

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office 1235 La Plata Highway - Suite A Farmington, New Mexico 87401 www blm gov/nm



In Reply Refer To: Kutz Government CDP 3162.7-3

September 26, 2011

Vern Andrews
Breck Operating Corporation
c/o Walsh Engineering and Production Corporation
7415 East Main
Farmington, NM 87401



Dear Mr. Andrews:

Recently, this office conducted a field inspection of the Kutz Government Central Delivery Point (CDP). This CDP was originally approved on November 30, 1995 and included the following wells:

30.045.0 1073 Kutz Government No. 2, located in A, Section 33, T. 28N., 10W., San Juan County, NM on Federal oil and gas lease NMSF046563.

SO-045.07131 Kutz Government No. 3, located in N, Section 27, T. 28N., R.10W., San Juan County, NM on Federal oil and gas lease NMSF077383.

30.045.24270

Kutz Government No. 4J, located in B, Section 34, T. 28N., R. 10W., San Juan County, NM on Federal oil and gas lease NMSF046563.

Based on previous correspondence with your office, you indicated that these wells were never connected to a common measurement point and thus were never commingled. As such, the referenced approval is hereby rescinded.

If you have any questions regarding the above, please contact me at (505) 599-6367.

Jim Lovato

Senior Technical Advisor,

Petroleum Engineer

CC:

NMOCD