



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



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

Re: Request for extension to commence the drilling of Synergy Operating, L.L.C. Powers 29-13-7 Well No. 110, Pursuant to Division Order No. R-12993

Dear Mr. Hegarty:

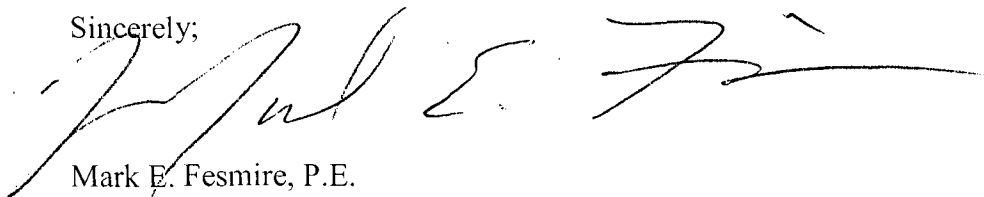
The Oil Conservation Division (OCD) received your letter dated April 21, 2010, regarding the referenced subject on April 26, 2010. The OCD has reviewed your request and hereby extends the date to commence the drilling of this well to December 31, 2011, **as long as the operator does not use this extension to hold monies already paid by participating working interest owners.**

The operator shall do the following for any future request for extension of time to drill this well:

- (a) Give notice to all the original locatable interest owners in the pooled unit;
- (b) Wait for twenty (20) days to give the interest owners the opportunity to object or not;
- (c) If no objection is received after 20 days, then the operator shall submit the request with proof of notice; and
- (d) If any objection is received, the operator shall set the case for hearing before any extension may be granted

If you have any question, please contact Richard Ezeanyim at (505)-476-3467

Sincerely;



Mark E. Fesmire, P.E.
Acting Director

Cc: Oil Conservation Division District III – Aztec





Synergy Operating, LLC

PO Box 5513
Farmington, NM 87499
(505) 325-5449
Fax (505) 599-4900

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April 21, 2010

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

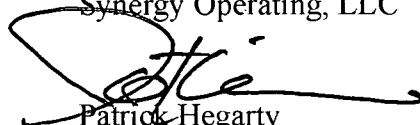
Re: Request For Additional Extension of Time
Powers 29-13-7 #110 Unit F E/2 of section 7, T29N R11W
Case No. 14174, Order No. R-12993

Gentlemen:

Please be advised that Synergy Operating, LLC is hereby requesting an additional extension to drill the captioned well due to low gas prices. It is in the best interests of the state for an Operator to drill an economic well, which is impossible due to the low gas prices and high operating costs associated with the disposal of the water inherent with coal gas operations.

We respectfully request an extension of time till December 31, 2011 to begin drilling operations.

Sincerely,
Synergy Operating, LLC



Patrick Hegarty
Principal

XC: James Bruce