

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF SYNERGY OPERATING,  
LLC FOR COMPULSORY POOLING AND A  
NON-STANDARD GAS SPACING AND PRORATION  
UNIT, SAN JUAN COUNTY, NEW MEXICO.**

**Case No. 14,175**

**AFFIDAVIT OF NOTICE**

COUNTY OF SANTA FE    )  
                                          ) ss.  
STATE OF NEW MEXICO    )

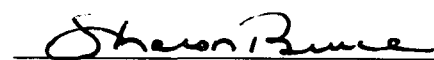
James Bruce, being duly sworn upon his oath, deposes and states:

1.     I am over the age of 18, and have personal knowledge of the matters stated herein.
2.     I am an attorney for Synergy Operating, LLC.
3.     Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the offset operators entitled to receive notice of the application filed herein.
4.     Notice of the application was provided to the operators, at their correct addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.
5.     Applicant has complied with the notice provisions of Division Rule 1210.

  
James Bruce

SUBSCRIBED AND SWORN TO before me this 19<sup>th</sup> day of August, 2008 by James Bruce.

My Commission Expires: 3/14/09

  
Notary Public

Oil Conservation Division  
Case No. 3  
Exhibit No. 3

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

July 31, 2008

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

XTO Energy Inc.  
Suite 2000  
810 Houston Street  
Fort Worth, Texas 76102

Dugan Production Corp.  
P.O. Box 420  
Farmington, New Mexico 87499

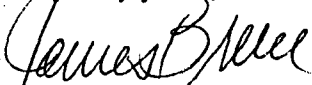
Merrion Oil & Gas Corporation  
610 Reilly Avenue  
Farmington, New Mexico 87401

Ladies and Gentlemen:

Enclosed is a copy of an application, filed with New Mexico Oil Conservation Division by Synergy Operating, LLC, seeking a non-standard gas spacing and proration unit for the W½ of Section 7, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico. This matter is scheduled for hearing at 8:15 a.m. on Thursday, August 21, 2008, at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an offset operator to the well unit, you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date.

You are required to notify (in writing) the Division, and the undersigned, by Thursday, August 14, 2008 if you intend to participate in the hearing.

Very truly yours,

  
James Bruce

Attorney for Synergy Operating, LLC

EXHIBIT

**A**

**U.S. Postal Service™  
CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL MAIL**

Postage \$  
Certified Fee  
Return Receipt Fee (Endorsement Required)  
Restricted Delivery Fee (Endorsement Required)  
Total Postage & Fees \$

Sent To  
XTO Energy Inc.  
Suite 2000  
810 Houston Street  
Fort Worth, Texas 76102

PS Form 3800, August 2006 See Reverse for Instructions

9002 054E 1000 81E4 0270

**SENDER: COMPLETE THIS SECTION**

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
■ Print your name and address on the reverse so that we can return the card to you.  
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

XTO Energy Inc.  
Suite 2000  
810 Houston Street  
Fort Worth, Texas 76102

2. Article Number

(Transfer from service label)

7006 3450 0001 4318 0138

PS Form 3811, February 2004

Domestic Return Receipt S-MCD

102595-02-M-1540

**SENDER: COMPLETE THIS SECTION**

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
■ Print your name and address on the reverse so that we can return the card to you.  
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dugan Production Corp.  
P.O. Box 420  
Farmington, New Mexico 87499

2. Article Number

(Transfer from service label)

7006 3450 0001 4318 0121

PS Form 3811, February 2004

Domestic Return Receipt S-MCD

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent ☐ Addressee  
B. Received by (Printed Name) C. Date of Delivery 8/14/05  
D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.  
4. Restricted Delivery? (Extra Fee) ☐ Yes

7006 3450 0001 4318 0138

PS Form 3811, February 2004

Domestic Return Receipt S-MCD

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent ☐ Addressee  
B. Received by (Printed Name) C. Date of Delivery  
D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

Dugan Production Corp.  
P.O. Box 420  
Farmington, New Mexico 87499

2. Article Number

(Transfer from service label)

7006 3450 0001 4318 0121

PS Form 3811, February 2004

Domestic Return Receipt S-MCD

102595-02-M-1540

**U.S. Postal Service™  
CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL MAIL**

Postage \$  
Certified Fee  
Return Receipt Fee (Endorsement Required)  
Restricted Delivery Fee (Endorsement Required)  
Total Postage & Fees \$

Sent To  
Dugan Production Corp.  
P.O. Box 420  
Farmington, New Mexico 87499  
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

9002 054E 1000 81E4 0270

**SENDER: COMPLETE THIS SECTION**

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Merrion Oil & Gas Corporation  
610 Reilly Avenue  
Farmington, New Mexico 87401

2. Article Number  
(Transfer from service label)

7006 3450 0001 4316 0114

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature P. Garcia ☐ Agent ☐ Addressee  
 B. Received by (Printed Name) P. Garcia C. Date of Delivery 8/2  
 D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	

Sent To

Merrion Oil & Gas Corporation  
 610 Reilly Avenue  
 Farmington, New Mexico 87401

PS Form 3800, August 2006

See Reverse for Instructions

7006 3450 0001 4316 0114