

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Breck Operating Company

3a. Address

7415 E. Main, Farmington, NM, 87402

3b. Phone No. (include area code)

505-327-4892

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2560' FSL and 1980' FWL, Sec. 20, T28N, R10W

5. Lease Serial No.

SF 047039

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Kutz Government #9S

9. API Well No.

30-045-31742

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

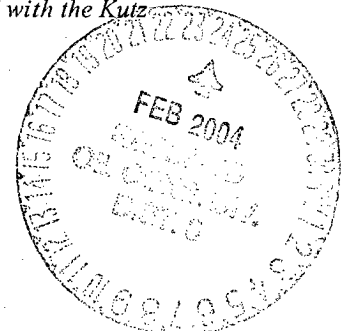
San Juan

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Breck Operating proposes to surface commingle the gas production from the Kutz Government #9S with the Kutz Government #9 so they can utilize a common compressor.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Paul C. Thompson

Title

Agent

Signature

Date

January 2, 2004

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

NMOC

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

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

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

*SURFACE
COMMINGLING*

- [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 IV1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-107-B

Revised June 10, 2003

OIL CONSERVATION DIVISION1220 S. St Francis Drive
Santa Fe, New Mexico 87505

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 ☐ FederalIs 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. ThompsonTITLE: Agent / EngineerDATE: 1/11/04TYPE OR PRINT NAME Paul C. Thompson, P.E.TELEPHONE NO.: 505.327.4892E-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.

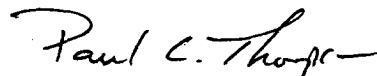
9. Purged Fluids: We do not anticipate having to purge the system, however any fluids purged will be natural gas, and produced water. If at all possible, any line purging will be done to a pit or a tank.

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, P.E.
Agent for Breck Operating

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

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

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, New Mexico 87505

WELL API NO.

30-045-31742

5. Indicate Type of Lease

STATE ☐ Federal ☐

FEE ☐

6. State Oil & Gas Lease No.

SF 047039-A FEDERAL

7. Lease Name or Unit Agreement Name

Kutz Government

8. Well No.

#9S

9. Pool name or Wildcat

Basin Fruitland Coal

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)

1. Type of Well:

OIL WELL ☐ GAS WELL ☒ OTHER

2. Name of Operator

Breck Operating Corp. OGRD # 002799

3. Address of Operator

c/o Walsh Engineering, 7415 East Main Street, Farmington, NM 87402

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

11. NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: Surface Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG & ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. 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 equipped 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:

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 Sebastian
Margaret Sebastian 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 Fernandez
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

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Santa Fe, NM 87504

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4144 Central Expwy #900
Dallas, TX 75204

3-102 50 SHEETS EYE-EASE® 5 SQUARE
12-381 100 SHEETS EYE-EASE® 5 SQUARE
12-382 200 SHEETS EYE-EASE® 5 SQUARE
12-389 200 SHEETS EYE-EASE® 5 SQUARE
12-392 100 RECYCLED WHITE 5 SQUARE
12-399 200 RECYCLED WHITE 5 SQUARE



National® Brand

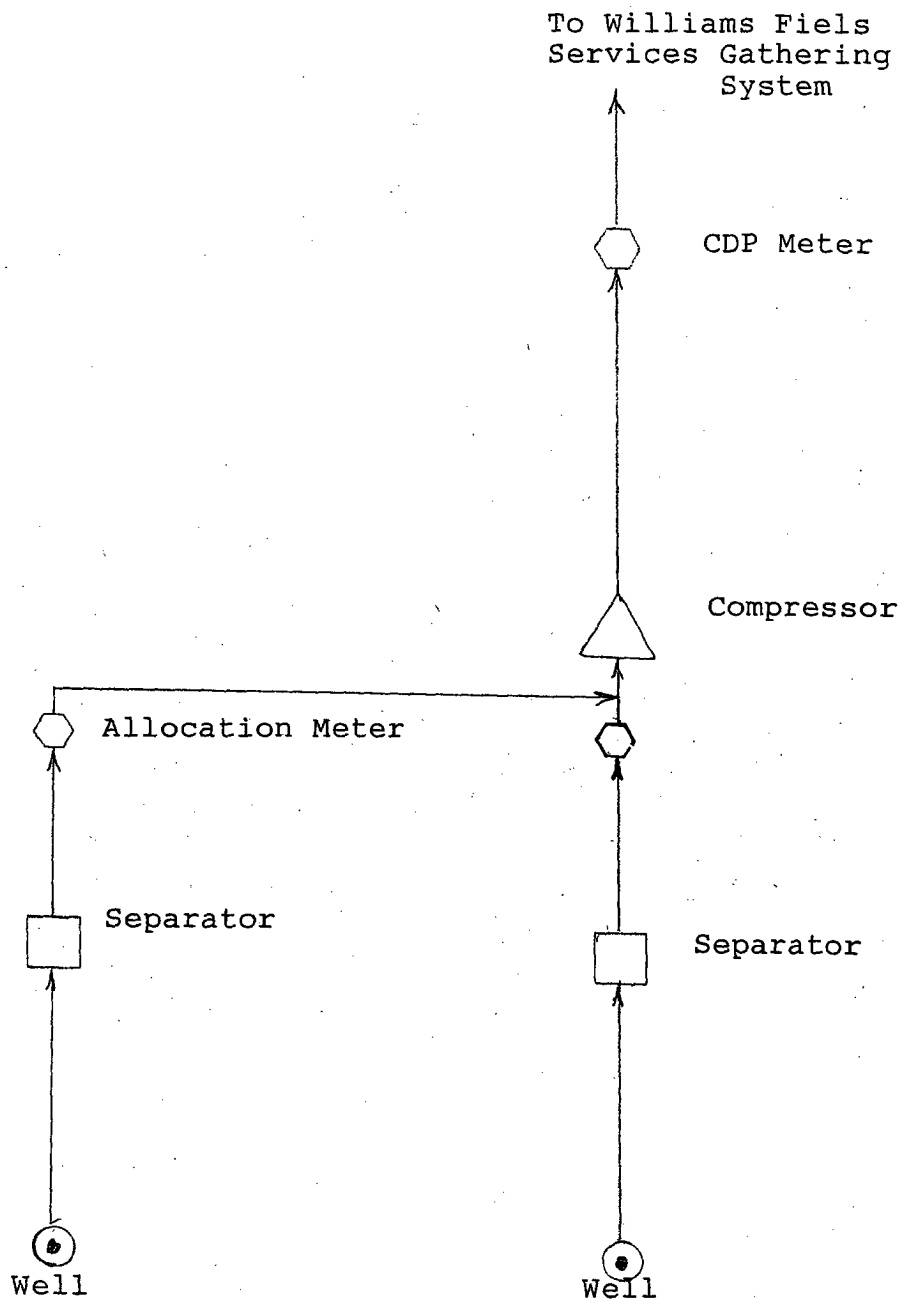
*
KUTZ GOUT #9
API-30-045-07341
TRSP. CODE -02223
1650 FNL & 990 FWL

SF-047039-A

W/2 20, T 28N, R 10W

Exhibit #3

22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS



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

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

EXHIBIT #4

SAN JUAN NM
KUTZ GOVT 9BRECK 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
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597960

Annual Production

Year	Oil BBLs	Gas MCF	(11 years) Water BBLs
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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
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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 9BRECK 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

Year	Oil BBLs	Gas MCF	(29 years) 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
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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

JUL 1975	3,207	1
AUG 1975	3,146	1
SEP 1975	2,886	1
OCT 1975	3,156	1
NOV 1975	2,940	1
DEC 1975	2,742	1
Totals:		
1975	35,912	
JAN 1976	2,593	1
FEB 1976	2,089	1
MAR 1976	1,785	1
APR 1976	1,777	1
MAY 1976	2,159	1
JUN 1976	2,379	1
JUL 1976	2,165	1
AUG 1976	2,211	1
SEP 1976	2,113	1
OCT 1976	2,522	1
NOV 1976	2,158	1
DEC 1976	1,888	1
Totals:		
1976	25,839	
JAN 1977	1,784	1
FEB 1977	1,667	1
MAR 1977	1,564	1
APR 1977	1,583	1
MAY 1977	1,375	1
JUN 1977	1,514	1
JUL 1977	1,659	1
AUG 1977	1,376	1
SEP 1977	1,594	1
OCT 1977	2,083	1
NOV 1977	1,842	1
DEC 1977	1,717	1
Totals:		
1977	19,758	
JAN 1978	1,740	1
FEB 1978	1,665	1
MAR 1978	1,527	1
APR 1978	1,684	1
MAY 1978	1,579	1
JUN 1978	1,835	1
JUL 1978	1,850	1
AUG 1978	1,417	1
SEP 1978	2,476	1
OCT 1978	2,710	1
NOV 1978	2,384	1
DEC 1978	2,060	1
Totals:		
1978	22,927	
JAN 1979	1,882	1
FEB 1979	1,902	1
MAR 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		
JAN 1991	511	1	31
FEB 1991	650	1	28
MAR 1991	816	1	26
APR 1991	371	1	9
MAY 1991	0	0	0
JUN 1991	0	0	0
JUL 1991	0	0	0
AUG 1991	0	0	0
SEP 1991	0	0	0
OCT 1991	0	0	0
NOV 1991	0	0	0
DEC 1991	424	1	21
Totals: 1991	2,772		
JAN 1992	848	1	31
FEB 1992	337	1	29
MAR 1992	32	1	29
APR 1992	730	1	30
MAY 1992	8	1	6
JUN 1992	0	0	0
JUL 1992	0	0	0
AUG 1992	0	0	0
SEP 1992	0	0	0
OCT 1992	0	0	0
NOV 1992	0	0	0
DEC 1992	0	0	0
Totals: 1992	1,955		
JAN 1993	0	0	0
FEB 1993	0	0	0
MAR 1993	0	0	0
APR 1993	0	0	0
MAY 1993	0	0	0
JUN 1993	0	0	0
JUL 1993	3,350	1	30
Totals: 1993	3,350		
JAN 1999	0	0	0
FEB 1999	0	0	0
MAR 1999	0	0	0
APR 1999	0	0	0
MAY 1999	0	0	0
JUN 1999	0	0	0
JUL 1999	0	0	0
AUG 1999	0	0	0
SEP 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		

Williams Energy Services
Tulsa, Oklahoma

11/12/03 10:26:54

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CERTIFICATE OF ANALYSIS
For production month 11/03Station ID: 35061
Station Name: KUTZ GOVERNMENT #9
Analysis Source: 35061Lab Identifier: K037
Effective Date: 08/06/03Operator: 000860
Analysis ID: 320626
Analyzed Date: 08/05/03Sample 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: 0.9975BTU Calculated/cubic ft @ 60 deg.F
Ideal BTU: 1085.7136
Dry BTU @ 14.730: 1088.4772

Remark: C6

**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping7415 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 75204Re: 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 your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,

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

Conditions of Approval for Surface Commingling

- 1) **Authorization is given for Surface Commingling only, a separate application must be filed for the pipeline connection.**
- 2) Allocation Methodology must be done on an MMBTU basis.
- 3) Measurement of gas must be conducted in accordance with the requirements outlined in Onshore Order No. 3, Site Security and Onshore Order No. 5, Gas Measurement.
- 4) In order to prevent waste and conserve natural gas, periodic review of each well's venting procedures must be conducted in accordance with the requirements outlined in NTL-ADO-93-1.
- 5) No other wells can be added to this system without the prior approval of this office.
- 6) Contact this office in the event of any lost hydrocarbons between the wells and Central Delivery Point (CDP).