

# SPiRiT ENERGY 76

*New Name. Same Spirit.*  
A Business Unit of Unocal

August 10, 1999

U.S. Department of the Interior  
Bureau of Land Management  
Attn.: Jim LaVato  
1235 La Plata Highway  
Farmington, NM 87401

New Mexico Oil Conservation Division  
Attn.: Mark Ashley  
2040 S. Pacheco Street  
Santa Fe, NM 87505  
CC: Ernie Bush, NMOCD  
Aztec, NM

RECEIVED  
AUG 13 1999  
OIL CON. DIV.  
DIST. 3

Re: Revised Commingle Production Forecast  
Rincon Unit 131 Basin Dakota  
**K 36-27N-7W**  
Rio Arriba Co., New Mexico

Gentlemen,

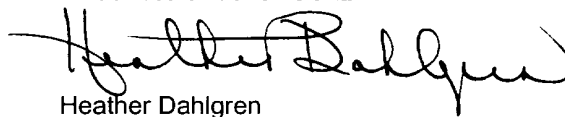
Enclosed please find the documentation revising the Rincon Unit 131 Dakota production forecast, originally approved April 14, 1998 by order number **DHC-1906**. The revision is required to accommodate the delayed commingling and greater than forecasted flush volumes resulting from an extended Dakota shut-in from September 1998 through March 1999. (See Chart 1)

The approved Dakota decline from the original forecast will remain the same at 6.22%. However, the first four months of Dakota production will increase significantly from the original projection. (See Chart 3). This flush volume was derived by subtracting Mesaverde projected volumes from the commingled production. (See Chart 2) The Mesaverde projected volumes were determined by comparing the early production profile on the 131 Mesaverde to a 6 well average of recently completed non commingled Mesaverde completions. While the duration of the flush production is difficult to determine, the revised forecast presents a reasonable production profile. The Dakota is forecasted to resume production on trend in the fifth month.

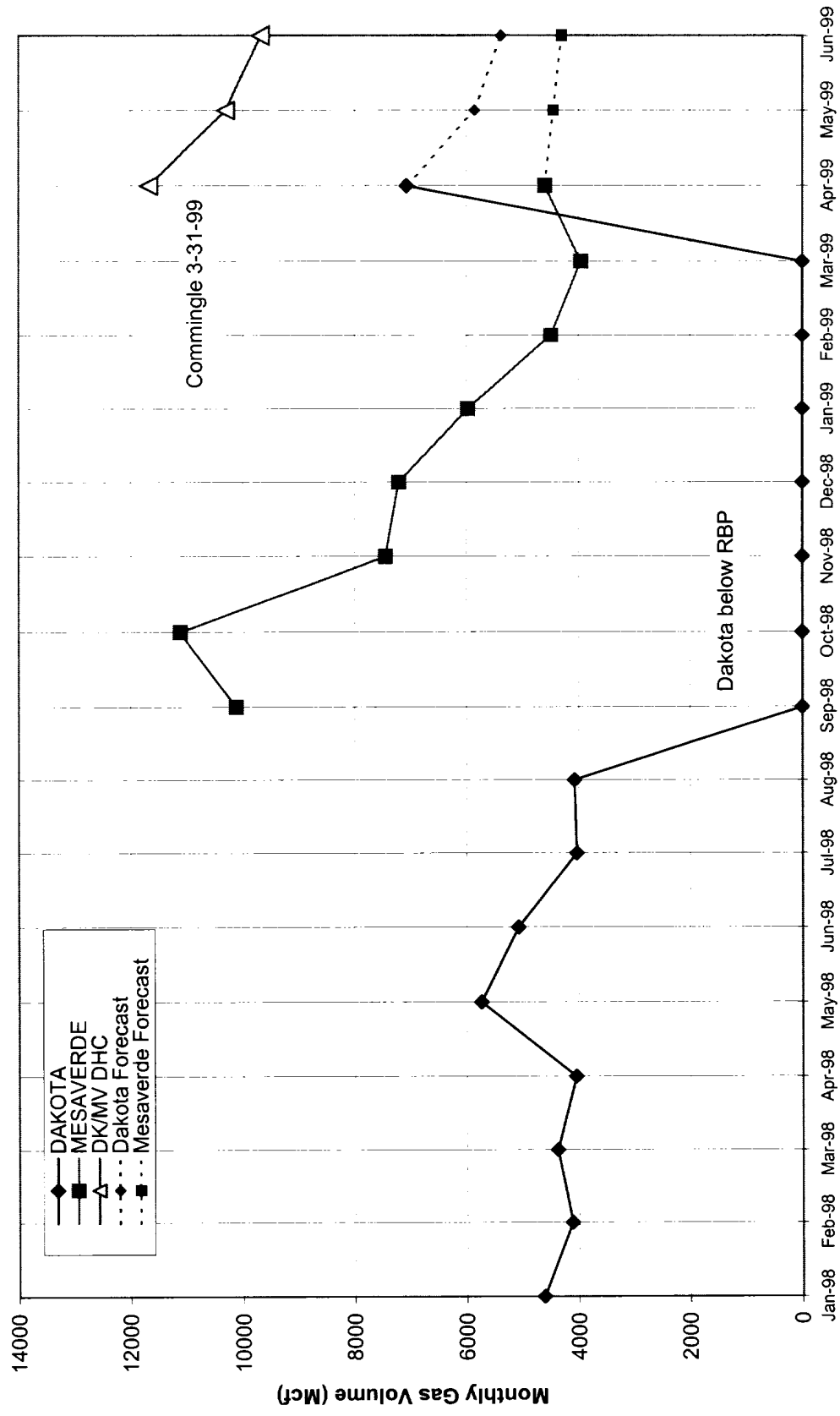
Production volumes will be amended as per the revised 24 month forecast. If you have an objection or questions concerning this revision please contact me as soon as possible at (915) 685-7665.

Sincerely,

**Spirit Energy 76**  
A Business Unit of UNOCAL

  
Heather Dahlgren  
Senior Engineering Technician

# RINCON UNIT 131 DAKOTA, MESAVERDE & COMMINGLED VOLUMES



# **RINCON UNIT #131 PRODUCTION HISTORY**

| Month  | DAKOTA<br>(Mcf) | MESAVERDE<br>(Mcf) | DK/MV DHC<br>(Mcf) |
|--------|-----------------|--------------------|--------------------|
| Jan-98 | 4618            |                    |                    |
| Feb-98 | 4115            |                    |                    |
| Mar-98 | 4379            |                    |                    |
| Apr-98 | 4046            |                    |                    |
| May-98 | 5738            |                    |                    |
| Jun-98 | 5073            |                    |                    |
| Jul-98 | 4033            |                    |                    |
| Aug-98 | 4073            |                    |                    |
| Sep-98 | 0               | 10124              |                    |
| Oct-98 | 0               | 11113              |                    |
| Nov-98 | 0               | 7444               |                    |
| Dec-98 | 0               | 7207               |                    |
| Jan-99 | 0               | 5973               |                    |
| Feb-99 | 0               | 4493               |                    |
| Mar-99 | 0               | 3958               |                    |
| Apr-99 |                 |                    | 11668              |
| May-99 |                 |                    | 10303              |
| Jun-99 |                 |                    | 9686               |

# RECENT RINCON MESAVERDE RECOMPLETIONS (NON COMMINGLED PRODUCTION) COMPARED TO RINCON 131 MESAVERDE

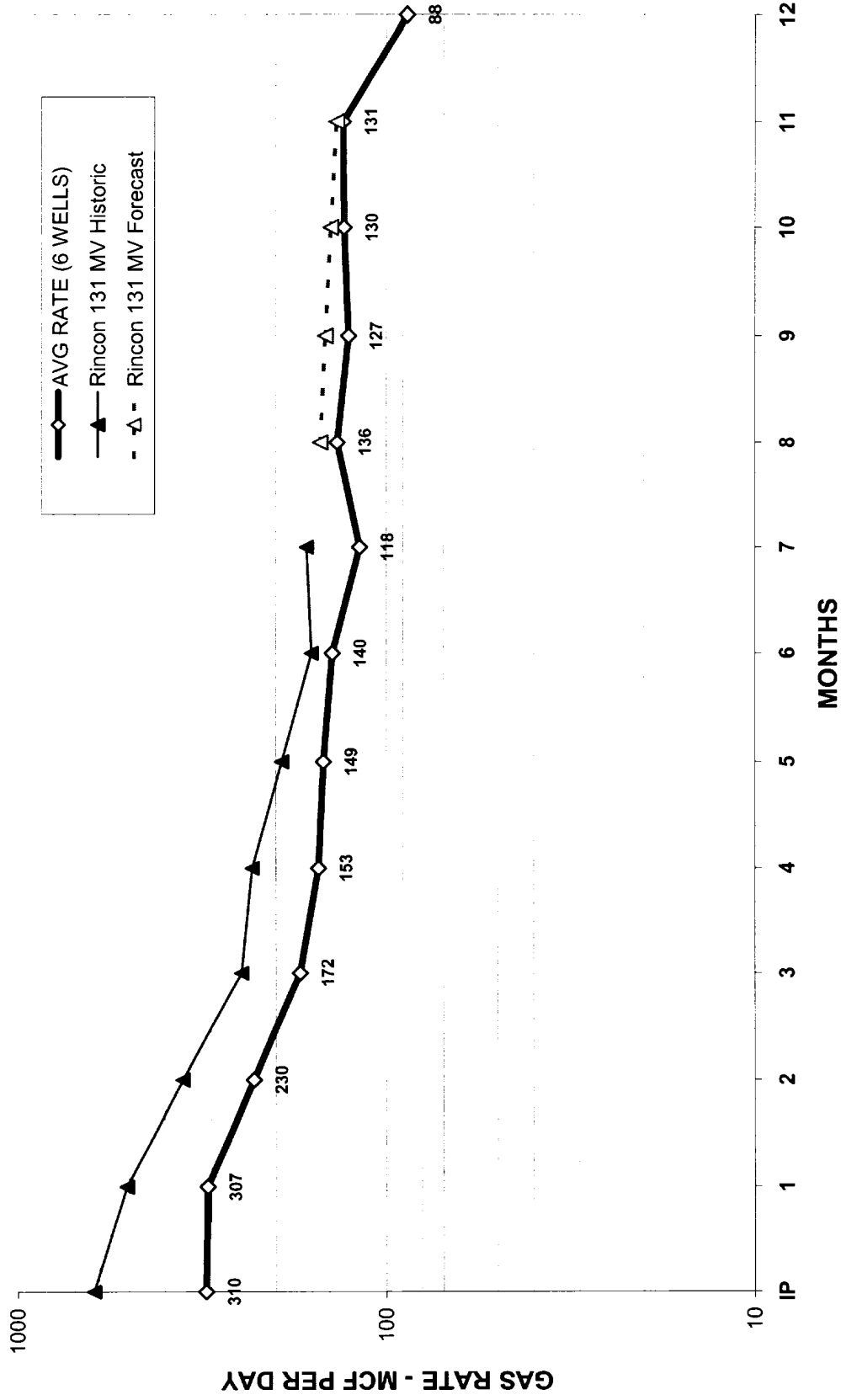
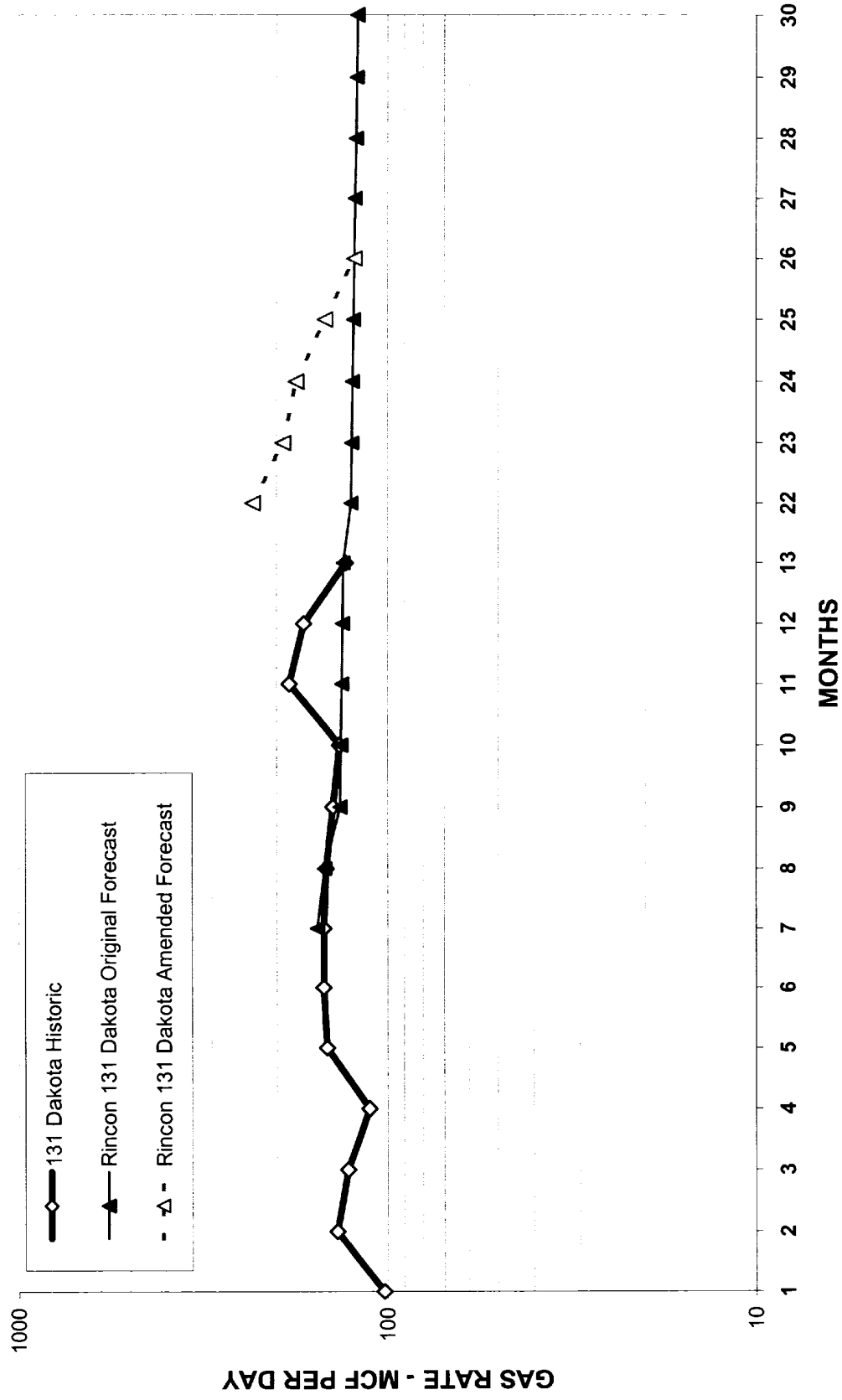


Chart 2

# RINCON UNIT 131 DAKOTA ORIGINAL VS AMENDED FORECAST



RU 131DK Revised Forecast

Well

Existing Completion Prior to DHC

Annual Decline

Monthly Effective Decline Factor

Average monthly volume (Mcf) prior to DHC

Average Yield (bbls/mcf) Oil

Average Yield (bbls/mcf) Water

Volume Prior to DHC (Mcf) - Aug 1998

|        |
|--------|
| RU 131 |
| DK     |
| 6.22%  |
| 0.0053 |
| 4509   |
| 0.0048 |
| 0.0041 |
| 4073   |

Avg. Prod. Jan 98 - Aug 98

\* Dakota SI for 7 months

\* DHC Date: 3-31-99

\* Forecasted volumes to be adjusted for actual days on production

| Month | DK Forecast<br>(Mcf) | DK Forecast<br>(Mcf @ 30.4) | DK Forecast<br>(Bbls-Oil) | DK Forecast<br>(Bbls-Water) |
|-------|----------------------|-----------------------------|---------------------------|-----------------------------|
| 1     | 232.4                | 7066                        | 33.9                      | 29.0                        |
| 2     | 192.5                | 5851                        | 28.1                      | 24.0                        |
| 3     | 177.1                | 5384                        | 25.8                      | 22.1                        |
| 4     | 147.9                | 4497                        | 21.6                      | 18.4                        |
| 5     | 122.9                | 3737                        | 17.9                      | 15.3                        |
| 6     | 122.3                | 3717                        | 17.8                      | 15.2                        |
| 7     | 121.6                | 3697                        | 17.7                      | 15.2                        |
| 8     | 121.0                | 3677                        | 17.7                      | 15.1                        |
| 9     | 120.3                | 3658                        | 17.6                      | 15.0                        |
| 10    | 119.7                | 3638                        | 17.5                      | 14.9                        |
| 11    | 119.0                | 3619                        | 17.4                      | 14.8                        |
| 12    | 118.4                | 3599                        | 17.3                      | 14.8                        |
| 13    | 117.8                | 3580                        | 17.2                      | 14.7                        |
| 14    | 117.1                | 3561                        | 17.1                      | 14.6                        |
| 15    | 116.5                | 3542                        | 17.0                      | 14.5                        |
| 16    | 115.9                | 3523                        | 16.9                      | 14.4                        |
| 17    | 115.3                | 3504                        | 16.8                      | 14.4                        |
| 18    | 114.7                | 3485                        | 16.7                      | 14.3                        |
| 19    | 114.0                | 3467                        | 16.6                      | 14.2                        |
| 20    | 113.4                | 3448                        | 16.6                      | 14.1                        |
| 21    | 112.8                | 3430                        | 16.5                      | 14.1                        |
| 22    | 112.2                | 3411                        | 16.4                      | 14.0                        |
| 23    | 111.6                | 3393                        | 16.3                      | 13.9                        |
| 24    | 111.0                | 3375                        | 16.2                      | 13.8                        |

+ DK flush volume  
+ DK flush volume  
+ DK flush volume  
+ DK flush volume

RU 131DK Original Forecast

|                                           |        |
|-------------------------------------------|--------|
| Well                                      | RU 131 |
| Existing Completion Prior to DHC          | DK     |
| Annual Decline                            | 6.22%  |
| Monthly Effective Decline Factor          | 0.0053 |
| Average 3 month volume (Mcf) prior to DHC | 4151   |
| Average Yield (bbbls/mcf) Oil             | 0.0048 |
| Average Yield (bbbls/mcf) Water           | 0.0041 |
| Volume Prior to DHC (Mcf)                 |        |

Full Months Prod Oct - Dec 97  
97 annual average  
97 annual average

\* Forecasted volumes to be adjusted for actual days on production

| Month | DK Forecast (Mcf) | DK Forecast (Mcf @ 30.4) | DK Forecast (Bbls-Oil) | DK Forecast (Bbls-Water) |
|-------|-------------------|--------------------------|------------------------|--------------------------|
| 1     | 155.3             | 4720                     | 22.7                   | 19.4                     |
| 2     | 148.5             | 4514                     | 21.7                   | 18.5                     |
| 3     | 134.6             | 4093                     | 19.6                   | 16.8                     |
| 4     | 133.9             | 4071                     | 19.5                   | 16.7                     |
| 5     | 133.2             | 4049                     | 19.4                   | 16.6                     |
| 6     | 132.5             | 4028                     | 19.3                   | 16.5                     |
| 7     | 131.8             | 4006                     | 19.2                   | 16.4                     |
| 8     | 131.1             | 3985                     | 19.1                   | 16.3                     |
| 9     | 130.4             | 3964                     | 19.0                   | 16.3                     |
| 10    | 129.7             | 3942                     | 18.9                   | 16.2                     |
| 11    | 129.0             | 3921                     | 18.8                   | 16.1                     |
| 12    | 128.3             | 3900                     | 18.7                   | 16.0                     |
| 13    | 127.6             | 3880                     | 18.6                   | 15.9                     |
| 14    | 126.9             | 3859                     | 18.5                   | 15.8                     |
| 15    | 126.3             | 3838                     | 18.4                   | 15.7                     |
| 16    | 125.6             | 3818                     | 18.3                   | 15.7                     |
| 17    | 124.9             | 3797                     | 18.2                   | 15.6                     |
| 18    | 124.3             | 3777                     | 18.1                   | 15.5                     |
| 19    | 123.6             | 3757                     | 18.0                   | 15.4                     |
| 20    | 122.9             | 3737                     | 17.9                   | 15.3                     |
| 21    | 122.3             | 3717                     | 17.8                   | 15.2                     |
| 22    | 121.6             | 3697                     | 17.7                   | 15.2                     |
| 23    | 121.0             | 3677                     | 17.7                   | 15.1                     |
| 24    | 120.3             | 3658                     | 17.6                   | 15.0                     |

+ DK flush volume  
+ DK flush volume