

District I
1625 N. French Dr., Hobbs, NM 88240
District II
361 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

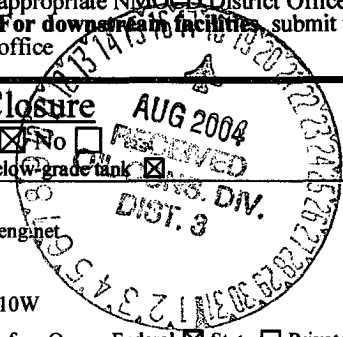
Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes No
Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank



Operator: Breck Operating Company Telephone: 505-327-4892 e-mail address: paul@walshenginet
Address: c/o Walsh Engineering & Prod. Corp. 7415 East Main Street, Farmington, NM 87402
Facility or well name: Kutz Government #8S API #: 30-045-31632 U/L or Qtr/Qtr C Sec 21 T28N R10W
County: San Juan County Latitude _____ Longitude _____ NAD: 1927 1983 Surface Owner Federal State Private Indian

Pit
Type: Drilling Production Disposal
Workover Emergency
Lined Unlined
Liner type: Synthetic Thickness 12 mil Clay
Pit Volume 500 bbl

Below-grade tank
Volume: _____ bbl Type of fluid: _____
Construction material: _____
Double-walled, with leak detection? Yes If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	100 feet or more X	(0 points) 0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)
	No X	(0 points) 0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	1000 feet or more X	(0 points) 0
Ranking Score (Total Points)		0

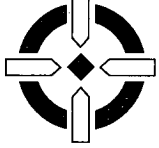
If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite offsite If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No Yes If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .
Date: 07/28/2004
Printed Name/Title Paul C. Thompson, P.E. Signature *Paul C. Thompson*

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: *Derry Feunt* DEPUTY OIL & GAS INSPECTOR, DIST. 3
Printed Name/Title _____ Signature _____ Date: AUG 18 2004



Midwest Laboratories, Inc.SM

Report Number
04-191-2113

13611 "B" Street • Omaha, Nebraska 68144-3693 • (402) 334-7770 • FAX (402) 334-9121
www.midwestlabs.com

REPORT OF ANALYSIS

IINA BA LTD

For: (6833)
(505)325-5667

IINA BA LTD
Judy Moore
PO BOX 2606
FARMINGTON NM 87499-2606

Date Reported: 07/09/04
Date Received: 07/02/04
Date Sampled: 06/17/04

PO/Proj. #: ???
SOIL ANALYSIS

KUTZ GOVERNMENT #85

Lab number: 988682 Sample ID: 0406040-001B

Analysis	Level Found	Units	Detection Limit	Method	Analyst-Date
Sodium Adsorption Ratio	54.1			CALCULATED	jpt-07/02
Sodium (water soluble)	4,889	mg/L	1.0	SATURATED PASTE EXTRACT	jpt-07/09
Magnesium (water soluble)	7.0	mg/L	1.0	SATURATED PASTE EXTRACT	jpt-07/09
Calcium (water soluble)	606	mg/L	1.0	SATURATED PASTE EXTRACT	jpt-07/09
Conductivity	20.5	mS/cm	0.01	SATURATED PASTE EXTRACT	dmg-07/09

$$ESP = \frac{100(-0.0126 + 0.01485(SAR))}{1 + (-0.0126 + 0.01475(SAR))}$$

$$ESP = \frac{100(-0.0126 + 0.01485(53.1))}{1 + (-0.0126 + 0.01475(53.1))}$$

$$ESP = \frac{77.0625}{75.7350} = 1.017736$$

Respectfully Submitted

Heather Ramig/Sue Ann Seitz/Rob Ferris
Client Services

The above analytical results apply only to the sample(s) submitted.

Our reports and letters are for the exclusive and confidential use of our clients and may not be reproduced in whole or in part, nor may any reference be made to the work, the results, or the company in any advertising, news release, or other public announcements without obtaining our prior written authorization.

612 E. Murray Drive
Farmington, NM 87401
(505) 327-1072

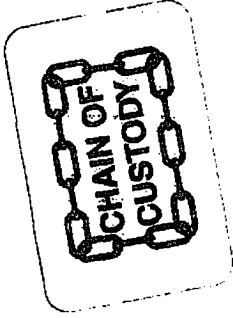
Subcontractor:

Mid-West Labs, Inc.
13611 B Street
Omaha, NE 68144

TEL: (402) 334-7770
FAX: (402) 334-9121

Acct #:

CHAIN-OF-CUSTODY RECORD



01-Jul-04

Sample ID	Matrix	Collection Date	Bottle Type	Requested Tests		
				ASA9	E120.1	USDA_60
0406040-001B	Soil	6/17/2004 6:30:00 PM	9OZG	1	1	2

988882

Comments: Please analyze 1 (one) sample for saturated paste, conductivity, exchangeable sodium percentage, and sodium absorption ration.

Relinquished by:	Date/Time	Relinquished by:	Date/Time
<i>Janis Guajardo</i>	7/1/04 1440	<i>Mark Stuber</i>	7-8-04
Relinquished by:		Received by:	
		Received by:	

Hall Environmental Analysis Laboratory

Date: 14-Jul-04

CLIENT: iina ba, Ltd
 Lab Order: 0407051
 Project: 0406040
 Lab ID: 0407051-01

Client Sample ID: 0406040-001A
 Collection Date: 6/17/2004 6:30:00 PM

KUTZ GOVERNMENT #85

Matrix: SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 7471: MERCURY						Analyst: IC
Mercury	ND	0.033		mg/Kg	1	7/13/2004
EPA METHOD 6010C: SOIL METALS						Analyst: NMO
Arsenic	3.8	2.5		mg/Kg	1	7/13/2004 3:00:54 PM
Barium	140	1.0		mg/Kg	10	7/13/2004 4:21:57 PM
Cadmium	ND	0.10		mg/Kg	1	7/13/2004 3:00:54 PM
Chromium	4.3	0.30		mg/Kg	1	7/13/2004 3:00:54 PM
Lead	6.3	0.25		mg/Kg	1	7/13/2004 3:00:54 PM
Selenium	ND	2.5		mg/Kg	1	7/13/2004 3:00:54 PM
Silver	ND	0.25		mg/Kg	1	7/13/2004 3:00:54 PM

Qualifiers:

ND - Not Detected at the Reporting Limit

S - Spike Recovery outside accepted recovery limits

J - Analyte detected below quantitation limits

R - RPD outside accepted recovery limits

B - Analyte detected in the associated Method Blank

E - Value above quantitation range

* - Value exceeds Maximum Contaminant Level