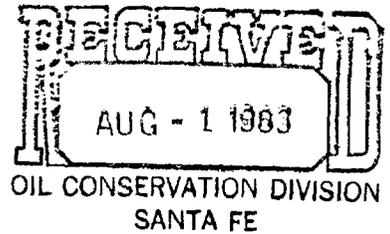


July 25, 1983

Bureau of Land Management
South Central Region
505 Marquette Avenue, N.W., Suite 815
Albuquerque, New Mexico 87102

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501



299

Re: Rincon Unit Sec. No. 916
Rio Arriba County, New Mexico
1983 Drilling Program

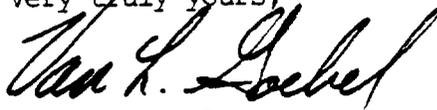
Gentlemen:

The 1983 Drilling Program for the Rincon Unit was approved by the regulatory bodies on the dates indicated:

Bureau of Land Management	7-7-83
Commissioner of Public Lands	7-7-83
Oil Conservation Commission	6-23-83

Copies of this letter are being sent to the working interest owners of the above unit.

Very truly yours,



Van L. Goebel
Landman
Land Department

VLG:cc
Rincon Unit, 3.0

RINCON UNIT
Working Interest Owners

Burton-Hawks, Inc.

Elizabeth Jeanne Turner Calloway

Conoco, Inc.

Tenneco Oil Company

Frederick Eugene Turner

James Glenn Turner, Jr.

John Lee Turner

The Wiser Oil Company



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

July 12, 1983

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

El Paso Natural Gas Co.
P.O. Box 1492
El Paso, Texas 79978

Attention: D. N. Canfield

Re: Unit Agreements
Northwest New Mexico

Dear Mr. Canfield:

Enclosed please find the approved copies of the material referenced above. Such approval is contingent upon like approval by the Commissioner of Public Lands and the United States Minerals Management Service.

Sincerely,

A handwritten signature in dark ink, appearing to read "Roy E. Johnson", written over a horizontal line.

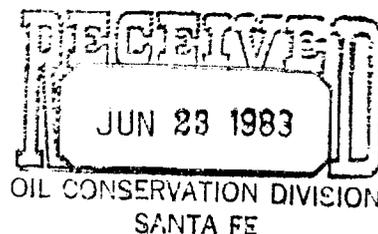
ROY E. JOHNSON
Petroleum Geologist

REJ/dp

cc: Commissioner of Public Lands - Santa Fe
Minerals Management Service - Albuquerque
OCD District Office - Aztec

June 10, 1983

Bureau of Land Management
South Central Region
505 Marquette Avenue, N.W., Suite 815
Albuquerque, New Mexico 87102



Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

#299

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Rincon Unit Sec. No. 916
Rio Arriba County, New Mexico
1983 Drilling Program

Gentlemen:

By letter dated April 8, 1982, El Paso Natural Gas Company, as Unit Operator of the Rincon I Sec. No. 916, filed a Drilling Program covering the subject Unit for the calendar year 1982. This program provided for the drilling of no wells.

As of this date the total number of wells in the Rincon Unit I Sec. No. 916 is as follows:

Pictured Cliffs	106
Pictured Cliffs/Chacra	1
Chacra	7
Mesaverde	28
Dual, Pictured Cliffs/Mesaverde	9
Dual, Pictured Cliffs/Dakota	6
Mesaverde, Non-Commercial	7
Dakota	47
Chacra/Mesaverde	4
Gallup/Dakota (Gallup-plugged; Dakota-Non-Commercial)	1
Tocito (Oil)	1
	<u>217</u>

Pursuant to Section 10 of the Rincon Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of no wells during the calendar year 1983.

Regulatory Agencies
Page Two

All working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,



D. N. Canfield *DNC*
Attorney-in-Fact

DNC:VLG:cc
Enclosures
Rincon Unit, 3.0

APPROVED: Minerals Management Service
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: Commissioner of Public Lands
(Subject to like approval by the
Minerals Management Service and
the Oil Conservation Division)

DATED: _____

APPROVED: 
Oil Conservation Division
(Subject to like approval by the
Minerals Management Service and
the Commissioner of Public Lands)

DATED: 6-23-83

The foregoing approvals are for the 1983 Drilling Program for the Rincon Unit I
Sec. No. 916, Rio Arriba County, New Mexico

RINCON UNIT
Working Interest Owners

Burton-Hawks, Inc.

Elizabeth Jeanne Turner Calloway

Conoco, Inc.

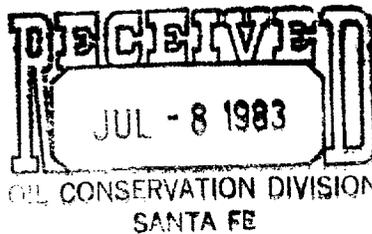
Tenneco Oil Company

Frederick Eugene Turner

James Glenn Turner, Jr.

John Lee Turner

The Wiser Oil Company



3100.6

JUL 07 1983

El Paso Natural Gas
Attention: D. N. Canfield
P. O. Box 1492
El Paso, Texas 79978

Gentlemen:

Three **approved** copies of your 1983 Plan of Development for the **Rincon unit area**, Rio Arriba County, New Mexico are enclosed. Such plan, proposing the drilling of no wells during calendar year 1983, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SGD.) JAMES W. SHELTON
Assistant District Manager
for Minerals

Enclosure

cc: ✓
NMOCD
Commissioner Public Lands
Farmington Resource Area (w/enclosure)
File Rincon
O & G Chrono

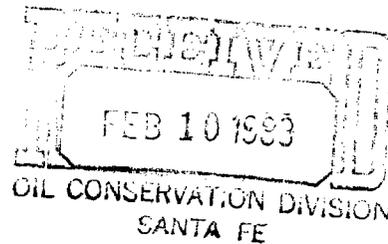
SEUmshler:pmr:7-6-83



IN REPLY
REFER TO:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
505 MARQUETTE AVENUE, N.W., SUITE 815
ALBUQUERQUE, NEW MEXICO 87102



El Paso Natural Gas Company
Attention: James R. Permenter
P. O. Box 1492
El Paso, Texas 79978

299

Gentlemen:

Your application of October 20, 1982 requesting approval of the fifth and sixth expansions, Chacra participating area, Rincon Unit, Rio Arriba County, New Mexico, was approved on this date by the Deputy Minerals Manager, Oil and Gas, Albuquerque, New Mexico, effective as of January 1, 1981 and February 1, 1981, respectively.

The fifth and sixth revisions add 328.86 acres described as NE $\frac{1}{4}$ section 12, T. 26 N., R. 7 W., N.M.P.M., and Lots 3, 4, 5 and 6 (NW $\frac{1}{4}$) section 35, T. 27 N., R. 7 W., N.M.P.M., and the two wells that are contributing to this area are well #18R and #232 with initial potential of 1198 MCF/D and 434 MCF/D respectively.

Copies of the approved application are being distributed to the appropriate Federal offices and three approved copies are enclosed. You are requested to furnish the State of New Mexico and other interested parties with appropriate evidence of this approval.

Sincerely yours,

Gene F. Daniel
Deputy Minerals Manager
Oil and Gas

Enclosures

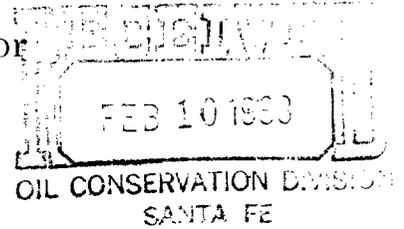
cc:
Comm. of Public Lands, Santa Fe
NMOCD, Santa Fe



IN REPLY
REFER TO:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
505 MARQUETTE AVENUE, N.W., SUITE 815
ALBUQUERQUE, NEW MEXICO 87102



El Paso Natural Gas Company
Attention: James R. Permenter
P. O. Box 1492
El Paso, Texas 79978

299

Gentlemen:

Your application of October 20, 1982 requesting approval of the seventeenth expansion, Dakota participating area, Rincon Unit, Rio Arriba County, New Mexico, was approved on this date by the Deputy Minerals Manager, Oil and Gas, Albuquerque, New Mexico, effective as of December 1, 1981.

The seventeenth revision adds 320.0 acres described as the E $\frac{1}{2}$ of section 34, T. 27 N., R. 7 W., N.M.P.M. Contributing to this area is the completion of well #229 with initial potential of 426 MCF/D.

Copies of the approved application are being distributed to the appropriate Federal offices and three approved copies are enclosed. You are requested to furnish the State of New Mexico and other interested parties with appropriate evidence of this approval.

Sincerely yours,

Gene F. Daniel
Deputy Minerals Manager
Oil and Gas

Enclosures

cc:
Comm. of Public Lands, Santa Fe
NMOCD, Santa Fe

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER

Commissioner of Public Lands

December 27, 1982

P. O. BOX 1148
SANTA FE, N. M. 87504-1148

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

297
Re: Rincon Unit
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
SEVENTH EXPANDED PARTICIPATING
AREA, Chacra Formation,
Effective July 1, 1981

ATTENTION: Mr. James R. Permenter

Gentlemen:

The Commissioner of Public Lands has this date approved the Seventh Expanded Participating Area, Chacra Formation for the Rincon Unit, Rio Arriba County, New Mexico. Such Expanded Participating Area is predicated upon the determination by El Paso Natural Gas Company that the Rincon Unit Well No. 230 is capable of producing unitized substances in paying quantities from the Chacra Formation.

Our approval is subject to like approval by the United States Minerals Management Service and the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your files.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

AJA/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
USMMS-Albuquerque, New Mexico
Administration



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

December 6, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

EL PASO EXPLORATION CO.
P.O. Box 1492
El Paso, Texas 79978

ATTENTION: James R. Permenter

RE: Rincon Unit
7th Expanded Participating Area
Chacra Formation
Rio Arriba County, NM

Dear Mr. Permenter:

Enclosed please find an approved copy of the material referenced above. Such approval is contingent upon like approval by the Commissioner of Public Lands and the U. S. Minerals Management Service.

Sincerely,

A handwritten signature in cursive script that reads "Roy E. Johnson".

Roy E. Johnson
Petroleum Geologist

REJ/dp

cc: Commissioner of Public Lands - Santa Fe
Minerals Management Service - Albuquerque
OCD District Office

El Paso NATURAL GAS
COMPANY

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

OK

Case 299
R# 87

November 12, 1982

Minerals Management Service
South Central Region
505 Marquette Avenue, N.W., Suite 815
Albuquerque, New Mexico 87102

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

RECEIVED
NOV 22 1982
OIL CONSERVATION
SANTA FE

Re: Rincon Unit I Sec. No. 916
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
SEVENTH EXPANDED PARTICIPATING
AREA, Chacra Formation,
Effective July 1, 1981

Gentlemen:

Pursuant to the provisions of Section 11 of the Rincon Unit Agreement I
Sec. No. 916, approved February 27, 1952, El Paso Natural Gas Company, as
Unit Operator, hereby respectfully requests approval of the Seventh
Expanded Participating Area for the Chacra Formation, to wit:

SEVENTH EXPANDED PARTICIPATING AREA - Effective July 1, 1981

<u>Description of Lands</u>	<u>Acres</u>
<u>Township 27 North, Range 7 West, N.M.P.M.</u>	
Section 28: SW/4	160.00
Section 33: NW/4 (Brought in as an Intervening Drilling Block)	160.00
Total	320.00

Regulatory Agencies
November 12, 1982
Page Two

This proposed Seventh Expanded Participating Area for the Chacra Formation is predicated upon the determination by El Paso Natural Gas Company, as Unit Operator, that the Rincon Unit #230 Chacra Well is capable of producing unitized substances in paying quantities from the Chacra Formation, which determination is based on the following:

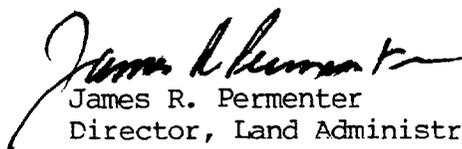
The Rincon Unit #230 Well, located 970' from the South line and 790' from the West line of Section 28, Township 27 North, Range 7 West, N.M.P.M., was spudded on June 4, 1981, and completed on July 16, 1981, at a plugged back depth of 4084'. The Chacra Formation at the selected intervals between 3863' and 4068' was treated with a sand-water fracturing process on June 16, 1981. The well was shut-in on July 9, 1981, and after being shut-in for seven (7) days, the Chacra Formation was tested on July 16, 1981, using the Pitot tube method with an after frac guage of 391 MCF/D, with an SIPC of 927 psia and an SIPT of 0 psia. The spacing unit for this well is described as the SW/4 of Section 28, Township 27 North, Range 7 West, N.M.P.M., containing 160 acres.

Attached hereto is Schedule VIII showing the proposed Seventh Expanded Participating Area for the Chacra Formation in the Rincon Unit Area. This Schedule describes the Participating Area, shows the percentage of unitized substances allocated to the unitized tract, and the percentages of ownership in the tract.

If this Seventh Expanded Participating Area of the Chacra Formation meets with your approval, please indicate such approval in the space provided on the attached sheet and return an approved copy hereof for our files.

Copies of this letter and Schedule are being sent to the working interest owners shown on the attached sheet.

Very truly yours,



James R. Permenter
Director, Land Administration
Land Department 11/14

JRP:VLG:cc
Enclosures
Rincon Unit, 4.5

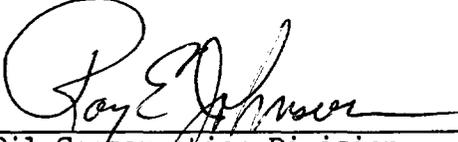
cc: Mr. Antonio Martinez
Executive Director
New Mexico Oil and
Gas Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

APPROVED: _____
Minerals Management Service
(Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division)

DATED: _____

APPROVED: _____
Commissioner of Public Lands
(Subject to like approval by the
Minerals Management Service and
the Oil Conservation Division)

DATED: _____

APPROVED: 
Oil Conservation Division
(Subject to like approval by the
Minerals Management Service and
the Commissioner of Public Lands)

DATED: 12-6-82

The foregoing approvals are for the Rincon Unit I Sec. 916, Rio Arriba
County, New Mexico, Seventh Expanded Participating Area, Chacra Formation,
Effective July 1, 1981.

RINCON UNIT
Working Interest Owners

Burton-Hawks, Inc.

Elizabeth Jeanne Turner Calloway

Conoco, Inc.

Tenneco Oil Company

Frederick Eugene Turner

James Glenn Turner, Jr.

John Lee Turner

The Wiser Oil Company

SCHEDULE VIII
SEVENTH EXPANDED PARTICIPATING AREA FOR THE CHACRA FORMATION
RINCON UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		
<u>TRACT 2</u>						
SF 079160	T-26-N, R-7-W Sec. 11: NW/4, E/2 Sec. 12: NW/4, S/2, NE/4	1,120.00	Royalty Working Interest El Paso Natural Gas Co. ORRI	12.50% 82.50% 5.00% <u>100.00%</u>	12.50% 82.50% 5.00% <u>100.00%</u>	58.065386%
<u>TRACT 18</u>						
SF 080213	T-27-N, R-7-W Sec. 28: SE/4, SW/4 Sec. 33: SW/4, NW/4	640.00	Royalty Working Interest El Paso Natural Gas Co. ORRI	12.50% 82.50% 5.00% <u>100.00%</u>	12.50% 82.50% 5.00% <u>100.00%</u>	33.180220%

SCHEDULE VIII
SEVENTH EXPANDED PARTICIPATING AREA FOR THE CHACRA FORMATION
RINCON UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE	
<u>TRACT 19</u>					
SF 080385	T-27-N, R-7-W	168.86			8.754394%
	Sec. 35: LOTS 3, 4, 5, 6 (NW/4)				
	Royalty		12.50%	12.50%	
	Working Interest		82.50%	82.50%	
	EI Paso Natural Gas Co.		5.00%	5.00%	
	ORRI				
	TOTAL		100.00%	100.00%	

Effective July 1, 1981

SCHEDULE VIII
SEVENTH EXPANDED PARTICIPATING AREA FOR THE CHACRA FORMATION
RINCON UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		

RECAPITULATION

Description of Lands in Participating Area:

Township 26 North, Range 7 West, N.M.P.M.
Section 11: NW/4, E/2
Section 12: NW/4, S/2, NE/4

Township 27 North, Range 7 West, N.M.P.M.
Section 28: SE/4, SW/4
Section 33: SW/4, NW/4
Section 35: LOTS 3, 4, 5, 6

Total Number of Acres in Participating Area: 1,928.86
 Total Number of Acres Committed to Participating Area: 1,928.86

Percent of Basic Royalty Committed: 100.00%
 Percent of Working Interest Committed: 100.00%
 Percent of ORRI Committed: 100.00%

EXHIBIT "B"
RINCON UNIT
RIO ARRIBA COUNTY, NEW MEXICO
GEOLOGIC REPORT
FOR THE PROPOSED SEVENTH EXPANSION
OF THE PARTICIPATING AREA
FOR THE CHACRA FORMATION

EL PASO NATURAL GAS COMPANY

By: 
D. E. Adams, Director
Reservoir Engineering Dept.

EXHIBIT "B"

RINCON UNIT
RIO ARRIBA COUNTY, NEW MEXICO

GEOLOGIC REPORT
FOR THE PROPOSED SEVENTH EXPANSION

OF THE PARTICIPATING AREA
FOR THE CHACRA FORMATION

INTRODUCTION

The Rincon Unit, located in the east-central portion of the San Juan Basin, is comprised of 20,471.87 acres in Townships 26 and 27 North, Ranges 6 and 7 West, Rio Arriba County, New Mexico.

Hydrocarbons are produced from four horizons of upper Cretaceous age. In descending order these are: (1) Pictured Cliffs sandstone, (2) Chacra sandstone, (3) Mesaverde Group and (4) the Dakota Producing Interval.

To date there has been extensive drilling and development of the Pictured Cliffs, Mesaverde and Dakota formations within the Rincon Unit. The completion of El Paso Natural Gas Company's No. 189 Rincon Unit well within the Chacra sand interval which occasioned the Initial Participating Area in the Rincon Unit for the Chacra pay zone needs now to be extended by the Proposed Seventh Expansion of the Participating Area to include the No. 230 Rincon Unit well which has been completed in the Chacra sand interval.

The Chacra interval which produces gas in the subject well is a sand development in the middle Lewis marine shale section. These sands, which have from two to three separate benches, are correlative along the southwestern portion of the San Juan Basin.

The overall Chacra interval which is gas productive in the No. 230 Rincon Unit well, correlates to that productive Chacra interval in the initial participating area, NW/4 Section 12, Township 26 North, Range 7 West, in El Paso Natural Gas Company's No. 189 Rincon Unit well.

Included with this report is a map which represents the structural interpretation (Exhibit "C", Plate No. 1) of the Chacra sands within the Unit.

PROPOSED SEVENTH EXPANSION
OF CHACRA PARTICIPATING AREA

Effective Date: July 1, 1981

The proposed Seventh Expansion of the Participating Area for the Chacra sandstone in the Rincon Unit is based on El Paso Natural Gas Company's No. 230 Rincon Unit well, located 970 feet from the south line and 790 feet from the west line of Section 28, Township 27 North, Range 7 West, Rio Arriba County, New Mexico.

On July 9, 1981 the Rincon Unit Well No. 230, on after frac gauge for sizing for sizing equipment only, flowed at the rate of 391 Mcf/D. Shut-in tubing pressure was 939 psia. Average daily production for 1981 was 160 Mcf/D.

Seventh Expansion Of Participating Acreage

Township 27 North, Range 7 West
Rio Arriba County, New Mexico

SW/4 Section 28
NW/4 Section 33

From the analysis of data obtained by the completion of the Rincon No. 230 Unit Well, the SW/4 of Section 28 is proven to be commercial in the Chacra formation. The NW/4 of Section 33 is included as an intervening drilling block.