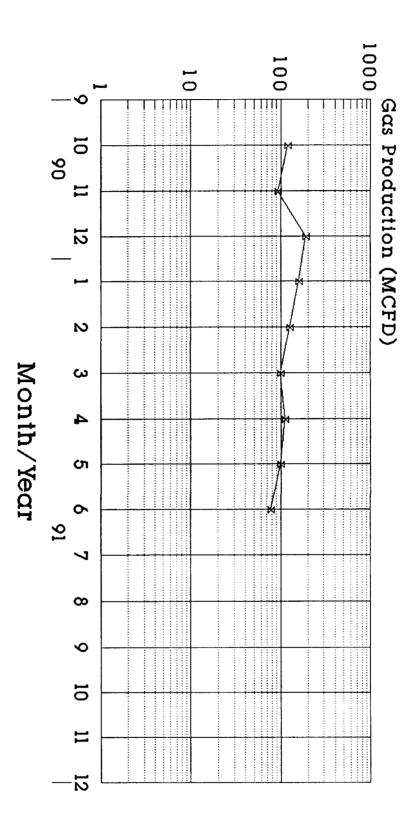
RINCON UNIT #269 RIO ARRIBA COUNTY, NEW MEXICO



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. #269 - FT TAXCR

LOCATION:

BUDGET CATEGORY:	EFFECTIVE DATE: FEB 0
BUDGET PRIORITY:	PROPOSED BY :

IDEN	TIFICATION		•••••	PROFIT	INDICES -		PRESEN	WORTH PROF	LE
FIELD : BASIN	FRUITLAND COAL		PROFIT	TO INV (P)	/I):·	·	DISCOUNT	BTAX	ATAX
LSE/BLOCK :			UND I	SCOUNTED	-0.39	0.43	RATE (%)	(M\$)	(M\$)
FORMATION : FRUITL	AND COAL		DISC	a 10.0%	-0.62	0.02			
TOTAL DEPTH:				a 15.0%			0.0	-97.	107.
				F RATIO (IE			5_0	-132.	45.
AFE # :				SCOUNTED	-0.39	0.53	10.0 15.0	-153.	4.
LIFE (YRS): 30.6			DISC	a 10.0%	-0.67	0.02	15.0	-166.	-24.
LIFE (1K3) . 30.0				a 15.0%				-175.	-45.
117 00.7	CDI	DATE	D130	. 6 15.0%	0.07	-0.12		-182.	
WI ORI 100.00000 80.9987		DATE	DAVOUT	/VEADON	*	E 0		-102.	-61.
100.00000 60.9967	0 00.99070	30L 1990	PATOU	F RETURN (%		10.6	DISCOUNT DAT	re - uu 100	20
			KAIE	JE REIUKN (A	6) -1000.0	10.6	DISCOUNT MET		-
COMMODI				- INVESTMEN	NTS (M\$) -		CASI	f FLOW (M\$) -	
		AVG			GROSS				NET
		• • • • • • • • • • • • • • • • • • • •							
OIL (\$/BBL)	0.00 0.00	0.00					TOTAL REVENUES		344.
GAS (\$/MCF)	1.50 1.47 0.00 0.00	2 1.41	DRY HO	LE	0.	0.	EXPENSES:		
		0.00					OPEX (LO)	109.
SULPHUR (\$/TON)	0.00 0.0	0.00	DRILLI	NG	0.	0.	WORKOVER		0.
			COMPLE	TION	0.	0.	PLANT		0.
SEQUIV BOE RATIO	6.00 6.00	0 6.00	PLATFO)RM	0.	0.	SEV & ADV	/AL TAXES	51.
			FACILI	TIES	0.	0.	INDIRECT		9.
UNIT CO	ST PERFORMANCE				0.	0.	SEV & ADV INDIRECT OVERHEAD		24.
		NET				0.		/SALV	0.
				ING				,, 0,,,,,	٧.
OPEX (\$/BOE)	2.18	2.69	un nen		٠.	٠.	NET INVESTMENTS		249.
OPEX (\$/BO\$E)	5.36	6.62	MISC I	NTAN	174.	174.	NET THEESTMENT	•	247.
F&D (\$/BOE)	4.97	6.13	MISC T			75.	BTAX CASH FLOW		-97.
F&D (\$/BO\$E)		15.10	11100	ISIN .	,,,		INCOME TAXES PA		-204.
ATAX CF (\$/BOE)	12.23	2.63	7	OTAL	2//0	2//0	ATAX CASH FLOW		107.
ATAX CF (\$/BO\$E)		6.46		10.0%	249. 247.	247.	ATAX DISC @ 10		4.
ATAX CF (#/BOPE)		0,40	DISC a	10.0%	241.	241.	AIAN DISC & IC	3.0%	4.
							ASSUMPTIONS & REM	MARKS	
		ss							
		ULT	REMAIN						
OIL (MBBLS)		0.							
GAS (MMCF)	301.	301.	244.	244.					
NGL (MBBLS)	0.		0.	0.					
SULPHUR (MTONS)	0.	0.	0.	0.					
EQUIVALENT RESERVES	:								
BTU (MBOE)	50.	50.	41.	41.					
VALUE (MBOSE)	20.	20.	16.	16.					
INITIAL RATE:									
OIL (BBLS/DAY)	0.					GLOBAL FI	LES: 1= \$UNOCAL1	2= \$UNOCAL2	
GAS (MCF/DAY)	119.					ALTKEY: U			
DATE: 09/25/9	1 TIME:	14:30:31	RPT FI	LE: 4	PG #	1	PRJ FILE: P.A.	EVAL	# 34

```
GLOBAL FILE: $UNOCAL1
EVALUATION #34 IN PROJECT FILE "P.A. " 09/25/91 14:29:56
           "30 25 U091205
             JUL 1990 JUL 1990 OCT 1990
20 DATES
               "RINCON U. #269 - FT TAXCR
30 NAME
                "BASIN FRUITLAND COAL
40 FIFID
50 CNTYSTATE
               "NEW MEXICO
60 FORMATION
                "FRUITLAND COAL
                "UNOCAL
70 OPERATOR
80 ECONOMICS
              ELIM
              1. 0.809987
90 OWNERSHIP
                 "PROD DECLINE BASED ON AVG WELL CASE
120 COMMENT
                 "FIRST 9 MONTHS = ACTUAL PROD.
130 COMMENT
                  Р
140 GPROD
                          MON 3.694 2.792 5.85 4.862 3.506 3.081 2.548 3.034 2.309
                          EXP * * * 28. 14.
150 GPROD
                          EXP * * * 10. 25.
160 GPROD
                          EXP * * * 7. 36.
170 GPROD
                          EXP * * * 5.
190 GPROD
                 I MON 74700. 0. 0. 0. 1 MON 174300. 0.
210 TAN
220 INTAN
230 COMMENT
                P MON 1.27 1.61 1.66 1.45 0.95 0.75 0.74 0.73 0.76
* CON 1 2
                 "FIRST 9 MONTHS = ACTUAL GAS PRICES
240 PRGAS
                          CON 1.2
260 PRGAS
                1.18 PRGAS
290 FACTOR
                P CON 300.
310 LOETOT
320 AVALPS
                          CON 3.5
*** START OF INSERT FILE C1-TAX
            "ASSUMES CONSTANT TAX CREDIT
10 COMMENT
20 COMMENT
                "$.84 1990, $.92 1991-2003
30 TEMP1
                 * CON 0.
               TEMP1 GPROD
40 CADD
               1000. TEMP1
50 FACTOR
               1.18 TEMP1
60 FACTOR
70 TEMP5
               JAN 1990 CON 0.84
               JAN 1991 CON 0.92
80 TEMP5
               JAN 2003 CON 0.
90 TEMP5
                TEMP2 TEMP1
TEMP5 TEMP2
100 CADD
110 CFACTOR
                0.809987 TEMP2
120 FACTOR
                TAXCR TEMP2
130 CADD
              0.001 TEMP2
140 FACTOR
*** END OF INSERT FILE
```

GLOBAL FILE: \$UNOCAL2

F:P.A. EVAL #: 34

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

DATE: 09/25/91 TIME: 14:30:31 PAGE: 2

NAME : RINCON U. #269 - FT TAXCR
FIELD : BASIN FRUITLAND COAL
CHTY, STATE: NEW MEXICO
FORMATION : FRUITLAND COAL
CHERATOR : UNOCAL

	OIL + COND	NET VOLUME	PRODUCTION	VOLUME	NET EQ PROD (RE: BOE)	O+C PRICE	NET REV		NET GAS REVENUE	NET TOTAL REVENUE
								\$/MCF		
(6MO)1990	0.0		12.3	10.0	1.7	0.00	0.0	1.81	18.1	18.1
1991	0.0		32.1	26.0	4.3	0.00	0.0	1.24	32.4	32.4
1992	0.0		20.3	16.4	2.7	0.00	0.0	1.42	23.2	23.2
1993	0.0		17.3	14.0	2.3	0.00	0.0	1.42	19.9	19.9
1994	0.0		15.6	12.6	2.1	0.00	0.0	1.42	17.9	17.9
1995	0.0		14.4	11.6	1.9	0.00	0.0	1.42	16.5	16.5
1996	0.0		13.4	10.8	1.8	0.00	0.0	1.42	15.3	15.3
1997	0.0		12.4	10.1	1.7	0.00	0.0	1.42	14.3	14.3
1998	0.0		11.7	9.5	1.6	0.00	0.0	1.42	13.5	13.5
1999	0.0	0.0	11.2	9.0	1.5	0.00	0.0	1.42	12.8	12.8
2000	0.0		10.6	8.6	1.4	0.00	0.0	1.42	12.2	12.2
2001	0.0		10.1	8.2	1.4	0.00	0.0	1.42	11.5	11.5
2002	0.0	0.0	9.6	7.7	1.3	0.00	0.0	1.42	11.0	11.0
2003	0.0	0.0	9.1	7.4	1.2	0.00	0.0	1.42	10.4	10.4
2004	0.0	0.0	8.6	7.0	1.2	0.00	0.0	1.42	9.9	9.9
SUB TOTAL	0.0	0.0	208.6	169.0	28.2	0.00	0.0	1.41	238.7	238.7
REMAINDER	0.0	0.0	92.1	74.6	12.4	0.00	0.0	1.42	105.6	105.6
TOT 30.6 YR	0.0	0.0	300.7	243.6	40.6	0.00	0.0	1.41	344.3	344.3
	NET LOE	NET	NET TOTAL		NET ADMIN		BTAX	INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
/ Augy 1000	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
(6MO)1990	(FIX + VAR)M\$ 0.9	WORKOVR EXP	DIRECT EXP M\$ 0.9	TAXES M\$ 2.3	EXPENSE 0.3	INVESTMENT M\$ 249.0	CASHFLOW M\$ -234.4	TAXES PAIDM\$	CASHFLOW M\$ -178.6	CASHFLOW M\$ -178.6
1991	(FIX + VAR) M\$ 0.9 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 0.9 3.6	TAXES M\$ 2.3 5.2	EXPENSE M\$ 0.3 1.1	INVESTMENT M\$ 249.0 0.0	CASHFLOW M\$ -234.4 22.5	TAXES PAID M\$ -55.8 -30.6	CASHFLOW M\$ -178.6 53.1	CASHFLOW M\$ -178.6 -125.5
1991 1992	(F1X + VAR) M\$ 0.9 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6	TAXES M\$ 2.3 5.2 3.4	EXPENSE M\$ 0.3 1.1	INVESTMENT M\$ 249.0 0.0	CASHFLOW M\$ -234.4 22.5 15.1	TAXES PAID M\$ -55.8 -30.6 -21.0	CASHFLOW M\$ -178.6 53.1 36.1	CASHFLOW M\$ -178.6 -125.5 -89.3
1991 1992 1993	(F1X + VAR) M\$ 0.9 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 0.9 3.6 3.6 3.6	TAXES M\$ 2.3 5.2 3.4 2.9	EXPENSE M\$ 0.3 1.1 1.1	INVESTMENT M\$ 249.0 0.0 0.0	CASHFLOW M\$ -234.4 22.5 15.1 12.3	TAXES PAID M\$ -55.8 -30.6 -21.0 -18.1	CASHFLOW M\$ -178.6 53.1 36.1 30.3	CASHFLOW M\$ -178.6 -125.5 -89.3 -59.0
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	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6	TAXES M\$ 2.3 5.2 3.4 2.9 2.6	EXPENSE M\$ 0.3 1.1 1.1 1.1	INVESTMENT M\$ 249.0 0.0 0.0 0.0	CASHFLOW M\$ -234.4 22.5 15.1 12.3 10.6	TAXES PAIDM\$55.8 -30.6 -21.0 -18.1 -16.2	CASHFLOW M\$ -178.6 53.1 36.1 30.3 26.8	CASHFLOWM\$178.6 -125.5 -89.3 -59.0 -32.2
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	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6 3.6	TAXES M\$ 2.3 5.2 3.4 2.9 2.6 2.4	EXPENSE M\$ 0.3 1.1 1.1 1.1	INVESTMENT M\$ 249.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -234.4 22.5 15.1 12.3 10.6 9.4	TAXES PAIDM\$55.8 -30.6 -21.0 -18.1 -16.2 -14.6	CASHFLOW M\$ -178.6 53.1 36.1 30.3 26.8 24.0	CASHFLOWM\$178.6 -125.5 -89.3 -59.0 -32.2 -8.3
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\$ 2.3 5.2 3.4 2.9 2.6 2.4 2.2	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -234.4 22.5 15.1 12.3 10.6 9.4 8.4	TAXES PAIDM\$55.8 -30.6 -21.0 -18.1 -16.2 -14.6 -11.1	CASHFLOW M\$ -178.6 53.1 36.1 30.3 26.8 24.0 19.5	CASHFLOWM\$178.6 -125.5 -89.3 -59.0 -32.2 -8.3 11.2
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	DIRECT EXP M\$ 0.9 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 5.2 3.4 2.9 2.6 2.4 2.2 2.1	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$234.4 22.5 15.1 12.3 10.6 9.4 8.4 7.5	TAXES PAIDM\$55.8 -30.6 -21.0 -18.1 -16.2 -14.6 -11.1 -9.4	CASHFLOW M\$ -178.6 53.1 36.1 30.3 26.8 24.0 19.5 16.8	CASHFLOWM\$178.6 -125.5 -89.3 -59.0 -32.2 -8.3 11.2 28.0
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\$ 2.3 5.2 3.4 2.9 2.6 2.4 2.2 2.1 2.0	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$234.4 22.5 15.1 12.3 10.6 9.4 8.4 7.5 6.8	TAXES PAIDM\$55.8 -30.6 -21.0 -18.1 -16.2 -14.6 -11.1 -9.4 -7.7	CASHFLOW M\$ -178.6 53.1 36.1 30.3 26.8 24.0 19.5 16.8 14.5	CASHFLOWM\$178.6 -125.5 -89.3 -59.0 -32.2 -8.3 11.2 28.0 42.6
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 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 3.6	TAXESM\$ 2.3 5.2 3.4 2.9 2.6 2.4 2.2 2.1 2.0 1.9	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$234.4 22.5 15.1 12.3 10.6 9.4 8.4 7.5 6.8 6.2	TAXES PAIDM\$55.8 -30.6 -21.0 -18.1 -16.2 -14.6 -11.1 -9.4 -7.7 -7.4	CASHFLOW M\$ -178.6 53.1 36.1 30.3 26.8 24.0 19.5 16.8 14.5	CASHFLOWM\$178.6 -125.5 -89.3 -59.0 -32.2 -8.3 11.2 28.0 42.6 56.3
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 3.6	TAXESM\$ 2.3 5.2 3.4 2.9 2.6 2.4 2.2 2.1 2.0 1.9 1.8	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$234.4 22.5 15.1 12.3 10.6 9.4 8.4 7.5 6.8 6.2 5.7	TAXES PAIDM\$55.8 -30.6 -21.0 -18.1 -16.2 -14.6 -11.1 -9.4 -7.7 -7.4 -7.2	CASHFLOWM\$178.6 53.1 36.1 30.3 26.8 24.0 19.5 16.8 14.5 13.7 12.8	CASHFLOWM\$178.6 -125.5 -89.3 -59.0 -32.2 -8.3 11.2 28.0 42.6 56.3 69.1
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 3.6	TAXESM\$ 2.3 5.2 3.4 2.9 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$234.4 22.5 15.1 12.3 10.6 9.4 8.4 7.5 6.8 6.2 5.7 5.2	TAXES PAIDM\$55.8 -30.6 -21.0 -18.1 -16.2 -14.6 -11.1 -9.4 -7.7 -7.4 -7.2 -6.9	CASHFLOWM\$178.6 53.1 36.1 30.3 26.8 24.0 19.5 16.8 14.5 13.7 12.8 12.1	CASHFLOWM\$178.6 -125.5 -89.3 -59.0 -32.2 -8.3 11.2 28.0 42.6 56.3 69.1 81.2
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 3.6 3.6	TAXESM\$ 2.3 5.2 3.4 2.9 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$234.4 22.5 15.1 12.3 10.6 9.4 8.4 7.5 6.8 6.2 5.7 5.2 4.7	TAXES PAIDM\$55.8 -30.6 -21.0 -18.1 -16.2 -14.6 -11.1 -9.4 -7.7 -7.4 -7.2 -6.9 -6.6	CASHFLOWM\$178.6 53.1 36.1 30.3 26.8 24.0 19.5 16.8 14.5 13.7 12.8 12.1 11.3	CASHFLOWM\$178.6 -125.5 -89.3 -59.0 -32.2 -8.3 11.2 28.0 42.6 56.3 69.1 81.2 92.5
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 3.6 3.6	TAXESM\$ 2.3 5.2 3.4 2.9 2.6 2.4 2.2 2.1 2.0 1.9 1.8 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\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$234.4 22.5 15.1 12.3 10.6 9.4 8.4 7.5 6.8 6.2 5.7 5.2 4.7 4.2	TAXES PAIDM\$55.8 -30.6 -21.0 -18.1 -16.2 -14.6 -11.1 -9.4 -7.7 -7.4 -7.2 -6.9 -6.6 1.6	CASHFLOWM\$178.6 53.1 36.1 30.3 26.8 24.0 19.5 16.8 14.5 13.7 12.8 12.1 11.3 2.6	CASHFLOWM\$178.6 -125.5 -89.3 -59.0 -32.2 -8.3 11.2 28.0 42.6 56.3 69.1 81.2 92.5 95.1
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 3.6 3.6	TAXESM\$ 2.3 5.2 3.4 2.9 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.5	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$234.4 22.5 15.1 12.3 10.6 9.4 8.4 7.5 6.8 6.2 5.7 5.2 4.7 4.2 3.8	TAXES PAIDM\$55.8 -30.6 -21.0 -18.1 -16.2 -14.6 -11.1 -9.4 -7.7 -7.4 -7.2 -6.9 -6.6 1.6 1.4	CASHFLOWM\$178.6 53.1 36.1 30.3 26.8 24.0 19.5 16.8 14.5 13.7 12.8 12.1 11.3 2.6 2.3	CASHFLOWM\$178.6 -125.5 -89.3 -59.0 -32.2 -8.3 11.2 28.0 42.6 56.3 69.1 81.2 92.5 95.1 97.4
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 SUB TOTAL	(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 3.6 3.6	TAXESM\$ 2.3 5.2 3.4 2.9 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 35.1	EXPENSEM\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$234.4 22.5 15.1 12.3 10.6 9.4 8.4 7.5 6.8 6.2 5.7 5.2 4.7 4.2 3.8 -112.1	TAXES PAIDM\$55.8 -30.6 -21.0 -18.1 -16.2 -14.6 -11.1 -9.4 -7.7 -7.4 -7.2 -6.9 -6.6 1.6 1.4 -209.5	CASHFLOWM\$178.6 53.1 36.1 30.3 26.8 24.0 19.5 16.8 14.5 13.7 12.8 12.1 11.3 2.6 2.3 97.4	CASHFLOWM\$178.6 -125.5 -89.3 -59.0 -32.2 -8.3 11.2 28.0 42.6 56.3 69.1 81.2 92.5 95.1
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 3.6 3.6	TAXESM\$ 2.3 5.2 3.4 2.9 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.5	EXPENSE M\$ 0.3 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$234.4 22.5 15.1 12.3 10.6 9.4 8.4 7.5 6.8 6.2 5.7 5.2 4.7 4.2 3.8	TAXES PAIDM\$55.8 -30.6 -21.0 -18.1 -16.2 -14.6 -11.1 -9.4 -7.7 -7.4 -7.2 -6.9 -6.6 1.6 1.4	CASHFLOWM\$178.6 53.1 36.1 30.3 26.8 24.0 19.5 16.8 14.5 13.7 12.8 12.1 11.3 2.6 2.3	CASHFLOWM\$178.6 -125.5 -89.3 -59.0 -32.2 -8.3 11.2 28.0 42.6 56.3 69.1 81.2 92.5 95.1 97.4

PF:P.A. EVAL #: 34

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DATE: 09/25/91 TIME: 14:30:33 PAGE: 3

NAME : RINCON U. #269 - FT TAXCR FIELD : BASIN FRUITLAND COAL

CNTY, STATE: NEW MEXICO FORMATION : FRUITLAND COAL

OPERATOR : UNOCAL

	GROSS TOTAL	TOTAL GROSS	NUMBER GROSS WELLS	NET NGL VOLUME	EFFECTIVE NGL PRICE	NET NGL REVENUE	NET SULPHUR	NET PLANT	NET TRANS +TREAT+COMP	NET ABAND
									M\$	
(6MO)1990	249.0	0.9		0.0	0.00	` 0.0	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	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	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	1.0	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	249.0	51.3	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	57.9	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 30.6 YR	249.0	109.2	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
/ AMON1000	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
(6MO)1990 1991	LEASEHOLD M\$ 0.0	DRY HOLEM\$	DRILLING M\$ 0.0	COMPLETIONM\$	FACILITIES M\$ 0.0	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0	DEPREC M\$ 10.7	DEPLETIONM\$ 0.0	AMORT M\$ 2.6
1991	LEASEHOLD M\$ 0.0 0.0	DRY HOLE M\$ 0.0 0.0	DRILLING M\$ 0.0 0.0	COMPLETION M\$ 0.0 0.0	FACILITIES M\$ 0.0 0.0	PLATFORM M\$ 0.0 0.0	PIPELINE M\$ 0.0 0.0	DEPREC M\$ 10.7 18.3	DEPLETION M\$ 0.0 0.0	AMORT M\$ 2.6 10.5
1991 1992	LEASEHOLD M\$ 0.0 0.0	DRY HOLE M\$ 0.0 0.0	DRILLING M\$ 0.0 0.0 0.0	COMPLETION M\$ 0.0 0.0 0.0	FACILITIES M\$ 0.0 0.0	PLATFORM M\$ 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0	DEPREC M\$ 10.7 18.3 13.1	DEPLETIONM\$ 0.0 0.0 0.0	AMORT M\$ 2.6 10.5 10.5
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	FACILITIES M\$ 0.0 0.0 0.0	PLATFORM M\$ 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0	DEPREC M\$ 10.7 18.3 13.1 9.3	DEPLETIONM\$ 0.0 0.0 0.0 0.0	AMORT M\$ 2.6 10.5 10.5
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	FACILITIES M\$ 0.0 0.0 0.0 0.0	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPREC M\$ 10.7 18.3 13.1 9.3 6.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 2.6 10.5 10.5 10.5
1991 1992 1993 1994 1995	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 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	PLATFORMM\$ 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\$ 10.7 18.3 13.1 9.3 6.7 6.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 2.6 10.5 10.5 10.5 7.8
1991 1992 1993 1994 1995 1996	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 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	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 0.0	DEPRECM\$ 10.7 18.3 13.1 9.3 6.7 6.7 6.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 2.6 10.5 10.5 10.5 7.8 0.0
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 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	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 0.0	DEPRECM\$ 10.7 18.3 13.1 9.3 6.7 6.7 6.7 3.3	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 2.6 10.5 10.5 10.5 7.8 0.0 0.0
1991 1992 1993 1994 1995 1996 1997	LEASEHOLDM\$ 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	DRILLING M\$ 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	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 0.0 0.0	DEPRECM\$ 10.7 18.3 13.1 9.3 6.7 6.7 6.7 3.3 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 2.6 10.5 10.5 10.5 7.8 0.0 0.0
1991 1992 1993 1994 1995 1996 1997 1998 1999	LEASEHOLDM\$ 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	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 10.7 18.3 13.1 9.3 6.7 6.7 6.7 3.3 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 2.6 10.5 10.5 10.5 7.8 0.0 0.0 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 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 0.0	DEPRECM\$ 10.7 18.3 13.1 9.3 6.7 6.7 6.7 3.3 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\$ 2.6 10.5 10.5 10.5 7.8 0.0 0.0 0.0 0.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	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	DRILLING	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	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 10.7 18.3 13.1 9.3 6.7 6.7 6.7 3.3 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 2.6 10.5 10.5 10.5 7.8 0.0 0.0 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\$ 10.7 18.3 13.1 9.3 6.7 6.7 6.7 3.3 0.0 0.0 0.0 0.0 0.0 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\$ 2.6 10.5 10.5 10.5 7.8 0.0 0.0 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\$ 10.7 18.3 13.1 9.3 6.7 6.7 6.7 3.3 0.0 0.0 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\$ 2.6 10.5 10.5 10.5 7.8 0.0 0.0 0.0 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\$ 10.7 18.3 13.1 9.3 6.7 6.7 6.7 3.3 0.0 0.0 0.0 0.0 0.0 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\$ 2.6 10.5 10.5 10.5 7.8 0.0 0.0 0.0 0.0 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\$ 10.7 18.3 13.1 9.3 6.7 6.7 6.7 3.3 0.0 0.0 0.0 0.0 0.0 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\$ 2.6 10.5 10.5 10.5 7.8 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0

F:P.A. EVAL #: 34

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DATE: 09/25/91 TIME: 14:30:34 PAGE:

NAME : RINCON U. #269 - 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
(6MO)1990	14556.5	9.9	0.840	0.000	9,9
1991	37896.9	28.2	0.920	0.000	28.2
1992	23910.1	17.8	0.920	0.000	17.8
1993	20422.6	15.2	0.920	0.000	15.2
1994	18398.4	13.7	0.920	0.000	13.7
1995	16950.1	12.6	0.920	0.000	12.6
1996	15763.6	11.7	0.920	0.000	11.7
1997	14669.6	10.9	0.920	0.000	10.9
1998	13851.7	10.3	0.920	0.000	10.3
1999	13159.1	9.8	0.920	0.000	9.8
2000	12501.2	9.3	0.920	0.000	9.3
2001	11876.1	8.8	0.920	0.000	8.8
2002	11282.3	8.4	0.920	0.000	8.4
2003	10718.2	0.0	0.000	0.000	0.0
2004	10182.3	0.0	0.000	0.000	0.0
SUB TOTAL	246138.5	166.9	0.917	0.000	166.9
REMAINDER	108678.0	0.0	0.000	0.000	0.0
TOT 30.6 YR	354816.4	166.9	0.917	0.000	166,9

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 27 NORTH, RANGE 7 WEST, N.M.P.M.

Section 36:

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 #274 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #274 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 nineAof actual production history from the Rincon Unit #274 well which first delivered on October 4, 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 #274

Location: 1850'FNL, 1115'FEL, Sec 36, T27N, R7W

Elevation: 6550' GL Total Depth: 3000' Lease Number: E-289-3

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 7-14-90

Completion Date: 7-28-90 1st Delivery Date: 10-04-90

Perf'd Interval: 2844-2850, 2853-2857, 2860-2883, 2905-2909,

2910-2919, 2921-2946.

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 #274 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 353 feet and cemented with 350 sacks to surface. Production casing measuring 4-1/2" was then set at 2999 feet and cemented in two stages to surface with 665 sacks cement. After drilling out to PBTD of 2996' the upper and lower coal zones were perforated from 2844'-2946' with 4 shots per foot and fracture stimulated with 320,000# 20/40 sand, 1.35 MMSCF N2 and 32,550 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 676 MCFD and 305 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on October 4, 1990. The current deliverability for the well against a 150# line pressure is 160 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.52 Bcf.

Net Pay: 64 ft

Drainage area: 160 acres Gas Content: 150 SCF/ton

Tonnage Factor: 2010 tons/acre-feet (from density log)

Recovery Factor: 17%

Economics

Completion Cost: \$307,000 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 - 240 MCFD, Current - 100 MCFD,

No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 6.3 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

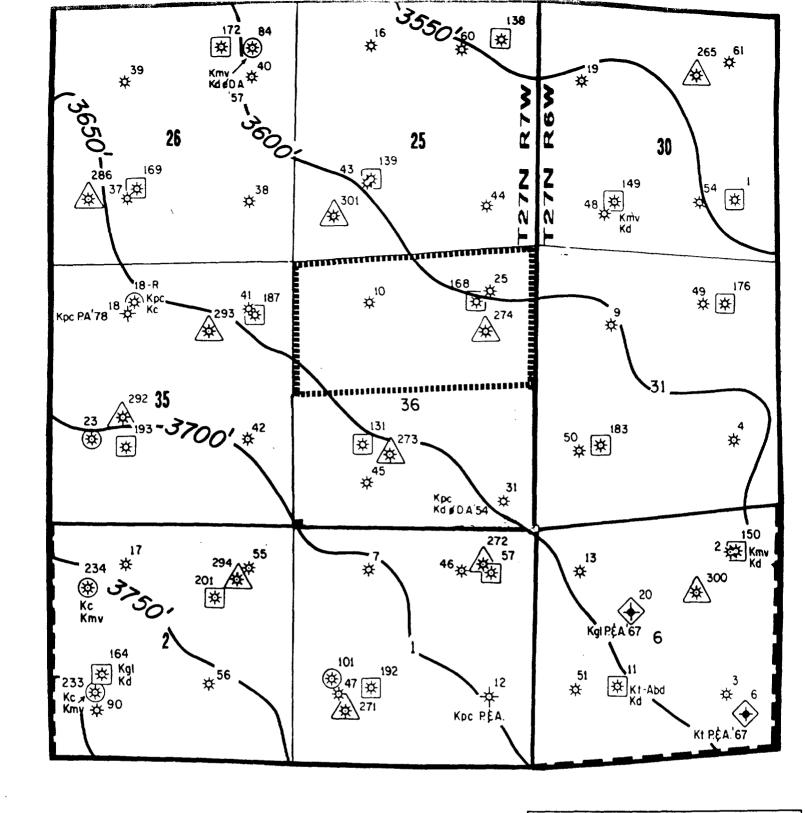
BEFORE ME, the undersigned authority on this day personally appeared Bill Hering, District Petroleum Engineer, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

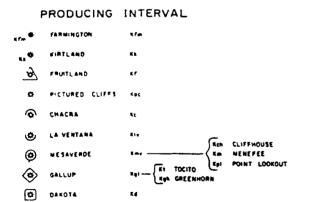
- 1) That this Statement and Affidavit is made concerning this application for expansion to the Basin Fruitland Coal Gas participating area in the Rincon Unit, in Section 36, T27N-R7W, comprising 320 acres.
- 2) That to the best of his information, knowledge and belief, the information supplied is true.
- 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 ______________________________.

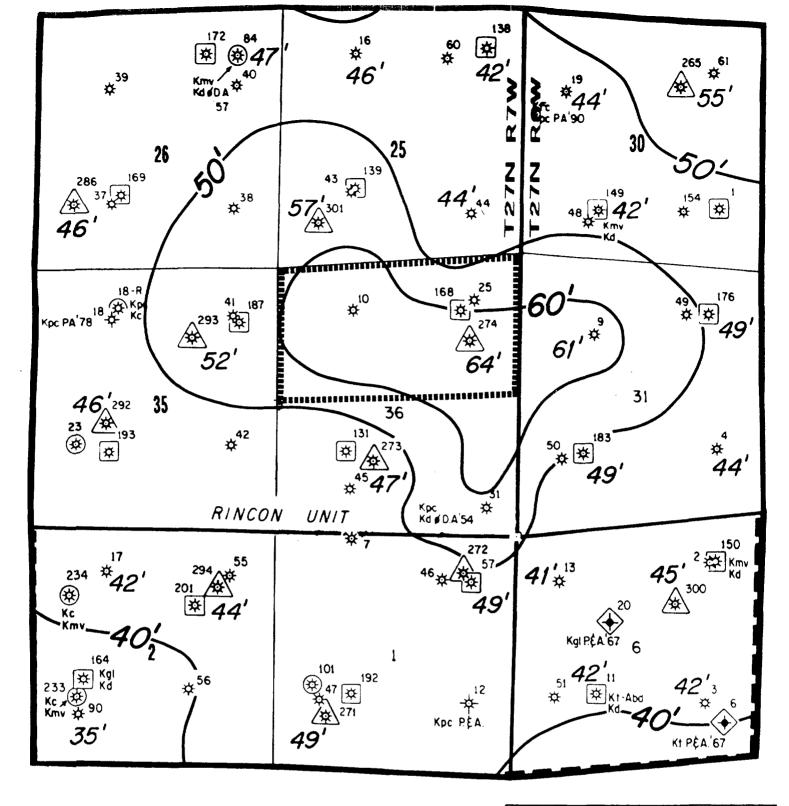
Notary Public in and for San Juan County, New Mexico

My Commission Expires:













UNOCAL

NORTH AMERICAN OIL & GAS DIVISION

RINCON UNIT

FRUITLAND COAL
RINCON UNIT # 274
N1 SEC. 36 -T27N R7W

INTER BY D.V.H. | SCALE 21/2"=1 Mi. | C1 10"

DRAFT BY | DATE 9-26-90 | FRE NO (A) PLE