



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

December 1, 1982

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

Case 299

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

ATTENTION: James R. Permenter

RE: Rincon Unit I, Sec. No. 916
Expanded Fifth & Sixth Parti-
cipating Areas
Chacra Formation
Rio Arriba County, NM

Dear Sir:

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,

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

ok

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-2600

Case # 299
R-# 87

October 20, 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

NOV 08 1982
OIL CON
SANTA FE

Re: Rincon Unit I Sec. No. 916
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
FIFTH AND SIXTH EXPANDED
PARTICIPATING AREAS, Chacra Formation,
Effective January 1, 1981
and February 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 Fifth and Sixth Expanded Participating Areas for the Chacra Formation, to wit:

FIFTH EXPANDED PARTICIPATING AREA - Effective January 1, 1981

| <u>Description of Lands</u> | <u>Acres</u> |
|---|--------------|
| <u>Township 27 North, Range 7 West, N.M.P.M.</u> Section 35: Lots 3, 4, 5 and 6 (NW/4) | 168.86 |

SIXTH EXPANDED PARTICIPATING AREA - Effective February 1, 1981

| <u>Description of Lands</u> | <u>Acres</u> |
|--|--------------|
| <u>Township 26 North, Range 7 West, N.M.P.M.</u> Section 12: NE/4 | 160.00 |

Regulatory Agencies
October 20, 1982
Page Two

NOV 08 1982
SANTA FE

These proposed Fifth and Sixth Expanded Participating Areas for the Chacra Formation are predicated upon the determination by El Paso Natural Gas Company, as Unit Operator, that the Rincon Unit #18R and #232 Chacra Wells are capable of producing unitized substances in paying quantities from the Chacra Formation, which determination is based on the following:

The Rincon Unit #18R Well, located 805' from the North line and 1810' from the West line of Section 35, Township 27 North, Range 7 West, N.M.P.M., was spudded on December 16, 1980, and completed on January 27, 1981, at a plugged back depth of 4084'. The Chacra Formation at the selected intervals between 3973' and 4046' was treated with a sand-water fracturing process on January 7, 1981. The well was shut-in on January 12, 1981, and after being shut-in for seven (7) days, the Chacra Formation was tested on January 19, 1981, using the choke nipple tube method with an after frac guage of 336 MCF/D, with an SIPC of 0 psia and an SIPT of 998 psia. The Pictured Cliffs Formation at the selected intervals between 3072' and 3129' was treated with a sand-water fracturing process on January 7, 1981. The well was shut-in on January 12, 1981, and after being shut-in for fifteen (15) days, the Pictured Cliffs Formation was tested on January 27, 1981, using the choke nipple tube method with an after frac guage of 1198 MCF/D, with an SIPC of 732 psia and an SIPT of 732 psia. The spacing unit for this well is described as the NW/4 of Section 35, Township 27 North, Range 7 West, N.M.P.M., containing 168.86 acres.

The Rincon Unit #232 Well, located 1710' from the North line and 1550' from the East line of Section 12, Township 26 North, Range 7 West, N.M.P.M., was spudded on December 8, 1980, and completed on February 5, 1981, at a plugged back depth of 3891'. The Chacra Formation at the selected intervals between 3760' and 3852' was treated with a sand-water fracturing process on December 30, 1980. The well was shut-in on January 29, 1981, and after being shut-in for seven (7) days, the Chacra Formation was tested on February 5, 1981, using the Pitot tube method with an after frac guage of 434 MCF/D, with an SIPC of 522 psia and an SIPT of 0 psia. The spacing unit for this well is described as the NE/4 of Section 12, Township 26 North, Range 7 West, N.M.P.M., containing 160.00 acres.

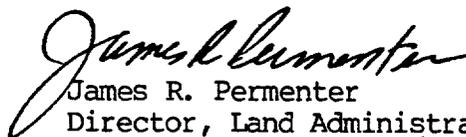
Attached hereto are Schedules VI and VII showing the proposed Fifth and Sixth Expanded Participating Areas for the Chacra Formation in the Rincon Unit Area. These Schedules describe the Participating Area, show the percentage of unitized substances allocated to the unitized tract, and the percentages of ownership in the tract.

Regulatory Agencies
October 20, 1982
Page Three

If these Fifth and Sixth Expanded Participating Areas of the Chacra Formation meet with your approval, please indicate such approval in the space provided on the attached sheet and return an approved copy hereof for our files.

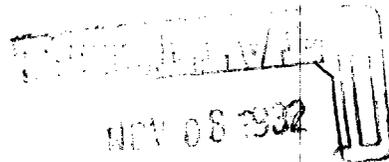
Copies of this letter and Schedules are being sent to the working interest owners shown on the attached sheet.

Very truly yours,


James R. Permenter
Director, Land Administration
Land Department *USA*

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

DATED: 11-19-82

The foregoing approvals are for the Rincon Unit I Sec. 916, Rio Arriba County,
New Mexico Fifth and Sixth Expanded Participating Areas, Chacra Formation,
Effective January 1, 1981 and February 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



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

December 1, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
15051 827-2434

Case 299

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

ATTENTION: James R. Permenter

RE: Rincon Unit I, Sec. No. 916
Seventeenth Expanded Partici-
pating Area
Dakota Formation
Rio Arriba County, NM

Dear Sir:

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

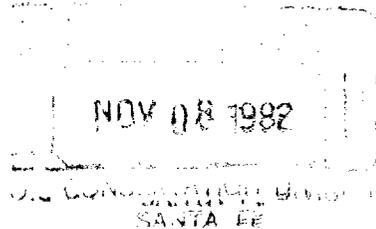
October 20, 1982

OK to approve
1 copy - El Paso
1 copy - File

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



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

Gentlemen:

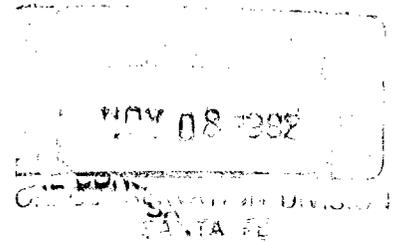
Pursuant to the provisions of Section 11 of the Rincon Unit Agreement I Sec. No. 916, approved February 27, 1952, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests approval of the Seventeenth Expanded Participating Area for the Dakota Formation, to wit:

SEVENTEENTH EXPANDED PARTICIPATING AREA - Effective December 1, 1981

| <u>Description of Lands</u> | <u>Acres</u> |
|---|--------------|
| <u>Township 27 North, Range 7 West, N.M.P.M.</u> Section 34: E/2 | 320.00 |

This proposed Seventeenth Expanded Participating Area for the Dakota Formation is predicated upon the determination by El Paso Natural Gas Company, as Unit Operator, that the Rincon Unit #229 Dakota Well is capable of producing unitized substances in paying quantities from the Dakota Formation, which determination is based on the following:

Regulatory Agencies
October 20, 1982
Page Two



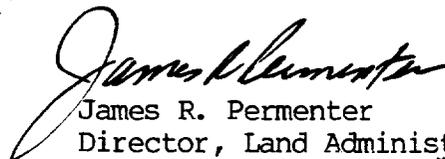
The Rincon Unit #229 Well, located 1930' from the South line and 880' from the East line of Section 34, Township 27 North, Range 7 West, N.M.P.M., was spudded on July 15, 1981, and completed on December 28, 1981, at a plugged back depth of 7523'. The Dakota Formation at the selected intervals between 7233' and 7443' was treated with a sand-water fracturing process on December 16, 1981. The well was shut-in on December 19, 1981, and after being shut-in for nine (9) days, the Dakota Formation was tested on December 28, 1981, using the Pitot tube method with an after frac guage of 426 MCF/D, with an SIPC of 2149 psia and an SIPT of 2139 psia. The spacing unit for this well is described as the E/2 of Section 34, Township 27 North, Range 7 West, N.M.P.M., containing 320.00 acres.

Attached hereto is Schedule XVIII showing the proposed Seventeenth Expanded Participating Area for the Dakota 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 Seventeenth Expanded Participating Area of the Dakota 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 *JRP*

JRP:VLG:cc
Enclosures
Rincon Unit, 4.3

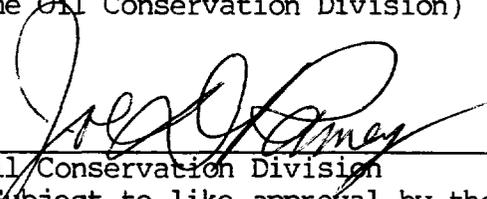
cc: Mr. Antonio Martinez
Executive Director
New Mexico Oil and
Gas Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

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: 11/22/83

The foregoing approvals are for the Rincon Unit I Sec. 916, Rio Arriba County,
New Mexico Seventeenth Expanded Participating Area, Dakota Formation,
Effective December 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 XVIII
 SEVENTEENTH EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION
 RINCON UNIT AREA

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | DRILLING BLOCK | | PRESENT ACTUAL PARTICIPATION |
|---------------|--|-----------------|---|--|--|
| | | | OWNERSHIP | PERCENTAGE | |
| SF-079052 | T-27-N, R-6-W | 520.00 | | | |
| | Sec. 17: SW/4, W/2 SE/4, SE/4 SE/4 | | Royalty: | 12.50% | 12.50% |
| | Sec. 18: SE/4, E/2 SW/4 | | Working Interest: E1 Paso Natural Gas. ORRI | 82.50% 5.00% <u>100.00%</u> | 82.50% 5.00% <u>100.00%</u> |
| | TOTAL | | | | 2.665044% |
| | | | | | <u>TRACT 1</u> |
| SF-079160 | T-27-N, R-7-W | 1,920.80 | | | |
| | Sec. 1: Lots 1,2,3,4, S/2 N/2, S/2 (A11) | | Royalty: | 12.50% | 12.50% |
| | Sec. 11: A11 Sec. 12: A11 | | Working Interest: E1 Paso Natural Gas. ORRI | 82.50% 5.00% <u>100.00%</u> | 82.50% 5.00% <u>100.00%</u> |
| | TOTAL | | | | 9.844264% |
| | | | | | <u>TRACT 2</u> |
| SF-079298 | T-27-N, R-7-W | 336.22 | | | |
| | Sec. 13: Lots 1,2,3,4, 5,6,7,8, (S/2) | | Royalty: | 12.50% | 12.50% |
| | | | Working Interest: E1 Paso Natural Gas. ORRI | 82.50% 5.00% <u>100.00%</u> | 82.50% 5.00% <u>100.00%</u> |
| | TOTAL | | | | 1.723156% |
| | | | | | <u>TRACT 3</u> |
| SF-079298-A | T-27-N, R-7-W | 160.00 | | | |
| | Sec. 14: NW/4 | | Royalty: | 12.5000% | 12.5000% |
| | | | Working Interest: E1 Paso Natural Gas. ORRI | 74.0625% 13.4375% <u>100.0000%</u> | 74.0625% 13.4375% <u>100.0000%</u> |
| | TOTAL | | | | .820014% |
| | | | | | <u>TRACT 4</u> |

SCHEDULE XVIII

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | DRILLING BLOCK | | PERCENTAGE COMMITTED | PRESENT ACTUAL PARTICIPATION |
|---------------|--|-----------------|---|--------------------------------------|--------------------------------------|------------------------------|
| | | | OWNERSHIP | PERCENTAGE | | |
| SF-079298-C | T-27-N, R-7-W | 352.07 | | | | |
| | Sec. 24: Lots 1,2,3,4, 5,6,7,8 (N/2) | | Royalty: Working Interest: Bert Fields ORRI | 12.50% 82.50% 5.00% 100.00% | 0.00% 0.00% 0.00% 0.00% | <u>0.000000%</u> |
| | | | TOTAL | | | |
| | | | TRACT 5 | | | |
| SF-079298-D | T-27-N, R-7-W | 768.76 | | | | |
| | Sec. 13: N/2 Sec. 14: Lots 7,9,10, (S/2 SW/4, NE/4 SW/4) Sec. 24: Lots 9,10,11,12, 13,14,15,16 (S/2) | | Royalty: Working Interest: El Paso Natural Gas. ORRI | 12.50% 82.50% 5.00% 100.00% | 12.50% 82.50% 5.00% 100.00% | <u>3.939961%</u> |
| | | | TOTAL | | | |
| | | | TRACT 7 | | | |
| SF-079301 | T-26-N, R-6-W | 161.81 | | | | |
| | Sec. 6: Lots 3,4,5, SE/4 NW/4 | | Royalty: Working Interest: El Paso Natural Gas. ORRI | 12.50% 82.50% 5.00% 100.00% | 12.50% 82.50% 5.00% 100.00% | <u>.829290%</u> |
| | | | TOTAL | | | |
| | | | TRACT 8 | | | |
| SF-079301-A | T-26-N, R-6-W | 161.35 | | | | |
| | Sec. 6: Lots 6,7, E/2 SW/4 | | Royalty: Working Interest: El Paso Natural Gas. ORRI | 12.50% 82.50% 5.00% 100.00% | 12.50% 82.50% 5.00% 100.00% | <u>.826933%</u> |
| | | | TOTAL | | | |

Effective December 1, 1981

SCHEDULE XVIII

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | DRILLING BLOCK | | PERCENTAGE COMMITTED | PRESENT ACTUAL PARTICIPATION |
|-----------------|--|-----------------|--|--------------------------------------|--------------------------------------|------------------------------|
| | | | OWNERSHIP | PERCENTAGE | | |
| <u>TRACT 9</u> | | | | | | |
| SF-079302 | T-26-N, R-6-W Sec. 6: Lots 1,2, S/2 NE/4 | 160.48 | Royalty: Working Interest: EI Paso Natural Gas Co. ORRI | 12.50% 82.50% 5.00% 100.00% | 12.50% 82.50% 5.00% 100.00% | <u>.822474%</u> |
| <u>TRACT 10</u> | | | | | | |
| SF-079302-B | T-26-N, R-6-W Sec. 6: SE/4 | 160.00 | Royalty: Working Interest: EI Paso Natural Gas. ORRI | 12.50% 82.50% 5.00% 100.00% | 12.50% 82.50% 5.00% 100.00% | <u>.820014%</u> |
| <u>TRACT 11</u> | | | | | | |
| SF-079321 | T-27-N, R-7-W Sec. 25: Lots 1,2,3, 4,5,6,7,8, E/2 | 656.48 | Royalty: Working Interest: EI Paso Natural Gas. ORRI | 12.50% 82.50% 5.00% 100.00% | 12.50% 82.50% 5.00% 100.00% | <u>3.364516%</u> |
| <u>TRACT 12</u> | | | | | | |
| SF-079360 | T-27-N, R-7-W Sec. 15: E/2 Sec. 22: NE/4 Sec. 23: N/2 | 800.00 | Royalty: Working Interest: EI Paso Natural Gas. ORRI | 12.50% 82.50% 5.00% 100.00% | 12.50% 82.50% 5.00% 100.00% | <u>4.100068%</u> |

Effective December 1, 1981

SCHEDULE XVIII

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | DRILLING BLOCK | | PERCENTAGE COMMITTED | PRESENT ACTUAL PARTICIPATION |
|-----------------|--------------------------|-----------------|-------------------------|----------------|----------------------|------------------------------|
| | | | OWNERSHIP | PERCENTAGE | | |
| <u>TRACT 13</u> | | | | | | |
| SF-079364 | T-27-N, R-6-W | 1,309.42 | | | | |
| | Sec. 28: N/2 | | Royalty: | 12.50% | 12.50% | <u>6.710889%</u> |
| | Sec. 29: S/2 | | Working Interest: | | | |
| | Sec. 30: N/2 | | EI Paso Natural Gas Co. | 80.00% | 80.00% | |
| | Sec. 31: N/2 | | ORRI | <u>7.50%</u> | <u>7.50%</u> | |
| | | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |
| | | | <u>TRACT 13</u> | | | |
| <u>TRACT 14</u> | | | | | | |
| SF-079364 | T-27-N, R-6-W | 1,295.91 | | | | |
| | Sec. 28: S/2 | | Royalty: | 12.50% | 12.50% | <u>6.641649%</u> |
| | Sec. 29: N/2 | | Working Interest: | | | |
| | Sec. 30: S/2 | | EI Paso Natural Gas. | 77.00% | 77.00% | |
| | Sec. 31: S/2 | | ORRI | <u>10.50%</u> | <u>10.50%</u> | |
| | | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |
| | | | <u>TRACT 14</u> | | | |
| <u>TRACT 14</u> | | | | | | |
| SF-079365-A | T-27-N, R-6-W | 520.00 | | | | |
| | Sec. 22: NE/4, NE/4 SE/4 | | Royalty: | 12.50% | 12.50% | <u>2.665044%</u> |
| | Sec. 23: N/2 | | Working Interest: | | | |
| | | | EI Paso Natural Gas. | 77.00% | 77.00% | |
| | | | ORRI | <u>10.50%</u> | <u>10.50%</u> | |
| | | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |
| | | | <u>TRACT 14</u> | | | |
| <u>TRACT 14</u> | | | | | | |
| SF-079365-A | T-27-N, R-6-W | 320.00 | | | | |
| | Sec. 23: S/2 | | Royalty: | 12.50% | 12.50% | <u>1.640027%</u> |
| | | | Working Interest: | | | |
| | | | EI Paso Natural Gas. | 80.00% | 80.00% | |
| | | | ORRI | <u>7.50%</u> | <u>7.50%</u> | |
| | | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |
| | | | <u>TRACT 14</u> | | | |

Effective December 1, 1981

SCHEDULE XVIII

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | DRILLING BLOCK | | PERCENTAGE COMMITTED | PRESENT ACTUAL PARTICIPATION |
|-----------------|------------------------------|-----------------|------------------------------|----------------|----------------------|------------------------------|
| | | | OWNERSHIP | PERCENTAGE | | |
| <u>TRACT 16</u> | | | | | | |
| SF-079367-A | T-27-N, R-6-W | 440.00 | | | | |
| | Sec. 26: N/2 | | Royalty: | 12.50% | 12.50% | <u>2.255038%</u> |
| | Sec. 27: W/2 SE/4, SE/4 SE/4 | | Working Interest: | 77.00% | 77.00% | |
| | | | El Paso Natural Gas Co. ORRI | <u>10.50%</u> | <u>10.50%</u> | |
| | | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |
| <u>TRACT 17</u> | | | | | | |
| SF-079404-A | T-27-N, R-6-W | 157.76 | | | | |
| | Sec. 18: Lots 1, 2, 3, 4 | | Royalty: | 12.50% | 12.50% | <u>.808534%</u> |
| | | | Working Interest: | 86.50% | 86.50% | |
| | | | El Paso Natural Gas. ORRI | <u>1.00%</u> | <u>1.00%</u> | |
| | | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |
| <u>TRACT 18</u> | | | | | | |
| SF-080213 | T-27-N, R-7-W | 320.00 | | | | |
| | Sec. 28: S/2 | | Royalty: | 12.50% | 12.50% | <u>1.640027%</u> |
| | | | Working Interest: | 82.50% | 82.50% | |
| | | | El Paso Natural Gas Co. ORRI | <u>5.00%</u> | <u>5.00%</u> | |
| | | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |

Effective December 1, 1981

SCHEDULE XVIII

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | DRILLING BLOCK | | PERCENTAGE COMMITTED | PRESENT ACTUAL PARTICIPATION |
|---------------|---|-----------------|---|-----------------|----------------------|------------------------------|
| | | | OWNERSHIP | PERCENTAGE | | |
| 3F-080385 | T-27-N, R-7-W | 2,645.09 | | | | |
| | Sec. 22: SE/4 | | Royalty: | 12.50% | 12.50% | <u>13.556312%</u> |
| | Sec. 23: Lots 1,2,3,4, SW/4 (S/2) | | Working Interest: EI Paso Natural Gas. ORRI | 82.50% 5.00% | 82.50% 5.00% | |
| | Sec. 26: Lots 1,2,3,4, 5,6,7,8,9,10, 11,12,13,14, 15,16 (A11) | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |
| | Sec. 27: E/2, SW/4 | | Royalty: | 12.50% | 12.50% | |
| | Sec. 34: E/2 | | Working Interest: EI Paso Natural Gas. ORRI | 82.50% 5.00% | 82.50% 5.00% | |
| | Sec. 35: Lots 1,2,3,4, 5,6,7,8,9,10, 11,12,13,14, 15,16 (A11) | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |

Effective December 1, 1981

SCHEDULE XVIII

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | DRILLING BLOCK | | PERCENTAGE COMMITTED | PRESENT ACTUAL PARTICIPATION |
|-----------------|--|-----------------|--|---------------------------|---------------------------|------------------------------|
| | | | OWNERSHIP | PERCENTAGE | | |
| <u>TRACT 20</u> | | | | | | |
| NM-012209 | T-27-N, R-7-W Sec. 14: Lots 1,2,3,4, 5,6,8,11,12, (E/2, NW/4 SW/4) | 337.63 | Royalty: Working Interest: El Paso Natural Gas Co. ORRI | 12.50% 81.50% 6.00% | 12.50% 81.50% 6.00% | <u>1.730383%</u> |
| <u>TRACT 21</u> | | | | | | |
| NM-013654 | T-27-N, R-6-W Sec. 18: NE/4, E/2 NW/4 Sec. 17: NE/4 SE/4, N/2 | 600.00 | Royalty: Working Interest: El Paso Natural Gas. ORRI | 12.50% 81.50% 6.00% | 12.50% 81.50% 6.00% | <u>3.075051%</u> |
| <u>TRACT 22</u> | | | | | | |
| E-289-29 | T-27-N, R-7-W Sec. 36: SW/4 | 160.00 | Royalty: Working Interest: El Paso Natural Gas. ORRI | 12.50% 82.50% 5.00% | 12.50% 82.50% 5.00% | <u>.820014%</u> |
| <u>TRACT 23</u> | | | | | | |
| E-290-3 | T-27-N, R-6-W Sec. 32: E/2 NW/4, NE/4 SW/4 T-27-N, R-7-W Sec. 36: S/2 NE/4 | 200.00 | Royalty: Working Interest: The Wiser Oil Co. ORRI | 12.50% 87.50% 0.00% | 12.50% 87.50% 0.00% | <u>1.025017%</u> |

Effective December 1, 1981

SCHEDULE XVIII

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | DRILLING BLOCK | | PERCENTAGE COMMITTED | PRESENT ACTUAL PARTICIPATION |
|---------------|------------------------------------|-----------------|-------------------------|----------------|----------------------|------------------------------|
| | | | OWNERSHIP | PERCENTAGE | | |
| E-290-28 | T-27-N, R-6-W | 200.00 | | | | <u>1.0250178</u> |
| | Sec. 32: SE/4, SW/4, W/2 NE/4 | | Royalty: | 12.50% | 12.50% | |
| | | | Working Interest: | 82.50% | 82.50% | |
| | T-27-N, R-7-W | | EI Paso Natural Gas Co. | 5.00% | 5.00% | |
| | Sec. 36: E/2 SE/4 | | ORRI | 100.00% | 100.00% | |
| | | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |
| | | | TRACT 24 | | | |
| E-290-28 | T-27-N, R-6-W | 440.00 | | | | <u>2.2550388</u> |
| | Sec. 16: W/2, W/2 SE/4, SE/4 | | Royalty: | 12.50% | 12.50% | |
| | | | Working Interest: | 77.50% | 77.50% | |
| | | | EI Paso Natural Gas. | 10.00% | 10.00% | |
| | | | ORRI | 100.00% | 100.00% | |
| | | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |
| | | | TRACT 25 | | | |
| E-290-28 | T-27-N, R-6-W | 200.00 | | | | <u>1.0250178</u> |
| | Sec. 32: W/2 NW/4, NW/4 SW/4 | | Royalty: | 12.50% | 12.50% | |
| | | | Working Interest: | 87.50% | 87.50% | |
| | | | EI Paso Natural Gas. | 0.00% | 0.00% | |
| | T-27-N, R-7-W | | ORRI | 100.00% | 100.00% | |
| | Sec. 36: N/2 NE/4 | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |
| | | | TRACT 25 | | | |
| E-290-28 | T-27-N, R-6-W | 680.00 | | | | <u>3.4850588</u> |
| | Sec. 32: SW/4 SW/4, E/2 NE/4, SE/4 | | Royalty: | 12.50% | 12.50% | |
| | | | Working Interest: | 82.50% | 82.50% | |
| | | | EI Paso Natural Gas. | 5.00% | 5.00% | |
| | T-27-N, R-7-W | | ORRI | 100.00% | 100.00% | |
| | Sec. 36: W/2 SE/4, NW/4 | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |

SCHEDULE XVIII

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | DRILLING BLOCK | | PRESENT ACTUAL PARTICIPATION | |
|---------------|---|-----------------|----------------------|------------|------------------------------|--------|
| | | | OWNERSHIP | PERCENTAGE | | |
| E-291-3 | T-27-N, R-6-W Sec. 2: Lots 1,2, S/2 NE/4, SE/4 (E/2) | 320.76 | | | <u>1.643922%</u> | |
| | | | Royalty: | 12.50% | | 12.50% |
| | | | Working Interest: | 87.50% | | 87.50% |
| | | | The Wisner Oil Co. | 0.00% | | 0.00% |
| | | | ORRI | 0.00% | | 0.00% |
| TOTAL | <u>100.00%</u> | <u>100.00%</u> | | | | |
| | | | <u>TRACT 26</u> | | | |
| E-291-35 | T-26-N, R-7-W Sec. 2: Lots 3,4, S/2 NW/4, (NW/4) | 160.68 | | | <u>.823499%</u> | |
| | | | Royalty: | 12.50% | | 12.50% |
| | | | Working Interest: | 82.50% | | 82.50% |
| | | | El Paso Natural Gas. | 5.00% | | 5.00% |
| | | | ORRI | 0.00% | | 0.00% |
| TOTAL | <u>100.00%</u> | <u>100.00%</u> | | | | |
| | | | <u>TRACT 27</u> | | | |
| E-291-35 | T-26-N, R-7-W Sec. 2: SW/4 | 160.00 | | | <u>.820014%</u> | |
| | | | Royalty: | 12.50% | | 12.50% |
| | | | Working Interest: | 82.50% | | 82.50% |
| | | | El Paso Natural Gas. | 5.00% | | 5.00% |
| | | | ORRI | 0.00% | | 0.00% |
| TOTAL | <u>100.00%</u> | <u>100.00%</u> | | | | |
| | | | <u>TRACT 28</u> | | | |
| E-6443-4 | T-27-N, R-6-W Sec. 16: NE/4 SE/4 | 40.00 | | | <u>.205003%</u> | |
| | | | Royalty: | 12.50% | | 12.50% |
| | | | Working Interest: | 82.50% | | 82.50% |
| | | | El Paso Natural Gas. | 5.00% | | 5.00% |
| | | | ORRI | 0.00% | | 0.00% |
| TOTAL | <u>100.00%</u> | <u>100.00%</u> | | | | |
| | | | <u>TRACT 29</u> | | | |

Effective December 1, 1981

SCHEDULE XVIII

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | DRILLING BLOCK | | PERCENTAGE COMMITTED | PRESENT ACTUAL PARTICIPATION |
|---------------|---|-----------------|--|----------------------------|----------------------------|------------------------------|
| | | | OWNERSHIP | PERCENTAGE | | |
| | | | | <u>TRACT 30</u> | | |
| Fee | T-27-N, R-6-W | 160.00 | | | | |
| | Sec. 22: E/2 NW/4, NE/4 SW/4, NW/4 SE/4 | | Royalty: Working Interest: El Paso Natural Gas Co. ORRI | 12.50% 75.00% 12.50% | 12.50% 75.00% 12.50% | <u>.820014%</u> |
| | | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |

RECAPITULATION

Description of Lands in Participating Area:

Township 26 North, Range 6 West, N.M.P.M.
Section 6: All

Township 26 North, Range 7 West, N.M.P.M.

Section 1: All
Section 2: All
Section 11: All
Section 12: All

Township 27 North, Range 6 West, N.M.P.M.

Sections 16, 17, 18, 19, 20, 21, 22, 23, 26,
27, 28, 29, 30, 31, 32: All

Township 27 North, Range 7 West, N.M.P.M.

Section 13: All
Section 14: All
Section 15: E/2
Section 22: E/2
Section 23: All
Section 24: All
Section 25: All
Section 26: All
Section 27: E/2, SW/4
Section 28: S/2
Section 34: E/2
Section 35: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9,
10, 11, 12, 13, 14, 15, 16 (All)
Section 36: All

Total Number of Acres in Participating Area 19,863.94
Total Number of Committed Acres in Participating Area 19,511.87

EXHIBIT "B"
RINCON UNIT
RIO ARRIBA COUNTY, NEW MEXICO
GEOLOGIC REPORT
DAKOTA PRODUCING INTERVAL
PROPOSED SEVENTEENTH EXPANSION
OF THE DAKOTA PARTICIPATING AREA

EL PASO NATURAL GAS COMPANY

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

EXHIBIT "B"

RINCON UNIT
RIO ARRIBA COUNTY, NEW MEXICO

GEOLOGIC REPORT
DAKOTA PRODUCING INTERVAL

PROPOSED SEVENTEENTH EXPANSION
OF THE DAKOTA PARTICIPATING AREA

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 in this unit from three horizons of upper Cretaceous age. In descending order these are: (1) Pictured Cliffs sandstone, (2) Mesaverde group, and (3) Dakota Producing Interval. The "Dakota Producing Interval", as defined by the New Mexico Commission in Rule 25, Order No. R-1670-C, is ". . . from the base of the Greenhorn limestone to a point 400 feet below the base of the said formation and consisting of the Graneros formation, the Dakota formation and the productive upper portion of the Morrison formation."

Within the Rincon Unit, 63 wells have been drilled to test the Dakota interval. Of these, 59 wells are commercial producers, one is non-commercial, two are plugged and abandoned and one is non-committed.

Included as part of this report are two maps entitled Exhibit "C". Exhibit "C", Figure No. 1 shows the subsurface structure of the "Dakota Producing Interval" as reflected by using the top of the Graneros formation as the mapping horizon and mean sea level as the datum plane. The overall picture presented by this map is primarily that of gentle, regional northeast dip. Exhibit "C", Figure No. 2 is an isopachous map showing the number of feet of net reservoir sandstone which is interpreted to be present within the "Dakota Producing Interval". Detailed discussions of the stratigraphy and lithology of the "Dakota Producing Interval" in the general area of the Rincon Unit may be found in geologic reports which have been previously submitted.

PROPOSED SEVENTEENTH EXPANSION
OF THE DAKOTA PARTICIPATING AREA

Effective Date: December 1, 1981

The proposed Seventeenth Expansion of the Dakota Participating Area is based upon the completion of the Rincon Unit Well No. 229 by El Paso Natural Gas Company, the Unit operator. This well is located 1,930 feet from the south line, 880 feet from the east line, Section 34, T-27-N, R-7-W, Rio Arriba County, New Mexico. On December 19, 1981, the Rincon Unit No. 229 well, on after frac gauge for sizing equipment only, flowed at the rate of 426 Mcf/D. Shut-in pressures were 2,161 psia casing and 2,151 psia tubing. Average daily production through July, 1982 has been 229 Mcf/D.

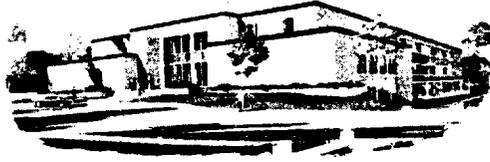
Proposed Expanded Acreage

Township 27 North, Range 7 West

Section 34: East Half

The subject well produces from the sand zones within the Graneros shale and from the Dakota "A" and "B" zones which are the upper and middle sands of the Dakota formation. These producing horizons are correlative with other wells in the Unit. The proposed acreage is inferred to be capable of producing unitized substances in commercial quantities from the Dakota "A" and "B" zones and the Graneros sandstone. Exhibit "C", Figure No. 2 illustrates the net reservoir sand which is interpreted to be present under the acreage proposed for admission to the Dakota Participating Area by the Seventeenth Expansion.

State of New Mexico



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

November 10, 1982

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

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

Re: Rincon Unit
Rio Arriba County, New Mexico
FIFTH AND SIXTH EXPANDED
PARTICIPATING AREAS, Chacra Formation,
Effective January 1, 1981
and February 1, 1981

ATTENTION: Mr. James R. Permenter

Gentlemen:

The Commissioner of Public Lands has this date approved the Fifth and Sixth Expanded Participating Areas, Chacra Formation for the Rincon Unit, Rio Arriba County, New Mexico. Such Expanded Participating Areas are predicated upon the determination by El Paso Natural Gas Company that the Rincon Unit Well No. 18R and No. 232 Chacra Wells are capable of producing unitized substances in paying quantities from the Chacra Formation Effective January 1, 1981 and February 1, 1981.

Enclosed is an approved copy for your files.

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

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-2748

AJA/RDG/pm
encls.

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

10

State of New Mexico



Commissioner of Public Lands

October 10, 1982

ALEX J. ARMIJO
COMMISSIONER

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

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

Re: Rincon Unit
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
SEVENTEENTH EXPANDED PARTICIPATING AREA,
Dakota Formation, Effective December 1, 1981

ATTENTION: Mr. James R. Permenter

Gentlemen:

The Commissioner of Public Lands has this date approved the Seventeenth Expanded Participating Area, Dakota 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. 229 Dakota Well is capable of producing unitized substances in paying quantities from the Dakota Formation effective December 1, 1981.

Enclosed is an approved copy for your files.

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

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-2748

AJA/RDG/pm
encls.

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

10

SCHEDULE VII
 SIXTH EXPANDED PARTICIPATING AREA FOR THE CHACRA FORMATION

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | RINCON UNIT AREA | | PERCENTAGE COMMITTED | PRESENT ACTUAL PARTICIPATION |
|---------------|-------------|-----------------|------------------|-----------|----------------------|------------------------------|
| | | | DRILLING BLOCK | OWNERSHIP | | |

TRACT 2

| | | | | | | |
|-----------|--------------------------|----------|------------------------------|----------------|----------------|------------|
| SF 079160 | T-26-N, R-7-W | 1,120.00 | | | | |
| | Sec. 11: NW/4, E/2 | | Royalty | 12.50% | 12.50% | 69.614510% |
| | Sec. 12: NW/4, S/2, NE/4 | | Working Interest | 82.50% | 82.50% | |
| | | | El Paso Natural Gas Co. ORRI | 5.00% | 5.00% | |
| | | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |

TRACT 18

| | | | | | | |
|-----------|---------------|--------|------------------------------|----------------|----------------|------------|
| SF 080213 | T-27-N, R-7-W | 320.00 | | | | |
| | Sec. 28: SE/4 | | Royalty | 12.50% | 12.50% | 19.889860% |
| | Sec. 33: SW/4 | | Working Interest | 82.50% | 82.50% | |
| | | | El Paso Natural Gas Co. ORRI | 5.00% | 5.00% | |
| | | | TOTAL | <u>100.00%</u> | <u>100.00%</u> | |

Effective February 1, 1981

SCHEDULE VII
 SIXTH EXPANDED PARTICIPATING AREA FOR THE CHACRA FORMATION

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

TRACT 19

| | | | | | | |
|-----------|---|--------|---------|---------|--|------------|
| SF 080385 | T-27-N, R-7-W Sec. 35: LOTS 3, 4, 5, 6 (NW/4) | 168.86 | | | | |
| | Royalty | | 12.50% | 12.50% | | |
| | Working Interest | | 82.50% | 82.50% | | |
| | El Paso Natural Gas Co. ORRI | | 5.00% | 5.00% | | |
| | TOTAL | | 100.00% | 100.00% | | 10.495630% |

Effective February 1, 1981

SCHEDULE VII
SIXTH EXPANDED PARTICIPATING AREA FOR THE CHACRA FORMATION

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | RINCON UNIT AREA | | PERCENTAGE COMMITTED | PRESENT ACTUAL PARTICIPATION |
|---------------|-------------|-----------------|------------------|----------------|----------------------|------------------------------|
| | | | OWNERSHIP | DRILLING BLOCK | | |

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

Section 33: SW/4

Section 35: LOTS 3, 4, 5, 6

Total Number of Acres in Participating Area:

1,608.86

Total Number of Acres Committed to

Participating Area:

1,608.86

Percent of Basic Royalty Committed:

100.00%

Percent of Working Interest Committed:

100.00%

Percent of ORRI Committed:

100.00%

SCHEDULE VI
 FIFTH EXPANDED PARTICIPATING AREA FOR THE CHACRA FORMATION
 RINCON UNIT AREA

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | DRILLING BLOCK | | PRESENT ACTUAL PARTICIPATION |
|---------------|--------------------|-----------------|-------------------------|------------|------------------------------|
| | | | OWNERSHIP | PERCENTAGE | |
| SF 079160 | T-26-N, R-7-W | 960.00 | Royalty | 12.50% | 66.258990% |
| | Sec. 11: NW/4, E/2 | | Working Interest | 82.50% | |
| | Sec. 12: NW/4, S/2 | | El Paso Natural Gas Co. | 5.00% | |
| | | | ORRI | 100.00% | |
| | | | TOTAL | 100.00% | |
| | | | <u>TRACT 2</u> | | |
| SF 080213 | T-27-N, R-7-W | 320.00 | Royalty | 12.50% | 22.086330% |
| | Sec. 28: SE/4 | | Working Interest | 82.50% | |
| | Sec. 33: SW/4 | | El Paso Natural Gas Co. | 5.00% | |
| | | | ORRI | 100.00% | |
| | | | TOTAL | 100.00% | |
| | | | <u>TRACT 18</u> | | |

Effective January 1, 1981

SCHEDULE VI
 FIFTH 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 | | | |
| | Sec. 35: LOTS 3, 4, 5, 6 (NW/4) | | | | |
| | Royalty | | 12.50% | 12.50% | |
| | Working Interest | | 82.50% | 82.50% | |
| | El Paso Natural Gas Co. ORRI | | 5.00% | 5.00% | |
| | TOTAL | | 100.00% | 100.00% | 11.654680% |

Effective January 1, 1981

SCHEDULE VI
 FIFTH 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

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

Total Number of Acres in Participating Area: 1,448.86
 Total Number of Acres Committed to Participating Area: 1,448.86

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

Effective January 1, 1981

EXHIBIT "B"
RINCON UNIT
RIO ARRIBA COUNTY, NEW MEXICO
GEOLOGIC REPORT
FOR THE PROPOSED FIFTH AND SIXTH EXPANSIONS
OF THE PARTICIPATING AREA
FOR THE CHACRA FORMATION

EL PASO NATURAL GAS COMPANY

By: *D. E. Adams (D.E.A.)*
D. E. Adams, Director
Reservoir Engineering Dept.

EXHIBIT "B"

RINCON UNIT
RIO ARRIBA COUNTY, NEW MEXICO

GEOLOGIC REPORT
FOR THE PROPOSED FIFTH AND SIXTH EXPANSIONS

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 Fifth and Sixth Expansions of the Participating Area to include the No. 18-R and No. 232 Rincon Unit wells which have 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. 18-R and No. 232 Rincon Unit wells, 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, along with the net reservoir sand thickness estimated to be productive in the No. 18-R and No. 232 Rincon Unit wells.

PROPOSED FIFTH EXPANSION
OF CHACRA PARTICIPATING AREA

Effective Date: January 1, 1981

The proposed Fifth expansion of the Participating Area for the Chacra sandstone in the Rincon Unit is based on El Paso Natural Gas Company's No. 18-R Rincon Unit well, located 805 feet from the north line and 1,810 feet from the west line of Section 35, Township 27 North, Range 7 West, Rio Arriba County, New Mexico.

On January 12, 1981 the Rincon Unit Well No. 18-R, on after frac gauge for sizing for sizing equipment only, flowed at the rate of 335 Mcf/D. Shut-in tubing pressure was 1,013 psia.

Fifth Expansion Of Participating Acreage

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

NW/4 Section 35

From the analysis of data obtained by the completion of the Rincon No. 18-R Unit Well, the NW/4 of Section 35 is proven to be commercial in the Chacra formation.

PROPOSED SIXTH EXPANSION
OF CHACRA PARTICIPATING AREA

Effective Date: February 1, 1981

The proposed Sixth Expansion of the Participating Area for the Chacra sandstone in the Rincon Unit is based on El Paso Natural Gas Company's No. 232 Rincon Unit well, located 1,710 feet from the north line and 1,550 feet from the east line of Section 12, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

On February 5, 1981, the Rincon Unit Well No. 232, on after frac gauge for sizing equipment only, flowed at the rate of 434 Mcf/D. Shut-in casing pressure was 537 psia and no tubing existed.

Sixth Expansion Of Participating Acreage

Township 26 North, Range 7 West
Rio Arriba County, New Mexico

NE/4 Section 12

From the analysis of data obtained by the completion of the Rincon No. 232 Unit well, the NE/4 of Section 12 is proven to be commercial in the Chacra formation.



IN REPLY
REFER TO:

United States Department of the Interior

MINERALS MANAGEMENT SERVICE
SOUTH CENTRAL REGION
505 MARQUETTE AVENUE, N.W., SUITE 819
ALBUQUERQUE, NEW MEXICO 87102

JUN 08 1982

JUN 7 1982

El Paso Exploration Company
Attention: D. N. Canfield
P. O. Box 1492
El Paso, Texas 79978

299

Gentlemen:

Three approved copies of your 1982 plan of development for the Rincon unit area, Rio Arriba County, New Mexico, are enclosed. Such plan, proposing no drilling during 1982, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

The possibility might exist of drainage by wells outside of the unit boundary. You will be contacted by our Development Unit about this possibility.

Sincerely yours,

Gene F. Daniel

Gene F. Daniel
Deputy Minerals Manager
Oil and Gas

Enclosures

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

State of New Mexico



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

April 27, 1982

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501
87504-1148

El Paso Exploration Company
P. O. Box 1492
El Paso, Texas 79978

Re: Rincon Unit
Rio Arriba County, New Mexico
1982 Drilling Program

299

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved your 1982 Drilling Program for the Rincon Unit, Rio Arriba County, New Mexico. Such plan provides for the drilling of no wells during the calendar year of 1982. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the United States Minerals Management Service.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

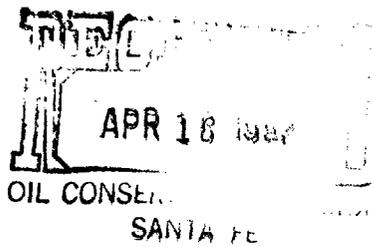
ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-2748

AJA/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico
USGS-Albuquerque, New Mexico

El Paso EXPLORATION
COMPANY



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

April 8, 1982

Area Oil and Gas Supervisor
United States Geological Survey
Post Office Box 26124
Albuquerque, New Mexico 87125

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

Re: Rincon Unit I Sec. No. 916
Rio Arriba County, New Mexico
1982 Drilling Program

299

Gentlemen:

By letter dated November 7, 1980, 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 1981. This Program provided for the drilling of four (4) Chacra/Mesaverde wells, two (2) Chacra wells and one (1) Dakota well.

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 1982.

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 as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY


D. N. Canfield
Attorney-in-Fact ^{11/24} _{JMC}

DNC:VLG:jec
Attachments
Rincon Unit, 3.0

APPROVED: _____
Area Oil and Gas Supervisor
United States Geological Survey
(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
United States Geological Survey
& the Oil Conservation Division)

DATED: _____

APPROVED: *W. Perry Davis*
Oil Conservation Division
(Subject to like approval by the
United States Geological Survey
& the Commissioner of Public Lands)

DATED: *6/03/82*

The foregoing approvals are for the 1982 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

299

May 8, 1981

Area Oil and Gas Supervisor
United States Geological Survey
Post Office Box 26124
Albuquerque, New Mexico 87125

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

Re: Rincon Unit I Sec. No. 916
Rio Arriba County, New Mexico
1981 Drilling Program

Gentlemen:

The Drilling Program for 1981 for the referenced unit was approved on the following dates:

| <u>USGS</u> | <u>CPL</u> | <u>OCD</u> |
|-------------|------------|------------|
| 2/4/81 | 12/2/80 | 12/8/80 |

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

Very truly yours,

Tom F. Hawkins

Tom F. Hawkins
Landman
Land Department



TFH/en
Rincon Unit, 3.0

RINCON UNIT
Working Interest Owners

Burton-Hawks, Inc.

Elizabeth Jeanne Turner Calloway

Conoco, Inc.

Tenneco Oil Company

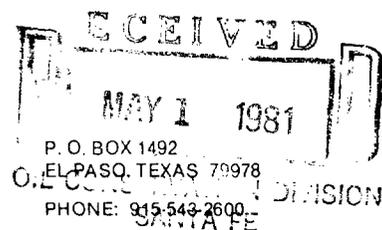
Frederick Eugene Turner

James Glenn Turner, Jr.

John Lee Turner

The Wiser Oil Company

El Paso NATURAL GAS
COMPANY



April 27, 1981

Area Oil and Gas Supervisor
United States Geological Survey
Post Office Box 26124
Albuquerque, New Mexico 87125

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

Re: Rincon Unit #223, #223A,
#233, and #234 Wells
Rio Arriba County, New Mexico

Gentlemen:

Attached are two copies of our letter of April 24, 1981 to the working interest owners regarding the commingling of the above wells. If you agree with the proposal set out in said letter we will appreciate you executing and returning one copy of said letter.

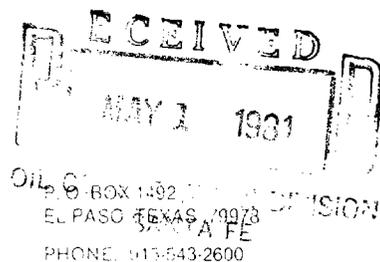
Very truly yours,

Tom F. Hawkins

Tom F. Hawkins
Landman
Land Department

TFH/en
Attachments
Rincon Unit, 3.0

EL PASO EXPLORATION
COMPANY



April 24, 1981

TO ALL RINCON UNIT
WORKING INTEREST OWNERS

Re: Rincon Unit #223, #223A,
#233 and #234 Wells
Rio Arriba County, New Mexico

Dear Interest Owner:

In our letter of October 27, 1980 which proposed the 1981 Drilling Program for the Rincon Unit the referenced wells were to be completed by commingling production from the Chacra and Mesaverde formations.

We are now in the process of making our application to the Oil Conservation Division for approval to dually complete said wells and to commingle the production from the two formations. We will propose that the production be apportioned between the two formations as explained in the attached memorandum from D. R. Read.

As the memorandum explains, the commingling of production will produce a cost savings of \$29,000.00 per well. If the above procedure meets with your approval, please sign and return one copy of this letter.

Very truly yours,



Tom F. Hawkins
Landman
Land Department

THE ABOVE PROPOSAL IS APPROVED

THIS ____ DAY OF _____, 1981.

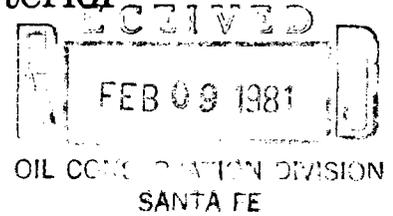
By: _____
(Title)

TFH/en
Attachment
Rincon Unit, 3.0



United States Department of the Interior

GEOLOGICAL SURVEY
South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125



9 FEB 1981

299

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

Gentlemen:

The 1981 plan of development submitted for the Rincon unit area, Rio Arriba County, New Mexico, was approved on this date subject to like approval by the appropriate State officials.

Such plan proposes the drilling of four dual Chacra/Mesaverde wells, two Chacra wells and one Dakota well. Three approved copies are enclosed.

Sincerely yours,

UNRECORDED BY:

Gene F. Daniel
Deputy Conservation Manager
Oil and Gas

Enclosures

cc:
NMOCD, Santa Fe (ltr only)

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

December 8, 1980

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

Attention: D. N. Canfield

Re: Case No. 299
Rincon Unit
1981 Drilling Program

Gentlemen:

We hereby approve the 1981 Drilling Program for the Rincon Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

One approved copy of the Drilling Program is returned herewith.

Yours very truly,

JOE D. RAMEY
Director

JDR/EP/fd
enc.

cc: U.S.G.S. - Roswell
Commissioner of Public Lands

C

O

P

Y

November 7, 1980

Area Oil and Gas Supervisor
United States Geological Survey
P. O. Box 26124
Albuquerque, New Mexico 87125

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
OK
12/1/80
S/P

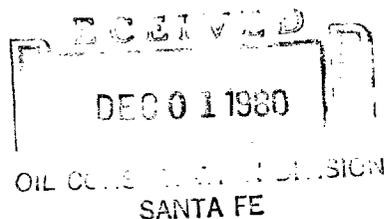
Re: Rincon Unit I Sec. No. 916
Rio Arriba County, New Mexico
1981 DRILLING PROGRAM

Gentlemen:

By letter dated November 26, 1979, 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 1980. This Program provided for the drilling of three (3) Mesaverde wells, one (1) Pictured Cliffs/Chacra well and one (1) Chacra well. The three (3) Mesaverde wells have been completed and are currently being evaluated to determine whether they are capable of producing unitized substances in paying quantities so as to cause an expansion of the Participating Area. The other two (2) wells are currently being drilled.

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, being drilled | 1 |
| Chacra | 5 |
| Chacra, being drilled | 1 |
| Mesaverde | 25 |
| Mesaverde, being evaluated | 3 |
| Dual, Pictured Cliffs/Mesaverde | 9 |
| Dual, Pictured Cliffs/Dakota | 6 |
| Mesaverde, Non-Commercial | 7 |
| Dakota | 46 |



| | |
|--|------------|
| Gallup/Dakota (Gallup-plugged; Dakota-Non-commercial) | 1 |
| Tocito (Oil) | 1 |
| | <u>211</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 the following wells during the calendar year 1981:

| <u>Well No.</u> | <u>Drilling Block</u> | <u>Formation</u> |
|-----------------|-----------------------------------|------------------|
| 233 | S/2 of Section 2, T-26-N, R-7-W | CH/MV |
| 234 | N/2 of Section 2, T-26-N, R-7-W | CH/MV |
| 238 | NE/4 of Section 22, T-27-N, R-7-W | Chacra |
| 230 | SW/4 of Section 28, T-27-N, R-7-W | Chacra |
| 229 | E/2 of Section 34, T-27-N, R-7-W | Dakota |
| 223 | S/2 of Section 34, T-27-N, R-7-W | CH/MV |
| 223A | S/2 of Section 34, T-27-N, R-7-W | CH/MV |

El Paso Natural Gas Company, as Unit Operator, plans to make an application to the Oil Conservation Division to down hole commingle the production from the two (2) formations in Well Nos. 233, 234, 223 and 223A.

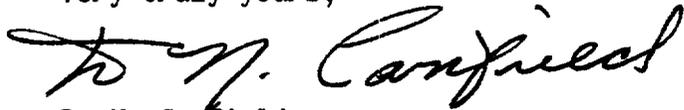
All working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

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
Attorney-in-Fact

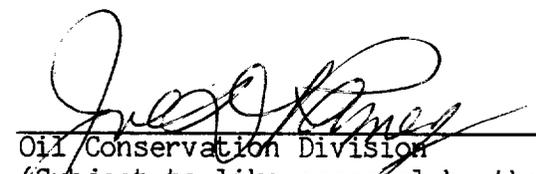
DNC:TFH:pw
Attachments
Rincon Unit 3.0

APPROVED: _____
Area Oil and Gas Supervisor
United States Geological Survey
(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
United States Geological Survey
& the Oil Conservation Division)

DATED: _____

APPROVED: 
Oil Conservation Division
(Subject to like approval by the
United States Geological Survey
& the Commissioner of Public Lands)

DATED: 12/8/80

The foregoing approvals are for the 1981 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

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

December 2, 1980

299
←

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

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

Re: Rincon Unit
Rio Arriba County, New Mexico
1981 Drilling Program

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved your 1981 Drilling Program for the Rincon Unit, Rio Arriba County, New Mexico. Such program calls for the drilling of wells no. 233, 234, 238, 230, 229, 223 and 223A. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505-827-2748

AJA/FOP/s
encls.

cc: OCD-Santa Fe, New Mexico
 USGS-Albuquerque, New Mexico
 USGS-Roswell, New Mexico

March 11, 1980

Area Oil & Gas Supervisor
United States Geological Survey
P. O. Box 26124
Albuquerque, New Mexico 87125

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

546 }
445 } Copy for
493 } each
498 }
299 ✓

Gentlemen:

The 1980 Drilling Program for the below listed units were approved by the regulatory bodies on the dates indicated:

| <u>Unit</u> | <u>USGS</u> | <u>CPL</u> | <u>OCC</u> |
|---------------|-------------|------------|------------|
| San Juan 27-5 | 2-01-80 | 1-21-80 | 2-21-80 |
| San Juan 28-7 | 2-29-80 | 11-30-79 | 1-07-80 |
| San Juan 30-6 | 2-01-80 | 12-05-79 | 1-07-80 |
| San Juan 32-9 | 2-04-80 | 12-05-79 | 1-07-80 |
| Rincon | 3-07-80 | 12-05-79 | 1-07-80 |

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

Very truly yours,



R. H. Nordhausen
Senior Landman
Land Department
Energy Resource Development

RHN:en
SJ 27-5, 3.0; SJ 28-7, 3.0;
SJ 30-6, 3.0; SJ 32-9, 3.0;
Rincon, 3.0



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Box 26124
Albuquerque, New Mexico 87125

299

7 MAR 1980

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

Gentlemen:

Your 1980 plan of development for the Rincon unit, Rio Arriba County, New Mexico, has been reviewed by this office.

The 1980 plan as submitted proposes to drill one Chacra, one Pictured Cliffs-Chacra, three Mesaverde wells and any other well or wells required to prevent drainage of unitized substances by wells outside the unit area. Such plan is hereby approved on this date. However, you are requested to re-examine sections 22, 28, 34, T. 27 N., R. 7 W., and sec. 2, T. 26 N., R. 7 W., for drainage of unitized substances from the Chacra, Mesaverde and/or Dakota by wells outside the unit boundary.

It is further requested that you report to this office within 60-days your finding of such examination as a supplement to your 1980 plan of development.

Sincerely yours,

(ORIG. SCD.) JACK WILSON

Oil and Gas Supervisor, SRMA

cc: NMOCD, Santa Fe (ltr only) ← This Copy for



ONE HUNDRED YEARS OF EARTH SCIENCE IN THE PUBLIC SERVICE

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 7, 1980

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

Attention: D. N. Canfield

Re: Case No. 299
Rincon Unit
1980 Drilling Program

Gentlemen:

We hereby approve the 1980 Drilling Program for the Rincon Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

One approved copy of the Drilling Program is returned herewith.

Yours very truly,

JOE D. RAMEY
Director

JDR/EP/fd
enc.

cc: U.S.G.S. - Roswell
Commissioner of Public Lands

C

O

P

Y

El Paso NATURAL GAS COMPANY

RECEIVED
DEC 03 1979
OIL CONSERVATION DIVISION
SANTA FE

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

November 26, 1979

Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

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

Re: Rincon Unit I Sec. No. 916
Rio Arriba County, New Mexico
1980 DRILLING PROGRAM

299
OK for approval
11/4/80
Z/R

Gentlemen:

By letter dated January 4, 1979, El Paso Natural Gas Company, as Unit Operator of the Rincon Unit I Sec. No. 916, filed a Drilling Program covering the subject Unit for the calendar year 1979. This Program provided for the drilling of four (4) Mesaverde Wells and one (1) Pictured Cliffs/Mesaverde well. All of the wells have been drilled and all, except for Wells 99A and 100A have also been completed.

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

| | |
|---|------------|
| Pictured Cliffs | 106 |
| Chacra | 5 |
| Mesaverde, Waiting to be Completed | 2 |
| Mesaverde | 23 |
| Dual, Pictured Cliffs/Mesaverde | 9 |
| Dual, Pictured Cliffs/Dakota | 6 |
| Mesaverde, Non-Commercial | 7 |
| Dakota | 46 |
| Gallup/Dakota (Gallup--plugged; Dakota-- non-commercial) | 1 |
| Tocito (oil) | 1 |
| | <u>206</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 the following Mesaverde wells during the calendar year 1980.

| <u>Well No.</u> | <u>Drilling Block</u> | <u>Formation</u> |
|-----------------|-----------------------------|------------------|
| 232 | NE/4 Sec. 12, T-26-N, R-7-W | Chacra |
| 18R | NW/4 Sec. 35, T-27-N, R-7-W | PC/Chacra |
| 21A | W/2 Sec. 16, T-27-N, R-6-W | Mesaverde |
| 32A | E/2 Sec. 16, T-27-N, R-6-W | Mesaverde |
| 82A | W/2 Sec. 23, T-27-N, R-6-W | Mesaverde |

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.

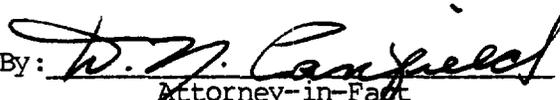
El Paso Natural Gas Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

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,

EL PASO NATURAL GAS COMPANY

By: 
Attorney-in-Fact

DNC:RHN:pw
Attachments
Rincon Unit 3.0

APPROVED: _____ DATE: _____
Regional Oil & Gas Supervisor
United States Geological Survey
Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Division

APPROVED: _____ DATE: _____
Commissioner of Public Lands
Subject to like approval by the
United States Geological Survey and
the Oil Conservation Division

APPROVED:  _____ DATE: 1/7/80
Oil Conservation Division
Subject to like approval by the
United States Geological Survey
and the Commissioner of Public Lands

The foregoing approvals for the 1980 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.

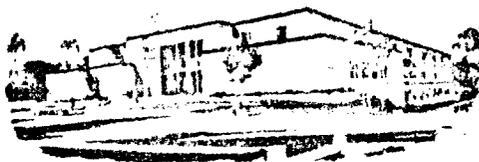
John Lee Turner

The Wiser Oil Company

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

December 5, 1979

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

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

299

Re: Rincon Unit
Rio Arriba County, New Mexico
1980 DRILLING PROGRAM

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved your 1980 Drilling Program for the Rincon Unit, Rio Arriba County, New Mexico. Such program provides for the drilling of Wells No. 232, 18R, 21A, 32A, and 82A. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
FLOYD O. PRANDO, Assistant Director
Oiland Gas Division
AC 505-827-2748

AJA/FOP/s
encl.
cc:

OCD-Santa Fe, New Mexico
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

August 7, 1979

Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

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

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

Re: Rincon Unit Area, I-Section No. 916
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELLS, Mesaverde Formation

Gentlemen:

Pursuant to Section 11(a) of the captioned Agreement, approved February 27, 1952, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that five (5) additional wells capable of producing unitized substances from the Mesaverde formation have been completed upon acreage committed to the Unit. These wells are as follows:

The Unit Well No. 29-A, located 1180' from the North line and 815' from the West line of Section 22, Township 27 North, Range 6 West, N.M.P.M., was spudded on August 18, 1978, and completed on December 4, 1978, at a plugged back total depth of 5689'. The Mesaverde formation at the intervals of 4792'-4804', 4842'-4852', 4868'-4886', 4894'-4907', 4907'-4920', 5012'-5024', 5150'-5170', 5180'-5200', 5250'-5266', 5352'-5364', 5380'-5392', 5392'-5404', 5416'-5434', 5444'-5452', 5474'-5488', 5550'-5560', 5574'-5580', 5600'-5616', 5620'-5630', 5634'-5648' was treated with a sand-water fracturing process on November 20, 1978. The

299

well was shut-in on November 24, 1978, and after being shut-in for ten (10) days, the Mesaverde Formation was tested on December 4, 1978, using the Pitot tube method with an after frac gauge of 1714 MCF/D, with an SIPC of 741 psia and an SIPT of 741 psia. The spacing unit for this well is described as the N/2 of Section 22, Township 27 North, Range 6 West, N.M.P.M.

The Unit Well No. 79-A, located 1110' from the North line and 730' from the West line of Section 17, Township 27 North, Range 6 West, N.M.P.M., was spudded on September 14, 1978, and completed on January 3, 1979, at a plugged back total depth of 5730'. The Mesaverde formation at the intervals of 4767', 4789', 4796', 4803', 4810', 4824', 4831', 4838', 4845', 4852', 4988', 5094', 5287', 5292', 5297', 5302', 5318', 5325', 5336', 5342', 5348', 5368', 5372', 5391', 5432', 5474', 5516', 5562', 5574', 5593', 5666', 5707' was treated with a sand-water fracturing process on November 1, 1978. The well was shut-in on December 14, 1978, and after being shut-in for twenty (20) days, the Mesaverde Formation was tested on January 3, 1979, using the Pitot tube method with an after frac gauge of 368 MCF/D, with an SIPC of 667 psia and an SIPT of 487 psia. The spacing unit for this well is described as the N/2 of Section 17, Township 27 North, Range 6 West, N.M.P.M.

The Unit Well No. 81-A, located 1140' from the South line and 1040' from the East line of Section 17, Township 27 North, Range 6 West, N.M.P.M., was spudded on August 27, 1978, and completed on April 9, 1979, at a plugged back total depth of 5857'. The Mesaverde formation at the intervals of 4902'-4910', 4920'-4932', 4942'-4958', 4968'-4974', 5090'-5110', 5182'-5188', 5212'-5223', 5268'-5276', 5366'-5378', 5430'-5440', 5448'-5464', 5474'-5496', 5505'-5512, 5542'-5552', 5574'-5594', 5706'-5712', 5728'-5733', 5748'-5762', 5770'-5780', 5818'-5826' was treated with a sand-water fracturing process on November 15, 1978. The well was shut-in on April 2, 1979, and after being shut-in for seven (7) days, the Mesaverde Formation was tested on April 9, 1979, using the Pitot tube method with an after frac gauge of 462 MCF/D, with an SIPC of 634 psia and an SIPT of 455 psia. The spacing unit for this well is described as the S/2 of Section 17, Township 27 North, Range 6 West, N.M.P.M.

The Unit Well No. 83-A, located 1140' from the South line and 1050' from the East line of Section 23, Township 27 North, Range 6 West, N.M.P.M., was spudded on August 9, 1978, and completed on April 9, 1979, at a plugged back total depth of 5985'. The Mesaverde formation at the intervals of 4977'-4982', 5002'-5014', 5024'-5036', 5054'-5075', 5080'-5087', 5090'-5100', 5120'-5126', 5544'-5556', 5573'-5584', 5589'-5600', 5616'-5624', 5634'-5644',

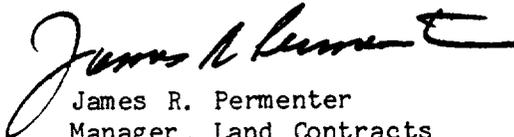
5668'-5674', 5697'-5713', 5726'-5736', 5750'-5756', 5798'-5808', 5827'-5835', 5844'-5856', 5872'-5886', 5898'-5908', 5934'-5950' was treated with a sand-water fracturing process on November 29, 1978. The well was shut-in on April 2, 1979, and after being shut-in for seven (7) days, the Mesaverde Formation was tested on April 9, 1979, using the Pitot tube method with an after frac gauge of 1120 MCF/D, with an SIPC of 687 psia and an SIPT of 591 psia. The spacing unit for this well is described as the E/2 of Section 23, Township 27 North, Range 6 West, N.M.P.M.

The Unit Well No. 97-A, located 910' from the South line and 1110' from the East line of Section 18, Township 27 North, Range 6 West, N.M.P.M., was spudded on September 5, 1978, and completed on January 2, 1979, at a plugged back total depth of 5835'. The Mesaverde formation at the intervals of 4789', 4794', 4868', 4891', 4896', 4919', 4926', 4933', 4959', 4966', 4973', 4980', 5010', 5240', 5384', 5430', 5437', 5444', 5454', 5460', 5466', 5472', 5478', 5484', 5490', 5509', 5542', 5549', 5564', 5574', 5586', 5610', 5634', 5683', 5709', 5721', 5752', 5759', 5778', 5786', 5822' was treated with a sand-water fracturing process on November 7, 1978. The well was shut-in on December 14, 1978, and after being shut-in for nineteen (19) days, the Mesaverde Formation was tested on January 2, 1979, using the Pitot tube method with an after frac gauge of 368 MCF/D, with an SIPC of 702 psia and an SIPT of 562 psia. The spacing unit for this well is described as the S/2 of Section 18, Township 27 North, Range 6 West, N.M.P.M.

All five (5) of the drilling blocks for the above-described wells are included within the existing Mesaverde Participating Area; therefore, the Mesaverde Participating Area is not enlarged by these wells.

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

Very truly yours,



James R. Permenter
Manager, Land Contracts
and Titles
Land Department
Exploration

JRP:RHN:pw
Attachment
Rincon Unit 4.2.1.

cc: Mr. Antonio Martinez

RINCON UNIT
Working Interest Owners

Burton-Hawks, Inc.

Elizabeth Jeanne Turner Calloway

Continental Oil Company

Tenneco Oil Company

Frederick Eugene Turner

James Glenn Turner, Jr.

John Lee Turner

The Wiser Oil Company

August 7, 1979

299

Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

RECEIVED
AUG 15 1979
OIL CONSERVATION DIVISION
SANTA FE

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

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

Re: Rincon Unit Area, I-Section No. 916
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELLS, Mesaverde Formation

Gentlemen:

Pursuant to Section 11(a) of the captioned Agreement, approved February 27, 1952, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that five (5) additional wells capable of producing unitized substances from the Mesaverde formation have been completed upon acreage committed to the Unit. These wells are as follows:

The Unit Well No. 29-A, located 1180' from the North line and 815' from the West line of Section 22, Township 27 North, Range 6 West, N.M.P.M., was spudded on August 18, 1978, and completed on December 4, 1978, at a plugged back total depth of 5689'. The Mesaverde formation at the intervals of 4792'-4804', 4842'-4852', 4868'-4886', 4894'-4907', 4907'-4920', 5012'-5024', 5150'-5170', 5180'-5200', 5250'-5266', 5352'-5364', 5380'-5392', 5392'-5404', 5416'-5434', 5444'-5452', 5474'-5488', 5550'-5560', 5574'-5580', 5600'-5616', 5620'-5630', 5634'-5648' was treated with a sand-water fracturing process on November 20, 1978. The

well was shut-in on November 24, 1978, and after being shut-in for ten (10) days, the Mesaverde Formation was tested on December 4, 1978, using the Pitot tube method with an after frac gauge of 1714 MCF/D, with an SIPC of 741 psia and an SIPT of 741 psia. The spacing unit for this well is described as the N/2 of Section 22, Township 27 North, Range 6 West, N.M.P.M.

The Unit Well No. 79-A, located 1110' from the North line and 730' from the West line of Section 17, Township 27 North, Range 6 West, N.M.P.M., was spudded on September 14, 1978, and completed on January 3, 1979, at a plugged back total depth of 5730'. The Mesaverde formation at the intervals of 4767', 4789', 4796', 4803', 4810', 4824', 4831', 4838', 4845', 4852', 4988', 5094', 5287', 5292', 5297', 5302', 5318', 5325', 5336', 5342', 5348', 5368', 5372', 5391', 5432', 5474', 5516', 5562', 5574', 5593', 5666', 5707' was treated with a sand-water fracturing process on November 1, 1978. The well was shut-in on December 14, 1978, and after being shut-in for twenty (20) days, the Mesaverde Formation was tested on January 3, 1979, using the Pitot tube method with an after frac gauge of 368 MCF/D, with an SIPC of 667 psia and an SIPT of 487 psia. The spacing unit for this well is described as the N/2 of Section 17, Township 27 North, Range 6 West, N.M.P.M.

The Unit Well No. 81-A, located 1140' from the South line and 1040' from the East line of Section 17, Township 27 North, Range 6 West, N.M.P.M., was spudded on August 27, 1978, and completed on April 9, 1979, at a plugged back total depth of 5857'. The Mesaverde formation at the intervals of 4902'-4910', 4920'-4932', 4942'-4958', 4968'-4974', 5090'-5110', 5182'-5188', 5212'-5223', 5268'-5276', 5366'-5378', 5430'-5440', 5448'-5464', 5474'-5496', 5505'-5512, 5542'-5552', 5574'-5594', 5706'-5712', 5728'-5733', 5748'-5762', 5770'-5780', 5818'-5826' was treated with a sand-water fracturing process on November 15, 1978. The well was shut-in on April 2, 1979, and after being shut-in for seven (7) days, the Mesaverde Formation was tested on April 9, 1979, using the Pitot tube method with an after frac gauge of 462 MCF/D, with an SIPC of 634 psia and an SIPT of 455 psia. The spacing unit for this well is described as the S/2 of Section 17, Township 27 North, Range 6 West, N.M.P.M.

The Unit Well No. 83-A, located 1140' from the South line and 1050' from the East line of Section 23, Township 27 North, Range 6 West, N.M.P.M., was spudded on August 9, 1978, and completed on April 9, 1979, at a plugged back total depth of 5985'. The Mesaverde formation at the intervals of 4977'-4982', 5002'-5014', 5024'-5036', 5054'-5075', 5080'-5087', 5090'-5100', 5120'-5126', 5544'-5556', 5573'-5584', 5589'-5600', 5616'-5624', 5634'-5644',

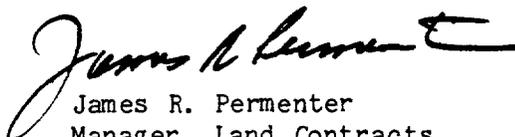
5668'-5674', 5697'-5713', 5726'-5736', 5750'-5756', 5798'-5808', 5827'-5835', 5844'-5856', 5872'-5886', 5898'-5908', 5934'-5950' was treated with a sand-water fracturing process on November 29, 1978. The well was shut-in on April 2, 1979, and after being shut-in for seven (7) days, the Mesaverde Formation was tested on April 9, 1979, using the Pitot tube method with an after frac gauge of 1120 MCF/D, with an SIPC of 687 psia and an SIPT of 591 psia. The spacing unit for this well is described as the E/2 of Section 23, Township 27 North, Range 6 West, N.M.P.M.

The Unit Well No. 97-A, located 910' from the South line and 1110' from the East line of Section 18, Township 27 North, Range 6 West, N.M.P.M., was spudded on September 5, 1978, and completed on January 2, 1979, at a plugged back total depth of 5835'. The Mesaverde formation at the intervals of 4789', 4794', 4868', 4891', 4896', 4919', 4926', 4933', 4959', 4966', 4973', 4980', 5010', 5240', 5384', 5430', 5437', 5444', 5454', 5460', 5466', 5472', 5478', 5484', 5490', 5509', 5542', 5549', 5564', 5574', 5586', 5610', 5634', 5683', 5709', 5721', 5752', 5759', 5778', 5786', 5822' was treated with a sand-water fracturing process on November 7, 1978. The well was shut-in on December 14, 1978, and after being shut-in for nineteen (19) days, the Mesaverde Formation was tested on January 2, 1979, using the Pitot tube method with an after frac gauge of 368 MCF/D, with an SIPC of 702 psia and an SIPT of 562 psia. The spacing unit for this well is described as the S/2 of Section 18, Township 27 North, Range 6 West, N.M.P.M.

All five (5) of the drilling blocks for the above-described wells are included within the existing Mesaverde Participating Area; therefore, the Mesaverde Participating Area is not enlarged by these wells.

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

Very truly yours,



James R. Permenter
Manager, Land Contracts
and Titles
Land Department
Exploration

JRP:RHN:pw
Attachment
Rincon Unit 4.2.1.

cc: Mr. Antonio Martinez

RINCON UNIT
Working Interest Owners

Burton-Hawks, Inc.

Elizabeth Jeanne Turner Calloway

Continental Oil Company

Tenneco Oil Company

Frederick Eugene Turner

James Glenn Turner, Jr.

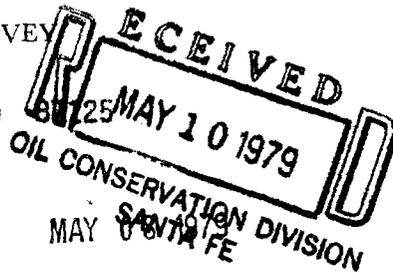
John Lee Turner

The Wiser Oil Company



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Box 26124
Albuquerque, New Mexico



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

*Case 249
file*

Gentlemen:

The fourth revision of the Chacra participating area of the Rincon unit, I-Sec. No. 916, Rio Arriba County, New Mexico, was approved on this date by the Oil and Gas Supervisor, SRMA, U. S. Geological Survey, effective as of October 1, 1978.

The fourth Chacra revision adds 640 acres described as the E $\frac{1}{2}$ of sec. 11 and the S $\frac{1}{2}$ sec. 12, T. 26 N., R. 7 W., N.M.P.M., thereby enlarging the Chacra participating area to 1,380 acres. Such revision is based on information obtained by the completion of unit well No. 212 located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of sec. 12, as a commercial well. Unit well No. 212 was completed on September 29, 1978, for a flow of 647 MCF per day from the Chacra interval of 3,684 - 3,756 feet.

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

Sincerely yours,

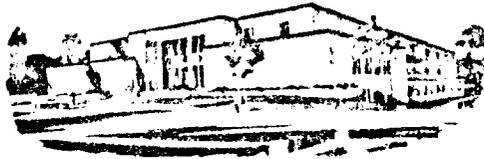
(ORIG. SGD.) GENE F. DANIEL

Acting Oil & Gas Supervisor, SRMA

Enclosures (3)

cc:
BLM, Santa Fe (ltr. only)
NMOCD, Santa Fe (ltr. only)
Com. Pub. Lands, Santa Fe (ltr. only)

State of New Mexico



Commissioner of Public Lands

April 25, 1979

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

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

Re: Rincon Unit
Rio Arriba County, New Mexico
AMENDED APPLICATION FOR APPROVAL
OF THE FOURTH EXPANDED PARTICIPATING
AREA, Chacra Formation-Effective
October 1, 1978

ATTENTION: James R. Permenter

Gentlemen:

In view of your submittal of an Amended Application for approval of the Fourth Expanded Participating Area, Chacra Formation, the Commissioner of Public Lands is hereby rescinding his approval of March 1, 1979, and by this letter is approving the Amended application covering E/2 Section 11, and the S/2 Section 12 in Township 26 North, Range 7 West a total of 640 acres. This approval of the amended application is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files as well as one copy surplus to our need.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encls.

cc: OCD-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

April 24, 1979

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

Attention: James R. Permenter

Re: Case No. 299
Rincon Unit
Amendment to Fourth
Expanded Participating
Area for the Chacra
Formation

Gentlemen:

We hereby approve the Amendment to the Fourth Expanded Participating Area for the Chacra Formation for the Rincon Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

Two approved copies of the Amendment are returned herewith.

Yours very truly,

JOE D. RAMEY
Director

JDR/LT/fd
enc.

cc: U.S.G.S. - Roswell
Commissioner of Public Lands

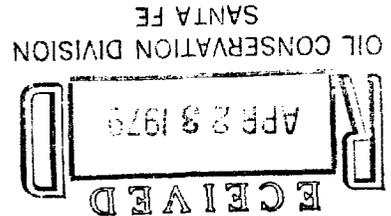
C
O
P
Y

April 18, 1979

Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

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

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



Re: Rincon Unit I Sec. No. 916,
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF ~~THE~~ AMENDMENT TO
FOURTH EXPANDED PARTICIPATING AREA,
Chacra Formation, Effective October 1, 1978

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, submitted application for approval of the Fourth Expanded Participating Area for the Chacra formation. El Paso Natural Gas Company respectively requests that its application dated February 16, 1979 be amended to provide that the Fourth Expanded Participating Area for the Chacra formation shall include the following lands:

FOURTH EXPANSION OF PARTICIPATING AREA - Effective October 1, 1978

| <u>Description of Lands</u> | <u>Acres</u> |
|--|--------------|
| <u>Township 26 North, Range 7 West, N.M.P.M.</u> | |
| Section 11: E/2 | 320.00 |
| Section 12: S/2 | 320.00 |

Attached hereto is a Revised Schedule V showing the proposed Fourth Expanded Participating Area for the Chacra formation.

If the application for the Fourth Expanded Participating Area of the Chacra formation, as amended hereby, 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
Manager, Land Contracts
and Titles
Land Department
Energy Resource Development

JRP:RHN:pw
Enclosures
Rincon Unit 4.5

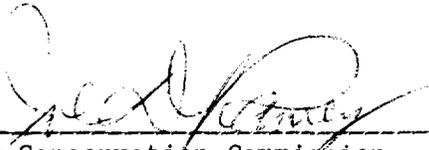
cc: Mr. Antonio Martinez
Executive Director
New Mexico Oil and Gas Accounting Commission
Post Office Box 2308
Santa Fe, New Mexico 87501

APPROVED: _____
Regional Oil & Gas Supervisor
United States Geological Survey
Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Commission

DATE: _____

APPROVED: _____
Commissioner of Public Lands
Subject to like approval by the
United States Geological Survey
and the Oil Conservation Commission

DATE: _____

APPROVED:  _____
Oil Conservation Commission
Subject to like approval by the
United States Geological Survey
and the Commissioner of Public Lands

DATE: 4/24/79

The foregoing approvals are for the Rincon Unit I Sec. 916, Rio Arriba County, New Mexico Fourth Expanded Participating Area, Chacra Formation, Effective October 1, 1978 pursuant to application dated February 16, 1979 as amended April 18, 1979.

NIT AREA EXPANSION SCHEDULE - SAN JUAN BASIN
 SCHEDULE V
 FOURTH EXPANDED PARTICIPATING AREA FOR THE CHACRA FORMATION
 RINCON UNIT AREA

| SERIAL NUMBER | DESCRIPTION | NUMBER OF ACRES | DRILLING BLOCK | | PRESENT ACTUAL PARTICIPATION |
|---------------|-------------------------|-----------------|----------------|------------|------------------------------|
| | | | OWNERSHIP | PERCENTAGE | |
| F 079160 | T-26-N, R-7-W | 960.00 | | | 75.000000% |
| | Sec. 11: NW/4, E/2 | | | 12.50% | |
| | Sec. 12: NW/4, S/2 | | | 82.50% | |
| | | | | 5.00% | |
| | TOTAL | | | 100.00% | |
| | <u>TRACT 2</u> | | | | |
| F 080213 | T-27-N, R-7-W | 320.00 | | | 25.000000% |
| | Sec. 28: SE/4 | | | 12.50% | |
| | Sec. 33: SW/4 | | | 82.50% | |
| | | | | 5.00% | |
| | TOTAL | | | 100.00% | |
| | <u>TRACT 18</u> | | | | |
| | Royalty | | | | |
| | Working Interest: | | | | |
| | El Paso Natural Gas Co. | | | | |
| | ORRI | | | | |
| | TOTAL | | | | |

Effective October 1, 1978

SCHEDULE V
FOURTH EXPANDED PARTICIPATING AREA FOR THE CHACRA FORMATION
RINCON UNIT AREA

R E C A P I T U L A T I O N

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

Township 27 North, Range 7 West, N.M.P.M.

Section 28: SE/4

Section 33: SW/4

Total number of acres in Participating Area: 1280.00

Total number of acres committed to Participating Area: 1280.00

Percent of Basic Royalty Committed: 100.00%

Percent of Working Interest Committed: 100.00%

Percent of ORRI Committed: 100.00%

Effective October 1, 1978

RINCON UNIT
Working Interest Owners

Burton-Hawks, Inc.

Elizabeth Jeanne Turner Calloway

Continental Oil Company

Tenneco Oil Company

Frederick Eugene Turner

James Glenn Turner, Jr.

John Lee Turner

The Wiser Oil Company

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

EL PASO NATURAL GAS COMPANY

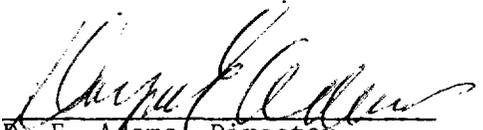
By: 
D. E. Adams, Director
Reservoir Engineering Dept.

EXHIBIT "B"

RINCON UNIT
RIO ARRIBA COUNTY, NEW MEXICO

GEOLOGIC REPORT
FOR THE PROPOSED FOURTH 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 Fourth Expansion of the Participating Area to include the No. 212 Rincon Unit well which has been completed in the Chacra sand interval, and the nearby offset locations within geological control.

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. 212 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, along with the net reservoir sand thickness estimated to be productive in the No. 212 Rincon Unit well.

PROPOSED FOURTH EXPANSION
OF CHACRA PARTICIPATING AREA

Effective Date: October 1, 1978

The proposed Fourth Expansion of the Participating Area for the Chacra sandstone in the Rincon Unit is based on El Paso Natural Gas Company's No. 212 Rincon Unit well, located 1000 feet from the south line and 975 feet from the east line of Section 12, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

On September 29, 1978 the Rincon Unit Well No. 212, on after frac gauge for sizing equipment only, flowed at the rate of 647 Mcf/d. Shut-in casing pressure was 1030 psia and no tubing existed.

Fourth Expansion of Participating Acreage

Township 26 North, Range 7 West
Rio Arriba County, New Mexico

Section 11: E/2
Section 12: S/2

From the analysis of data obtained by the completion of the Rincon No. 212 Unit well, and the correlation of existing well logs in adjacent areas, the above proposed acreage for Unit Expansion is proven or is inferred to be capable of producing commercial quantities from the Chacra formation.

March 20, 1979

Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

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

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

Re: Rincon Unit I Sec. No. 916,
Rio Arriba County, New Mexico
APPLICATION DATED FEBRUARY 16, 1979
FOR APPROVAL OF THE FOURTH EXPANDED
PARTICIPATING AREA,
Chacra Formation, Effective October 1, 1978

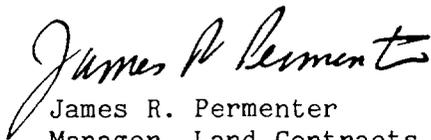
Gentlemen:

In support of the above-referenced application, we are furnishing herewith the following Exhibits:

Exhibit "B" - Geological Report

Exhibit "C" - Rincon Unit - Subsurface Structure Map

Very truly yours,



James R. Permenter
Manager, Land Contracts
and Titles
Land Department
Energy Resource Development

JRP: jm
Enclosures
Rincon Unit 4.5

EXHIBIT "B"
RINCON UNIT
RIO ARRIBA COUNTY, NEW MEXICO
GEOLOGIC REPORT
FOR THE PROPOSED FOURTH 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 FOURTH 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 Fourth Expansion of the Participating Area to include the No. 212 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. 212 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, along with the net reservoir sand thickness estimated to be productive in the No. 212 Rincon Unit well.

PROPOSED FOURTH EXPANSION
OF CHACRA PARTICIPATING AREA

Effective Date: October 1, 1978

The proposed Fourth Expansion of the Participating Area for the Chacra sandstone in the Rincon Unit is based on El Paso Natural Gas Company's No. 212 Rincon Unit well, located 1000 feet from the south line and 975 feet from the east line of Section 12, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

On September 29, 1978 the Rincon Unit Well No. 212, on after frac gauge for sizing equipment only, flowed at the rate of 647 Mcf/d. Shut-in casing pressure was 1030 psia and no tubing existed.

Fourth Expansion of Participating Acreage

Township 26 North, Range 7 West
Rio Arriba County, New Mexico

SE/4 Section 12

From the analysis of data obtained by the completion of the Rincon No. 212 Unit well, the SE/4 of Section 12 is proven to be commercial in the Chacra formation.