

October 30, 1978

Regional Oil & 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. 916
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
SIXTEENTH EXPANDED PARTICIPATING
AREA, DAKOTA FORMATION
Effective September 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, hereby respectfully requests approval of the Sixteenth Expanded Participating Area for the Dakota Formation, to wit:

SIXTEENTH EXPANDED PARTICIPATING AREA - Effective September 1, 1978

<u>Description of Lands</u>	<u>Acres</u>
<u>Township 26 North, Range 7 West N.M.P.M.</u>	
Section 11: All	640.00
Section 12: W/2	320.00

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Page 2

The proposed Sixteenth Expanded Participating Area of the Dakota Formation is predicated upon the determination by El Paso Natural Gas Company, as Unit Operator, that the Rincon Unit #231 well is capable of producing unitized substances in paying quantities from the Dakota formation.

In support of this application, the following listed Exhibits are made a part hereof:

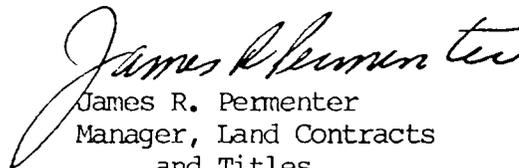
- EXHIBIT "B" - Geological Report on the Sixteenth Expanded Participating Area of the Dakota Formation within the Rincon Unit.
- EXHIBIT "C" - Plate No. 1: Rincon Unit Dakota Structure Map.
- Plate No. 2: Rincon Unit Dakota Isopach Map.
- EXHIBIT "D" - Table 1: Dakota production and deliverability.

Attached hereto is Schedule XVII that shows the proposed Sixteenth Expanded Participating Area for the Dakota Formation in the Rincon Unit Area. This Schedule describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the percentages of ownership in each tract.

If this Sixteenth Expanded Participating Area of the Dakota Formation meets with your approval, please indicate such approval in the space provided below and return an approved copy hereof for your files.

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
Energy Resource Development

JRP:RHN:pw
Enclosures
Rincon Unit 4.3

cc: Mr. Antonio Martinez, Executive Director
New Mexico Oil & Gas Accounting Commission

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

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

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

The foregoing approvals are for the Sixteenth Expanded Participating Area
of the Dakota Formation, Rincon Unit I Sec. No. 916, Rio Arriba County,
New Mexico.

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 2 1978

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

Attention: James R. Permenter

Re: Case No. 299
Rincon Unit
Third Expanded
Participating Area
for the Chacra Formation

Gentlemen:

We hereby approve the Third 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.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

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

C
O
P
Y

October 25, 1978

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State of New Mexico
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No. 299

Re Rincon Unit I Sec. No. 916,
Rio Arriba County, New Mexico
APPLICATION DATED AUGUST 11, 1978
FOR APPROVAL OF THE THIRD EXPANDED
PARTICIPATING AREA,
Chacra Formation, Effective October 1, 1977

Gentlemen:

In support of the above-referenced application, we are furnishing herewith an ownership map reflecting the boundaries of the Unit and the Third Expanded Participating Area for the Chacra Formation. Further, we wish to advise that our determination that the well is commercial is based on our observation of production from the well for a period of seven (7) months; production from the well for that period is as follows:

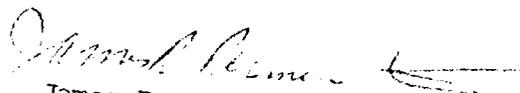
<u>Operating Month</u>	<u>Mcf/D</u>	<u>Cum. MMcf</u>
1	149.9	4.50
2	108.5	7.86
3	159.5	12.80
4	114.3	16.00
5	102.7	19.19
6	125.3	22.95
7	73.3	25.22

October 25, 1978

Page 2

Further, please be advised that the effective date of the Expansion should have been shown as October 1, 1977.

Very truly yours,



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

JRP:pw
Enclosure
Rincon Unit 4.5

October 25, 1978

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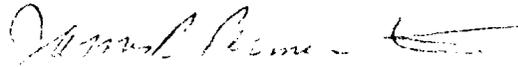
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Enclosure
Rincon Unit 4.5