

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



April 14, 2009

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

Re: Request For A Second Extension of Time To Drill MacDonald Orchard 29-13-7 Well No. 109 Pursuant to Division Order No. R-12994.

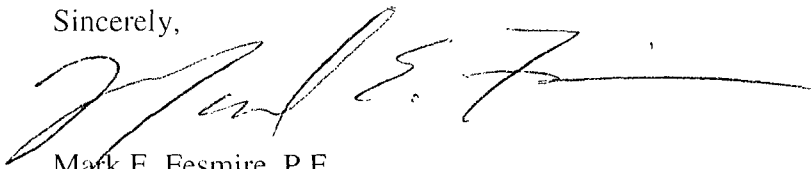
Dear Mr. Hegarty:

The Oil Conservation Division (OCD) received your letter dated April 7, 2009 regarding the above subject on April 10, 2009. The OCD has reviewed your request and hereby grants you a second extension to commence the drilling of MacDonald Orchard 29-13-7 Well No. 109 on or before April 30, 2010.

Should the drilling of this well not be commenced on or before April 30, 2010, the Division Order No. R-12994 shall expire, unless you obtain another extension of time for good cause demonstrated by satisfactory evidence.

Please contact Richard Ezeanyim at 505-476-3467 if you have any questions.

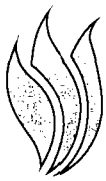
Sincerely,



Mark E. Fesmire, P.E.
Director

Cc: Oil Conservation Division District III – Aztec





Synergy Operating, LLC

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

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April 7, 2009

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

Re: Request For Second Extension of Time
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 a second 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. NMDOT's has not accepted their ownership of said tract. We are uncertain how long this process will take. In 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 December 31, 2009 to begin drilling operations.

Sincerely,
Synergy Operating, LLC



Patrick Hegarty
Principal

XC: James Bruce