DATE IN 1/14/04	SUSPENSE 2/02/04	ENGINEER DRC	LOGGED IN LR	TYPE PLC	APP NO. PLR0401529493

ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

JAN 14 2004

OIL CONSERVATION DIVISION

241

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM SURFACE COMMINGLING

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

PAUL C. THOMPSON	Paul C. Thompson	AGENT	1/2/04
Print or Type Name	Signature	Title	Date

PAUL@WALSHENG.NET
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, 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 Department

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised June 10, 2003

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Breck Operating Company
OPERATOR ADDRESS: c/o Walsh Engineering, 7415 E. Main St., Farmington, NM 87402
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and ~~State Land office (SLO)~~ been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Basin Fruitland Coal 71629					
Fulcher Kutz Pictured Cliffs 77200					

(2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify) Subtraction
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code. Basin Fruitland Coal 71629 and Fulcher Kutz Pictured Cliffs 77200
(2) Is all production from same source of supply? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Paul C. Thompson TITLE: Agent / Engineer DATE: 1/11/04
TYPE OR PRINT NAME Paul C. Thompson, P.E. TELEPHONE NO.: 505.327.4892

E-MAIL ADDRESS: paul@walsheng.net

January 11, 2004

Ms. Lori Wrotenbery
NM Oil and Gas Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Surface Commingling
Breck Operating Company
Kutz Government #9
Kutz Government #9S
Section 28, T28N, R10W

Dear Ms. Wrotenbery,

Breck Operating requests permission to surface commingle the gas production from the above mentioned wells. The #9 is a down hole commingled Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs well (Order DHC – 2447). The #9S is a Basin Fruitland Coal well.

1. Proposed System: The wells are to be commingled upstream from a CPD meter so they can utilize a common compressor. The CPD meter will be downstream of the compressor on the Kutz Government #9. Allocation meters will be on both the Kutz Government #9 and the Kutz Government #9S. The gas flows into Williams Field Services' gathering system and they will maintain the CPD meter. The wells do not produce any liquid hydrocarbons.

The interests in the two wells are not identical. The revenue interests in the two wells are listed in Exhibit #1. A sample of the certified letters that were sent to each owner is attached as Exhibit #6. The actual commercial value of the commingled production will not be less than the sum of the values of the production from each well.

2. Wells, Locations, and Lease numbers: Exhibit 2 is a plat showing the lease numbers for each well. Both wells are on a Federal Mineral leases and on lands administrated by the Bureau of Land Management. The BLM has received a copy of this application. See attached Sundry Notice (Exhibit #7).

3. Schematic Diagram: Exhibit #3 is a schematic diagram of the proposed facilities.

4. Fuel Gas: The compressor will burn approximately 10 MCFD of fuel gas, which will be allocated equally between the wells since the fuel usage is not volume dependent. Neither well has any heated surface production equipment.

5. Mechanical Integrity: The flow line from the Kutz Government #9S to the compressor will be approximately 1500' feet of a 3" poly line with a pressure rating of 250 psig. The pipeline will be tested to the maximum wellhead pressure of either well.

6. Production – Gravity/BTU: A table of the actual production from the Kutz Government #9 is attached as Exhibit #4. The Kutz Government is a new well that has not produced any gas yet. A gas analysis showing the gas gravity and BTU content of the Kutz Government #9 is shown in Exhibit #5.

7. Allocation Formula: Since both wells will have allocation meters, the production assigned to each well will be the integrated volume from the allocation meter minus one-half of the compressor fuel gas and one-half of any purge gas.

8. Line Purging: We do not anticipate purging the line very often, but when we do the lost gas will be allocated between the two wells.

9. Purged Fluids: We do not anticipate having to purge the system, however any fluids purged will be natural gas, and produced water. If at all possible, any line purging will be done to a pit or a tank.

10. Meter Calibration: The allocation and CPD meters will be calibrated once each quarter. Williams Services will maintain and calibrate the CPD meter.

11. Gas Analysis Schedule: Williams will analyze the gas from the CPD meter twice a year.

12. Effective date: The pipeline system will be put into service as soon as approval is received.

Sincerely,

Paul C. Thompson

Paul C. Thompson, P.E.
Agent for Breck Operating

EXHIBIT I

REVENUE INTEREST
BRECK KUTZ GOVERNMENT #9
FRUITLAND COAL

Neely Robertson
Family Trust
PO Box 29562
Santa Fe, NM 87592

Nancy Lee Webb
10 Longwood Dr.
Monroe, LA 71203

Schultz Management Ltd.
500 N. Akard Ste. 2940
Dallas TX 75201

Elizabeth Calloway Turner
PO Box 191767
Dallas, TX 75219

Mary Francis Turner Trust
PO Box 200890
Houston, TX 77216

Margaret Sebastion
Margaret Sebastion Trust
3291 Ammons Court
Wheat Ridge, CO 80033

PC Ltd for MIN Management
Drawer 1857
Roswell, NM 88202

Josephine Smythe
234 Glendale Dr.
Metairie, LA 70001

James Glen Turner
Two Turtle Creek Village
3838 Oak Lawn 1450
Dallas, TX 75219

John G. Taylor
William G. Webb Estate
1401 Elm St, Ste. 3435
Dallas, TX 75202

Tallowood Baptist Church
555 Tallowood Dr.
Houston, TX 77024

Henrietta Schultz Trustee
500 N. Akard,Ste. 2940
Dallas, TX 75225

Frederick Turner
One Energy Square Ste. 852
4925 Greenville Ave.
Dallas, TX 75206

John Lee Turner
PMB 285
317 Sidney Baker South 400
Kerrville, TX 78028

B.B.L. Ltd.
PO Box 911
Breckenridge, TX 76424

Joy Fernandez Hicks
1388 Highland Lakes Trail
Birmingham, AL 35242

Richard Fernandez
539 Highland Park Circle
Birmingham, AL 35242

Conoco Inc.
c/o Chase Bank of Texas
PO Box 201940
Houston, TX 77216

Control Group Inc.
2651 N. Harwood #425
Dallas, TX 75201

Altrogge Resources Co.
6901 Walsh Place
Denver, CO 80224

Charles Fernendez
11825 Rowles Court
Marvista, CA 90066

Fay Bacon I Trust
1005 N. McCoy
Aztec, NM 87410

Jeff Lee
1040 N. Laurel Ave. #2
West Hollywood, CA 90046

Meridian Oil Inc.
PO Box 840656
Dallas, TX 75284

Fullerton Trust A
c/o Reece Fullerton
PO Box 382
Santa Fe, NM 87504

C.W. Murchison Estate Trust
Bankers Trust Co. of Texas
4144 Central Expwy #900
Dallas, TX 75204

EXHIBIT I

REVENUE INTEREST
BRECK KUTZ GOVERNMENT #9S
FRUITLAND COAL

Neely Robertson
Family Trust
PO Box 29562
Santa Fe, NM 87592

Nancy Lee Webb
10 Longwood Dr.
Monroe, LA 71203

Schultz Management Ltd.
500 N. Akard Ste. 2940
Dallas TX 75201

Elizabeth Calloway Turner
PO Box 191767
Dallas, TX 75219

Mary Francis Turner Trust
PO Box 200890
Houston, TX 77216

Margaret Sebastion
Margaret Sebastion Trust
3291 Ammons Court
Wheat Ridge, CO 80033

PC Ltd for MIN Management
Drawer 1857
Roswell, NM 88202

Josephine Smythe
234 Glendale Dr.
Metairie, LA 70001

James Glen Turner
Two Turtle Creek Village
3838 Oak Lawn 1450
Dallas, TX 75219

John G. Taylor
William G. Webb Estate
1401 Elm St, Ste. 3435
Dallas, TX 75202

Tallowood Baptist Church
555 Tallowood Dr.
Houston, TX 77024

Henrietta Schultz Trustee
500 N. Akard,Ste. 2940
Dallas, TX 75225

Frederick Turner
One Energy Square Ste. 852
4925 Greenville Ave.
Dallas, TX 75206

John Lee Turner
PMB 285
317 Sidney Baker South 400
Kerrville, TX 78028

B.B.L. Ltd.
PO Box 911
Breckenridge, TX 76424

Joy Fernandez Hicks
1388 Highland Lakes Trail
Birmingham, AL 35242

Richard Fernandez
539 Highland Park Circle
Birmingham, AL 35242

Conoco Inc.
c/o Chase Bank of Texas
PO Box 201940
Houston, TX 77216

Control Group Inc.
2651 N. Harwood #425
Dallas, TX 75201

Altrogge Resources Co.
6901 Walsh Place
Denver, CO 80224

Charles Fernendez
11825 Rowles Court
Marvista, CA 90066

Fay Bacon I Trust
1005 N. McCoy
Aztec, NM 87410

Jeff Lee
1040 N. Laurel Ave. #2
West Hollywood, CA 90046

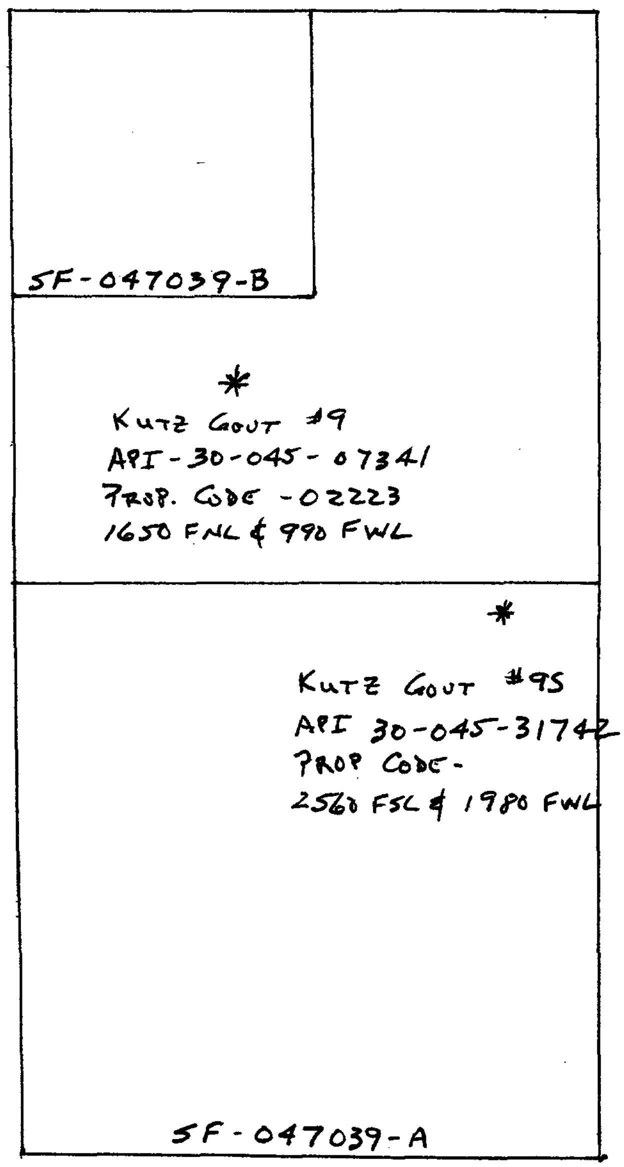
Meridian Oil Inc.
PO Box 840656
Dallas, TX 75284

Fullerton Trust A
c/o Reece Fullerton
PO Box 382
Santa Fe, NM 87504

C.W. Murchison Estate Trust
Bankers Trust Co. of Texas
4144 Central Expwy #900
Dallas, TX 75204

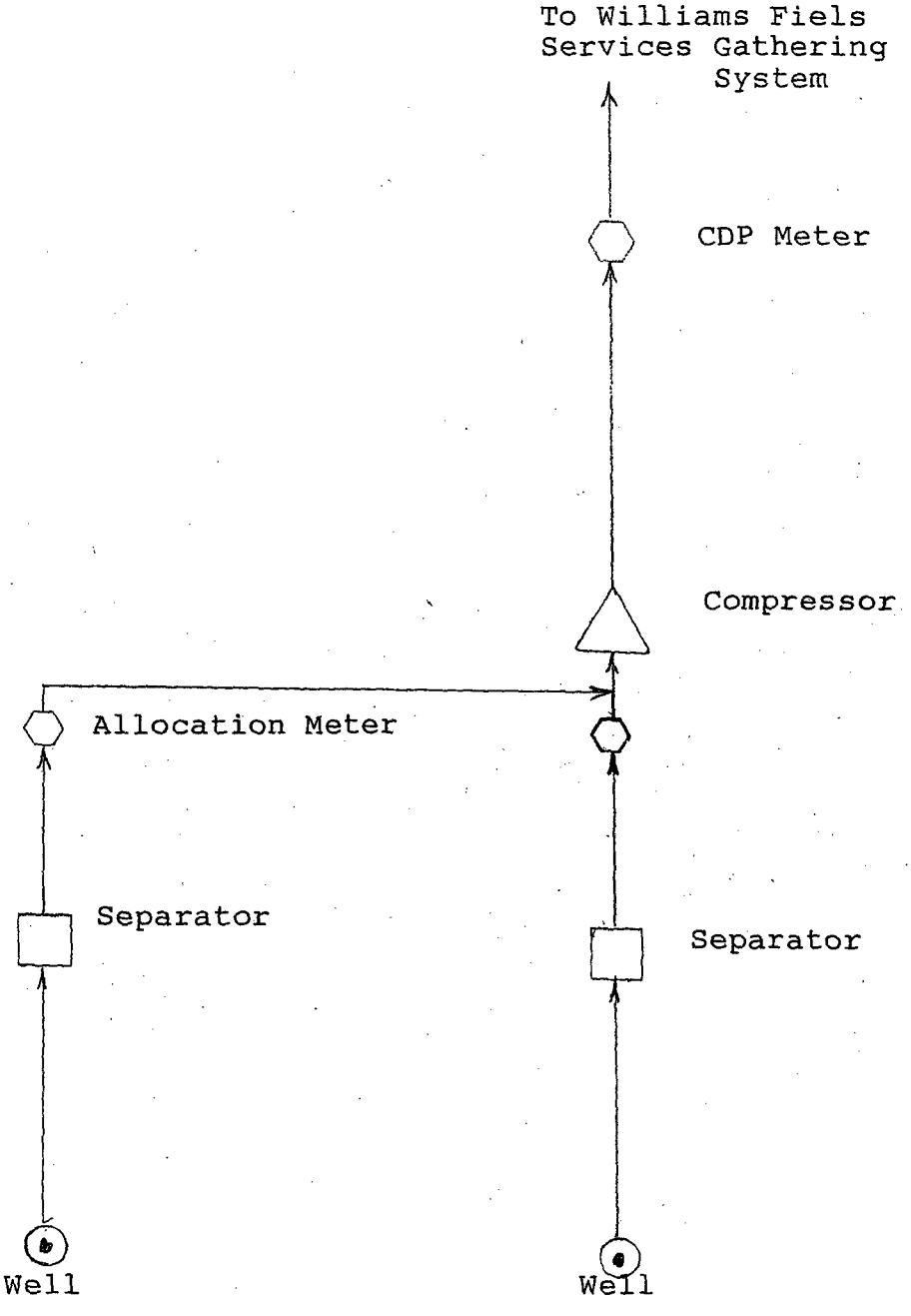
EXHIBIT #2
SURFACE COMMINGLING
KUTZ GOVERNMENT #9 & #95

W/2 COMM. AGREEMENT #NMNM 103076



W/2 20, T28N, R10W

Exhibit #3



KUTZ GOUT #95
30-045-31742
2560 FSL & 1980 FWL
SECTION 20, T28N, R10W

KUTZ GOUT #9
30-045-07341
1650 FNL & 990 FWL
SECTION 20, T28N, R10W

EXHIBIT #4

SAN JUAN NM
KUTZ GOVT 9
BRECK OPERATING CORPORATION
ACTIVE

Production/Injection Report

Lease Name:	**KUTZ GOVT**	**Well Number:**	**9**
Lease Number:	002223	Completion Date:	JUN 16, 1993
Operator Name:	BRECK OPERATING CORPORAT	Total Depth:	2135
State:	NEW MEXICO	Status:	ACTIVE
County	SAN JUAN	Product	GAS
Field:	BASIN	Upper Perforation:	
Production ID:	2300430450734171629	Lower Perforation:	
API:	30045073410000	GOR:	
Prod Zone:	FRUITLAND COAL	Prod Zone Code:	604FRLDC
Reservoir Name:	FRUITLAND COAL	Oil Gravity:	
Basin Name:	SAN JUAN BASIN	Gas Gravity:	
Gas Gatherer:	SUG	N Factor:	
Liquid Gatherer:		Temp Gradient:	1.42
Well Type:	ACTIVE PRODUCING-GENERAL	Water Depth:	

Location

Legal (Congressional)

Sec Twn Rng: 20E 28N 10W Spot: NE SW NW

Production Statistics

Dates

First Production: AUG 1993 Last Production: JUN 2003

First Oil: First Gas: AUG 1993 First Water:

Cummulative Production

Oil	Gas	Water
	597960	

Annual Production **(11 years)**

Year	Oil BBLS	Gas MCF	Water BBLS
Beginning Cum:			
1993		38,310	
1994		81,313	
1995		65,650	
1996		77,420	
1997		67,095	
1998		60,001	
1999		49,962	

2000		50,352					
2001		47,204					
2002		41,291					
2003		19,362					
Totals:		597,960					

Monthly Production

Date MO/YR	Oil BBLS	Gas MCF	Water BBLS	Cond Yld STB/MMCF	% Water	# of Wells	Days on
AUG 1993		7,225				1	31
SEP 1993		9,389				1	30
OCT 1993		7,691				1	31
NOV 1993		7,042				1	30
DEC 1993		6,963				1	31
Totals: 1993		38,310					
JAN 1994		6,752				1	31
FEB 1994		6,162				1	28
MAR 1994		7,118				1	0
APR 1994		7,021				1	30
MAY 1994		7,333				1	31
JUN 1994		7,142				1	30
JUL 1994		7,672				1	31
AUG 1994		7,421				1	31
SEP 1994		8,294				1	30
OCT 1994		5,627				1	31
NOV 1994		5,333				1	30
DEC 1994		5,438				1	31
Totals: 1994		81,313					
JAN 1995		4,363				1	31
FEB 1995		3,995				1	28
MAR 1995		3,690				1	31
APR 1995		6,183				1	30
MAY 1995		5,974				1	30
JUN 1995		6,098				1	30
JUL 1995		4,369				1	28
AUG 1995		4,896				1	29
SEP 1995		5,295				1	28
OCT 1995		6,185				1	31
NOV 1995		7,188				1	30
DEC 1995		7,414				1	31
Totals: 1995		65,650					
JAN 1996		7,198				1	31
FEB 1996		5,228				1	29
MAR 1996		6,464				1	31
APR 1996		6,322				1	30

MAY	1996	7,035		1	31
JUN	1996	6,690		1	30
JUL	1996	6,369		1	31
AUG	1996	6,521		1	31
SEP	1996	6,458		1	30
OCT	1996	6,554		1	31
NOV	1996	6,159		1	30
DEC	1996	6,422		1	31
Totals:					
1996		77,420			
JAN	1997	6,484		1	31
FEB	1997	5,690		1	28
MAR	1997	6,135		1	31
APR	1997	5,245		1	30
MAY	1997	6,046		1	31
JUN	1997	4,865		1	30
JUL	1997	5,155		1	31
AUG	1997	5,821		1	31
SEP	1997	5,484		1	30
OCT	1997	5,434		1	31
NOV	1997	5,281		1	30
DEC	1997	5,455		1	31
Totals:					
1997		67,095			
JAN	1998	5,808		1	31
FEB	1998	4,810		1	28
MAR	1998	5,408		1	31
APR	1998	3,593		1	30
MAY	1998	5,307		1	31
JUN	1998	5,228		1	30
JUL	1998	5,106		1	31
AUG	1998	5,152		1	31
SEP	1998	4,973		1	30
OCT	1998	5,181		1	31
NOV	1998	4,629		1	30
DEC	1998	4,806		1	31
Totals:					
1998		60,001			
JAN	1999	4,693		1	31
FEB	1999	4,426		1	28
MAR	1999	4,302		1	31
APR	1999	4,228		1	30
MAY	1999	4,052		1	30
JUN	1999	4,392		1	30
JUL	1999	4,084		1	29
AUG	1999	4,521		1	31
SEP	1999	3,520		1	25
OCT	1999	4,386		1	31
NOV	1999	4,031		1	29
DEC	1999	3,327		1	31
Totals:					
1999		49,962			
JAN	2000	3,364		1	30

FEB 2000		3,698		1	29
MAR 2000		3,945		1	30
APR 2000		4,225		1	30
MAY 2000		4,669		1	31
JUN 2000		4,589		1	30
JUL 2000		4,587		1	31
AUG 2000		4,385		1	31
SEP 2000		4,338		1	30
OCT 2000		3,941		1	29
NOV 2000		4,265		1	30
DEC 2000		4,346		1	31
Totals:					
2000		50,352			
JAN 2001		4,107		1	31
FEB 2001		3,780		1	28
MAR 2001		4,173		1	31
APR 2001		4,062		1	30
MAY 2001		3,793		1	28
JUN 2001		3,893		1	30
JUL 2001		4,255		1	31
AUG 2001		4,266		1	31
SEP 2001		3,670		1	28
OCT 2001		4,209		1	31
NOV 2001		3,708		1	30
DEC 2001		3,288		1	27
Totals:					
2001		47,204			
JAN 2002		3,374		1	28
FEB 2002		3,414		1	28
MAR 2002		3,241		1	28
APR 2002		2,843		1	25
MAY 2002		3,526		1	30
JUN 2002		3,402		1	27
JUL 2002		3,865		1	31
AUG 2002		3,612		1	30
SEP 2002		3,702		1	30
OCT 2002		3,836		1	31
NOV 2002		2,878		1	27
DEC 2002		3,598		1	30
Totals:					
2002		41,291			
JAN 2003		2,849		1	26
FEB 2003		3,331		1	28
MAR 2003		3,599		1	31
APR 2003		3,332		1	29
MAY 2003		3,510		1	31
JUN 2003		2,741		1	25
Totals:					
2003		19,362			

EXHIBIT #4

SAN JUAN NM
KUTZ GOVT 9
BRECK OPERATING CORPORATION
ACTIVE

Production/Injection Report

Lease Name:	**KUTZ GOVT**	**Well Number:**	**9**
Lease Number:	002223	Completion Date:	
Operator Name:	BRECK OPERATING CORPORAT	Total Depth:	2135
State:	NEW MEXICO	Status:	ACTIVE
County	SAN JUAN	Product	GAS
Field:	FULCHER KUTZ	Upper Perforation:	2030
Production ID:	2300430450734177200	Lower Perforation:	2135
API:	30045073410000	GOR:	
Prod Zone:	PICTURED CLIFFS	Prod Zone Code:	604PCCF
Reservoir Name:	PICTURED CLIFFS	Oil Gravity:	
Basin Name:	SAN JUAN BASIN	Gas Gravity:	
Gas Gatherer:	SUG	N Factor:	0.85
Liquid Gatherer:		Temp Gradient:	1.7
Well Type:	ACTIVE PRODUCING-GENERAL	Water Depth:	

Location

Legal (Congressional)

Sec Twn Rng: 20E 28N 10W Spot: NE SW NW

Production Statistics

Dates

First Production: OCT 1953 Last Production: JUN 2003

First Oil: OCT 1953 First Gas: OCT 1953 First Water:

Cummulative Production

Oil	Gas	Water
12	975272	

Annual Production **(29 years)**

Year	Oil BBLS	Gas MCF	Water BBLS
Beginning Cum:	12	421,892	
1970		114,956	
1971		79,887	
1972		56,848	
1973		45,100	
1974		31,189	
1975		35,912	
1976		25,839	

1977		19,758
1978		22,927
1979		20,617
1980		16,041
1981		18,768
1982		8,152
1983		4,276
1984		2,184
1985		5,789
1986		5,217
1987		4,050
1988		4,360
1989		3,132
1990		4,324
1991		2,772
1992		1,955
1993		3,350
1999		330
2000		4,983
2001		4,666
2002		4,083
2003		1,915
Totals:		
	12	975,272

Monthly Production

Date MO/YR	Oil BBLS	Gas MCF	Water BBLS	Cond Yld STB/MMCF	% Water	# of Wells	Days on
JAN 1970	0	8,584				1	
FEB 1970	0	7,542				1	
MAR 1970	0	7,763				1	
APR 1970	0	10,329				1	
MAY 1970	0	9,547				1	
JUN 1970	0	11,412				1	
JUL 1970	0	11,263				1	
AUG 1970	0	11,447				1	
SEP 1970	0	10,360				1	
OCT 1970	0	8,189				1	
NOV 1970	0	10,346				1	
DEC 1970	0	8,174				1	
Totals:							
1970		114,956					
JAN 1971		8,966				1	
FEB 1971		8,124				1	
MAR 1971		6,433				1	
APR 1971		5,857				1	
MAY 1971		5,220				1	
JUN 1971		7,151				1	
JUL 1971		6,885				1	
AUG 1971		6,983				1	
SEP 1971		6,445				1	

OCT 1971	6,159		1
NOV 1971	6,024		1
DEC 1971	5,640		1
Totals:			
1971	79,887		
JAN 1972	5,771		1
FEB 1972	5,404		1
MAR 1972	4,885		1
APR 1972	5,286		1
MAY 1972	4,062		1
JUN 1972	4,521		1
JUL 1972	4,410		1
AUG 1972	4,697		1
SEP 1972	4,827		1
OCT 1972	4,533		1
NOV 1972	4,237		1
DEC 1972	4,215		1
Totals:			
1972	56,848		
JAN 1973	4,200		1
FEB 1973	4,214		1
MAR 1973	3,493		1
APR 1973	3,550		1
MAY 1973	3,658		1
JUN 1973	3,669		1
JUL 1973	3,012		1
AUG 1973	3,806		1
SEP 1973	3,936		1
OCT 1973	3,801		1
NOV 1973	4,440		1
DEC 1973	3,321		1
Totals:			
1973	45,100		
JAN 1974	1,231		1
FEB 1974	0		0
MAR 1974	4,171		1
APR 1974	3,392		1
MAY 1974	2,546		1
JUN 1974	2,034		1
JUL 1974	2,365		1
AUG 1974	3,253		1
SEP 1974	3,301		1
OCT 1974	2,598		1
NOV 1974	3,256		1
DEC 1974	3,042		1
Totals:			
1974	31,189		
JAN 1975	2,834		1
FEB 1975	2,896		1
MAR 1975	2,649		1
APR 1975	3,456		1
MAY 1975	3,254		1
JUN 1975	2,746		1

UL	1975	3,207		1
AUG	1975	3,146		1
EP	1975	2,886		1
CT	1975	3,156		1
OV	1975	2,940		1
EC	1975	2,742		1
Totals:				
	1975	35,912		
AN	1976	2,593		1
EB	1976	2,089		1
AR	1976	1,785		1
PR	1976	1,777		1
AY	1976	2,159		1
UN	1976	2,379		1
UL	1976	2,165		1
AUG	1976	2,211		1
EP	1976	2,113		1
CT	1976	2,522		1
OV	1976	2,158		1
EC	1976	1,888		1
Totals:				
	1976	25,839		
AN	1977	1,784		1
EB	1977	1,667		1
AR	1977	1,564		1
PR	1977	1,583		1
AY	1977	1,375		1
UN	1977	1,514		1
UL	1977	1,659		1
AUG	1977	1,376		1
EP	1977	1,594		1
CT	1977	2,083		1
OV	1977	1,842		1
EC	1977	1,717		1
Totals:				
	1977	19,758		
AN	1978	1,740		1
EB	1978	1,665		1
AR	1978	1,527		1
PR	1978	1,684		1
AY	1978	1,579		1
UN	1978	1,835		1
UL	1978	1,850		1
AUG	1978	1,417		1
EP	1978	2,476		1
CT	1978	2,710		1
OV	1978	2,384		1
EC	1978	2,060		1
Totals:				
	1978	22,927		
AN	1979	1,882		1
EB	1979	1,902		1
AR	1979	1,748		1

APR	1979	1,736		1	
MAY	1979	1,628		1	
JUN	1979	2,023		1	
JUL	1979	1,312		1	
AUG	1979	1,859		1	
SEP	1979	1,638		1	
OCT	1979	1,689		1	
NOV	1979	1,773		1	
DEC	1979	1,427		1	
Totals:					
	1979	20,617			
JAN	1980	1,304		1	31
FEB	1980	1,281		1	29
MAR	1980	1,165		1	29
APR	1980	1,402		1	30
MAY	1980	1,345		1	30
JUN	1980	636		1	30
JUL	1980	46		1	30
AUG	1980	837		1	31
SEP	1980	574		1	30
OCT	1980	1,430		1	28
NOV	1980	3,325		1	30
DEC	1980	2,696		1	30
Totals:					
	1980	16,041			
JAN	1981	2,522		1	31
FEB	1981	2,320		1	28
MAR	1981	1,926		1	28
APR	1981	1,050		1	30
MAY	1981	1,912		1	30
JUN	1981	1,248		1	23
JUL	1981	461		1	30
AUG	1981	925		1	31
SEP	1981	213		1	30
OCT	1981	660		1	30
NOV	1981	2,810		1	30
DEC	1981	2,721		1	30
Totals:					
	1981	18,768			
JAN	1982	2,206		1	31
FEB	1982	1,704		1	24
MAR	1982	1,083		1	28
APR	1982	2,193		1	30
MAY	1982	278		1	24
JUN	1982	0		0	0
JUL	1982	0		0	0
AUG	1982	0		0	0
SEP	1982	0		0	0
OCT	1982	0		0	0
NOV	1982	127		1	24
DEC	1982	561		1	30
Totals:					
	1982	8,152			

JAN	1983	2,651		1	31
FEB	1983	1,338		1	24
MAR	1983	0		0	0
APR	1983	234		1	16
MAY	1983	0		0	0
JUN	1983	0		0	0
JUL	1983	0		0	0
AUG	1983	0		0	0
SEP	1983	0		0	0
OCT	1983	0		0	0
NOV	1983	1		1	16
DEC	1983	52		1	30
Totals:					
	1983	4,276			
JAN	1984	528		1	30
FEB	1984	59		1	29
MAR	1984	0		0	0
APR	1984	5		1	0
MAY	1984	10		1	30
JUN	1984	0		0	0
JUL	1984	0		0	0
AUG	1984	0		0	0
SEP	1984	0		0	0
OCT	1984	182		1	3
NOV	1984	342		1	30
DEC	1984	1,058		1	0
Totals:					
	1984	2,184			
JAN	1985	1,946		1	31
FEB	1985	1,588		1	0
MAR	1985	362		1	28
APR	1985	163		1	0
MAY	1985	0		0	0
JUN	1985	588		1	7
JUL	1985	142		1	2
AUG	1985	0		0	0
SEP	1985	0		0	0
OCT	1985	0		0	0
NOV	1985	454		1	10
DEC	1985	546		1	29
Totals:					
	1985	5,789			
JAN	1986	9		1	31
FEB	1986	734		1	28
MAR	1986	485		1	28
APR	1986	628		1	30
MAY	1986	325		1	31
JUN	1986	1,305		1	30
JUL	1986	1,009		1	31
AUG	1986	0		0	0
SEP	1986	0		0	0
OCT	1986	0		0	0
NOV	1986	419		1	30
DEC	1986	303		1	31

Totals: 1986		5,217		
JAN 1987		2,107	1	31
FEB 1987		389	1	28
MAR 1987		822	1	27
APR 1987		496	1	30
MAY 1987		0	0	0
JUN 1987		0	0	0
JUL 1987		0	0	0
AUG 1987		0	0	0
SEP 1987		0	0	0
OCT 1987		0	0	0
NOV 1987		0	0	0
DEC 1987		236	1	31
Totals: 1987		4,050		
JAN 1988		1,708	1	31
FEB 1988		460	1	29
MAR 1988		742	1	29
APR 1988		298	1	30
MAY 1988		0	0	0
JUN 1988		39	1	8
JUL 1988		0	0	0
AUG 1988		0	0	0
SEP 1988		0	0	0
OCT 1988		0	0	0
NOV 1988		788	1	10
DEC 1988		325	1	30
Totals: 1988		4,360		
JAN 1989		851	1	31
FEB 1989		282	1	28
MAR 1989		255	1	16
APR 1989		0	0	0
MAY 1989		0	0	0
JUN 1989		1,013	1	16
JUL 1989		0	0	0
AUG 1989		352	1	15
SEP 1989		0	0	0
OCT 1989		0	0	0
NOV 1989		0	0	0
DEC 1989		379	1	11
Totals: 1989		3,132		
JAN 1990		487	1	31
FEB 1990		770	1	28
MAR 1990		0	0	0
APR 1990		3	1	1
MAY 1990		24	1	8
JUN 1990		0	0	0
JUL 1990		598	1	15
AUG 1990		175	1	7
SEP 1990		171	1	14

OCT 1990		796		1	17
NOV 1990		547		1	12
DEC 1990		753		1	0
Totals:					
1990		4,324			
AN 1991		511		1	31
EB 1991		650		1	28
MAR 1991		816		1	26
APR 1991		371		1	9
MAY 1991		0		0	0
UN 1991		0		0	0
UL 1991		0		0	0
AUG 1991		0		0	0
EP 1991		0		0	0
OCT 1991		0		0	0
NOV 1991		0		0	0
DEC 1991		424		1	21
Totals:					
1991		2,772			
AN 1992		848		1	31
EB 1992		337		1	29
MAR 1992		32		1	29
APR 1992		730		1	30
MAY 1992		8		1	6
UN 1992		0		0	0
UL 1992		0		0	0
AUG 1992		0		0	0
EP 1992		0		0	0
OCT 1992		0		0	0
NOV 1992		0		0	0
DEC 1992		0		0	0
Totals:					
1992		1,955			
AN 1993		0		0	0
EB 1993		0		0	0
MAR 1993		0		0	0
APR 1993		0		0	0
MAY 1993		0		0	0
UN 1993		0		0	0
UL 1993		3,350		1	30
Totals:					
1993		3,350			
AN 1999		0		0	0
EB 1999		0		0	0
MAR 1999		0		0	0
APR 1999		0		0	0
MAY 1999		0		0	0
UN 1999		0		0	0
UL 1999		0		0	0
AUG 1999		0		0	0
EP 1999		0		0	0
OCT 1999		0		0	0
NOV 1999		0		0	0

DEC 1999	330			1	31
Totals:					
1999	330				
JAN 2000	333			1	30
FEB 2000	365			1	29
MAR 2000	391			1	30
APR 2000	418			1	30
MAY 2000	462			1	31
JUN 2000	454			1	30
JUL 2000	454			1	31
AUG 2000	435			1	31
SEP 2000	429			1	30
OCT 2000	390			1	29
NOV 2000	422			1	30
DEC 2000	430			1	31
Totals:					
2000	4,983				
JAN 2001	406			1	31
FEB 2001	374			1	28
MAR 2001	412			1	31
APR 2001	401			1	30
MAY 2001	375			1	28
JUN 2001	385			1	30
JUL 2001	421			1	31
AUG 2001	422			1	31
SEP 2001	363			1	28
OCT 2001	416			1	31
NOV 2001	366			1	30
DEC 2001	325			1	27
Totals:					
2001	4,666				
JAN 2002	334			1	28
FEB 2002	338			1	28
MAR 2002	320			1	28
APR 2002	281			1	25
MAY 2002	349			1	30
JUN 2002	336			1	27
JUL 2002	383			1	31
AUG 2002	357			1	30
SEP 2002	366			1	30
OCT 2002	379			1	31
NOV 2002	284			1	27
DEC 2002	356			1	30
Totals:					
2002	4,083				
JAN 2003	282			1	26
FEB 2003	329			1	28
MAR 2003	356			1	31
APR 2003	329			1	29
MAY 2003	348			1	31
JUN 2003	271			1	25
Totals:					
2003	1,915				

EXHIBIT #5

Williams Energy Services
Tulsa, Oklahoma
CERTIFICATE OF ANALYSIS
For production month 11/03

11/12/03 10:26:54
PAGE 1

Station ID: 35061
Station Name: KUTZ GOVERNMENT #9
Analysis Source: 35061

Operator: 000860
Analysis ID: 320626
Analyzed Date: 08/05/03

Lab Indentifier: K037
Effective Date: 08/06/03

Sample On Date: 08/05/03
Sample Off Date: 08/05/03
Sample Type: S

Component		Mol %	GPM
Helium		0.0000	
CO		0.0000	
CO2		1.7070	
N2		0.1780	
Hydrogen Sulfide	(H2S)	0.0000	
Methane	(C1)	90.4001	
Ethane	(C2)	5.2389	1.400
Propane	(C3)	1.4360	0.395
I-butane	(IC4)	0.2830	0.093
N-butane	(NC4)	0.2600	0.082
I-pentane	(IC5)	0.0980	0.036
N-pentane	(NC5)	0.0670	0.024
Hexanes	(C6)	0.3320	0.145
Heptanes	(C7)		
Octanes	(C8)		
Nonanes	(C9)		
Decanes	(C10)		
TOTAL		100.0000	2.175

Calculation Parameters:

Specific Gravity @ 60 deg.F (AIR=1)
Ideal Gravity: 0.6304
Sample Gravity: 0.6318
Z Factor: 0.9975

BTU Calculated/cubic ft @ 60 deg.F
Ideal BTU: 1085.7136
Dry BTU @ 14.730: 1088.4772

Remark: C6

EXHIBIT #6

WALSH ENGINEERING & PRODUCTION CORP.

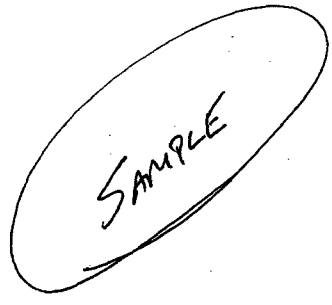
Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED – RETURN RECEIPT

January 9, 2004

C.W. Murchison EST. Trust
% BAnkers Trust Co of Texas
4144 N Central Expwy #900
Dallas TX 75204



Re: Surface Commingling Application
Breck Operating Corp.
Kutz Government #9 and #9S
Section 20, T28N R10W
San Juan County, NM

Dear Sir or Madam,

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. Surface commingling will allow one compressor to service both wells, lowering operating costs. As an interest owner in one or both of these wells, you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil Conservation Division, 1220 S. St. Francis Dr., Santa Fe, New Mexico, 87504, within 20 days from the receipt of this notice. If you have no objection to the proposal, no action is required on your part.

Thank you for you consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,

Paul C. Thompson

Paul C. Thompson, P.E.
Agent for Breck Operating Co.

EXHIBIT #7

Submit 3 Copies to Appropriate District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Departmen

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, New Mexico 87505

Form C-103
Revised 1-1-89

WELL API NO. *30-045-31742*

5. Indicate Type of Lease STATE [ ] Federal FEE [ ]

6. State Oil & Gas Lease No. *SF 047039-A FEDERAL*

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

7. Lease Name or Unit Agreement Name: *Kutz Government*

1. Type of Well: OIL WELL [ ] GAS WELL [X] OTHER

2. Name of Operator: *Breck Operating Corp.* *OGRD # 002799*

8. Well No. *#9S*

3. Address of Operator: *c/o Walsh Engineering, 7415 East Main Street, Farmington, NM 87402*

9. Pool name or Wildcat: *Basin Fruitland Coal*

4. Well Location
Unit Letter *K* : *2560'* Feet From The *South* Line and *1980'* Feet From The *West* Line

Section *20* Township *28N* Range *10W* NMPM *San Juan* County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) *6006' GR*

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDO [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	PLUG & ABANDONMEI [ ]
PULL OR ALTER CASING [ ]		CASING TEST AND CEMENT JOB [ ]	
OTHER: *Surface Commingle* [X]		OTHER: [ ]	

2. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work). SEE RULE 1103.

Breck Operating proposes to surface commingle the gas production from this well with the Kutz Government #9. The Kutz Government #9 is a downhole commingled Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs well (AO DHC-2447). Ownership in the two wells is identical. The Kutz Government #9S well will be equiped with an allocation meter. The existing Williams Field Service's meter on the #9 will become the CPD meter. The production allocated to the#9S will be the volume from the allocation meter minus one-half of the compressor fuel and the volume allocated to the #9 will be the volume measured at the CPD meter minus the volume allocated to the #9S plus one half of the compressor fuel. The actual commercial value of the commingled production will not be less than the sum of the values of the production from each well. The BLM has been notified of this application.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Paul C. Thompson TITLE *Agent/Engineer* DATE *01/02/04*

TYPE OR PRINT NAME *Paul C. Thompson* TELEPHONE NO. *(505) 327-4892*

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: