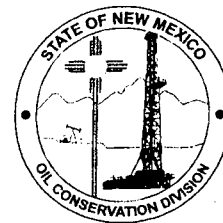


New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



December 4, 2008

Patrick Hegarty, Principal
Synergy Operating, LLC
P. O. Box 5513
Farmington, New Mexico 87499

Dear Mr. Hegarty:

Based upon the reasons stated in your letter of October 30, 2008, and in accordance with the provisions of Division Order No. R-12994, Synergy Operating, LLC is hereby granted an extension of time until May 1, 2009 in which to commence drilling the well pooled by this order.

Sincerely,

Mark E. Fesmire, P.E.
Director

fd/

cc: ✓ Case No. 14175
OCD - Aztec





PO Box 5513
Farmington, NM 87499
(505) 325-5449
Fax (505) 566-3750

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October 30, 2008

Mark E. Fesmire, P.E. Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

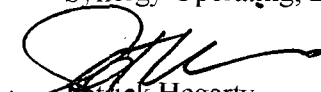
Re: Request For Extension of Time to Finish Completing Well
MacDonald Orchard 29-13-7 Well No. 109
Unit F E/2 W/2 (W/2 equivalent) of section 7, T29N R11W
Case No. 14175, Order No. R-12994

Gentlemen:

Please be advised that Synergy Operating, LLC is hereby requesting an extension to commence the captioned well because the New Mexico Department of Transportation (NMDOT) is questioning their ownership of the minerals associated with .6968 acres in W/2 of section 7 in T29N., R13W NMPM. Apparently there is a Judicial decree qualifying NMDOT's ownership of aid tract that has not been available for inspection. Please reference the related Email. We are confident the NMDOT will accept their ownership once they inspect the related legal document. We are uncertain how long this process will take. Being that we do not want to force pool NMDOT's mineral interest we are requesting an extension.

We respectfully request an extension of time till May 1, 2009 to begin drilling operations.

Sincerely,
Synergy Operating, LLC



Patrick Hegarty
Principal

XC: James Bruce

From: "David Catanach" <drcatanach@netscape.com>
Subject: **Section 7**
Date: October 29, 2008 7:18:13 AM MDT
To: "Dorothy Winer" <dwiner@synergyoperating.com>
Cc: "Patrick Hegarty" <patrick.hegarty@synergyoperating.com>, "Pete Sclafani" <submit@infomaxnm.com>
Reply-To: <drcatanach@netscape.com>

Dorothy,

Thank you for the information. I have forwarded your information to our title expert, Pete Sclafani, and he is currently reviewing the documents. Pete has notified me that all the acreage is accounted for, except for .6968 acres in the W/2 of Section 7. He has found four tracts in the W/2 of Section 7 comprising .51 acres, .2296 acres, .2296 acres, and .15 acres, for a total of 1.1192 acres. He believes that the missing tract(s) may be contained in the stipulated judgement that was part of attachment NMDOT 2. It appears that we may be missing some pages in this document, as we only received pages 1-3. Are there additional pages that you can send us, or can you point out where we can find the missing .6968 acres.

Thank you for your help, and I look forward to hearing back from you.

David Catanach
NMDOT Contractor

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