

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

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

5. Lease Serial No.

NM 03604

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Breck Operating Co. c/o Walsh Engineering

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)

1450' FSL and 1850' FWL, Sec. 27, T27N, R8W

8. Well Name and No.

Marron A #1J

9. API Well No.

30-045-21371

10. Field and Pool, or Exploratory Area

South Blanco Pictured Cliffs

11. County or Parish, State

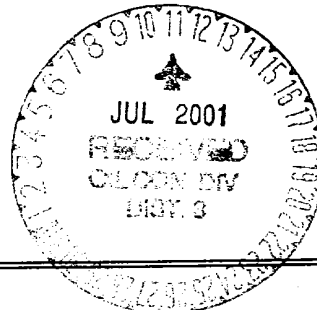
San Juan

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Surface Commingle
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration the If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zc 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 Following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.)

Breck Operating proposes to surface commingle the gas production from the Marron A #1 with the Marron A #1J so they can utilize a common compressor.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Paul C. Thompson, P.E.

Title

Agent

Signature

Paul C. Thompson

Date

June 6, 2001

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

/s/ Jim Lovato

Title

Date JUL - 9 2001

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 false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

June 1, 2001

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

Re: Surface Commingling
Breck Operating Company
Marron A #1
Marron A #1J
SW/4 Section 27, T27N, R8W

Dear Ms. Wrotenbery,

Breck Operating requests permission to surface commingle the gas production from the above mentioned South Blanco Pictured Cliffs wells.

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 on the Marron A #1 location and an allocation meter will be on the Marshall #1J location. The gas flows into El Paso Field Services' gathering system and they will maintain the CPD meter. The wells do not produce any liquid hydrocarbons. The working and revenue interests are common between the two wells. 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. Location Map: Exhibit 1 is a topographic map showing the location of the two wells.

3. Wells, Locations, and Lease numbers: Exhibit 2 is a form C-102 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.

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

5. 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 surface production equipment.

6. Mechanical Integrity: The flow line from the Marron A #1J to the compressor will be approximately 600 feet of a 2" poly line with a pressure rating of 250 psig. The pipeline will be tested to the maximum wellhead pressure of either well.

7. Production – Gravity/BTU: A table of the wells actual production is attached as Exhibit #4. A gas analysis showing the wells gas gravity and BTU content is shown in Exhibit #5.

8. Allocation Formula: The Marron A #1J well will have an allocation meter. The production assigned to this 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. The volume allocated to the Marron A #1 will be the integrated volume from the CPD meter minus the volume allocated to the Marron A #1, plus one half of the compressor fuel gas usage and one-half of any purge gas. 15

9. 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.

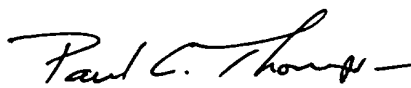
10. Purged Fluids: We do not anticipate having to purge the system, however any fluids purged will be natural gas, condensate, and produced water. If at all possible, any line purging will be done to the pit.

11. Meter Calibration: The allocation and CPD meters will be calibrated once each quarter. El Paso Field Services will maintain and calibrate the CPD meter.

12. Gas Analysis Schedule: El Paso will analyze the gas from both wells twice a year.

13. 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

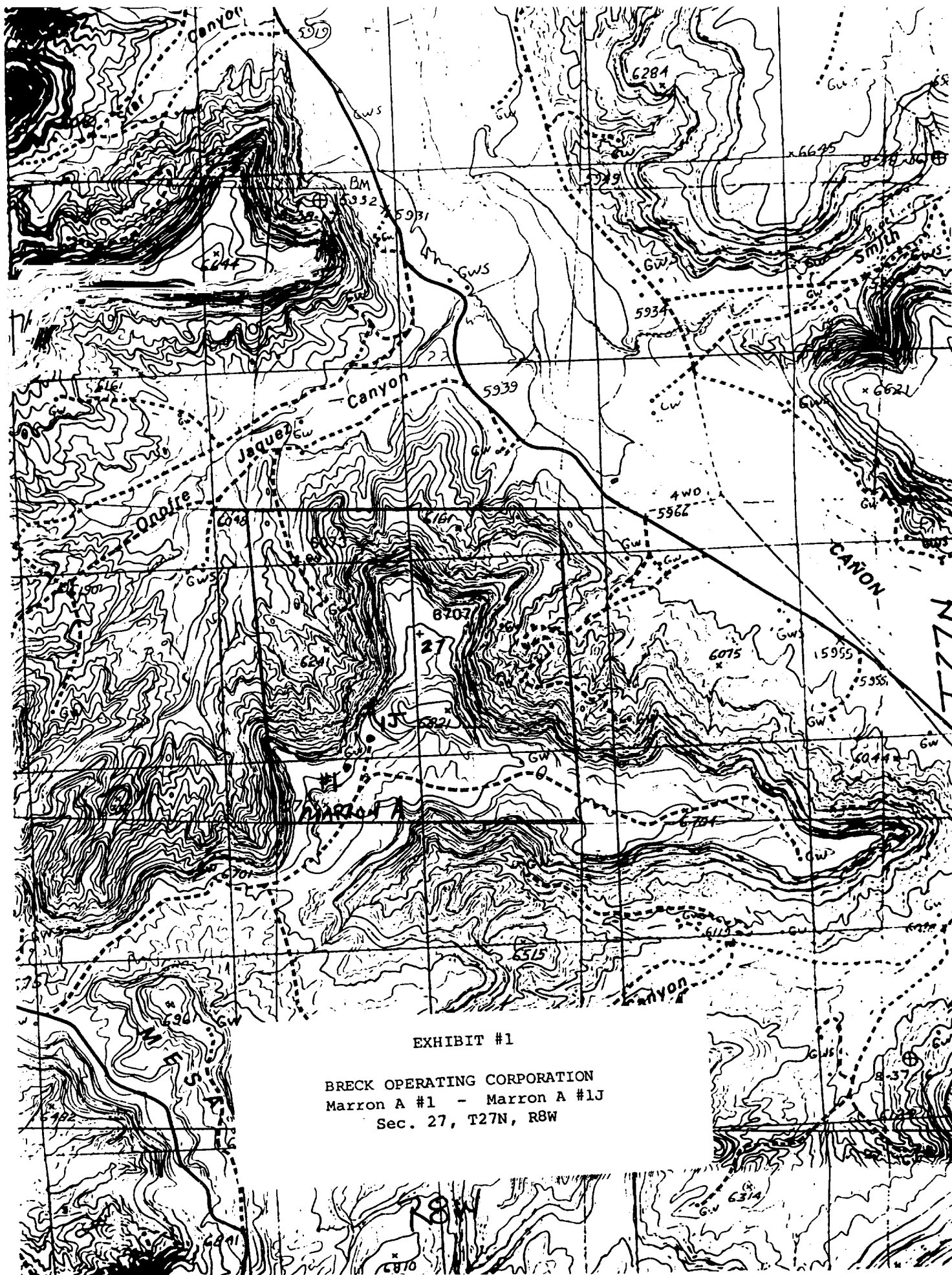


EXHIBIT #1

BRECK OPERATING CORPORATION
Marron A #1 - Marron A #1J
Sec. 27, T27N, R8W

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-04506198		Pool Code 72439	Pool Name So. Blanco Pictured Cliffs
Property Code	Property Name Marron A		Well Number 1
OGRID No. 002799	Operator Name BRECK OPERATING CORPORATION		Elevation 6745' GR

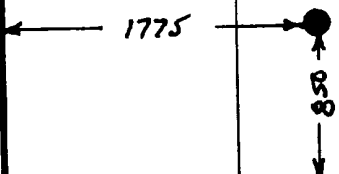
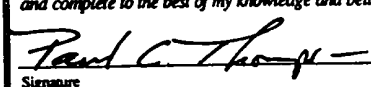
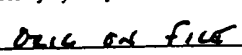
¹⁰ Surface Location

UL or lot no. N	Section 27	Township 27N	Range 8W	Lot Idn	Feet from the 850	North/South line South	Feet from the 1775	East/West line West	County San Juan
--------------------	---------------	-----------------	-------------	---------	----------------------	---------------------------	-----------------------	------------------------	--------------------

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 160		Joint or Infill Y		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16		17	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Paul C. Thompson Printed Name Agent Title 6/5/01 Date	
			18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION
1220 South St. Francis Dr
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-21371		Pool Code 72439	Pool Name So. Blanco Pictured Cliffs
Property Code	Property Name Marron A		Well Number 1J
OGRID No. 002799	Operator Name BRECK OPERATING CORPORATION		Elevation 6715 GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	27	27N	8W		1450	South	1850	West	San Juan

¹¹ Bottom Hole Location If Different From Surface

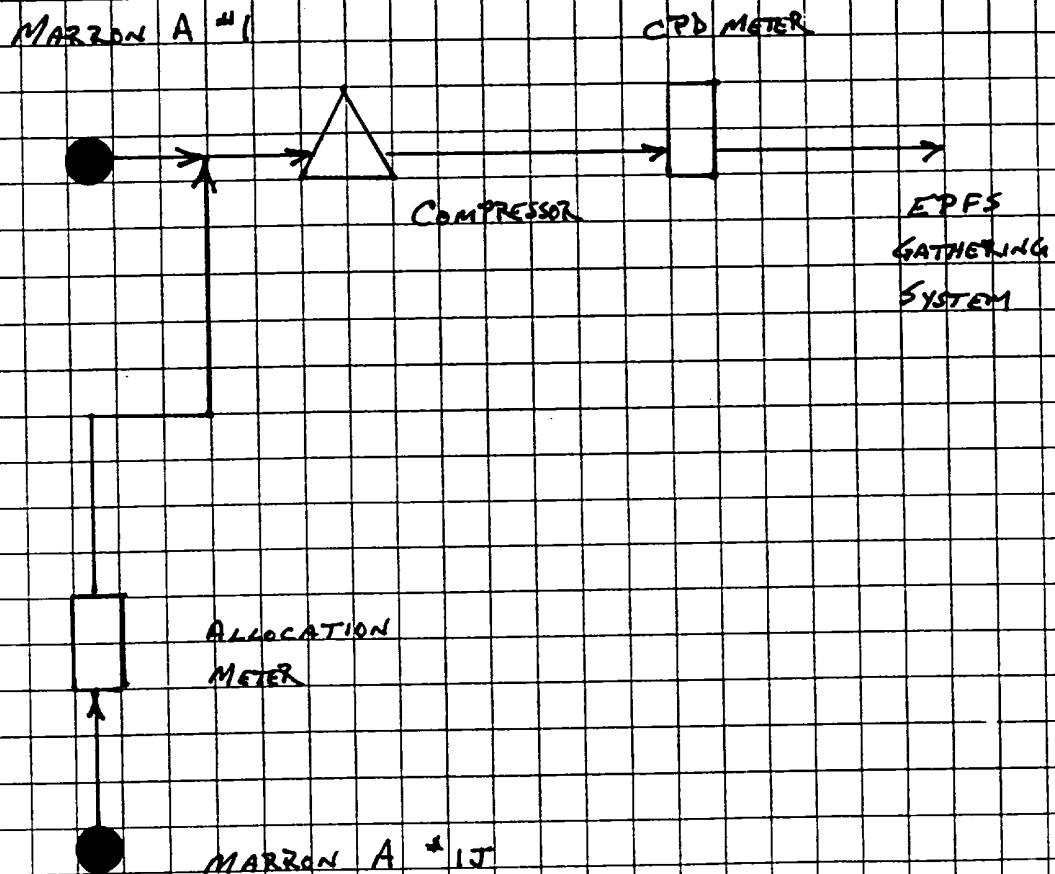
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 160		Joint or Infill Y		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Paul C. Thompson</i> Signature Paul C. Thompson Printed Name Agent Title 6/5/01 Date
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Orig. on File Date of Survey Signature and Seal of Professional Surveyor:
	Certificate Number

EXHIBIT #3

BRECK OPERATING CORPORATION SURFACE GAMINGING APPLICATION



Production Report

Lease Name:	MARRON A	Well Number:	1
Lease Number:	2224	Cum Oil:	
Operator Name:	BRECK OPERATING CORPORAT	Cum Gas:	589,365
State:	NEW MEXICO	Cum Water:	
County:	SAN JUAN	First Production Date:	SEP 1956
Field:	BLANCO SOUTH	Last Production Date:	DEC 2000
Sec Twn Rng:	27 27N 8W	Spot:	NW SE SW
Latitude/Longitude:		Lat/Long Source:	
Regulatory #:	2224	Completion Date:	
API:	30045061980000	Total Depth:	2910
Production ID:	2300430450619872439	Upper Perforation:	2808
Reservoir Name:	PICTURED CLIFFS	Lower Perforation:	2865
Prod Zone:	PICTURED CLIFFS	Gas Gravity:	
Prod Zone Code:	604PCCF	Oil Gravity:	
Basin Name:	SAN JUAN BASIN	Temp Gradient:	
Gas Gatherer:	ELPS	N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE	GAS	

Annual Production		(31 years)
Year	Oil BBLs	Gas MCF

Beginning	
Cum:	
1970	20,274
1971	17,643
1972	18,073
1973	16,198
1974	13,647
1975	3,171
1976	11,430
1977	9,643
1978	8,380
1979	7,727
1980	6,845
1981	6,703
1982	5,372
1983	4,763
1984	6,433
1985	5,132
1986	1,540
1987	1,697
1988	1,061
1989	3,482
1990	3,454
1991	1,091
1992	1,879
1993	2,794

1995	4,431
1996	4,708
1997	3,945
1998	3,381
1999	2,352
2000	1,876
Totals:	589,365

Monthly Production (Most recent 48 of 372 months)							
Date MO/YR	Oil BBLs	Gas MCF	Water BBLs	Cond Yld BBLs/MCF	% Water	# of Wells	Days on
DEC 1996		313				1	20
Totals: 1996		4,708					
JAN 1997		373				1	24
FEB 1997		242				1	18
MAR 1997		252				1	19
APR 1997		378				1	20
MAY 1997		412				1	30
JUN 1997		250				1	18
JUL 1997		282				1	16
AUG 1997		307				1	19
SEP 1997		328				1	19
OCT 1997		356				1	20
NOV 1997		403				1	22
DEC 1997		362				1	21
Totals: 1997		3,945					
JAN 1998		378				1	22
FEB 1998		317				1	20
MAR 1998		462				1	29
APR 1998		362				1	27
MAY 1998		277				1	27
JUN 1998		307				1	27
JUL 1998		289				1	25
AUG 1998		121				1	23
SEP 1998		151				1	16
OCT 1998		285				1	24
NOV 1998		177				1	16
DEC 1998		255				1	26
Totals: 1998		3,381					
JAN 1999		373				1	28
FEB 1999		191				1	23
MAR 1999		175				1	28
APR 1999		89				1	16
MAY 1999		227				1	27
JUN 1999		328				1	25
JUL 1999		168				1	19
AUG 1999		135				1	21
SEP 1999		192				1	30

NOV 1999	108	1	12
DEC 1999	165	1	8
Totals:			
1999	2,352		
JAN 2000	219	1	22
FEB 2000	283	1	23
MAR 2000	275	1	29
APR 2000	253	1	30
MAY 2000	182	1	17
JUN 2000	115	1	14
JUL 2000	74	1	5
AUG 2000	102	1	26
SEP 2000	163	1	30
OCT 2000	132	1	31
NOV 2000	43	1	3
DEC 2000	35	1	2
Totals:			
2000	1,876		

Production Report

Lease Name:	MARRON A	Well Number:	1J
Lease Number:	2224	Cum Oil:	
Operator Name:	BRECK OPERATING CORPORAT	Cum Gas:	227,745
State:	NEW MEXICO	Cum Water:	
County:	SAN JUAN	First Production Date:	AUG 1974
Field:	BLANCO SOUTH	Last Production Date:	FEB 2001
Sec Twn Rng:	27 27N 8W	Spot:	SW NE SW
Latitude/Longitude:		Lat/Long Source:	
Regulatory #:	2224	Completion Date:	
API:	30045213710000	Total Depth:	2888
Production ID:	2300430452137172439	Upper Perforation:	2776
Reservoir Name:	PICTURED CLIFFS	Lower Perforation:	2796
Prod Zone:	PICTURED CLIFFS	Gas Gravity:	
Prod Zone Code:	604PCCF	Oil Gravity:	
Basin Name:	SAN JUAN BASIN	Temp Gradient:	
Gas Gatherer:	ELPS	N Factor:	
Liquid Gatherer:		GOR:	
Status:	ACTIVE	GAS	

Annual Production		(28 years)
Year	Oil BBLs	Gas MCF

Beginning

Cum:

1974	16,593
1975	32,230
1976	23,363
1977	20,872
1978	15,109
1979	13,256
1980	9,298
1981	11,579
1982	8,446
1983	7,519
1984	8,772
1985	7,329
1986	1,977
1987	2,441
1988	1,117
1989	5,108
1990	3,776
1991	1,487
1992	3,291
1993	5,686
1994	9,475
1995	5,468
1996	4,879
1997	3,303

1999	1,076
2000	2,579
2001	406
Totals:	227,745

Monthly Production		(Most recent 48 of 319 months)					
Date	Oil	Gas	Water	Cond Yld	% Water	# of	Days
MO/YR	BBLS	MCF	BBLS	BBLS/MCF		Wells	on
FEB 1997		175				1	19
MAR 1997		173				1	24
APR 1997		175				1	21
MAY 1997		183				1	24
JUN 1997		202				1	10
JUL 1997		236				1	17
AUG 1997		308				1	23
SEP 1997		330				1	18
OCT 1997		457				1	22
NOV 1997		447				1	23
DEC 1997		363				1	19
Totals:							
1997		3,303					
JAN 1998		173				1	18
FEB 1998		114				1	10
MAR 1998		194				1	18
APR 1998		212				1	24
MAY 1998		90				1	14
JUN 1998		125				1	15
JUL 1998		96				1	13
AUG 1998		60				1	16
SEP 1998		36				1	5
OCT 1998		107				1	10
NOV 1998		49				1	3
DEC 1998		54				1	7
Totals:							
1998		1,310					
JAN 1999		63				1	6
FEB 1999		8				1	1
MAR 1999		4				1	1
APR 1999		38				1	6
MAY 1999		100				1	5
JUN 1999		140				1	14
JUL 1999		95				1	14
AUG 1999		105				1	11
SEP 1999		134				1	19
OCT 1999		95				1	14
NOV 1999		148				1	17
DEC 1999		146				1	12
Totals:							
1999		1,076					
JAN 2000		247				1	14
FEB 2000		165				1	18

APR 2000	278	1	20
MAY 2000	255	1	18
JUN 2000	160	1	13
JUL 2000	146	1	12
AUG 2000	74	1	6
SEP 2000	224	1	20
OCT 2000	137	1	14
NOV 2000	118	1	8
DEC 2000	61	1	3
Totals:			
2000	<u>2,579</u>		
JAN 2001	218	1	8
FEB 2001	188	1	14
Totals:			
2001	<u>406</u>		

20. CD 23 EL PASO NATURAL GAS
 CUSTOMER ACCOUNTING SERVICES DEPARTMENT
 VOLUME CALCULATION DIVISION
 POST OFFICE BOX 1492
 EL PASO, TEXAS 79978
 DATE 10/06/98

CHROMATOGRAPHIC GAS ANALYSIS REPORT

CONTACTS:
 EL PASO FIELD SERVICES
 (713) 757-5953
 EL PASO MAINLINE
 (915) 496-2595

MAILER
 18600
 BRECK OPERATING CORPORATION
 P O BOX 911
 BRECKENRIDGE, TX 76024-0911

METER NUMBER 89034 - MARRON A #1-J
 OPERATOR 0834 - BRECK OPERATING CORP
 ANALYSIS DATE SAMPLE DATE
 EFFECTIVE FOR
 COMPONENTS MOL % GPM NORMALIZED EFFECTIVE DATE 9/01/98

CO2	.14	.000
H2S	.00	.000
N2	.51	.000
METHANE	87.78	.000
ETHANE	5.74	1.535
PROPANE	3.03	.835
ISO-BUTANE	.68	.222
NORM-BUTANE	.83	.262
ISO-PENTANE	.38	.139
NORM-PENTANE	.27	.098
HEXANE PLUS	.64	.279

SPECIFIC GRAVITY 100.00 3.370
 .668
 MIXTURE HEATING VALUE 1179
 (BTU @ 14.73 DRY)
 RATIO OF SPECIFIC HEATS .000
 NO TEST SECURED FOR H2S CONTENT

NO. CD 23 EL PASO NATURAL GAS
 CUSTOMER ACCOUNTING SERVICES DEPARTMENT
 VOLUME CALCULATION DIVISION
 POST OFFICE BOX 1492
 EL PASO, TEXAS 79978
 DATE 12/04/98

CHROMATOGRAPHIC GAS ANALYSIS REPORT

CONTACTS:
 EL PASO FIELD SERVICES
 (713) 757-5953
 EL PASO MAINLINE
 (915) 496-2595

BRECK OPERATING CORPORATION
 P O BOX 911
 BRECKENRIDGE, TX 76024-0911

METER NUMBER 71588 MARRON A #1
 OPERATOR 0834 BRECK OPERATING CORP
 ANALYSIS DATE 10/08/98 TYPE CODE 2 - ACTUAL
 SAMPLE DATE 10/01/98 H2S GRAINS 0
 EFFECTIVE FOR 6 MONTHS

EFFECTIVE DATE 11/01/98

COMPONENTS	NORMALIZED MOL %	GPB
CO2	.33	.000
H2S	.00	.000
N2	.67	.000
METHANE	82.14	.000
ETHANE	8.76	2.343
PROPANE	4.91	1.353
ISO-BUTANE	.86	.281
NORM-BUTANE	1.26	.397
ISO-PENTANE	.35	.128
NORM-PENTANE	.26	.094
HEXANE PLUS	.46	.201

SPECIFIC GRAVITY 100.00
 .707
 MIXTURE HEATING VALUE 1232
 (BTU @ 14.73 DRY)
 RATIO OF SPECIFIC HEATS .000
 NO TEST SECURED FOR H2S CONTENT

4.797