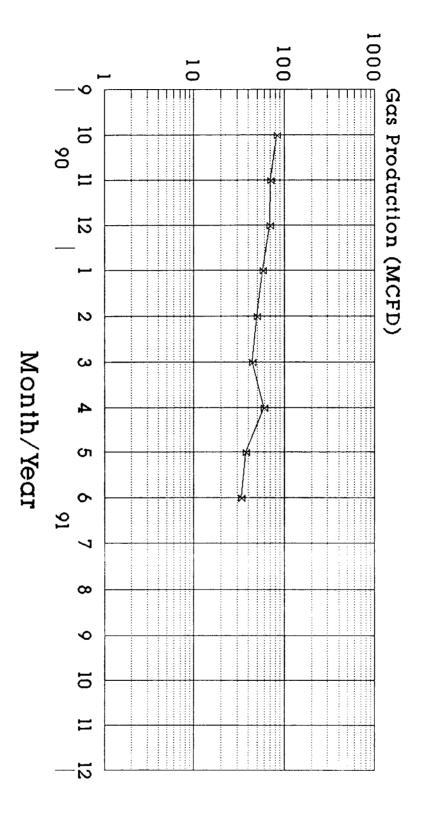
RINCON UNIT #261 RIO ARRIBA COUNTY, NEW MEXICO



Production based on actual days on

⊸ Gαs

UNOCAL North American Oil & Gas Division Economic Report Summary

REGION: Southwestern DISTRICT: Farmington CNTYSTATE: New Mexico

PROJECT NAME: RINCON U. #261 - FT TAXCR

LOCATION:

	IDENT	IFICATION				PROFII			PRESENT	r WORTH PROFI	LE
								ATAX			
							VI):		DISCOUNT	BTAX	
LSE/BLOCK :						ISCOUNTED			RATE (%)		(M\$)
FORMATIC	ON : FRUITLA				-0.77						
TOTAL DE	PTH:		DIS	C a 15.0%	-0.81	-0.29			29.		
OPERATOR	R : Unocal		INV E	FF RATIO (1	ER):		5.0	-182.	-19.		
AFE #	:		UND	ISCOUNTED	-0.62	0.14	10.0 15.0	-196.	-52.		
LIFE (YRS) : 28.2					DIS	c a 10.0%				-206.	-75.
					DIS	c a 15.0%	-0.81	-0.36			-92.
WI ORI GRI DATE								25.0	-216.	-104.	
100.0000	00 80.99870	80.998	70 AUG	1990	PAYOU	T (YEARS)	*	10.3			
					RATE	OF RETURN ((%) -1000.0	2.7		TE : AUG 199 THOD: EFFECTI	
	COMMOD11	Y PRICES	· · · · · · · ·			INVESTME	NTS (M\$) -		CASH	f FLOW (M\$) -	
		BEG	END	AVG			GROSS	NET			NET
OIL	(\$/BBL)	0.00	0.00	0.00	LEASE	HOLD	0.	0.	TOTAL REVENUES		269.
GAS	(\$/MCF)	1.50 0.00	1.42	1.41	DRY H	DLE	0.	0.	EXPENSES:		
NGL	(\$/BBL)	0.00	0.00	0.00					OPEX (LOE	:)	101.
SULPHUR	(\$/TON)	0.00	0.00	0.00	DRILL	ING			WORKOVER		0.
					COMPL	ET I ON	0.	0.	PLANT		0.
\$EQUIV E	\$EQUIV BOE RATIO 6.00 6.00		6.00	PLATE	DRM	0.	0.	SEV & ADV	AL TAXES	40.	
				FACIL	FACILITIES		0.	INDIRECT		8.	
	UNIT COS	ST PERFORM	ANCE		PIPEL	PIPELINE		0.	SEV & ADVAL TAXES INDIRECT OVERHEAD		22.
		GRO	SS	NET	PLANT		0.	0.	NET ABAND		0.
					GATHE	RING	0.	0.			
OPEX	(\$/BOE)	2	.57	3.17					NET INVESTMENTS	3	258.
OPEX	(\$/BO\$E)				MISC	INTAN	181.	181.			
F&D	(\$/BOE)	6		8.13	MISC	TAN	77.	77.			-159.
F&D	(\$/BO\$E)	17							INCOME TAXES PA		-189.
	(\$/BOE)			0.92		TOTAL	258.	258.	ATAX CASH FLOW		29.
ATAX CF	(\$/BO\$E)			2.38	DISC	a 10.0%	256.	256.	ATAX DISC @ 10	0.0%	-52.
									ASSUMPTIONS & REM	MARKS	• • • • • • • • • • • • • • • • • • • •
						ET					
		REMAI		LT	REMAIN						
OIL (MBE	BLS)		0.	0.	0.	0.					
GAS (MM		23	55.	235.	190.	190.					
NGL (MB			0.	0.	0.	0.					
SULPHUR	(MTONS)		0.	0.	0.	0.					
EQUIVALE	ENT RESERVES:	:									
вти	U (MBOE)	3	9.	39.							
VA	LUE (MBO\$E)	1	5.	15.	12.	12.					
INITIAL	RATE:										
011	(BBLS/DAY)		0.					GLOBAL FI	LES: 1= \$UNOCAL1	2= \$UNOCAL2	
	(MCF/DAY)		83.					ALTKEY: U	SA		
	ATE: 09/26/9	1 T	IME: 09:	03:21	RPT F	ILE: 4	PG #	1	PRJ FILE: P.A.	EVAL	# 39

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20 DATES
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30 NAME
40 FIELD
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50 CNTYSTATE
               "NEW MEXICO
                "FRUITLAND COAL
50 FORMATION
70 OPERATOR
               "UNOCAL
               ELIM
80 ECONOMICS
90 OWNERSHIP
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120 COMMENT
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130 COMMENT
140 GPROD
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160 GPROD
                          EXP * * * 7. 36.
170 GPROD
                          EXP * * * 5.
190 GPROD
                          MON 77400. 0. 0. 0.
210 TAN
                    I
                          MON 180600. 0.
220 INTAN
                    I
230 COMMENT
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                          MON 1.27 1.61 1.66 1.45 0.95 0.75 0.74 0.73 0.76
240 PRGAS
                   Ρ
                    *
                          CON 1.2
260 PRGAS
                1.18 PRGAS
290 FACTOR
310 LOETOT
                Р
                       CON 300.
                          CON 3.5
320 AVALPS
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70 TEMP5
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80 TEMP5
               JAN 1991 CON 0.92
               JAN 2003 CON 0.
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                 TEMP5
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120 FACTOR
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GLOBAL FILE: \$UNOCAL1

UNOCAL North American Oil & Gas Division Economic Report Summary AS OF AUG 1, 1990

DATE: 09/26/91 TIME: 09:03:21 PAGE: 2

NAME : RINCON U. #261 - FT TAXCR FIELD : BASIN FRUITLAND COAL NAME

CNTY, STATE: NEW MEXICO FORMATION : FRUITLAND COAL OPERATOR : UNOCAL

		NET VOLUME			NET EQ PROD		NET REV	EFFECTIVE	NET GAS	NET TOTAL
		OIL + COND		VOLUME	(RE: BOE)		OIL + COND		REVENUE	REVENUE
		MBBLS								
(5MO)1990	0.0		6.8	5.5		0.00	0.0	1.77	9.7	9.7
1991	0.0	0.0	16.4	13.2	2.2	0.00	0.0	1.25	16.5	16.5
1992	0.0	0.0	14.9	12.0	2.0	0.00	0.0	1.42	17.0	17.0
1993	0.0	0.0	13.8	11.2	1.9	0.00	0.0	1.42	15.9	15.9
1994	0.0	0.0	12.9	10.4	1.7	0.00	0.0	1.42	14.7	14.7
1995	0.0	0.0	12.1	9.8	1.6	0.00	0.0	1.42	13.9	13.9
1996	0.0	0.0	11.5	9.3	1.6	0.00	0.0	1.42	13.2	13.2
1997	0.0	0.0	10.9	8.8	1.5	0.00	0.0	1.42	12.5	12.5
1998	0.0	0.0	10.4	8.4	1.4	0.00	0.0	1.42	11.9	11.9
1999	0.0	0.0	9.9	8.0	1.3	0.00	0.0	1.42	11.3	11.3
2000	0.0	0.0	9.4	7.6		0.00	0.0	1.42	10.7	10.7
2001	0.0	0.0	8.9	7.2	1.2	0.00	0.0	1.42	10.2	10.2
2002	0.0	0.0	8.5	6.8	1.1	0.00	0.0	1.42	9.7	9.7
2003	0.0		8.0	6.5	1.1	0.00	0.0	1.42	9.2	9.2
2004	0.0	0.0	7.6	6.2	1.0	0.00	0.0	1.42	8.7	8.7
SUB TOTAL	0.0	0.0	161.8	131.1	21.8	0.00	0.0	1.41	185.3	185.3
REMAINDER	0.0	0.0	73.3	59.4	9.9	0.00	0.0	1.42	84.1	84.1
TOT 28.2 YR	0.0	0.0	235.2	190.5	31.7	0.00	0.0	1.41	269.4	269.4
	NET LOE	NET	NET TOTAL	NET TOTAL	NET ADMIN	NET TOTAL	BTAX	INCOME	ATAX	CUM ATAX
	NET LOE	NET WORKOVR EXP	NET TOTAL		NET ADMIN EXPENSE	NET TOTAL	BTAX CASHFLOW	INCOME TAXES PAID	ATAX CASHFLOW	CUM ATAX
	(FIX + VAR)	NET WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
(5MO)1990	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
(5MO)1990 1991	(FIX + VAR)M\$ 0.9	WORKOVR EXP	DIRECT EXP M\$ 0.9	TAXES M\$ 1.2	EXPENSEM\$	INVESTMENT M\$ 258.0	CASHFLOW M\$ -250.7	TAXES PAIDM\$	CASHFLOW M\$ -194.8	CASHFLOW M\$ -194.8
1991	(FIX + VAR) M\$ 0.9 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 0.9 3.6	TAXES M\$ 1.2 2.6	EXPENSEM\$	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW M\$ -194.8 31.4	CASHFLOW M\$ -194.8 -163.3
	(FIX + VAR)M\$ 0.9	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 0.9	TAXES M\$ 1.2	EXPENSE M\$ 0.3 1.1	INVESTMENT M\$ 258.0 0.0	CASHFLOW M\$ -250.7 9.2 9.9	TAXES PAID M\$ -55.9 -22.2	CASHFLOW M\$ -194.8 31.4 28.5	CASHFLOW M\$ -194.8 -163.3 -134.9
1991 1992	(FIX + VAR)M\$ 0.9 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6	TAXES M\$ 1.2 2.6 2.5	EXPENSE M\$ 0.3 1.1	INVESTMENT M\$ 258.0 0.0 0.0	CASHFLOW M\$ -250.7 9.2	TAXES PAID M\$ -55.9 -22.2 -18.6	CASHFLOW M\$ -194.8 31.4	CASHFLOW M\$ -194.8 -163.3 -134.9 -109.5
1991 1992 1993	(FIX + VAR) M\$ 0.9 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6 3.6	TAXES M\$ 1.2 2.6 2.5 2.3	EXPENSE M\$ 0.3 1.1 1.1	INVESTMENT M\$ 258.0 0.0 0.0	CASHFLOW M\$ -250.7 9.2 9.9 8.8	TAXES PAID M\$ -55.9 -22.2 -18.6 -16.6	CASHFLOW M\$ -194.8 31.4 28.5 25.4	CASHFLOW M\$ -194.8 -163.3 -134.9
1991 1992 1993 1994	(FIX + VAR)M\$ 0.9 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6	TAXESM\$ 1.2 2.6 2.5 2.3 2.2	EXPENSE M\$ 0.3 1.1 1.1 1.1	INVESTMENT M\$ 258.0 0.0 0.0 0.0	CASHFLOW M\$ -250.7 9.2 9.9 8.8 7.9	TAXES PAIDM\$55.9 -22.2 -18.6 -16.6 -15.0	CASHFLOW M\$ -194.8 31.4 28.5 25.4 22.9	CASHFLOW M\$ -194.8 -163.3 -134.9 -109.5 -86.5
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 0.9 3.6 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.2 2.6 2.5 2.3 2.2 2.0	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1	INVESTMENTM\$ 258.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -250.7 9.2 9.9 8.8 7.9 7.2	TAXES PAIDM\$55.9 -22.2 -18.6 -16.6 -15.0 -13.6	CASHFLOW M\$ -194.8 31.4 28.5 25.4 22.9 20.8	CASHFLOW M\$ -194.8 -163.3 -134.9 -109.5 -86.5 -65.7
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.2 2.6 2.5 2.3 2.2 2.0 1.9	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 258.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$250.7 9.2 9.9 8.8 7.9 7.2 6.6	TAXES PAIDM\$55.9 -22.2 -18.6 -16.6 -15.0 -13.6 -10.2	CASHFLOW M\$ -194.8 31.4 28.5 25.4 22.9 20.8 16.8	CASHFLOWM\$194.8 -163.3 -134.9 -109.5 -86.5 -65.7 -48.9
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6	WORKOVR EXPM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.2 2.6 2.5 2.3 2.2 2.0 1.9 1.8	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 258.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$250.7 9.2 9.9 8.8 7.9 7.2 6.6 6.0	TAXES PAIDM\$55.9 -22.2 -18.6 -16.6 -15.0 -13.6 -10.2 -8.6	CASHFLOW M\$ -194.8 31.4 28.5 25.4 22.9 20.8 16.8 14.6	CASHFLOWM\$194.8 -163.3 -134.9 -109.5 -86.5 -65.7 -48.9 -34.3 -21.7
1991 1992 1993 1994 1995 1996 1997 1998	(FIX + VAR)M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	WORKOVR EXPM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.2 2.6 2.5 2.3 2.2 2.0 1.9 1.8 1.7	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 258.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$250.7 9.2 9.9 8.8 7.9 7.2 6.6 6.0 5.5	TAXES PAIDM\$55.9 -22.2 -18.6 -16.6 -15.0 -13.6 -10.2 -8.6 -7.0	CASHFLOWM\$194.8 31.4 28.5 25.4 22.9 20.8 16.8 14.6 12.5	CASHFLOWM\$194.8 -163.3 -134.9 -109.5 -86.5 -65.7 -48.9 -34.3
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	WORKOVR EXPM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.2 2.6 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.7	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 258.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$250.7 9.2 9.9 8.8 7.9 7.2 6.6 6.0 5.5	TAXES PAIDM\$55.9 -22.2 -18.6 -16.6 -15.0 -13.6 -10.2 -8.6 -7.0 -6.8	CASHFLOWM\$194.8 31.4 28.5 25.4 22.9 20.8 16.8 14.6 12.5 11.7	CASHFLOWM\$194.8 -163.3 -134.9 -109.5 -86.5 -65.7 -48.9 -34.3 -21.7 -10.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	WORKOVR EXPM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.2 2.6 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.7	EXPENSEM\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 258.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$250.7 9.2 9.9 8.8 7.9 7.2 6.6 6.0 5.5 5.0 4.5	TAXES PAIDM\$55.9 -22.2 -18.6 -16.6 -15.0 -13.6 -10.2 -8.6 -7.0 -6.8 -6.5	CASHFLOWM\$194.8 31.4 28.5 25.4 22.9 20.8 16.8 14.6 12.5 11.7	CASHFLOWM\$194.8 -163.3 -134.9 -109.5 -86.5 -65.7 -48.9 -34.3 -21.7 -10.0 1.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	WORKOVR EXPM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.2 2.6 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.7 1.6 1.5	EXPENSEM\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 258.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$250.7 9.2 9.9 8.8 7.9 7.2 6.6 6.0 5.5 5.0 4.5 4.0	TAXES PAIDM\$55.9 -22.2 -18.6 -16.6 -15.0 -13.6 -10.2 -8.6 -7.0 -6.8 -6.5 -6.3	CASHFLOWM\$194.8 31.4 28.5 25.4 22.9 20.8 16.8 14.6 12.5 11.7 11.0 10.3	CASHFLOWM\$194.8 -163.3 -134.9 -109.5 -86.5 -65.7 -48.9 -34.3 -21.7 -10.0 11.3 21.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	WORKOVR EXPM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.2 2.6 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.7 1.6 1.5 1.4	EXPENSEM\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 258.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$250.7 9.2 9.9 8.8 7.9 7.2 6.6 6.0 5.5 5.0 4.5 4.0 3.6	TAXES PAIDM\$55.9 -22.2 -18.6 -16.6 -15.0 -13.6 -10.2 -8.6 -7.0 -6.8 -6.5 -6.3 -6.1 1.2	CASHFLOWM\$194.8 31.4 28.5 25.4 22.9 20.8 16.8 14.6 12.5 11.7 11.0 10.3 9.7	CASHFLOWM\$194.8 -163.3 -134.9 -109.5 -86.5 -65.7 -48.9 -34.3 -21.7 -10.0 1.0 11.3 21.0 23.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	WORKOVR EXPM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.2 2.6 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.7 1.6 1.5 1.4 1.4	EXPENSEM\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 258.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$250.7 9.2 9.9 8.8 7.9 7.2 6.6 6.0 5.5 5.0 4.5 4.0 3.6 3.2 2.8	TAXES PAIDM\$55.9 -22.2 -18.6 -16.6 -15.0 -13.6 -10.2 -8.6 -7.0 -6.8 -6.5 -6.3 -6.1 1.2 1.1	CASHFLOWM\$194.8 31.4 28.5 25.4 22.9 20.8 16.8 14.6 12.5 11.7 11.0 10.3 9.7 2.0	CASHFLOWM\$194.8 -163.3 -134.9 -109.5 -86.5 -65.7 -48.9 -34.3 -21.7 -10.0 1.0 11.3 21.0 23.0 24.7
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	WORKOVR EXPM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.2 2.6 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.7 1.6 1.5 1.4 1.4 1.3	EXPENSEM\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 258.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$250.7 9.2 9.9 8.8 7.9 7.2 6.6 6.0 5.5 5.0 4.5 4.0 3.6 3.2	TAXES PAIDM\$55.9 -22.2 -18.6 -16.6 -15.0 -13.6 -10.2 -8.6 -7.0 -6.8 -6.5 -6.3 -6.1 1.2	CASHFLOWM\$194.8 31.4 28.5 25.4 22.9 20.8 16.8 14.6 12.5 11.7 11.0 10.3 9.7 2.0 1.7	CASHFLOWM\$194.8 -163.3 -134.9 -109.5 -86.5 -65.7 -48.9 -34.3 -21.7 -10.0 1.0 11.3 21.0 23.0

PF:P.A. EVAL #: 39

UNOCAL North American Oil & Gas Division Economic Report Summary AS OF AUG 1, 1990

DATE: 09/26/91 TIME: 09:03:22 PAGE: 3

NAME : RINCON U. #261 - FT TAXCR FIELD : BASIN FRUITLAND COAL

CNTY, STATE: NEW MEXICO FORMATION : FRUITLAND COAL OPERATOR : UNOCAL

	INVESTMENT		GROSS WELLS		EFFECTIVE NGL PRICE	NET NGL REVENUE			NET TRANS +TREAT+COMP	
_ \					•					
(5MO)1990	258.0	0.9		0.0	0.00	0.0	0.0	0.0		0.0
1991	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0		0.0
1992	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
1993	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0		0.0
1994	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
1995	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
1996	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
1997	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
1998	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
1999	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2000	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
2001	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2002	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2003	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2004	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
SUB TOTAL	258.0	51.3	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	49.5	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 28.2 YR	258.0	100.8	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
	NET	NET	NET	NET	NET	NET	NET	TAX	TAX	IDC
	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
(5MO)1990	LEASEHOLD M\$ 0.0	DRY HOLEM\$	DRILLING M\$ 0.0	COMPLETIONM\$	FACILITIESM\$	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0	DEPREC M\$ 11.1	DEPLETIONM\$	AMORT
1991	LEASEHOLD M\$ 0.0 0.0	DRY HOLE M\$ 0.0 0.0	DRILLING M\$ 0.0 0.0	COMPLETIONM\$ 0.0 0.0	FACILITIESM\$ 0.0 0.0	PLATFORM M\$ 0.0 0.0	PIPELINE M\$ 0.0 0.0	DEPREC	DEPLETION	AMORT
1991 1992	LEASEHOLD M\$ 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0	DRILLING M\$ 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0	FACILITIESM\$	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0 0.0 0.0	DEPREC M\$ 11.1 19.0 13.5	DEPLETIONM\$	AMORT M\$ 2.7 10.8 10.8
1991 1992 1993	LEASEHOLD M\$ 0.0 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0	DRILLING M\$ 0.0 0.0 0.0	COMPLETION M\$ 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0	PLATFORM M\$ 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0	DEPREC M\$ 11.1 19.0	DEPLETION M\$ 0.0 0.0	AMORT M\$ 2.7 10.8
1991 1992	LEASEHOLD M\$ 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0	DRILLING M\$ 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0	PLATFORM M\$ 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0	DEPREC M\$ 11.1 19.0 13.5	DEPLETIONM\$ 0.0 0.0 0.0	AMORT M\$ 2.7 10.8 10.8
1991 1992 1993	LEASEHOLD M\$ 0.0 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0	DRILLING M\$ 0.0 0.0 0.0 0.0	COMPLETION M\$ 0.0 0.0 0.0	FACILITIES M\$ 0.0 0.0 0.0	PLATFORM M\$ 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPREC M\$ 11.1 19.0 13.5 9.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0	AMORT M\$ 2.7 10.8 10.8
1991 1992 1993 1994	LEASEHOLD M\$ 0.0 0.0 0.0 0.0	DRY HOLEM\$ 0.0 0.0 0.0 0.0 0.0	DRILLING M\$ 0.0 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0	PLATFORM M\$ 0.0 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 11.1 19.0 13.5 9.7 6.9	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 2.7 10.8 10.8 10.8
1991 1992 1993 1994 1995	LEASEHOLD M\$ 0.0 0.0 0.0 0.0 0.0	DRY HOLEM\$ 0.0 0.0 0.0 0.0 0.0 0.0	DRILLING M\$ 0.0 0.0 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 11.1 19.0 13.5 9.7 6.9 6.9	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 2.7 10.8 10.8 10.8 10.8 8.1
1991 1992 1993 1994 1995 1996	LEASEHOLD M\$ 0.0 0.0 0.0 0.0 0.0 0.0	DRY HOLEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 11.1 19.0 13.5 9.7 6.9 6.9 6.9	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 2.7 10.8 10.8 10.8 10.8 10.8 0.0
1991 1992 1993 1994 1995 1996	LEASEHOLDM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRY HOLEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 11.1 19.0 13.5 9.7 6.9 6.9 3.5	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 2.7 10.8 10.8 10.8 10.8 0.0
1991 1992 1993 1994 1995 1996 1997	LEASEHOLDM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRY HOLEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 11.1 19.0 13.5 9.7 6.9 6.9 3.5 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 2.7 10.8 10.8 10.8 10.8 0.0 0.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	LEASEHOLDM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRY HOLEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 11.1 19.0 13.5 9.7 6.9 6.9 6.9 3.5 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 2.7 10.8 10.8 10.8 10.8 0.0 0.0 0.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	LEASEHOLDM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRY HOLEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 11.1 19.0 13.5 9.7 6.9 6.9 6.9 3.5 0.0 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 10.8 10.8 10.8 10.8 0.0 0.0 0.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	LEASEHOLDM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRY HOLEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 11.1 19.0 13.5 9.7 6.9 6.9 6.9 3.5 0.0 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 10.8 10.8 10.8 10.8 0.0 0.0 0.0 0.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	LEASEHOLDM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRY HOLEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 11.1 19.0 13.5 9.7 6.9 6.9 6.9 3.5 0.0 0.0 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 2.7 10.8 10.8 10.8 10.8 0.0 0.0 0.0 0.0 0.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	LEASEHOLDM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRY HOLEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 11.1 19.0 13.5 9.7 6.9 6.9 6.9 3.5 0.0 0.0 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 2.7 10.8 10.8 10.8 10.0 0.0 0.0 0.0 0.0 0.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	LEASEHOLDM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRY HOLEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 11.1 19.0 13.5 9.7 6.9 6.9 6.9 3.5 0.0 0.0 0.0 0.0 0.0	DEPLETION	AMORTM\$ 2.7 10.8 10.8 10.8 10.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0

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NAME : RINCON U. #261 - FT TAXCR FIELD : BASIN FRUITLAND COAL CNTY, STATE: NEW MEXICO FORMATION : FRUITLAND COAL
OPERATOR : UNOCAL

_	TEMP #1	TEMP #2	TEMP #5	TEMP #6	NET CREDITS INPUT
(5MO)1990	8006.3	5.4	0.840	0.000	5.4
1991	19300.2	14.4	0.920	0.000	14.4
1992	17540.5	13.1	0.920	0.000	13.1
1993	16312.7	12.2	0.920	0.000	12.2
1994	15171.8	11.3	0.920	0.000	11.3
1995	14283.5	10.6	0.920	0.000	10.6
1996	13569.3	10.1	0.920	0.000	10.1
1997	12890.8	9.6	0.920	0.000	9.6
1998	12246.3	9.1	0.920	0.000	9.1
1999	11634.0	8.7	0.920	0.000	8.7
2000	11052.3	8.2	0.920	0.000	8.2
2001	10499.7	7.8	0.920	0.000	7.8
2002	9974.7	7.4	0.920	0.000	7.4
2003	9475.9	0.0	0.000	0.000	0.0
2004	9002.1	0.0	0.000	0.000	0.0
SUB TOTAL	190959.9	128.0	0.917	0.000	128.0
REMAINDER	86551.9	0.0	0.000	0.000	0.0
TOT 28.2 YR	277511.8	128.0	0.917	0.000	128.0

APPLICATION TO EXPAND THE BASIN FRUITLAND COAL GAS PARTICIPATING AREA - RINCON UNIT - RIO ARRIBA COUNTY, NEW MEXICO

Duane Spencer Chief of Reservoir Management Bureau of Land Management - Minerals Division 1235 La Plata Highway Farmington, New Mexico 87401

Union Oil Company of California, as unit operator of the Rincon Unit, respectfully submits for your approval the following described lands to constitute expansion to the participating area for the Basin Fruitland Coal Gas producing formation, to wit:

TOWNSHIP 26 NORTH, RANGE 7 WEST, N.M.P.M.

Section 12:

Containing 320 acres, more or less

In support of this application, and in addition to the geologic and engineering reports, the following are attached:

- 1) Structure Top Basin Fruitland Coal Gas Formation
- 2) Basin Fruitland Coal Gas Formation Gross Isopach
- 3) Type Log
- 4) Land Map Rincon Unit
- 5) Rincon Unit #269 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #269 Fruitland Coal Gas Economics
- 7) Schedule of Lands and Working Interest Ownership in the expansion to the Basin Fruitland Coal Gas Participating Area (Participation Allocation Formula)
- 8) Applicant's Statement and Affidavit

months

This application is predicated on nine of actual production history from the Rincon Unit #269 well which first delivered on October 18, 1990.

Applicant respectfully requests your approval of the hereinabove selection of lands to constitute the expansion to the Basin Fruitland Coal Gas Formation participating area, to be effective October 1, 1990.

Dated this 27th day of September, 1991.

Bill Hering

District Petroleum Engineer

Union Oil Company of California

Well Summary

Well Name: Rincon Unit #269

Location: 1800'FSL, 1200'FWL, Sec 12, T26N, R7W

Elevation: 6498' GL Total Depth: 2781' Lease Number: SF-079160

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 7-4-90 Completion Date: 9-1-90

1st Delivery Date: 10-18-90

Perf'd Interval: 2630-2634, 2680-2687, 2717-2732.

Geologic Summary

The Fruitland Formation was deposited in a coastal plain environment landward of the Pictured Cliffs strandline. It consists of shales, siltstones, sandstones and coal. The coals were deposited in low-lying areas such as lagoons, swamps and bayous behind the barrier islands, bars, and beaches of the Pictured Cliffs sandstone. The coal is best developed in the basal Fruitland, and extends aerially over the entire basin with the exception of a small region on the eastern margin. Net coal varies from 20 to 80 feet thick with the thickest sections being in the north-central part of the basin. The Rincon Unit coals range in thickness from 30 to 70 feet and in some areas of the unit are split into an upper and a basal coal zone. The coal itself is considered High Volatile C Bituminous in rank. Regional dip is 1 to 2 degrees to the northeast, and structure does not appear to be a factor in natural gas entrapment anywhere in the area of the unit.

Engineering Summary

The Rincon Unit #269 was drilled and completed by Union Oil Company of California as a Basin Fruitland Coal Gas producer in 1990. Surface pipe measuring 8-5/8" was set at 360 feet and cemented with 300 sacks to surface. Production casing measuring 4-1/2" was then set at 2781 feet and cemented in two stages to surface with 750 sacks cement. After drilling out to PBTD of 2780' the upper and lower coal zones were perforated from 2630'-2732' with 4 shots per foot and fracture stimulated with 180,000# 20/40 sand, 773,950 SCF N2 and 19,725 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 290 MCFD and 240 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on October 18, 1990. The current deliverability for the well against a 150# line pressure is 110 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.32 Bcf.

Net Pay: 41 ft

Drainage area: 160 acres Gas Content: 144 SCF/ton

Tonnage Factor: 1969 tons/acre-feet (from density log)

Recovery Factor: 17%

Economics

Completion Cost: \$249,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU 1990, \$0.92/MMBTU 1991-2003. Production Rate: Maximum - 190 MCFD, Current - 80 MCFD,

No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 5.8 years. Compared with net total revenue this Basin Fruitland Coal Gas well produces in economic quantities above operating costs.

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

APPLICANT'S STATEMENT AND AFFIDAVIT

BEFORE ME, the undersigned authority on this day personally appeared Bill Hering, District Petroleum Engineer, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

- 1) That this Statement and Affidavit is made concerning this application for expansion to the Basin Fruitland Coal Gas participating area in the Rincon Unit, in Section 12, T26N-R7W, comprising 320 acres.
- 2) That to the best of his information, knowledge and belief, the information supplied is true.
- 3) That notice of this application has been mailed or delivered to the Rincon Unit working interest owners in accordance with the unit agreement and the unit operating agreement.
- 4) That he certifies that the information and data contained in the application are true and correct and that all copies of records or summaries of such records relied upon in the application are true, correct and authentic copies of documents on file in the offices of Union Oil Company of California.
- 5) That he is of lawful age, that he is a responsible official of Union, that he is duly authorized to make this Statement and Affidavit on behalf of Union, that he has knowledge of the facts contained herein, that this Statement and Affidavit is true and correct, and that he adopts the allegations herein as his sworn statement.

SUBSCRIBED AND SWORN TO before me, this undersigned authority, on this day of faith.

Notary Public in and for San Juan County, New Mexico

My Commission Expires:

