffs Formation		10/01/2005

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	350	220	0
Prod	7.875	5.5	15.5	1400	250	0

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Glen Papp

Title: Operations Manager

Date: 07/20/2005

Phone: 505-325-5449

OIL CONSERVATION DIVISION

Electronically Approved By: Charlie Perrin

Title: District Supervisor

Approval Date: 07/25/2005

Expiration Date: 07/25/2006

Conditions of Approval:

There are conditions. See Attached.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13537 Exhibit No. 6
Submitted by:
LANCE OIL & GAS CO., INC.
Hearing Date: August 25, 2005

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Form C-102
Permit 13694

WELL LOCATION AND ACREAGE DEDICATION FLAT

API Number 30-045-33249	Pool Name BASIN FRUITLAND COAL (GAS)	Pool Code 71629
Property Code 34956	Property Name DUGAN 29-13-22	Well No. 109
OGRID No. 163458	Operator Name SYNERGY OPERATING LLC	Elevation 5266

Surface And Bottom Hole Location

UL or Lot M	Section 22	Township 29N	Range 13W	Lot Idn M	Feet From 830	N/S Line S	Feet From 790	E/W Line W	County San Juan
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Electronically Signed By: Glen Papp

Title: Operations Manager

Date: 07/20/2005

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: David Russell

Date of Survey: 07/13/2005

Certificate Number: 10201

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Form C-102

Permit 13694

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-33249	Pool Name KUTZ PICTURED CLIFFS, WEST (GAS)	Pool Code 79680
Property Code 34956	Property Name DUGAN 29-13-22	Well No. 109
OGRID No. 163458	Operator Name SYNERGY OPERATING LLC	Elevation 5266

Surface And Bottom Hole Location

UL or Lot M	Section 22	Township 29N	Range 13W	Lot Idn M	Feet From 830	N/S Line S	Feet From 790	E/W Line W	County San Juan
Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.						

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Electronically Signed By: Glen Papp

Title: Operations Manager

Date: 07/20/2005

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Surveyed By: David Russell

Date of Survey: 07/13/2005

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Permit Conditions Of Approval

C-101, Permit 13694

Operator: SYNERGY OPERATING LLC , 163458

Well: DUGAN 29-13-22 #109

OCD Reviewer	Condition
SHAYDEN	Notice is to be given to the OCD prior to construction of the pit(s)
SHAYDEN	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines