

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

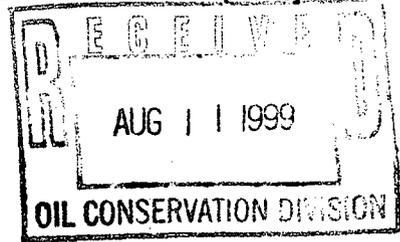
ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [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]

2447



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

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD 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

[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] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Paul C. Thompson
 Print or Type Name

Paul C. Thompson
 Signature

Agent
 Title

8-2-99
 Date

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-A
New 3-12-96

DISTRICT II
811 South First St., Artesia, NM 88210-2835

OIL CONSERVATION DIVISION

APPROVAL PROCESS:

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Administrative Hearing

DISTRICT III
1000 Rio Brazos Rd, Artec, NM 87410-1693

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE

YES NO

Operator Breck Operating Address c/o Walsh Engineering 7415 E. Main Farmington, NM 87402

Lease Kutz Government Well No. 9 Unit Ltr. - Sec - Twp - Rge E 20 28N 10W County San Juan

OGRID NO. 002799 Property Code 02223 API NO. 30-045-07341 Spacing Unit Lease Types: (check 1 or more) Federal State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Basin Fruitland Coal		Pictured Cliffs
2. Top and Bottom of Pay Section (Perforations)	1844-1992		2008-2060
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 65# SI	a.	a. 150# estimated
	b. (Original) 225# 6/93	b.	b. 440# 11/53
6. Oil Gravity (° API) or Gas BTU Content	1072		N/A
7. Producing or Shut-In?	Producing		Shut In
Production Marginal? (yes or no) • If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	NO		Yes
	Date: Rates:	Date: Rates:	Date: 6-93 Rates: 16 MCFD no wtr
	Date: 6-99 Rates: 144 mcf/d no wtr	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: 91 %	Oil: % Gas: %	Oil: % Gas: 9 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No

11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? Yes No

13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No

15. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) _____

16. ATTACHMENTS:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - Production curve for each zone for at least one year. (If not available, attach explanation.)
 - For zones with no production history, estimated production rates and supporting data.
 - Data to support allocation method or formula.
 - Notification list of all offset operators.
 - Notification list of working, overriding, and royalty interests for uncommon interest cases.
 - Any additional statements, data, or documents required to support commingling.

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 DATE 8-2-99

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



WALSH

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892

July 27, 1999

Ms. Lori Wrotenbery
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87504-2088

Re: Application for Downhole Commingling
Breck Operating Corp.
Kutz Government #9
1650' FNL, 990' FWL, Section 20, T28N R10W
San Juan County, New Mexico
Basin Fruitland Coal and Fulcher-Kutz PC

Dear Ms. Wrotenbery,

This is a request for administrative approval for downhole commingling of the production from the Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs pools.

I have attached for your review, an acreage plat outlining the dedicated acreage, offset wells and offset operators. I have also included a proposed allocation formula with a short discussion of the history of the well.

The offset operators are being notified of this application by certified return receipt mail. Copies of these letters are enclosed.

Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,

Paul C. Thompson, P.E.
President

EXHIBIT #1

District I
 PO Box 1900, Hobbs, NM 88241-1900
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-07341		Pool Code	Pool Name Fulcher Kutz Pictured Cliffs
Property Code 02223	Property Name Kutz Government		Well Number 9
OGRID No. 002799	Operator Name Breck Operating Corporation		Elevation 5979'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
E	20	28N	10W		1650	North	990	West	San Juan

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedication: Acres 160	13 Joint or Infill Y	14 Consolidation Code	15 Order No.
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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

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Paul C. Thompson</i> Signature Paul C. Thompson Printed Name Agent Title 8-2-99 Date</p>		
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Original on File Date of Survey Signature and Seal of Professional Surveyor:</p>		
	<p>Certificate Number</p>		

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

EXHIBIT # 1

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BRECK OPERATING CORPORATION			Lease Kutz Government		Well No. 9
Unit Letter E	Section 20	Township 28N	Range 10W	County San Juan	

Actual Footage Location of Well:
 1650 feet from the **North** line and 990 feet from the **West** line

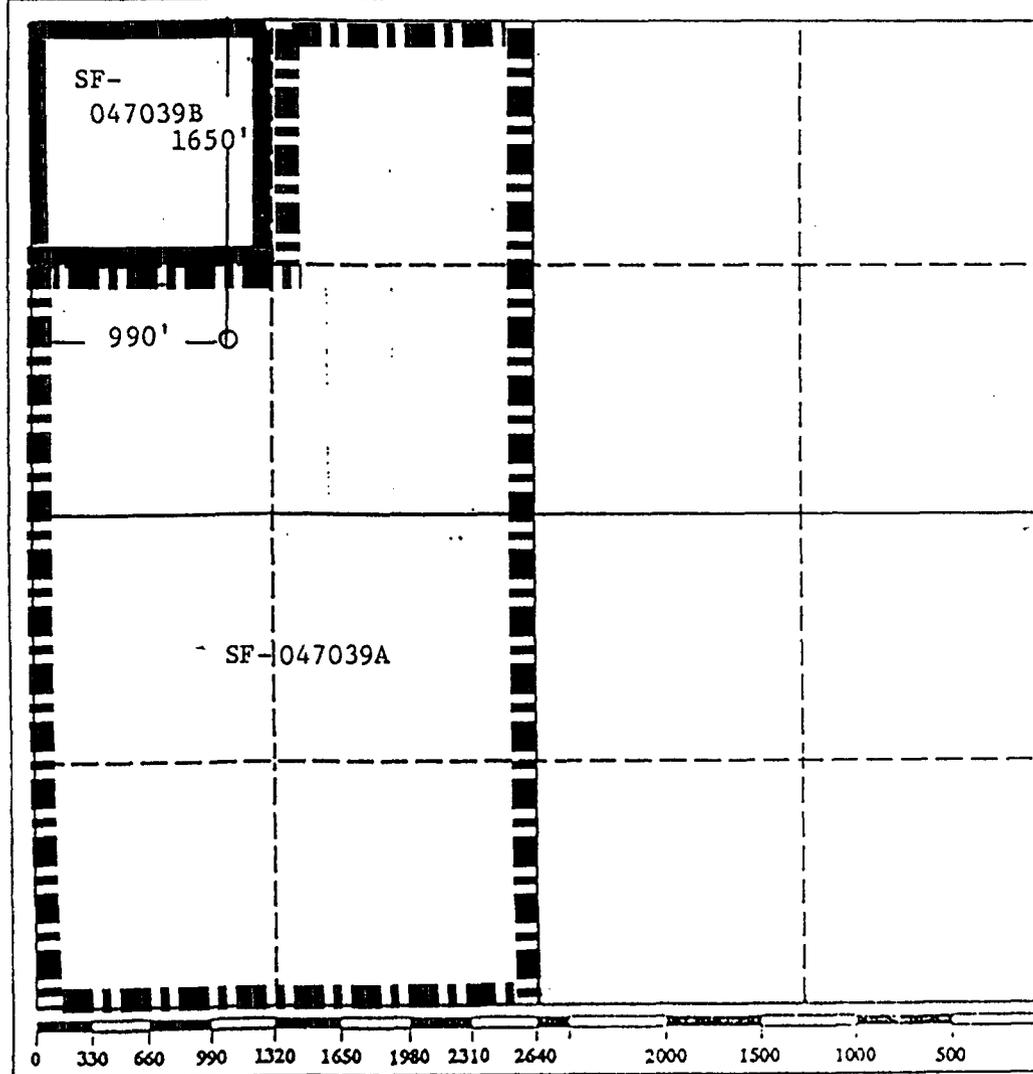
Ground level Elev. 5979'KB	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation Forth coming Communization Agreement

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____

Printed Name
Ewell N. Walsh

Position
President

Company
Walsh Engr. & Prod. Corp.

Date
1/7/92

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 knowledge and belief.

Date Surveyed _____

Signature & Seal of Professional Surveyor _____

NOTE: From Original Survey

Certificate No. _____

Rate/Time Graph

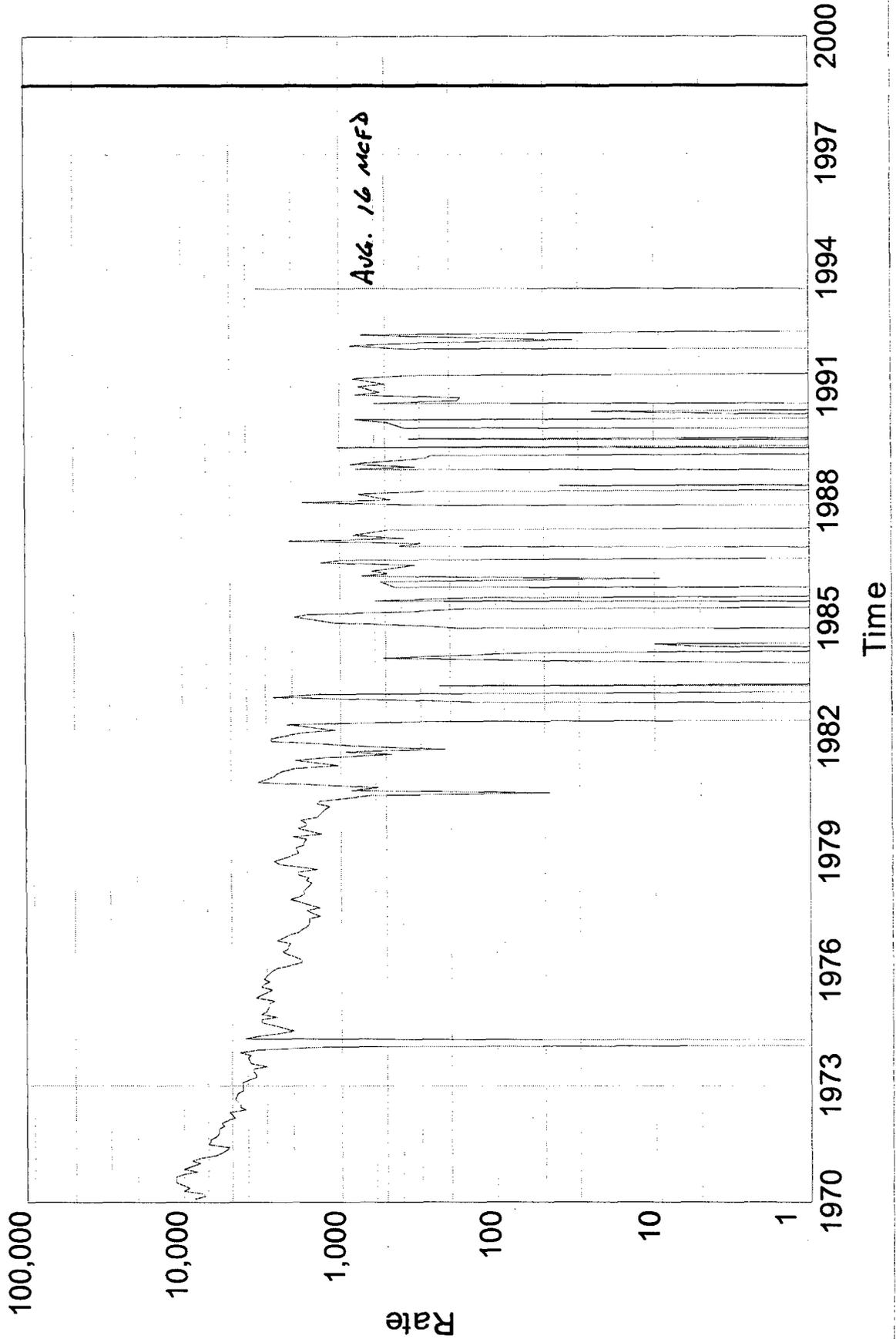
Project: C:\Program Files\IHS Energy\PTools30\PROJECTS\Kutz9.MDB

Date: 7/1/1999
Time: 7:02 AM

Lease Name: KUTZ GOVT (9)
County, ST: SAN JUAN, NM
Location: 28N-10W-20

Field Name: FULCHER KUTZ (PICTURED CLIFFS) PC
Operator: BRECK OPERATING CORP

KUTZ GOVT - FULCHER KUTZ (PICTURED CLIFFS) PC



Rate/Time Graph

Project: C:\Program Files\HS Energy\PTools30\PROJECTS\Kutz9.MDB

Date: 7/1/1999
Time: 7:02 AM

Lease Name: KUTZ GOVT (9)
County, ST: SAN JUAN, NM
Location: 28N-10W-20

Field Name: BASIN (FRUITLAND COAL) FT
Operator: BRECK OPERATING CORP

KUTZ GOVT - BASIN (FRUITLAND COAL) FT

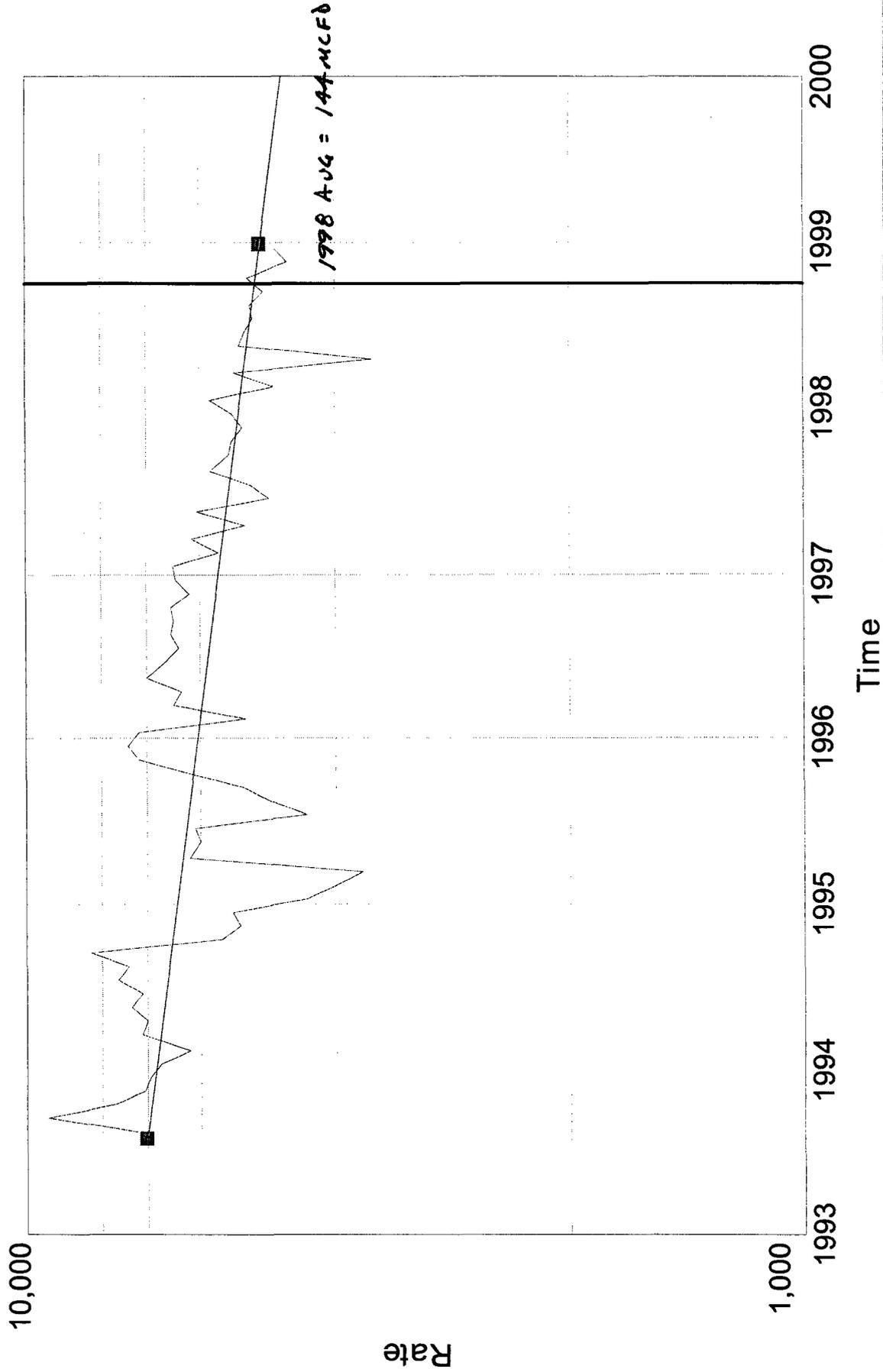


EXHIBIT # 3

Kutz Government #9
Commingling Application

Allocation Formula

The Fulcher Kutz Pictured Cliffs formation was completed by Petroleum Corp. of Texas, on November 19, 1953. The Pictured Cliffs was completed openhole and shot with 428 quarts of SNG. The well produced steadily until the mid 1980's when the reservoir pressure declined level of the pipeline pressure. The well would only produce when line pressures were low until July of 1993 when the Pictured Cliffs was abandoned and the Fruitland Coal was completed. The decline curves for both formations are attached.

Since the Pictured Cliffs appears to only be capable of marginal production, Thompson Engineering proposes to downhole commingle the production from both zones.

Both zones have very similar bottom hole pressures so cross flow will not be a factor. The last recorded pressure for the Pictured Cliffs was 150 psi in 1991 after a 7 days build up. The Fruitland Coal was measured at 65 psi after a 24 hour buildup in 1998. Neither zone produces a significant amount water (less than 1 bbls/week) and neither zone produces any liquid hydrocarbons. Neither zone is fluid sensitive and the fluids from the two zones are compatible.

The Pictured Cliffs formation was producing approximately 16 MCF/D when it was abandoned in 1993. The Fruitland Coal produced an average of 168 MCFD during 1998. **Based on these rates, the proposed allocation is 91.0% to the Fruitland Coal and 9.0% to the Pictured Cliffs.**

EXHIBIT # 4

43-381 50 SHEETS EYE-EASE 8 SQUARE
43-382 100 SHEETS EYE-EASE 8 SQUARE
43-383 200 SHEETS EYE-EASE 8 SQUARE
43-384 50 SHEETS EYE-EASE 9 SQUARE
43-385 100 SHEETS EYE-EASE 9 SQUARE
43-386 200 SHEETS EYE-EASE 9 SQUARE
43-387 50 SHEETS EYE-EASE 10 SQUARE
43-388 100 SHEETS EYE-EASE 10 SQUARE
43-389 200 SHEETS EYE-EASE 10 SQUARE
43-390 200 RECYCLED WHITE 8 SQUARE
Made in U.S.A.



<p>18</p> <p>D.J. Simmons</p>	<p>17</p> <p>Amoco Burlington</p>	
<p>19</p> <p>Burlington</p>	<p>Breck * Kurtz #9</p> <p>Burlington</p>	<p>D.J. Simmons Zo Cross Timbers</p> <p>7284</p>
<p>30</p> <p>Burlington</p>	<p>Burlington</p> <p>29</p>	

R10W

EXHIBIT # 5

FRUITLAND COAL WORKING INTEREST

<u>UNIT OWNERSHIP</u>	<u>TYPE OF INTEREST</u>	<u>WORKING INTEREST</u>	<u>REVENUE INTEREST</u>
BBL, Ltd	WI	0.5	0.4375
MMS	R		0.125
C.W. Murchinson	WI	0.046875	0.041015625
Virginia Linthicum	WI	0.046875	0.041015625
Henrietta E. Schultz	WI	0.046875	0.041015625
Elizabeth Turner	WI	0.0178125	0.015585938
James Turner, Jr.	WI	0.0178125	0.015585938
Frederick Turner	WI	0.0178125	0.015585938
John Turner	WI	0.0178125	0.015585938
Mary Turner	WI	0.0178125	0.015585938
William Webb	WI	0.0046875	0.004101563
Schultz Management	WI	0.046875	0.041015625
Burlington	WI	0.21875	0.19140625
Total		1	1

PICTURED CLIFF WORKING INTEREST

BBL, Ltd	WI	1	0.875
MMS	WI	0	0.125
Total		1	1

Thompson Engineering
Kutz Government #9
1650' FNL & 990' FWL
Sec. 20, T28N, R10W
San Juan County, New Mexico

The following revenue owners have received written notice of the proposed downhole commingling application.

B.B.L., LTD
P.O. Box 911
Breckenridge, TX 76424-0911

Fredrick Eugene Turner
One Energy Square Suite 852
4925 Greenville Avenue
Dallas, TX 75206

Burlington Resources Financial
Services, Inc
P.O. Box 840657
Dallas, TX 75284-0657

Elizabeth Calloway Turner
4801 St. Johns
Dallas, TX 75205

Virginia Linthicum
Mr. R.J. Smith
2626 Cole Ave. Suite 603
Dallas, TX 75206

James Glenn Turner Jr.
3131 Turtle Creek Blvd.
Dallas, TX 75219-1201

C.W. Murchison Est. Trust B
Bankers Trust CD of Texas
6116 N. Central Express 91300
Dallas, TX 75206

John Lee Turner
HC73 Box 122 Suite 277
Park Hill, OK 74431

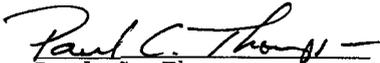
Henrietta E. Schultz Trustee
500 N. Arkard Suite 2940
Dallas, TX 75201-3360

Hary Frances Turner Trust
P.O. Box 660197
Dallas, TX 75266-0197

Schultz Management LTD
500 N. Akard Suite 2940
Dallas, TX 75201

William G. Webb
8226 Douglas Suite 709
Dallas, TX 75225-5959

I certify that copies of the Application for a non-standard Fruitland Coal well has been mailed to the above Operators.


Paul C. Thompson

San Juan County)
) ss
State of New Mexico)

The following instrument was acknowledged before me this 9th day of August 1999 by Paul C. Thompson.

Notary Public



My Commission Expires:

July 31, 2001





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

July 27, 1999

B.B.L., LTD
P.O. Box 911
Breckenridge, TX 76424-0911

Re: Downhole Commingling Application
Breck Operating Corp.
Kutz Government #9
1650' FNL, 990' FWL
Section 20, T28N R10W
San Juan County, NM
Fulcher Kutz Pictured Cliffs and Basin Fruitland Coal

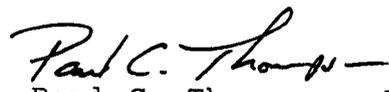
Dear B.B.L., LTD,

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. As an interest owner in this well, 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, Santa Fe, New Mexico, 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.



CERTIFIED- RETURN RECEIPT

July 27, 1999

Virginia Linthicum
Mr. R.J. Smith
2626 Cole Ave. Suite 603
Dallas, TX 75206

Re: Downhole Commingling Application
Breck Operating Corp.
Kutz Government #9
1650' FNL, 990' FWL
Section 20, T28N R10W
San Juan County, NM
Fulcher Kutz Pictured Cliffs and Basin Fruitland Coal

Dear Ms. Linthicum,

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. As an interest owner in this well, 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, Santa Fe, New Mexico, 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.



CERTIFIED- RETURN RECEIPT

July 27, 1999

C.W. Murchison Est. Trust B
Bankers Trust CD of Texas
6116 N. Central Express 91300
Dallas, TX 75206

Re: Downhole Commingling Application
Breck Operating Corp.
Kutz Government #9
1650' FNL, 990' FWL
Section 20, T28N R10W
San Juan County, NM
Fulcher Kutz Pictured Cliffs and Basin Fruitland Coal

Dear C.W. Murchison Est. Trust B,

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. As an interest owner in this well, 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, Santa Fe, New Mexico, 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.



CERTIFIED- RETURN RECEIPT

July 27, 1999

Burlington Resources Financial
Services, Inc
P.O. Box 840657
Dallas, TX 75284-0657

Re: Downhole Commingling Application
Breck Operating Corp.
Kutz Government #9
1650' FNL, 990' FWL
Section 20, T28N R10W
San Juan County, NM
Fulcher Kutz Pictured Cliffs and Basin Fruitland Coal

Dear Burlington Resources Financial,

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. As an interest owner in this well, 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, Santa Fe, New Mexico, 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.



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

July 27, 1999

Henrietta E. Schultz Trustee
500 N. Arkard Suite 2940
Dallas, TX 75201-3360

Re: Downhole Commingling Application
Breck Operating Corp.
Kutz Government #9
1650' FNL, 990' FWL
Section 20, T28N R10W
San Juan County, NM
Fulcher Kutz Pictured Cliffs and Basin Fruitland Coal

Dear Henrietta E. Schultz Trustee,

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. As an interest owner in this well, 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, Santa Fe, New Mexico, 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.



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

July 27, 1999

Schultz Management LTD
500 N. Akard Suite 2940
Dallas, TX 75201

Re: Downhole Commingling Application
Breck Operating Corp.
Kutz Government #9
1650' FNL, 990' FWL
Section 20, T28N R10W
San Juan County, NM
Fulcher Kutz Pictured Cliffs and Basin Fruitland Coal

Dear Schultz Management LTD,

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. As an interest owner in this well, 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, Santa Fe, New Mexico, 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.



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

July 27, 1999

Fredrick Eugene Turner
One Energy Square Suite 852
4925 Greenville Avenue
Dallas, TX 75206

Re: Downhole Commingling Application
Breck Operating Corp.
Kutz Government #9
1650' FNL, 990' FWL
Section 20, T28N R10W
San Juan County, NM
Fulcher Kutz Pictured Cliffs and Basin Fruitland Coal

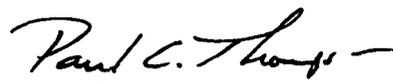
Dear Mr. Turner,

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. As an interest owner in this well, 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, Santa Fe, New Mexico, 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.



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

July 27, 1999

Elizabeth Calloway Turner
4801 St. Johns
Dallas, TX 75205

Re: Downhole Commingling Application
Breck Operating Corp.
Kutz Government #9
1650' FNL, 990' FWL
Section 20, T28N R10W
San Juan County, NM
Fulcher Kutz Pictured Cliffs and Basin Fruitland Coal

Dear Ms. Turner,

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. As an interest owner in this well, you are being notified of this application pursuant to NMOCD rules.

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CERTIFIED- RETURN RECEIPT

July 27, 1999

James Glenn Turner JR.
3131 Turtle Creek Blvd.
Dallas, TX 75219-1201

Re: Downhole Commingling Application
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Section 20, T28N R10W
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7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED- RETURN RECEIPT

July 27, 1999

John Lee Turner
HC73 Box 122 Suite 277
Park Hill, OK 74431

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San Juan County, NM
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Lease Management
Contract Pumping7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834CERTIFIED- RETURN RECEIPT

July 27, 1999

Hary Frances Turner Trust
P.O. Box 660197
Dallas, TX 75266-0197

Re: Downhole Commingling Application
Breck Operating Corp.
Kutz Government #9
1650' FNL, 990' FWL
Section 20, T28N R10W
San Juan County, NM
Fulcher Kutz Pictured Cliffs and Basin Fruitland Coal

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Petroleum Engineering Consulting
Lease Management
Contract Pumping7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834CERTIFIED- RETURN RECEIPT

July 27, 1999

William G. Webb
8226 Douglas Suite 709
Dallas, TX 75225-5959

Re: Downhole Commingling Application
Breck Operating Corp.
Kutz Government #9
1650' FNL, 990' FWL
Section 20, T28N R10W
San Juan County, NM
Fulcher Kutz Pictured Cliffs and Basin Fruitland Coal

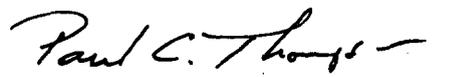
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Paul C. Thompson, P.E.

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- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

3. Article Addressed to:

C.W. Murchinson Est. Trust
 Bankers Trust CD of Texas
 6116 N. Central Exp. 91300
 Dallas, TX 75206

4a. Article Number

Z 443 083 557

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)

PS Form 3811, December 1994

102595-99-B-0223 Domestic Return Receipt

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

3. Article Addressed to:

VIRGINIA LINTHICUM
 MR. R.J. SMITH
 2626 COLE AVE SUITE 603
 DALLAS, TX 75206

4a. Article Number

Z 443 083 556

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)

PS Form 3811, December 1994

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

3. Article Addressed to:

BBL, LTD
 P.O. Box 911
 Breckenridge, TX 76242

4a. Article Number

Z 443 083 555

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

3. Article Addressed to:

Schultz Management LTD
500 N. Akard Suite 2940
Dallas, TX 75201

4a. Article Number

Z 443 083 560

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

3. Article Addressed to:

Henrietta Schultz Trustee
500 N. Arkard Suite 2940
Dallas, TX 75201-3360

4a. Article Number

Z 443 083 559

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

3. Article Addressed to:

Burlington Resources
P.O. Box 840657
Dallas, TX 75284-0657

4a. Article Number

Z 443 083 558

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)

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- 1. Addressee's Address
- 2. Restricted Delivery

3. Article Addressed to:

James Glenn Turner
3131 Turtle Creek Blvd
Dallas, TX 75219-1201

4a. Article Number

Z 443 083 563

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-99-B-0223

Domestic Return Receipt

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

3. Article Addressed to:

Elizabeth Turner
4801 St. Johns
Dallas, TX 75205

4a. Article Number

Z 443 083 563

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

8. Addressee's Address (Only if requested and fee is paid)

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

3. Article Addressed to:

Fredrick E. Turner
One Energy Square suite 852
4925 Greenville Ave.
Dallas, TX 75206

4a. Article Number

Z 443 083 561

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

3. Article Addressed to:

William G. Webb
8226 Douglas Suite 709
Dallas, TX 75225-5959

4a. Article Number
Z 443 083 628

- 4b. Service Type
- Registered Certified
 - Express Mail Insured
 - Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

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- 2. Restricted Delivery

3. Article Addressed to:

Hary Frances Turner Trust
P.O. Box 660197
Dallas, TX 75266-0197

4a. Article Number
Z 443-083 628

- 4b. Service Type
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 - Express Mail Insured
 - Return Receipt for Merchandise COD

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- 1. Addressee's Address
- 2. Restricted Delivery

3. Article Addressed to:

John Lee Turner
HC 73 Box 122 Suite 277
Park Hill, OK 74431

4a. Article Number
Z 443 083 564

- 4b. Service Type
- Registered Certified
 - Express Mail Insured
 - Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

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