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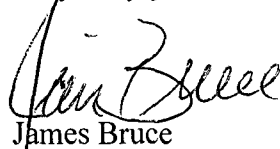
July 22, 2008

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Synergy Operating, LLC, are an original and one copy of two applications for compulsory pooling, together with proposed advertisements. The advertisements have also been e-mailed to the Division. Please set these matters for the August 21, 2008 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Synergy Operating, LLC

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FORCE POOL LIST

Powers 29-13-7 #110 Well, E/2 Sec. 7, T29N, R13W

CONTACTED BUT NOT LEASED :

CITY OF FARMINGTON

NM STATE HWAY DEPT.

A. LORRAINE POWERS TRUST

JOHN LEE PRUITT

AUBREY M. PRUITT

MARY ANN PARKER

CLARENCE GWYN PRUITT

DOVY ANN LEDFORD

LARRY LEE PRUITT

TIMOTHY RAY PRUITT

JAMES EDWARD PRUITT

BARBARA A. KRONIG

SANDRA SUE WITTEN

CHERYL NORDSTRUM

SANDRA KAY PRUITT

LINDA GAY DUNCAN

CLAYTON INVESTMENT COMPANY

DELLE MARIE CASSELBERRY, TRUSTEE

JESS GARREN MARKLE

C. DENNIS and FRANCES R. BEASLEY

ADDRESS

800 Municipal Drive, Farmington, NM 87401

P. O. Box 1149, Santa Fe, NM 87504

P. O. Box 2323, Farmington, NM 87499

2714 West Apache St., Farmington, NM 87401

3839 Crocus Drive, Phoenix, AZ 85032

5015 E. Weldon Av., Phoenix, AZ 85018

2501 Glade Rd., Farmington, NM 87401

P. O. Box 5302, Farmington, NM 87499

900 West 30th St., Farmington, NM 87401

2415 Glade Rd., Farmington, NM 87401

6617 NW Melody Lane, Parkville, Missouri 64152

1121 Acoma Pl., Farmington, NM 87402

P. O. Box 593, Boise City, OK 73933

3613 N. Dustin, Farmington, NM 87401

19016 N. 71st Drive, Glendale, AZ 85308

7104 N. 63rd Drive, Glendale, AZ 85301

501 Airport Drive, Suite 100, Farmington, NM 87401

921 Deer Trail, Farmington, NM 87401

880 Deer Trail, Farmington, NM 87401

2410 Riverview Lane, Farmington, NM 87401

UNABLE TO LOCATE:

E. B. & MARY RIPPETOE

ROSS HARWOOD

RAFEALITA CHAVEZ

ESTHER T. CHELTE

GEORGE ARTHUR ENGLAND

ANITA JEANNE McCOLLUM

THELMA McFARLAND

RUTH PEARSON

Last Known Address

SIGNATURE NOTARIZED IN SAN JUAN COUNTY, NM - 7

SIGNATURE NOTARIZED IN SAN JUAN COUNTY, NM - 4.

SIGNATURE NOTARIZED IN SAN JUAN COUNTY, NM - 4.

NOTARY IN SAN FRANCISCO COUNTY, CALIF. - 7/9/1958

4/11/1960 - BARCLAYS BANK, LTD, HIGH STREET, COVE

ENGLAND

NOTARY IN HARRIS COUNTY, TEXAS - 7/26/1958

NOTARY IN BERNALILLO COUNTY, NM - 7/22/58

NOTARY IN LOS ANGELES COUNTY, CALIFORNIA - 8/4/1

RECEIVED

McDonald Orchard 29-13-7 #109 Well, W/2 Sec. 7, T29N, R10W JUL 23 AM 10 54

CONTACTED BUT NOT LEASED:

ADDRESS

CITY OF FARMINGTON

800 Municipal Drive, Farmington, NM 87401

NM STATE HWAY DEPT.

P. O. Box 1149, Santa Fe, NM 87504

RICHARDSON PRODUCTION CO.

6400 S. Fiddler's Green Circle, Ste 1330, Greenwich Village, CO 8

DWIGHT D. ARTHUR REVOCABLE TRUST

P. O. Box 230, Kirtland, NM 87417

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BEFORE THE NEW MEXICO 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. _____

APPLICATION

Synergy Operating, LLC applies for an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying Lots 1-4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ (the W $\frac{1}{2}$) of Section 7, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, and in support thereof, states:

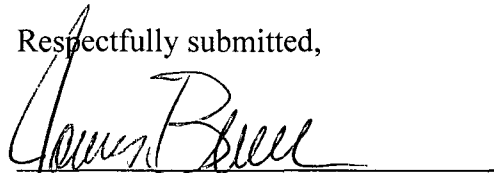
1. Applicant is an interest owner in the W $\frac{1}{2}$ of Section 7, and has the right to drill a well thereon.
2. Applicant proposes to drill the MacDonald Orchard 29-13-7 Well No. 109, at an orthodox location in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 7, and seeks to dedicate the W $\frac{1}{2}$ of Section 7 to the well to form a non-standard 179 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W $\frac{1}{2}$ of Section 7 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the W $\frac{1}{2}$ of Section 7, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the W½ of Section 7 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the W½ of Section 7, from the surface to the base of the Fruitland Coal formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Synergy Operating, LLC

PROPOSED ADVERTISEMENT

Case No. 14175: **Application of Synergy Operating, LLC for compulsory pooling and a non-standard gas spacing and proration unit, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying Lots 1-4 and the E/2W/2 (the W/2) of Section 7, Township 29 North, Range 13 West, NMPM, to form a non-standard 179-acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool. The unit is to be dedicated to the MacDonald Orchard 29-13-7 Well No. 109, to be located at an orthodox location in the SE/4NW/4 of Section 7. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 1 mile west of Farmington, New Mexico.