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 6 WEST, N.M.P.M.

Section 20:

Containing 640 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 #255 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #255 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

This application is predicated on nine months of actual production history from the Rincon Unit #255 well which first delivered on September 21, 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 September 1, 1990.

Dated this 22nd day of July, 1991.

Bill Hering

District Petroleum Engineer Union Oil Company of California Well Summary

Well Name: Rincon Unit #255

Location: 1185'FSL, 1840'FWL, Sec 20, T27N, R6W

Elevation: 6477' GL Total Depth: 3058'

Lease Number: SF-079366

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 4-30-90

Completion Date: 5-18-90 1st Delivery Date: 9-21-90

Perf'd Interval: 2963-2965, 2977-2995, 2999-3011

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 #255 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 227 feet and cemented with 300 sacks to surface. Production casing measuring 4-1/2" was then set at 3058 feet and cemented in two stages to surface with 745 sacks cement. After drilling out to PBTD of 3056' the lower coal zone was perforated from 2963'-3011' with 4 shots per foot and fracture stimulated with 260,000# 20/40 sand, 1.1 MMSCF N2 and 27,000 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 223 MCFD and 423 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 21, 1990. The current deliverability for the well against a 150# line pressure is 70 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.53 Bcf.

Net Pay: 52 ft

Drainage area: 160 acres Gas Content: 186 SCF/ton

Tonnage Factor: 2037 tons/acre-feet (from density log)

Recovery Factor: 17%

Economics,

Completion Cost: \$272,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 244 MCFD, Current - 58 MCFD,

No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 8.2 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:

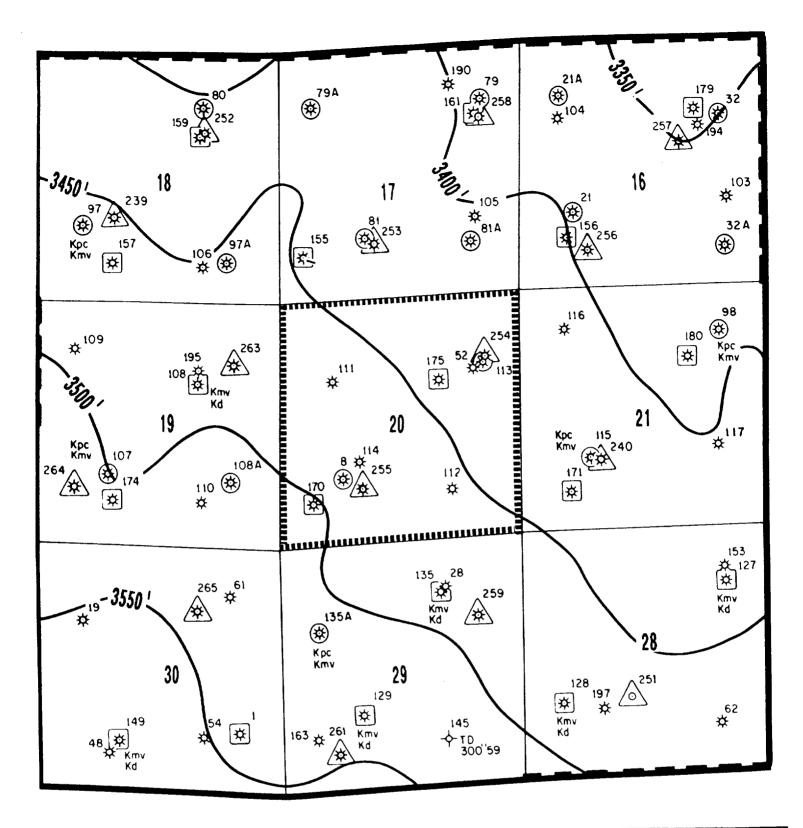
- 1) That this Statement and Affidavit is made concerning this application for expansion to the Basin Fruitland Coal Gas participating area in the Rincon Unit, in Section 20, T27N-R6W, comprising 640 acres.
- 2) That to the best of his information, knowledge and belief, the information supplied is true.
- 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.

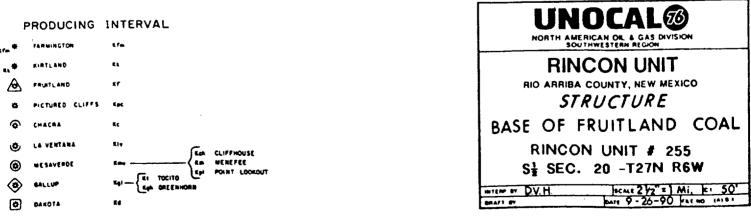
SUBSCRIBED AND SWORN TO before me, this undersigned authority, on this day of

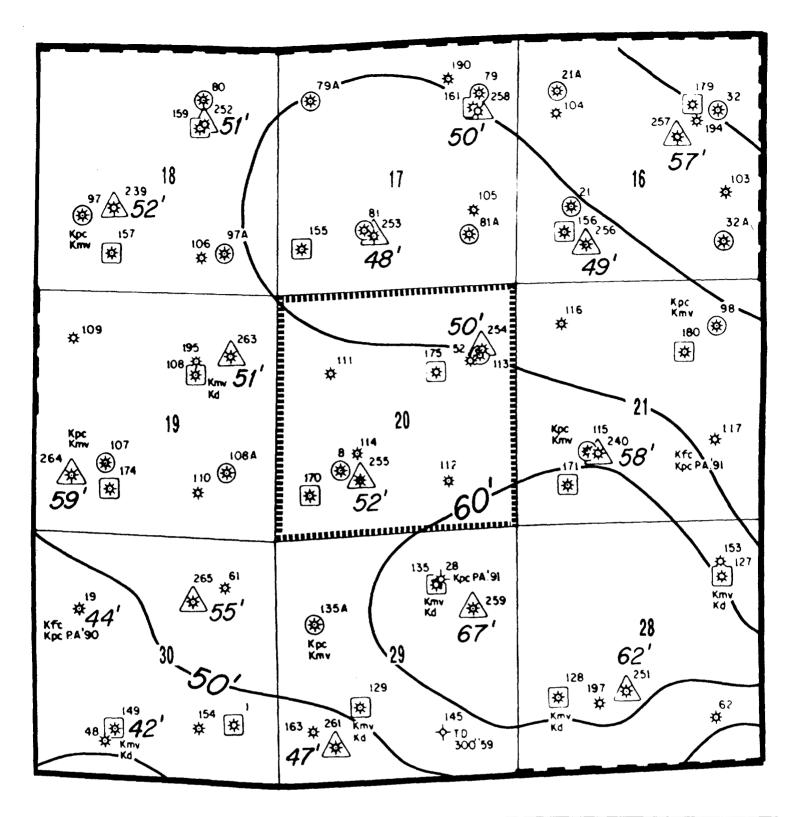
Notary Public in and for San Juan County, New Mexico

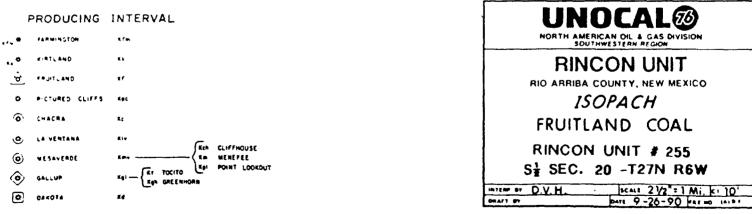
My Commission Expires:

The state of the s

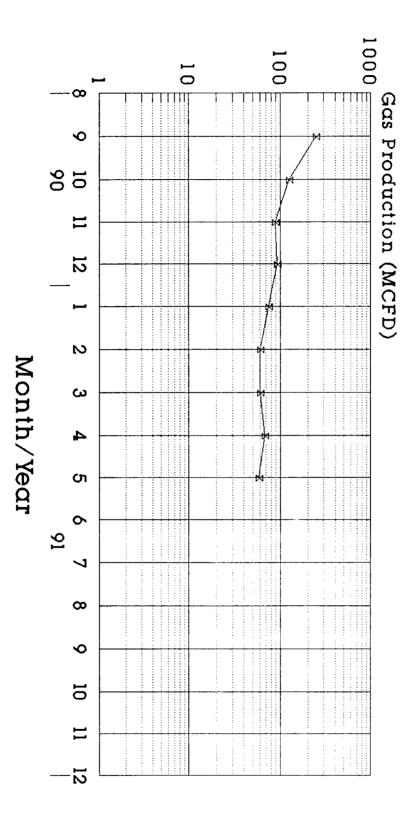








# RINCON UNIT #255 RIO ARRIBA COUNTY, NEW MEXICO



Production based on actual days on

-¥- GAS

### UNOCAL North American Oil & Gas Division Economic Report Summary

REGION: Southwestern DISTRICT: Farmington CNTYSTATE: New Mexico

PROJECT NAME: RINCON U. #255 - FT TAXCR

LOCATION:

	1.4WD 0044		• •					
			BTAX	ATAX				
IDENTIFICA	ATION	PROFIT	INDICES			PRESENT	WORTH PROFILE	
BUDGET F	PRIORITY:		PROPOS	SED BY :				
BUDGET (	CATEGORY:		EFFECT	TIVE DATE:	FEB	0		

1UEN	ILITICATION -		PROFIL	INDICES -		PRESENT	WUKIH PRUFI	LE
				BTAX				
FIELD : BASIN	FRUITLAND CO.	AL	PROFIT TO INV (P	VI):		DISCOUNT	BTAX	ATAX
LSE/BLOCK :			UNDISCOUNTED	-0.47	0.25	RATE (%)	(M\$)	(M\$)
FORMATION : FRUITL	AND COAL		DISC a 10.0%	-0.67	-0.13			
TOTAL DEPTH:			DISC a 15.0%	-0.72	-0.23	0.0	-118.	62.
OPERATOR : Unocal			INV EFF RATIO (I	ER):		5.0	-149.	5.
AFE # :			UNDISCOUNTED		0.30	10.0	-168.	-32.
LIFE (YRS) : 29.9			DISC @ 10.0%	-0.67	-0.15	15.0	-180.	-58.
Effe (IRO) . Ex.			DISC @ 15.0%	-0.72	-0.28	20.0	-188.	-76.
WI ORI	CDI	DATE	D13C W 13.0%	0.72	0.20	25.0	-194.	
			DAVOUT (VEADC)	•		25.0	- 194.	-91.
100.00000 80.9987	0 80.99870	APK 1990					400	
			RATE OF RETURN (	%) -1000.0	5.7			
						DISCOUNT MET	HOD: EFFECTI	VE MON
COMMOD I	TY PRICES		INVESTME	NTS (M\$) -		CASH	I FLOW (M\$) -	
		ND AVG		GROSS	NET			NET
OIL (\$/BBL)	0.00 0	.00 0.00	LEASEHOLD	0.	0.	TOTAL REVENUES		318.
GAS (\$/MCF)	2.12 1	.42 1.46	DRY HOLE			EXPENSES:		
NGL (\$/BBL)	0.00 0	.00 0.00	1			OPEX (LOE	:)	106.
SULPHUR (\$/TON)		.00 0.00	DRILLING	0.	0.			0.
			COMPLETION	0.				0.
\$EQUIV BOE RATIO	6.00 6	.00 6.00		0.	0.		AL TAXES	
DECOTT DOE MILLS	•		FACILITIES	0.		INDIRECT	712 1717.20	9.
UNIT CO	ST DEDECOMAN	CE		0.	0.	OVERHEAD		23.
ONIT CO	GROSS		PLANT	0.				
		NE 1			0.	NET ABAND	7/ SALV	0.
			GATHERING	0.	0.			
OPEX (\$/BOE)	2.3					NET INVESTMENTS	•	252.
OPEX (\$/BO\$E)	6.1	8 7.63	MISC INTAN	164.				
F&D (\$/BOE)	5.6	0 6.91	MISC TAN	88.	88.	BTAX CASH FLOW		-118.
F&D (\$/BO\$E)	14.6	6 18.09				INCOME TAXES PA	ID	-180.
ATAX CF (\$/BOE)		1.71	TOTAL	252.	252.	ATAX CASH FLOW		62.
ATAX CF (\$/BO\$E)		4.48	DISC @ 10.0%	250.	250.	ATAX DISC @ 10	.0%	-32.
	RESERVES	& PRODUCTION				ASSUMPTIONS & REM	ARKS	
	G	ROSS	NET					
	REMAIN	ULT	REMAIN ULT					
OIL (MBBLS)	0.	0.	0. 0.					
			219. 219.					
NGL (MBBLS)	0.							
SULPHUR (MTONS)	0.		0. 0.					
SULFILOR (MITORS)	0.	0.	0.					
EQUIVALENT RESERVES		/5	7/ 7/					
BTU (MBOE)	45.		36. 36.					
VALUE (MBO\$E)	17.	17.	14. 14.					
INITIAL RATE:								
OIL (BBLS/DAY)	0	•			GLOBAL FI	LES: 1= \$UNOCAL1	2= \$UNOCAL2	
GAS (MCF/DAY)	74	-			ALTKEY: U	SA		
					• • • • • • • •	<b></b>		
DATE: 06/21/9	TIM	E: 09:35:16	RPT FILE: 4	PG #	1 :	PRJ FILE: P.A.	EVAL	# 21
•							= : * * *	٠.

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            APR 1990 APR 1990 SEP 1990
               "RINCON U. #255 - FT TAXCR
30 NAME
40 FIELD
               "BASIN FRUITLAND COAL
               "NEW MEXICO
                                             ..
50 CNTYSTATE
               "FRUITLAND COAL
60 FORMATION
               "UNOCAL
70 OPERATOR
              ELIM
30 ECONOMICS
90 OWNERSHIP
             1. 0.809987
                "PROD DECLINE BASED ON AVG WELL CASE
120 COMMENT
130 COMMENT
                "FIRST 9 MONTHS = ACTUAL PROD.
                 P MON 2.22 3.86 2.628 2.874 2.322 1.675 1.871 1.685 1.796
140 GPROD
                         EXP * * * 28. 5.
160 GPROD
                         EXP * * * 10. 25.
170 GPROD
                         EXP * * * 7. 36.
180 GPROD
                         EXP * * * 5.
190 GPROD
210 TAN
                    1
                         MON 88000. 0. 0.
                  I MON 164000. 0.
220 INTAN
                "FIRST 9 MONTHS = ACTUAL GAS PRICES
230 COMMENT
                P MON 1.8 1.41 1.89 2.09 2.1 1.6 1.34 1.05 1.05
240 PRGAS
260 PRGAS
                         CON 1.2
               1.18 PRGAS
290 FACTOR
               p
                         CON 300.
310 LOETOT
320 AVALPS
                         CON 3.5
*** START OF INSERT FILE C-TAX
            "ASSUMES CONSTANT $.84 TAX CREDIT
10 COMMENT
20 COMMENT
               "TO 2003
30 TEMP1
                        CON O.
               TEMP1 GPROD
40 CADD
50 FACTOR
               1000. TEMP1
              1.18 TEMP1
60 FACTOR
70 TEMP5
               JAN 1990 CON 0.84
80 TEMP5
               JAN 2003 CON 0.
               TEMP2 TEMP1
TEMP5 TEMP2
90 CADD
100 CFACTOR
11C FACTOR
               0.809987 TEMP2
               TAXCR TEMP2
120 CADD
              0.001 TEMP2
13C FACTOR
*** END OF INSERT FILE
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GLOBAL FILE: \$UNOCAL2

PF:P.A. EVAL #: 21

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

DATE: 06/21/91 TIME: 09:35:16 PAGE: 2

NAME : RINCON U. #255 - FT TAXCR FIELD : BASIN FRUITLAND COAL

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

		NET VOLUME		NET GAS VOLUME	NET EQ PROD (RE: BOE)		NET REV	EFFECTIVE GAS PRICE	NET GAS REVENUE	NET TOTAL REVENUE
	MBBLS	MBBLS	MMCF	MMCF	EMBBLS	\$/BBL	M\$	\$/MCF	M\$	M\$
(9MO)1990	0.0	0.0	11.6	9.4	1.6	0.00	0.0	2.08	19.5	19.5
1991	0.0	0.0	20.8	16.9	2.8	0.00	0.0	1.56	26.3	26.3
1992	0.0	0.0	17.5	14.2	2.4	0.00	0.0	1.42	20.1	20.1
1993	0.0	0.0	15.8	12.8	2.1	0.00	0.0	1.42	18.1	18.1
1994	0.0	0.0	14.5	11.7	2.0	0.00	0.0	1.42	16.6	16.6
1995	0.0	0.0	13.5	10.9	1.8	0.00	0.0	1.42	15.4	15.4
1996	0.0	0.0	12.5	10.1	1.7	0.00	0.0	1.42	14.4	14.4
1997	0.0	0.0	11.8	9.5	1.6	0.00	0.0	1.42	13.5	13.5
1998	0.0	0.0	11.2	9.1	1.5	0.00	0.0	1.42	12.8	12.8
1999	0.0	0.0	10.6	8.6	1.4	0.00	0.0	1.42	12.2	12.2
2000	0.0	0.0	10.1	8.2	1.4	0.00	0.0	1.42	11.6	11.6
2001	0.0	0.0	9.6	7.8	1.3	0.00	0.0	1.42	11.0	11.0
2002	0.0	0.0	9.1	7.4	1.2	0.00	0.0	1.42	10.5	10.5
2003	0.0	0.0	8.7	7.0	1.2	0.00	0.0	1.42	9.9	9.9
2004	0.0	0.0	8.2	6.7	1.1	0.00	0.0	1.42	9.4	9.4
SUB TOTAL	0.0	0.0	185.5	150.2	25.0	0.00	0.0	1.47	221.4	221.4
REMAINDER	0.0	0.0	84.5	68.5	11.4	0.00	0.0	1.42	96.9	96.9
TO" 29.9 YR	0.0	0.0	270.0	218.7	36.4	0.00	0.0	1.46	318.3	318.3
	NET LOE	NET		NET TOTAL		NET TOTAL	BTAX	INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 9MO)1990	(FIX + VAR) M\$	WORKOVR EXP	DIRECT EXP M\$ 1.2	TAXES M\$ 2.3	EXPENSE M\$ 0.4	1NVESTMENT M\$ 252.0	CASHFLOW M\$ -236.3	TAXES PAIDM\$	CASHFLOW M\$ -183.3	CASHFLOW M\$ -183.3
1991	(FIX + VAR) M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 2.3 3.6	EXPENSE M\$ 0.4 1.1	INVESTMENT M\$ 252.0 0.0	CASHFLOW M\$ -236.3 18.0	TAXES PAID M\$ -53.0 -21.8	CASHFLOW M\$ -183.3 39.8	CASHFLOW M\$ -183.3 -143.5
1991 1992	(FIX + VAR)M\$ 1.2 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6	TAXES M\$ 2.3 3.6 2.9	EXPENSE M\$ 0.4 1.1	INVESTMENT M\$ 252.0 0.0 0.0	CASHFLOW M\$ -236.3 18.0 12.5	TAXES PAID M\$ -53.0 -21.8 -18.9	CASHFLOW M\$ -183.3 39.8 31.4	CASHFLOW M\$ -183.3 -143.5 -112.1
1991 1992 1993	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7	EXPENSE M\$ 0.4 1.1 1.1	INVESTMENT M\$ 252.0 0.0 0.0	CASHFLOWM\$	TAXES PAID M\$ -53.0 -21.8 -18.9 -16.5	CASHFLOW M\$ -183.3 39.8 31.4 27.3	CASHFLOWM\$183.3 -143.5 -112.1 -84.9
1991 1992 1993 1994	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7 2.4	EXPENSE M\$ 0.4 1.1 1.1 1.1	INVESTMENTM\$ 252.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -236.3 18.0 12.5 10.8 9.5	TAXES PAIDM\$53.0 -21.8 -18.9 -16.5 -14.7	CASHFLOW M\$ -183.3 39.8 31.4 27.3 24.2	CASHFLOWM\$183.3 -143.5 -112.1 -84.9 -60.6
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7 2.4 2.3	EXPENSE M\$ 0.4 1.1 1.1 1.1	INVESTMENTM\$ 252.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -236.3 18.0 12.5 10.8 9.5 8.5	TAXES PAIDM\$53.0 -21.8 -18.9 -16.5 -14.7 -13.1	CASHFLOW M\$ -183.3 39.8 31.4 27.3 24.2 21.5	CASHFLOWM\$183.3 -143.5 -112.1 -84.9 -60.6 -39.1
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7 2.4 2.3 2.1	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1	INVESTMENTM\$ 252.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.3 18.0 12.5 10.8 9.5 8.5 7.6	TAXES PAIDM\$53.0 -21.8 -18.9 -16.5 -14.7 -13.1 -10.2	CASHFLOWM\$183.3 39.8 31.4 27.3 24.2 21.5 17.7	CASHFLOWM\$183.3 -143.5 -112.1 -84.9 -60.6 -39.1 -21.4
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7 2.4 2.3 2.1 2.0	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 252.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.3 18.0 12.5 10.8 9.5 8.5 7.6 6.8	TAXES PAIDM\$53.0 -21.8 -18.9 -16.5 -14.7 -13.1 -10.2 -8.3	CASHFLOWM\$183.3 39.8 31.4 27.3 24.2 21.5 17.7 15.2	CASHFLOWM\$183.3 -143.5 -112.1 -84.9 -60.6 -39.1 -21.4 -6.2
1991 1992 1993 1994 1995 1996 1997 1998	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7 2.4 2.3 2.1 2.0 1.9	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 252.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.3 18.0 12.5 10.8 9.5 8.5 7.6 6.8 6.3	TAXES PAIDM\$53.0 -21.8 -18.9 -16.5 -14.7 -13.1 -10.2 -8.3 -6.6	CASHFLOWM\$183.3 39.8 31.4 27.3 24.2 21.5 17.7 15.2 12.9	CASHFLOWM\$183.3 -143.5 -112.1 -84.9 -60.6 -39.1 -21.4 -6.2 6.7
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7 2.4 2.3 2.1 2.0 1.9 1.8	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 252.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.3 18.0 12.5 10.8 9.5 8.5 7.6 6.8 6.3 5.7	TAXES PAIDM\$53.0 -21.8 -18.9 -16.5 -14.7 -13.1 -10.2 -8.3 -6.6 -6.4	CASHFLOWM\$183.3 39.8 31.4 27.3 24.2 21.5 17.7 15.2 12.9	CASHFLOWM\$183.3 -143.5 -112.1 -84.9 -60.6 -39.1 -21.4 -6.2 6.7 18.8
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7 2.4 2.3 2.1 2.0 1.9 1.8 1.7	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 252.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.3 18.0 12.5 10.8 9.5 8.5 7.6 6.8 6.3 5.7 5.2	TAXES PAIDM\$53.0 -21.8 -18.9 -16.5 -14.7 -13.1 -10.2 -8.3 -6.6 -6.4 -6.1	CASHFLOWM\$183.3 39.8 31.4 27.3 24.2 21.5 17.7 15.2 12.9 12.1 11.3	CASHFLOWM\$183.3 -143.5 -112.1 -84.9 -60.6 -39.1 -21.4 -6.2 6.7 18.8 30.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7 2.4 2.3 2.1 2.0 1.9 1.8 1.7 1.6	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 252.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.3 18.0 12.5 10.8 9.5 8.5 7.6 6.8 6.3 5.7 5.2 4.7	TAXES PAIDM\$53.0 -21.8 -18.9 -16.5 -14.7 -13.1 -10.2 -8.3 -6.6 -6.4 -6.1 -5.9	CASHFLOWM\$183.3 39.8 31.4 27.3 24.2 21.5 17.7 15.2 12.9 12.1 11.3 10.6	CASHFLOWM\$183.3 -143.5 -112.1 -84.9 -60.6 -39.1 -21.4 -6.2 6.7 18.8
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7 2.4 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 252.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.3 18.0 12.5 10.8 9.5 7.6 6.8 6.3 5.7 5.2 4.7 4.2	TAXES PAIDM\$53.0 -21.8 -18.9 -16.5 -14.7 -13.1 -10.2 -8.3 -6.6 -6.4 -6.1 -5.9 -5.7	CASHFLOWM\$183.3 39.8 31.4 27.3 24.2 21.5 17.7 15.2 12.9 12.1 11.3	CASHFLOWM\$183.3 -143.5 -112.1 -84.9 -60.6 -39.1 -21.4 -6.2 -6.7 18.8 30.1 40.7 50.7
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7 2.4 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.5	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 252.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.3 18.0 12.5 10.8 9.5 8.5 7.6 6.8 6.3 5.7 5.2 4.7 4.2 3.8	TAXES PAIDM\$53.0 -21.8 -18.9 -16.5 -14.7 -13.1 -10.2 -8.3 -6.6 -6.4 -6.1 -5.9	CASHFLOWM\$183.3 39.8 31.4 27.3 24.2 21.5 17.7 15.2 12.9 12.1 11.3 10.6	CASHFLOWM\$183.3 -143.5 -112.1 -84.9 -60.6 -39.1 -21.4 -6.2 -6.7 18.8 30.1 40.7 50.7 53.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7 2.4 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.5	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 252.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.3 18.0 12.5 10.8 9.5 7.6 6.8 6.3 5.7 5.2 4.7 4.2	TAXES PAIDM\$53.0 -21.8 -18.9 -16.5 -14.7 -13.1 -10.2 -8.3 -6.6 -6.4 -6.1 -5.9 -5.7	CASHFLOWM\$183.3 39.8 31.4 27.3 24.2 21.5 17.7 15.2 12.9 12.1 11.3 10.6 9.9	CASHFLOWM\$183.3 -143.5 -112.1 -84.9 -60.6 -39.1 -21.4 -6.2 -6.7 18.8 30.1 40.7 50.7
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7 2.4 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.5 1.4 31.6	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 252.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.3 18.0 12.5 10.8 9.5 8.5 7.6 6.8 6.3 5.7 5.2 4.7 4.2 3.8	TAXES PAIDM\$53.0 -21.8 -18.9 -16.5 -14.7 -13.1 -10.2 -8.3 -6.6 -6.4 -6.1 -5.9 -5.7 1.4	CASHFLOWM\$183.3 39.8 31.4 27.3 24.2 21.5 17.7 15.2 12.9 12.1 11.3 10.6 9.9 2.4	CASHFLOWM\$183.3 -143.5 -112.1 -84.9 -60.6 -39.1 -21.4 -6.2 -6.7 18.8 30.1 40.7 50.7 53.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.3 3.6 2.9 2.7 2.4 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.5	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 252.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.3 18.0 12.5 10.8 9.5 8.5 7.6 6.8 6.3 5.7 5.2 4.7 4.2 3.8 3.4	TAXES PAIDM\$53.0 -21.8 -18.9 -16.5 -14.7 -13.1 -10.2 -8.3 -6.6 -6.4 -6.1 -5.9 -5.7 1.4 1.3	CASHFLOWM\$183.3 39.8 31.4 27.3 24.2 21.5 17.7 15.2 12.9 12.1 11.3 10.6 9.9 2.4 2.1	CASHFLOWM\$183.3 -143.5 -112.1 -84.9 -60.6 -39.1 -21.4 -6.2 -6.7 18.8 30.1 40.7 50.7 53.0 55.1

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

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FAME: RINCON U. #255 - FT TAXCR
RIELD: BASIN FRUITLAND COAL

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

		TOTAL GROSS		NET NGL	EFFECTIVE	NET NGL	NET	NET PLANT		
	INVESTMENT		GROSS WELLS	VOLUME	NGL PRICE	REVENUE	SULPHUR		+TREAT+COMP	
. 0.40.4000	1									
9M0)1990	252.0	1.2		0.0	0.00	0.0	0.0	0.0		0.0
1991	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1992	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1993	0.0			0.0	0.00	0.0	0.0	0.0	0.0	0.0
1994	0.0			0.0	0.00	0.0	0.0	0.0	0.0	0.0
1995	0.0			0.0	0.00	0.0	0.0	0.0	0.0	0.0
1996	0.0			0.0	0.00	0.0	0.0	0.0	0.0	0.0
1997	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1998	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1999	0.0			0.0	0.00	0.0	0.0	0.0	0.0	0.0
2000	0.0			0.0	0.00	0.0	0.0	0.0	0.0	0.0
2001	0.0	· ·		0.0	0.00	0.0	0.0	0.0	0.0	0.0
2002	0.0			0.0	0.00	0.0	0.0	0.0	0.0	0.0
2003	0.0			0.0	0.00	0.0	0.0	0.0	0.0	0.0
2004	0.0			0.0	0.00	0.0	0.0	0.0	0.0	0.0
SUB TOTAL	252.0	51.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0			0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 29.9 YR	252.0	106.2	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
	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
( 9MO)1990	LEASEHOLD M\$ 0.0	DRY HOLE M\$	DRILLING M\$ 0.0	COMPLETIONM\$ 0.0	FACILITIES	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0	DEPREC M\$ 12.6	DEPLETION	AMORT
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\$ 12.6 21.6	DEPLETION	AMORT
1991 1992	LEASEHOLD M\$ 0.0 0.0	DRY HOLE M\$ 0.0 0.0	DRILLING M\$ 0.0 0.0 0.0	COMPLETIONM\$ 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 0.0	DEPREC M\$ 12.6 21.6 15.4	DEPLETION M\$ 0.0	AMORT M\$ 3.3
1991 1992 1993	LEASEHOLD M\$ 0.0 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 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 0.0	DEPREC M\$ 12.6 21.6 15.4 11.0	DEPLETION M\$ 0.0 0.0	AMORT M\$ 3.3 9.8
1991 1992 1993 1994	LEASEHOLD M\$ 0.0 0.0 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 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 0.0	PLATFORM 0.0 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPREC M\$ 12.6 21.6 15.4 11.0 7.9	DEPLETION M\$ 0.0 0.0 0.0	AMORT M\$ 3.3 9.8 9.8 9.8 9.8
1991 1992 1993 1994 1995	LEASEHOLD M\$ 0.0 0.0 0.0 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0 0.0 0.0	DRILLINGM\$ 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	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORM 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	DEPREC M\$ 12.6 21.6 15.4 11.0 7.9 7.9	DEPLETIONM\$ 0.0 0.0 0.0 0.0	AMORT M\$ 3.3 9.8 9.8 9.8
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 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	PLATFORM 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	DEPREC M\$ 12.6 21.6 15.4 11.0 7.9 7.9 7.9	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 3.3 9.8 9.8 9.8 9.8
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	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	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 12.6 21.6 15.4 11.0 7.9 7.9 7.9 3.9	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.3 9.8 9.8 9.8 9.8 9.8 6.6
1991 1992 1993 1994 1995 1996 1997 1998	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	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 12.6 21.6 15.4 11.0 7.9 7.9 7.9	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.3 9.8 9.8 9.8 9.8 9.8 6.6 0.0
1991 1992 1993 1994 1995 1996 1997 1998	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	PLATFORM 0.0 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	DEPREC M\$ 12.6 21.6 15.4 11.0 7.9 7.9 7.9 3.9	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.3 9.8 9.8 9.8 9.8 9.8 6.6 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	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	DEPREC M\$ 12.6 21.6 15.4 11.0 7.9 7.9 7.9 3.9 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.3 9.8 9.8 9.8 9.8 9.8 6.6 0.0 0.0
1991 1992 1993 1994 1995 1996 1997 1998	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	PLATFORM 0.0 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	DEPREC M\$ 12.6 21.6 15.4 11.0 7.9 7.9 7.9 3.9 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.3 9.8 9.8 9.8 9.8 6.6 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	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	PLATFORM 0.0 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	DEPREC M\$ 12.6 21.6 15.4 11.0 7.9 7.9 7.9 3.9 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.3 9.8 9.8 9.8 9.8 6.6 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	PLATFORM 0.0 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\$ 12.6 21.6 15.4 11.0 7.9 7.9 7.9 3.9 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\$ 3.3 9.8 9.8 9.8 9.8 6.6 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	PLATFORM 0.0 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\$ 12.6 21.6 15.4 11.0 7.9 7.9 7.9 3.9 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\$ 3.3 9.8 9.8 9.8 9.8 6.6 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	PLATFORM 0.0 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\$ 12.6 21.6 15.4 11.0 7.9 7.9 7.9 3.9 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\$ 3.3 9.8 9.8 9.8 9.8 6.6 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	PLATFORM 0.0 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\$ 12.6 21.6 15.4 11.0 7.9 7.9 7.9 3.9 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\$ 3.3 9.8 9.8 9.8 9.8 6.6 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0

PF:P.A. EVAL #: 21

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

DATE: 06/21/91 TIME: 09:35:19 PAGE: 4

NAME : RINCON U. #255 - 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
( 9MO)1990	13666.8	9.3	0.840	0.000	9.3
1991	24599.1	16.7	0.840	0.000	16.7
1992	20683.4	14.1	0.840	0.000	14.1
1993	18617.0	12.7	0.840	0.000	12.7
1994	17072.9	11.6	0.840	0.000	11.6
1995	15877.8	10.8	0.840	0.000	10.8
1996	14767.4	10.0	0.840	0.000	10.0
1997	13902.7	9.5	0.840	0.000	9.5
1998	13207.6	9.0	0.840	0.000	9.0
1999	12547.2	8.5	0.840	0.000	8.5
2000	11919.8	8.1	0.840	0.000	8.1
2001	11323.8	7.7	0.840	0.000	7.7
2002	10757.6	7.3	0.840	0.000	7.3
2003	10219.7	0.0	0.000	0.000	0.0
2004	9708.8	0.0	0.000	0.000	0.0
SUB TOTAL	218871.4	135.4	0.840	0.000	135.4
REMAINDER	99732.2	0.0	0.000	0.000	0.0
TOT 29.9 YR	318603.7	135.4	0.840	0.000	135.4

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 6 WEST, N.M.P.M.

Section 16: South/2

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 #256 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #256 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

This application is predicated on nine months of actual production history from the Rincon Unit #256 well which first delivered on September 21, 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 September 1, 1990.

Dated this 22nd day of July, 1991.

Bill Hering

District Petroleum Engineer

Union Oil Company of California

Well Summary

Well Name: Rincon Unit #256

Location: 790'FSL, 1500'FWL, Sec 16, T27N, R6W

Elevation: 6651' GL Total Depth: 3320' Lease Number: E-290-28

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 5-29-90

Completion Date: 6-16-90 1st Delivery Date: 9-21-90

Perf'd Interval: 3167, 3170-3173, 3223-3226, 3228-3230,

3234-3236, 3238-3253, 3256-3268.

### 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 #256 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 3320 feet. A failed DV Tool during the initial cement job required the production casing to be cemented in four stages with a total of 989 sacks of cement. After drilling out to PBTD of 3320' the upper and lower coal zones were perforated from 3167'-3268' with 4 shots per foot and fracture stimulated with 320,000# 20/40 sand, 1.5 MMSCF N2 and 38,300 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 628 MCFD and 310 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 21, 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 0.46 Bcf.

Net Pay: 49 ft

Drainage area: 160 acres Gas Content: 169 SCF/ton

Tonnage Factor: 2077 tons/acre-feet (from density log)

Recovery Factor: 17%

**Economics** 

Completion Cost: \$423,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 326 MCFD, Current - 73 MCFD,

No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 11.5 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

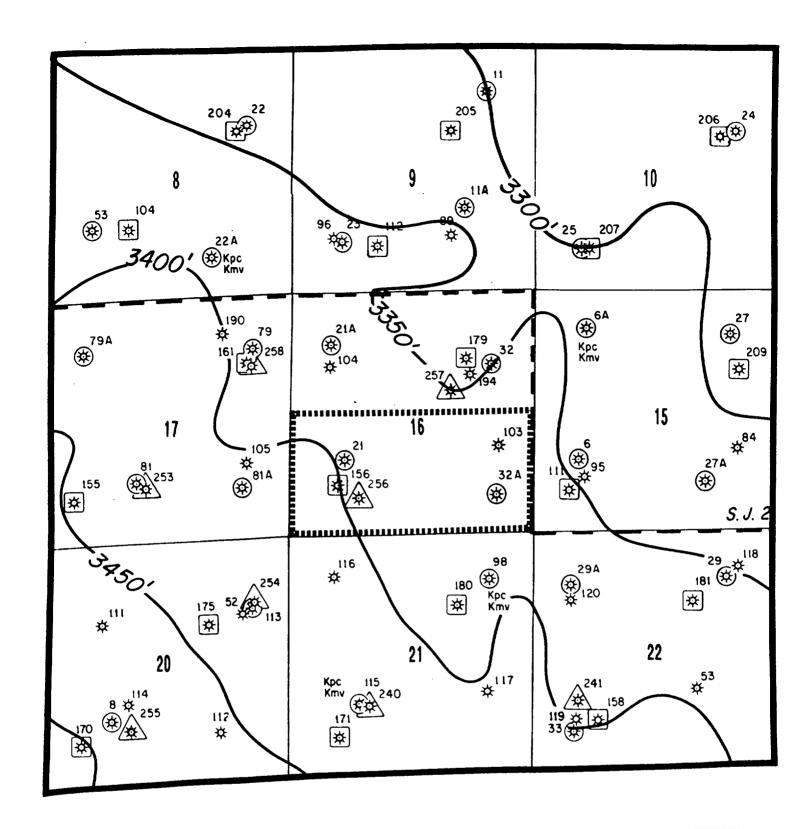
BEFORE ME, the undersigned authority on this day personally appeared Bill Hering, District Petroleum Engineer, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

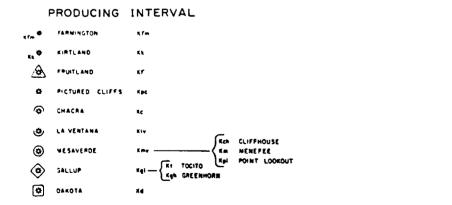
- 1) That this Statement and Affidavit is made concerning this application for expansion to the Basin Fruitland Coal Gas participating area in the Rincon Unit, in the S/2 Section 16, T27N-R6W, comprising 320 acres.
- 2) That to the best of his information, knowledge and belief, the information supplied 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

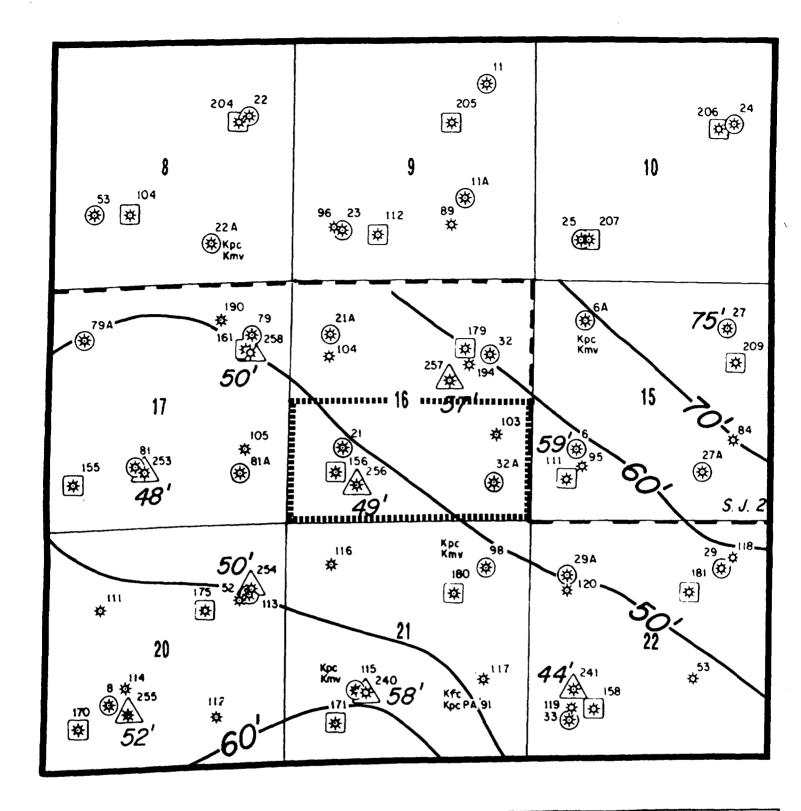
Notary Public in and for San Juan County, New Mexico

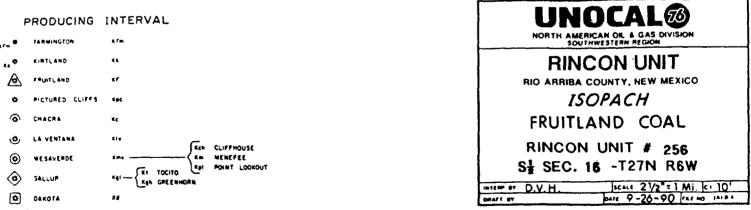
My Commission Expires:



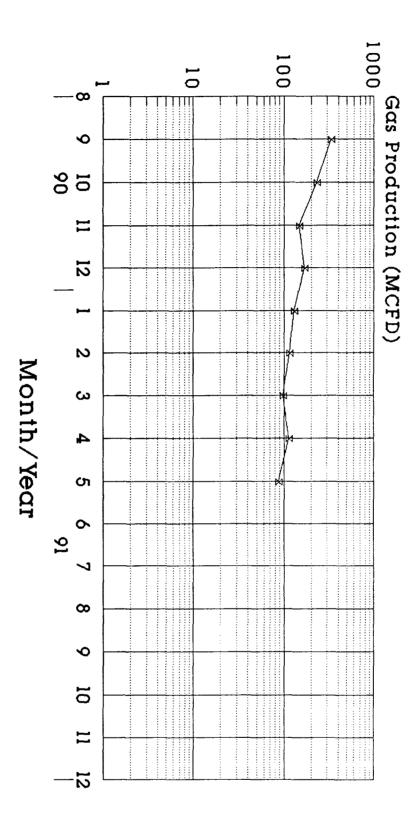








# RINCON UNIT #256 RIO ARRIBA COUNTY, NEW MEXICO



Production based on actual days on

--- GAS

### UNOCAL North American Oil & Gas Division Economic Report Summary

REGION: Southwestern DISTRICT: Farmington CNTYSTATE: New Mexico

PROJECT NAME: RINCON U. #256 - FT TAXCR LOCATION:

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

1DENT	IFICATION			PROFIT	INDICES BTA		PRESENT	WORTH PROF	LE
FIELD : BASIN F	RUITLAND COAL		PROF	IT TO INV (P	·/I):		DISCOUNT	BTAX	ATAX
LSE/BLOCK :				DISCOUNTED		3 ` 0.07	RATE (%)	(M\$)	(M\$)
FORMATION : FRUITLA	ND COAL					9 -0.21			
TOTAL DEPTH:				sc a 15.0%			0.0	-214.	30.
OPERATOR : Unocal				EFF RATIO (I		J (1.2)	5.0	-254.	-39.
				DISCOUNTED		3 0.09		-278.	-84.
AFE # :			ON	SC a 10.0%					
LIFE (YRS) : 31.8						9 -0.25	15.0	-293.	-115.
			DI	sc a 15.0%	-0.7	3 -0.35	20.0	-303.	-138.
		DATE					25.0	-310.	- 156.
100.00000 80.99870	80.99870	JUN 1990		JT (YEARS)					
			RATE	OF RETURN (	%) -1000.0	0 1.9	DISCOUNT DAT		
COMMODIT	Y PRICES			INVESTME	NTS (M\$)		CASH	FIOU (MS) -	
Congrout		AVG		1111201112		NET	CKSI	LOH (MD)	NET
-					uk033				NE I
	0.00 0.0			HOLD		0.	TOTAL REVENUES		392.
	2.42 1.4			HOLE		0.			372.
MC: (#/DDI)	0.00 0.0			1000	٥.	٥.			11/
NGL (\$/BBL)	0.00 0.0			1110	•	•	OPEX (LOE	:)	114.
SULPHUR (\$/TON)	0.00 0.0	0.00		ING		0.	WORKOVER		0.
				ETION	0.		PLANT		0.
\$EQUIV BOE RATIO	6.00 6.0	0 6.00		FORM	0.	0.		AL TAXES	55.
				LITIES	0.	0.	INDIRECT		9.
UNIT COS	T PERFORMANCE		PIPE	INE	0.	0.	OVERHEAD		25.
	GROSS	NET	PLAN	ſ	0.	0.	NET ABAND	/SALV	0.
			GATH	ERING	0.	0.			
OPEX (\$/BOE)	2.11	2.61					NET INVESTMENTS	;	403.
OPEX (\$/BO\$E)	5.31	6.56	MISC	INTAN	262.	262.			
F&D (\$/BOE)	7.49	9.24	MISC	TAN	141.	141.	BTAX CASH FLOW		-214.
	18.84						INCOME TAXES PA		-244.
ATAX CF (\$/BOE)		0.68		TOTAL	403.	403.			30.
ATAX CF (\$/BO\$E)		1.71		a 10.0%	400.	400.			-84.
(4,000,0)		,		- 101011					04.
							ASSUMPTIONS & REM	IARKS	
				VET					
		ULT		ULT					
OIL (MBBLS)		0.	0.						
GAS (MMCF)	323.								
NGL (MBBLS)	0.	0.	0.	0.					
SULPHUR (MTONS)	0.	0.	0.	0.					
EQUIVALENT RESERVES:									
BTU (MBOE)	54.	54.	44.	44.					
VALUE (MBO\$E)	21.	21.	17.	17.					
INITIAL RATE:									
OIL (BBLS/DAY)	0.					CLOBAL ET	IEC. 1- CHMOCAL 1	2= CHMOON 2	
							LES: 1= \$UNOCAL1	Z= DUNUCALZ	
GAS (MCF/DAY)	99.					ALTKEY: U	5A	_	
DATE: 06/21/91	TIME:	10:11:40	RPT I	TLE: 4	PG #	1	PRJ FILE: P.A.	EVAL	# 22

```
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EVALUATION #22 IN PROJECT FILE "P.A. " 06/21/91 10:11:05
10 IDENT "30 25 U091205
             JUN 1990 JUN 1990 SEP 1990
20 DATES
30 NAME
               "RINCON U. #256 - FT TAXCR
O FIELD
                "BASIN FRUITLAND COAL
50 CNTYSTATE
               "NEW MEXICO
50 FORMATION
               "FRUITLAND COAL
                                             (1
               "UNOCAL
70 OPERATOR
30 ECONOMICS
               ELIM
             1. 0.809987
20 OWNERSHIP
              "PROD DECLINE BASED ON AVG WELL CASE
120 COMMENT
                "FIRST 9 MONTHS = ACTUAL PROD.
130 COMMENT
                 P MON 2.957 7.038 4.227 5.218 3.995 3.226 3.012 2.908 2.66
140 GPROD
150 GPROD
                          EXP * * * 60. 4.
                          EXP * * * 28. 5.
160 GPROD
                         EXP * * * 10. 25.
170 GPROD
180 GPROD
                          EXP * * * 7. 36.
                          EXP * * * 5.
190 GPROD
                I MON 141000. 0. 0.
210 TAN
220 INTAN I MON 262000. 0.
230 COMMENT "FIRST 9 MONTHS = ACTUAL GAS PRICES
220 INTAN
                   I
                         MON 262000. 0.
                P MON 2.05 1.74 2.07 2.35 2.35 1.74 1.44 1.12 1.12 * CON 1.2
240 PRGAS
260 PRGAS
                         CON 1.2
290 FACTOR
                1.18 PRGAS
              P CON 300.
310 LOETOT
320 AVALPS
                         CON 3.5
*** START OF INSERT FILE C-TAX
            "ASSUMES CONSTANT $.84 TAX CREDIT
10 COMMENT
20 COMMENT
               "TO 2003
               * CON 0.
TEMP1 GPROD
30 TEMP1
40 CADD
             1000. TEMP1
50 FACTOR
             1.18 TEMP1
60 FACTOR
70 TEMP5
               JAN 1990 CON 0.84
               JAN 2003 CON 0.
80 TEMP5
               TEMP2 TEMP1
TEMP5 TEMP2
90 CADD
100 CFACTOR
              0.809987 TEMP2
110 FACTOR
                TAXCR TEMP2
120 CADD
130 FACTOR
              0.001 TEMP2
*** END OF INSERT FILE
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GLOBAL FILE: \$UNOCAL2

PF:P.A. EVAL #: 22

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

DATE: 06/21/91 TIME: 10:11:40 PAGE: 2

NAME : RINCON U. #256 - FT TAXCR FIELD : BASIN FRUITLAND COAL CNTY, STATE: NEW MEXICO

FORMATION : FRUITLAND COAL OPERATOR : UNOCAL

	OIL + COND	NET VOLUME OIL + COND	PRODUCTION	VOLUME	NET EQ PROD (RE: BOE)	O+C PRICE	NET REV OIL + COND	EFFECTIVE GAS PRICE	NET GAS REVENUE	NET TOTAL REVENUE
( 7MO)1990	0.0		19.4	15.7		0.00	0.0	2.39	37.6	37.6
1991	0.0	0.0	30.6	24.8	4.1	0.00	0.0	1.67	41.4	41.4
1992	0.0	0.0	19.9	16.1	2.7	0.00	0.0	1.42	22.8	22.8
1993	0.0	0.0	17.8	14.4	2.4	0.00	0.0	1.42	20.5	20.5
1994	0.0	0.0	16.2	13.1	2.2	0.00	0.0	1.42	18.6	18.6
1995	0.0	0.0	15.0	12.2	2.0	0.00	0.0	1.42	17.3	17.3
1996	0.0	0.0	14.0	11.3	1.9	0.00	0.0	1.42	16.0	16.0
1997	0.0	0.0	13.1	10.6	1.8	0.00	0.0	1.42	15.0	15.0
1998	0.0	0.0	12.4	10.1	1.7	0.00	0.0	1.42	14.3	14.3
1999	0.0	0.0	11.8	9.6	1.6	0.00	0.0	1.42	13.5	13.5
2000	0.0	0.0	11.2	9.1	1.5	0.00	0.0	1.42	12.9	12.9
2001	0.0	0.0	10.7	8.6	1.4	0.00	0.0	1.42	12.2	12.2
2002	0.0	0.0	10.1	8.2	1.4	0.00	0.0	1.42	11.6	11.6
2003	0.0	0.0	9.6	7.8	1.3	0.00	0.0	1.42	11.0	11.0
2004	0.0	0.0	9.1	7.4	1.2	0.00	0.0	1.42	10.5	10.5
SUB TOTAL	0.0	0.0	221.0	179.0	29.8	0.00	0.0	1.54	275.1	275.1
REMAINDER	0.0	0.0	101.9	82.5	13.8	0.00	0.0	1.42	116.9	116.9
TOT 31.8 YR	0.0	0.0	322.9	261.6	43.6	0.00	0.0	1.50	392.0	392.0
	NET LOE	NET	NET TOTAL	NET TOTAL	NET ADMIN	NET TOTAL	BTAX	INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW		CASHFLOW	CASHFLOW
( 7MO)1990	(FIX + VAR)M\$ 1.2	WORKOVR EXP	DIRECT EXP M\$ 1.2	TAXES M\$ 4.0	EXPENSE	INVESTMENT	CASHFLOW M\$ -371.0	TAXES PAID M\$	CASHFLOW	CASHFLOW
( 7MO)1990 1991	(FIX + VAR) M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 4.0 5.5	EXPENSE	INVESTMENT	CASHFLOW M\$ -371.0 31.3	TAXES PAID M\$ -82.8 -31.8	CASHFLOW	CASHFLOW
1991 1992	(FIX + VAR)M\$ 1.2 3.6 3.6	WORKOVR EXP	DIRECT EXP M\$ 1.2	TAXES M\$ 4.0 5.5 3.3	EXPENSE M\$ 0.4	INVESTMENT M\$ 403.0	CASHFLOW M\$ -371.0	TAXES PAID M\$	CASHFLOW M\$ -288.2	CASHFLOW M\$ -288.2
1991 1992 1993	(FIX + VAR) M\$ 1.2 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6	TAXES M\$ 4.0 5.5 3.3	EXPENSE M\$ 0.4 1.1 1.1	INVESTMENT M\$ 403.0 0.0	CASHFLOW M\$ -371.0 31.3 14.8 12.8	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1	CASHFLOW M\$ -288.2 63.1	CASHFLOW M\$ -288.2 -225.1
1991 1992 1993 1994	(FIX + VAR) M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXESM\$ 4.0 5.5 3.3 3.0 2.7	EXPENSE M\$ 0.4 1.1 1.1 1.1	INVESTMENTM\$ 403.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -371.0 31.3 14.8 12.8 11.2	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1 -19.5	CASHFLOW M\$ -288.2 63.1 40.5	CASHFLOW M\$ -288.2 -225.1 -184.7
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6 3.6	WORKOVR EXPM\$ 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 4.0 5.5 3.3 3.0 2.7 2.5	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1	INVESTMENT M\$ 403.0 0.0 0.0	CASHFLOW M\$ -371.0 31.3 14.8 12.8	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1	CASHFLOW M\$ -288.2 63.1 40.5 34.9	CASHFLOW M\$ -288.2 -225.1 -184.7 -149.8
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 4.0 5.5 3.3 3.0 2.7 2.5 2.4	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1	INVESTMENTM\$ 403.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -371.0 31.3 14.8 12.8 11.2	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1 -19.5	CASHFLOW M\$ -288.2 63.1 40.5 34.9 30.7	CASHFLOW M\$ -288.2 -225.1 -184.7 -149.8 -119.1
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 4.0 5.5 3.3 3.0 2.7 2.5 2.4 2.2	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 403.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$371.0 31.3 14.8 12.8 11.2 10.0 9.0 8.1	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1 -19.5 -17.0 -12.6 -9.8	CASHFLOWM\$288.2 63.1 40.5 34.9 30.7 27.1 21.6 17.9	CASHFLOWM\$288.2 -225.1 -184.7 -149.8 -119.1 -92.0 -70.4 -52.5
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 4.0 5.5 3.3 3.0 2.7 2.5 2.4 2.2 2.1	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 403.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$371.0 31.3 14.8 12.8 11.2 10.0 9.0 8.1 7.5	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1 -19.5 -17.0 -12.6 -9.8 -7.1	CASHFLOWM\$288.2 63.1 40.5 34.9 30.7 27.1 21.6 17.9 14.6	CASHFLOWM\$288.2 -225.1 -184.7 -149.8 -119.1 -92.0 -70.4
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 4.0 5.5 3.3 3.0 2.7 2.5 2.4 2.2 2.1 2.0	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 403.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$371.0 31.3 14.8 12.8 11.2 10.0 9.0 8.1 7.5 6.9	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1 -19.5 -17.0 -12.6 -9.8 -7.1 -6.9	CASHFLOWM\$288.2 63.1 40.5 34.9 30.7 27.1 21.6 17.9	CASHFLOWM\$288.2 -225.1 -184.7 -149.8 -119.1 -92.0 -70.4 -52.5 -37.9 -24.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 4.0 5.5 3.3 3.0 2.7 2.5 2.4 2.2 2.1 2.0 1.9	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 403.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$371.0 31.3 14.8 12.8 11.2 10.0 9.0 8.1 7.5 6.9 6.3	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1 -19.5 -17.0 -12.6 -9.8 -7.1 -6.9 -6.6	CASHFLOWM\$288.2 63.1 40.5 34.9 30.7 27.1 21.6 17.9 14.6 13.7 12.9	CASHFLOWM\$288.2 -225.1 -184.7 -149.8 -119.1 -92.0 -70.4 -52.5 -37.9
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 4.0 5.5 3.3 3.0 2.7 2.5 2.4 2.2 2.1 2.0 1.9 1.8	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 403.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$371.0 31.3 14.8 12.8 11.2 10.0 9.0 8.1 7.5 6.9 6.3 5.7	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1 -19.5 -17.0 -12.6 -9.8 -7.1 -6.9 -6.6 -6.4	CASHFLOWM\$288.2 63.1 40.5 34.9 30.7 27.1 21.6 17.9 14.6 13.7 12.9	CASHFLOWM\$288.2 -225.1 -184.7 -149.8 -119.1 -92.0 -70.4 -52.5 -37.9 -24.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 4.0 5.5 3.3 3.0 2.7 2.5 2.4 2.2 2.1 2.0 1.9 1.8 1.7	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 403.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$371.0 31.3 14.8 12.8 11.2 10.0 9.0 8.1 7.5 6.9 6.3 5.7 5.2	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1 -19.5 -17.0 -12.6 -9.8 -7.1 -6.9 -6.6	CASHFLOWM\$288.2 63.1 40.5 34.9 30.7 27.1 21.6 17.9 14.6 13.7 12.9	CASHFLOWM\$288.2 -225.1 -184.7 -149.8 -119.1 -92.0 -70.4 -52.5 -37.9 -24.1 -11.2
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 4.0 5.5 3.3 3.0 2.7 2.5 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 403.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$371.0 31.3 14.8 12.8 11.2 10.0 9.0 8.1 7.5 6.9 6.3 5.7 5.2 4.7	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1 -19.5 -17.0 -12.6 -9.8 -7.1 -6.9 -6.6 -6.4	CASHFLOWM\$288.2 63.1 40.5 34.9 30.7 27.1 21.6 17.9 14.6 13.7 12.9 12.1 11.4 2.9	CASHFLOWM\$288.2 -225.1 -184.7 -149.8 -119.1 -92.0 -70.4 -52.5 -37.9 -24.1 -11.2 0.9
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 4.0 5.5 3.3 3.0 2.7 2.5 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 403.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$371.0 31.3 14.8 12.8 11.2 10.0 9.0 8.1 7.5 6.9 6.3 5.7 5.2 4.7 4.3	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1 -19.5 -17.0 -12.6 -9.8 -7.1 -6.9 -6.6 -6.4 -6.1 1.8 1.6	CASHFLOWM\$288.2 63.1 40.5 34.9 30.7 27.1 21.6 17.9 14.6 13.7 12.9 12.1	CASHFLOWM\$288.2 -225.1 -184.7 -149.8 -119.1 -92.0 -70.4 -52.5 -37.9 -24.1 -11.2 0.9 12.2
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 SUB TOTAL	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 4.0 5.5 3.3 3.0 2.7 2.5 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 38.2	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 403.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$371.0 31.3 14.8 12.8 11.2 10.0 9.0 8.1 7.5 6.9 6.3 5.7 5.2 4.7 4.3 -233.2	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1 -19.5 -17.0 -12.6 -9.8 -7.1 -6.9 -6.6 -6.4 -6.1 1.8	CASHFLOWM\$288.2 63.1 40.5 34.9 30.7 27.1 21.6 17.9 14.6 13.7 12.9 12.1 11.4 2.9	CASHFLOWM\$288.2 -225.1 -184.7 -149.8 -119.1 -92.0 -70.4 -52.5 -37.9 -24.1 -11.2 0.9 12.2 15.2
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 4.0 5.5 3.3 3.0 2.7 2.5 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 403.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$371.0 31.3 14.8 12.8 11.2 10.0 9.0 8.1 7.5 6.9 6.3 5.7 5.2 4.7 4.3	TAXES PAIDM\$82.8 -31.8 -25.7 -22.1 -19.5 -17.0 -12.6 -9.8 -7.1 -6.9 -6.6 -6.4 -6.1 1.8 1.6	CASHFLOWM\$288.2 63.1 40.5 34.9 30.7 27.1 21.6 17.9 14.6 13.7 12.9 12.1 11.4 2.9 2.6	CASHFLOWM\$288.2 -225.1 -184.7 -149.8 -119.1 -92.0 -70.4 -52.5 -37.9 -24.1 -11.2 0.9 12.2 15.2

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.AME : RINCON U. #256 - FT TAXCR IELD : BASIN FRUITLAND COAL

INTY, STATE: NEW MEXICO ORMATION : FRUITLAND COAL
OPERATOR : UNOCAL

		TOTAL GROSS		NET NGL	EFFECTIVE	NET NGL	NET	NET PLANT	NET TRANS	NET ABAND
	INVESTMENT		GROSS WELLS	VOLUME	NGL PRICE	REVENUE			+TREAT+COMP	
. 7MO)1990	403.0	1.2		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1991	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1992	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1993	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1994	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1995	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1996	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1997	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1998	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1999	0.0	3.6		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		0.0	0.00	0.0	0.0	0.0	0.0	0.0
2002	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
2003	0.0	3.6		0.0	0.00	0.0	0.0	0.0		0.0
2004	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
SUB TOTAL	403.0	51.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	62.1		0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 31.8 YR	403.0	113.7	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
( 7MO)1990	LEASEHOLD M\$ 0.0	DRY HOLE M\$ 0.0	DRILLING M\$ 0.0	COMPLETIONM\$	FACILITIESM\$	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0	DEPREC M\$ 20.1	DEPLETION M\$ 0.0	AMORT
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\$ 20.1 34.5	DEPLETION M\$ 0.0 0.0	AMORT M\$ 5.2 15.7
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 0.0	PLATFORM M\$ 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0	DEPREC M\$ 20.1 34.5 24.7	DEPLETION M\$ 0.0 0.0 0.0	AMORT M\$ 5.2
1991 1992 1993	LEASEHOLD M\$ 0.0 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0	DRILLINGM\$ 0.0 0.0 0.0 0.0	COMPLETION M\$ 0.0 0.0 0.0	FACILITIES M\$ 0.0 0.0 0.0	PLATFORMM\$ 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPREC M\$ 20.1 34.5 24.7 17.6	DEPLETIONM\$ 0.0 0.0 0.0 0.0	AMORT M\$ 5.2 15.7 15.7
1991 1992 1993 1994	LEASEHOLD M\$ 0.0 0.0 0.0 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 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	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPRECM\$ 20.1 34.5 24.7 17.6 12.6	DEPLETION M\$ 0.0 0.0 0.0	AMORT M\$ 5.2 15.7 15.7 15.7
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	DRILLINGM\$ 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	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 20.1 34.5 24.7 17.6	DEPLETIONM\$ 0.0 0.0 0.0 0.0	AMORT M\$ 5.2 15.7 15.7
1991 1992 1993 1994	LEASEHOLD M\$ 0.0 0.0 0.0 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 0.0 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	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 20.1 34.5 24.7 17.6 12.6	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 5.2 15.7 15.7 15.7
1991 1992 1993 1994 1995 1996 1997	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	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 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	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0	DEPREC 20.1 34.5 24.7 17.6 12.6 12.6	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 5.2 15.7 15.7 15.7 15.7 10.5
1991 1992 1993 1994 1995 1996 1997	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 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 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	DEPREC 20.1 34.5 24.7 17.6 12.6 12.6 12.6	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 5.2 15.7 15.7 15.7 15.7 0.5
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	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	DEPREC 20.1 34.5 24.7 17.6 12.6 12.6 6.3	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 5.2 15.7 15.7 15.7 10.5 0.0 0.0
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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 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	DEPREC 20.1 34.5 24.7 17.6 12.6 12.6 6.3 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 5.2 15.7 15.7 15.7 10.5 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	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	DEPREC 20.1 34.5 24.7 17.6 12.6 12.6 6.3 0.0 0.0 0.0	DEPLETION	AMORTM\$ 5.2 15.7 15.7 15.7 10.5 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	DEPREC 20.1 34.5 24.7 17.6 12.6 12.6 6.3 0.0 0.0 0.0 0.0 0.0	DEPLETION	AMORTM\$ 5.2 15.7 15.7 15.7 10.5 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	DEPREC 20.1 34.5 24.7 17.6 12.6 12.6 6.3 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPLETION	AMORTM\$ 5.2 15.7 15.7 15.7 10.5 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	DEPREC 20.1 34.5 24.7 17.6 12.6 12.6 6.3 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0	DEPLETION	AMORTM\$ 5.2 15.7 15.7 15.7 10.5 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	DEPREC 20.1 34.5 24.7 17.6 12.6 12.6 6.3 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0	DEPLETION	AMORTM\$ 5.2 15.7 15.7 15.7 10.5 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0

PF:P.A. EVAL #: 22

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

DATE: 06/21/91 TIME: 10:11:43 PAGE: 4

NAME : RINCON U. #256 - 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
( 7MO)1990	22939.2	15.6	0.840	0.000	15.6
1991	36125.0	24.6	0.840	0.000	24.6
1992	23454.6	16.0	0.840	0.000	16.0
1993	21039.9	14.3	0.840	0.000	14.3
1994	19107.4	13.0	0.840	0.000	13.0
1995	17751.0	12.1	0.840	0.000	12.1
1996	16508.5	11.2	0.840	0.000	11.2
1997	15443.6	10.5	0.840	0.000	10.5
1998	14661.4	10.0	0.840	0.000	10.0
1999	13928.4	9.5	0.840	0.000	9.5
2000	13231.9	9.0	0.840	0.000	9.0
2001	12570.3	8.6	0.840	0.000	8.6
2002	11941.8	8.1	0.840	0.000	8.1
2003	11344.7	0.0	0.000	0.000	0.0
2004	10777.5	0.0	0.000	0.000	0.0
SUB TOTAL	260825.3	162.4	0.840	0.000	162.4
REMAINDER	120243.8	0.0	0.000	0.000	0.0
TOT 31.8 YR	381069.1	162.4	0.840	0.000	162.4

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 6 WEST, N.M.P.M.

Section 16: North/2

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 #257 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #257 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

This application is predicated on six months of actual production history from the Rincon Unit #257 well which first delivered on September 6, 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 September 1, 1990.

Dated this 22nd day of July, 1991.

Bill Hering

District Petroleum Engineer

Union Oil Company of California

Well Summary

Well Name: Rincon Unit #257

Location: 2223'FNL, 1837'FEL, Sec 16, T27N, R6W

Elevation: 6528' GL Total Depth: 3238' Lease Number: E-290-28

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 4-3-90

Completion Date: 5-18-90 1st Delivery Date: 9-6-90

Perf'd Interval: 3136-3144, 3153-3156, 3162-3183.

### 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 #257 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 223 feet and cemented with 200 sacks to surface. Production casing measuring 4-1/2" was then set at 3238 feet and cemented in two stages to surface with 820 sacks cement. After drilling out to PBTD of 3237' the lower coal zone was perforated from 3136'- 3183' with 4 shots per foot and fracture stimulated with 240,000# 20/40 sand, 9000# 100 mesh sand, 1.10 MMSCF N2 and 25,210 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 229 MCFD and 363 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 6, 1990. The current deliverability for the well against a 150# line pressure is 73 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.49 Bcf.

Net Pay: 57 ft

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

Tonnage Factor: 1996 tons/acre-feet (from density log)

Recovery Factor: 17 %

Economics

Completion Cost: \$289,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 178 MCFD, Current - 65 MCFD, No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 8.4 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

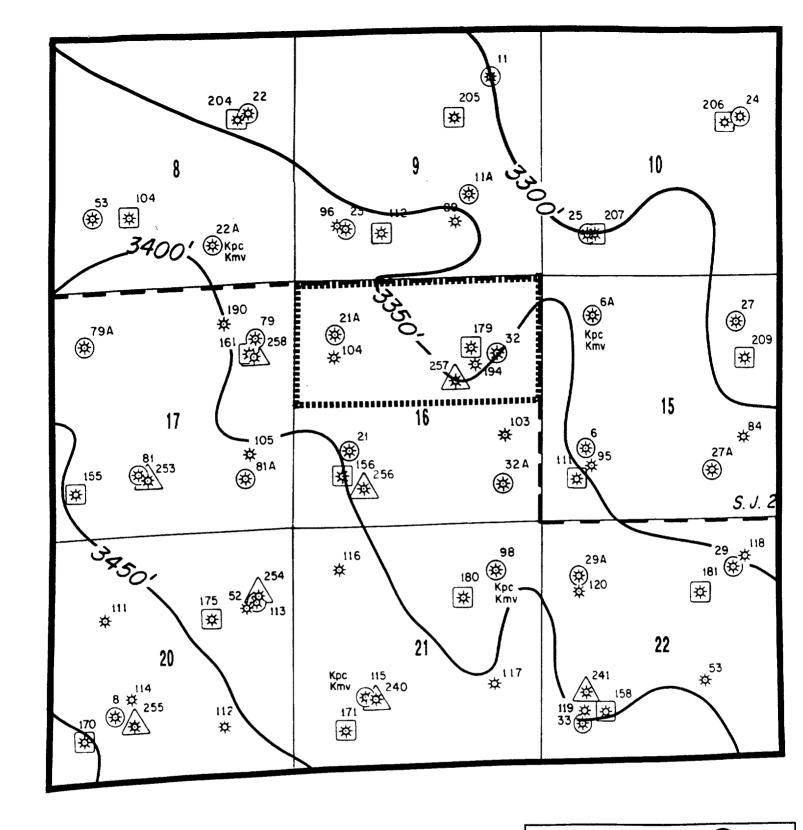
BEFORE ME, the undersigned authority on this day personally appeared Bill Hering, District Petroleum Engineer, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

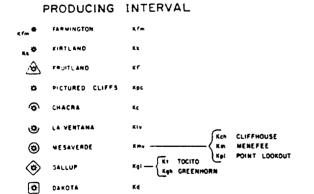
- 1) That this Statement and Affidavit is made concerning this application for expansion to the Basin Fruitland Coal Gas participating area in the Rincon Unit, in the N/2 Section 16, T27N-R6W, comprising 320 acres.
- 2) That to the best of his information, knowledge and belief, the information supplied 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.

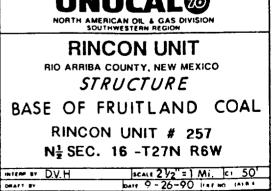
SUBSCRIBED AND SWORN TO before me, this undersigned authority, on this day of

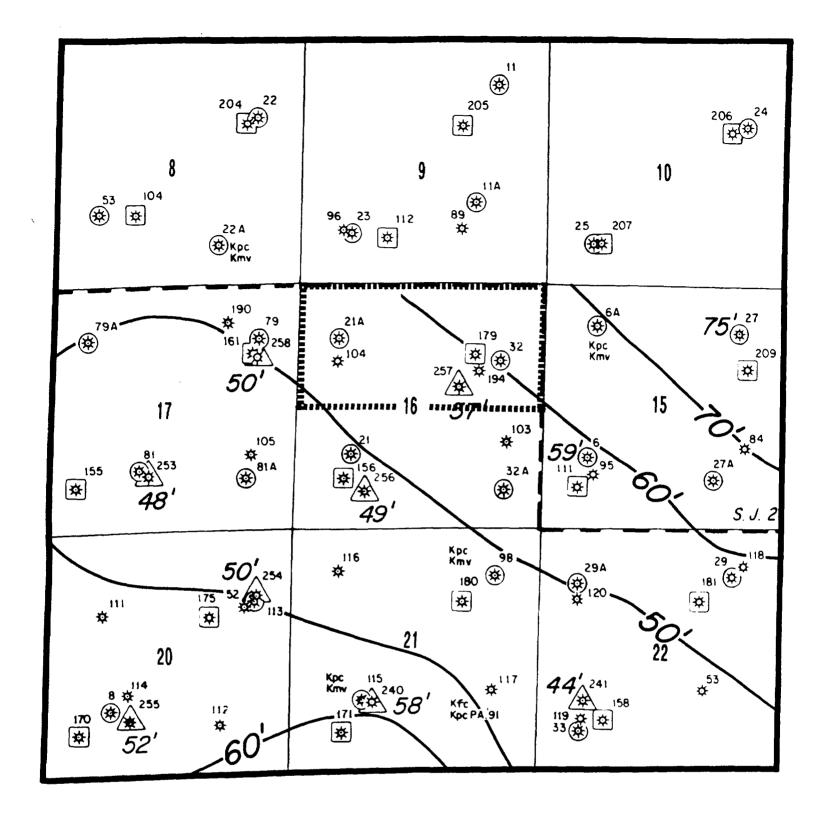
Notary Public in and for San Juan County, New Mexico

My Commission Expires:



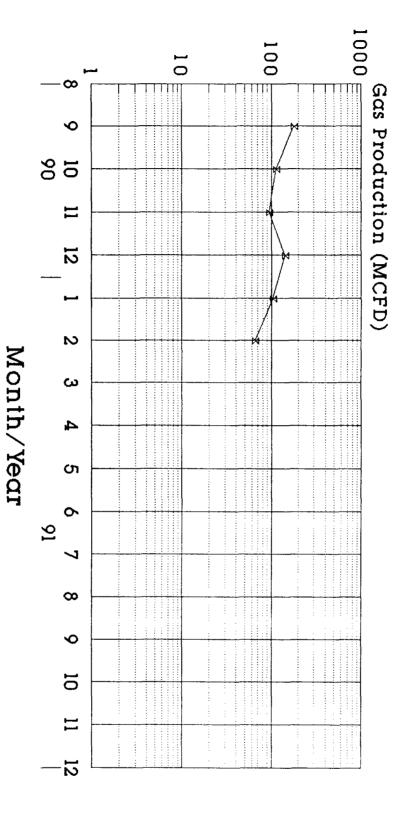








# RINCON UNIT #257 RIO ARRIBA COUNTY, NEW MEXICO



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. #257 - FI	T TA	XCR
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TAYOR LOCATION:

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

IDEN	TIFICATION -			PROFIT			PRESENT	WORTH PROF	LE
			202517		BTAX				
FIELD : BASIN	FRUITLAND CO	AL.			•		DISCOUNT	BTAX	`
LSE/BLOCK :	AUD 0041			COUNTED	-0.52		RATE (%)	(M\$)	
FORMATION : FRUITL	AND COAL			10.0%		-0.13		1/0	
TOTAL DEPTH:				a 15.0%		-0.23	0.0	-149.	57.
OPERATOR : Unocal				RATIO (IE			5.0	-178.	0.
AFE # :				COUNTED		0.24	10.0	- 196.	-38.
LIFE (YRS) : 30.3						-0.16	15.0	-208.	-65.
			DISC	a 15.0%	-0.73	-0.28	20.0	-216.	-85.
WI ORI							25.0	-223.	-100.
100.00000 80.9987	0 80.99870	APR 1990		(YEARS)					
			RATE OF	RETURN (%	() -1000.0	5.0	DISCOUNT DAT DISCOUNT MET		
COMMODI	TY PRICES			INVESTMEN	ITS (M\$) -		CASH	FLOW (M\$)	
	BEG EI	ND AVG			GROSS	NET			NET
OIL (\$/BBL)	0.00 0	.00 0.00	LEASEHO	LD	0.	0.	TOTAL REVENUES		339.
GAS (\$/MCF)	1.48 1	.42 1.44	DRY HOLI	Ē	0.	0.			
NGL (\$/BBL)	0.00 0	.00 0.00					OPEX (LOE	.)	107.
	0.00 0	.00 0.00	DRILLIN	3	0.	0.	WORKOVER		0.
			COMPLET	ION	0.	0.	PLANT		0.
SEQUIV BOE RATIO	6.00 6	.00 6.00	PLATFOR	4	0.	0.	SEV & ADV	AL TAXES	49.
			FACILIT	1ES	0.	0.	INDIRECT		18.
UNIT CO	ST PERFORMAN	E	PIPELIN	=	0.	0.	OVERHEAD		25.
	GROSS	NET	PLANT		0.	0.	NET ABAND	/SALV	0.
			GATHERI		0.	0.		,	٠.
OPEX (\$/BOE)	2.2	2 2.74		-		•	NET INVESTMENTS		289.
OPEX (\$/BO\$E)	6.40		MISC IN	TAN	202.	202.			207.
F&D (\$/BOE)	5.9		MISC TA		87.	87.	BTAX CASH FLOW		-149.
F&D (\$/BO\$E)	17.2				• •		INCOME TAXES PA	10	-206
ATAX CF (\$/BOE)	****	1.45	TO	TAL	289.	289.			57.
ATAX CF (\$/BO\$E)		4.19	DISC a		287.	287.		. 0%	-38.
							ASSUMPTIONS & REM.	ARKS	
		ROSS							
	REMAIN		REMAIN	ULT					
OII (MDDLC)									
OIL (MBBLS)	0. 201			0.					
GAS (MMCF)	291.			235.					
NGL (MBBLS)		0.							
SULPHUR (MTONS)	0.	0.	0.	0.					
EQUIVALENT RESERVES	:								
BTU (MBOE)	48.	48.	<b>3</b> 9.	39.					
VALUE (MBOSE)	17.	17.	14.	14.					
INITIAL RATE:									
OIL (BBLS/DAY)	0.					GLOBAL FIL	LES: 1= \$UNOCAL1	2= \$UNOCAL 2	•
GAS (MCF/DAY)	178.					ALTKEY: U		_ +OHOCALE	
DATE: 04/22/9	1 TIME	: 13:35:34	RPT FILI	<b>:</b> 4	PG #	9 1	PRJ FILE: P.A.	EVAL	# 13

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

DATE: 04/22/91 TIME: 13:35:34 PAGE: 10

AME : RINCON U. #257 - FT TAXCR
IELD : BASIN FRUITLAND COAL

NTY, STATE: NEW MEXICO ORMATION : FRUITLAND COAL PERATOR : UNOCAL

	GROSS PROD			NET GAS VOLUME	NET EQ PROD (RE: BOE)		NET REV	EFFECTIVE	NET GAS REVENUE	NET TOTAL REVENUE
	OIL + CUND	OIL + COND	PRODUCTION					\$/MCE		
9Ma) 1990	0.0	0.0	16.0	13.0		0.00	0.0	1.83	23.7	23.7
1991	0.0	0.0	28.1	22.7		0.00	0.0	1.44	32.7	32.7
1992	0.0	0.0	19.7	15.9	2.7	0.00	0.0	1.42	22.5	22.5
1993	0.0	0.0	16.8	13.6	2.3	0.00	0.0	1.42	19.3	19.3
1994	0.0		15.1	12.3	2.0	0.00	0.0	1.42	17.3	17.3
1995	0.0	0.0	13.9	11.3	1.9	0.00	0.0	1.42	16.0	16.0
1996	0.0	0.0	13.0	10.5	1.7	0.00	0.0	1.42	14.9	14.9
1997	0.0	0.0	12.1	9.8	1.6	0.00	0.0	1.42	13.8	13.8
1998	0.0		11.4	9.2	1.5	0.00	0.0	1.42	13.1	13.1
1999	0.0		10.8	8.8	1.5	0.00	0.0	1.42	12.4	12.4
2000	0.0	0.0	10.3	8.3	1.4	0.00	0.0	1.42	11.8	11.8
2001	0.0	0.0	9.8	7.9	1.3	0.00	0.0	1.42	11.2	11.2
2002	0.0	0.0	9.3	7.5	1.3	0.00	0.0	1.42	10.6	10.6
2003	0.0	0.0	8.8	7.1	1.2	0.00	0.0	1.42	10.1	10.1
2004	0.0	0.0	8.4	6.8	1.1	0.00	0.0	1.42	9.6	9.6
SUB TOTAL	0.0	0.0	203.3	164.7	27.4	0.00	0.0	1.45	239.0	239.0
REMAINDER	0.0	0.0	87.2	70.7	11.8	0.00	0.0	1.42	100.0	100.0
TOT 30.3 YR	0.0	0.0	290.5	235.3	39.2	0.00	0.0	1.44	339.0	339.0
					NET 18411		B.T.A.V	INCOME	ATAV	CUM ATAY
	NET LOE	NET	NET TOTAL	NET TOTAL	NET ADMIN	NET TOTAL	BTAX	INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 040×1000	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 9MO)1990	(FIX + VAR)M\$ 1.2	WORKOVR EXP	DIRECT EXP M\$ 1.2	TAXES M\$ 3.0	EXPENSE M\$ 0.5	INVESTMENT M\$ 289.0	CASHFLOW M\$ -269.9	TAXES PAIDM\$	CASHFLOW M\$ -204.3	CASHFLOW M\$ -204.3
1991	(FIX + VAR)M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 3.0 4.7	EXPENSE M\$ 0.5 1.4	INVESTMENT M\$ 289.0 0.0	CASHFLOW M\$ -269.9 22.9	TAXES PAID M\$ -65.6 -26.5	CASHFLOW M\$ -204.3 49.4	CASHFLOW M\$ -204.3 -154.9
1991 1992	(FIX + VAR)M\$ 1.2 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6	TAXES M\$ 3.0 4.7 3.3	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 289.0 0.0	CASHFLOW M\$ -269.9 22.9 14.2	TAXES PAID M\$ -65.6 -26.5 -20.8	CASHFLOW M\$ -204.3 49.4 35.0	CASHFLOW M\$ -204.3 -154.9 -119.9
1991 1992 1993	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6	TAXES M\$ 3.0 4.7 3.3 2.8	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 289.0 0.0 0.0	CASHFLOW M\$ -269.9 22.9 14.2 11.4	TAXES PAID M\$ -65.6 -26.5 -20.8 -17.9	CASHFLOW M\$ -204.3 49.4 35.0 29.3	CASHFLOWM\$204.3 -154.9 -119.9 -90.7
1991 1992 1993 1994	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXES M\$ 3.0 4.7 3.3 2.8 2.5	EXPENSE M\$ 0.5 1.4 1.4 1.4	INVESTMENTM\$ 289.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -269.9 22.9 14.2 11.4 9.8	TAXES PAIDM\$65.6 -26.5 -20.8 -17.9 -16.0	CASHFLOW M\$ -204.3 49.4 35.0 29.3 25.8	CASHFLOWM\$204.3 -154.9 -119.9 -90.7 -64.9
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXES M\$ 3.0 4.7 3.3 2.8 2.5 2.3	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4	INVESTMENTM\$ 289.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -269.9 22.9 14.2 11.4 9.8 8.6	TAXES PAIDM\$65.6 -26.5 -20.8 -17.9 -16.0 -13.9	CASHFLOW M\$ -204.3 49.4 35.0 29.3 25.8 22.5	CASHFLOWM\$204.3 -154.9 -119.9 -90.7
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.0 4.7 3.3 2.8 2.5 2.3	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4	INVESTMENTM\$ 289.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -269.9 22.9 14.2 11.4 9.8 8.6 7.7	TAXES PAIDM\$65.6 -26.5 -20.8 -17.9 -16.0 -13.9 -10.4	CASHFLOWM\$204.3 49.4 35.0 29.3 25.8 22.5 18.1	CASHFLOWM\$204.3 -154.9 -119.9 -90.7 -64.9 -42.3
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.0 4.7 3.3 2.8 2.5 2.3 2.2	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 289.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -269.9 22.9 14.2 11.4 9.8 8.6	TAXES PAIDM\$65.6 -26.5 -20.8 -17.9 -16.0 -13.9	CASHFLOW M\$ -204.3 49.4 35.0 29.3 25.8 22.5	CASHFLOWM\$204.3 -154.9 -119.9 -90.7 -64.9 -42.3 -24.3
1991 1992 1993 1994 1995 1996 1997 1998	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.0 4.7 3.3 2.8 2.5 2.3	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 289.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$269.9 22.9 14.2 11.4 9.8 8.6 7.7 6.8	TAXES PAIDM\$65.6 -26.5 -20.8 -17.9 -16.0 -13.9 -10.4 -8.6	CASHFLOWM\$204.3 49.4 35.0 29.3 25.8 22.5 18.1 15.4	CASHFLOWM\$204.3 -154.9 -119.9 -90.7 -64.9 -42.3 -24.3 -8.9
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.0 4.7 3.3 2.8 2.5 2.3 2.2 2.0 1.9	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 289.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$269.9 22.9 14.2 11.4 9.8 8.6 7.7 6.8 6.1	TAXES PAIDM\$65.6 -26.5 -20.8 -17.9 -16.0 -13.9 -10.4 -8.6 -6.8	CASHFLOWM\$204.3 49.4 35.0 29.3 25.8 22.5 18.1 15.4 12.9	CASHFLOWM\$204.3 -154.9 -119.9 -90.7 -64.9 -42.3 -24.3 -8.9 4.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.0 4.7 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 289.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$269.9 22.9 14.2 11.4 9.8 8.6 7.7 6.8 6.1 5.6	TAXES PAIDM\$65.6 -26.5 -20.8 -17.9 -16.0 -13.9 -10.4 -8.6 -6.8 -6.6	CASHFLOWM\$	CASHFLOWM\$204.3 -154.9 -119.9 -90.7 -64.9 -42.3 -24.3 -8.9 4.0 16.2
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.0 4.7 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8 1.7	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 289.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$269.9 22.9 14.2 11.4 9.8 8.6 7.7 6.8 6.1 5.6 5.0	TAXES PAIDM\$65.6 -26.5 -20.8 -17.9 -16.0 -13.9 -10.4 -8.6 -6.8 -6.6	CASHFLOWM\$	CASHFLOWM\$204.3 -154.9 -119.9 -90.7 -64.9 -42.3 -24.3 -8.9 4.0 16.2 27.5
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.0 4.7 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8 1.7	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 289.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$269.9 22.9 14.2 11.4 9.8 8.6 7.7 6.8 6.1 5.6 5.0 4.5	TAXES PAIDM\$65.6 -26.5 -20.8 -17.9 -16.0 -13.9 -10.4 -8.6 -6.8 -6.6 -6.3 -6.1	CASHFLOWM\$	CASHFLOWM\$204.3 -154.9 -119.9 -90.7 -64.9 -42.3 -24.3 -8.9 4.0 16.2 27.5 38.2
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.0 4.7 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.6 1.6	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 289.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$269.9 22.9 14.2 11.4 9.8 8.6 7.7 6.8 6.1 5.6 5.0 4.5 4.0	TAXES PAIDM\$65.6 -26.5 -20.8 -17.9 -16.0 -13.9 -10.4 -8.6 -6.8 -6.6 -6.3 -6.1 -5.9	CASHFLOWM\$	CASHFLOWM\$204.3 -154.9 -119.9 -90.7 -64.9 -42.3 -24.3 -8.9 4.0 16.2 27.5 38.2 48.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.0 4.7 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.6 1.6	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 289.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$269.9 22.9 14.2 11.4 9.8 8.6 7.7 6.8 6.1 5.6 5.0 4.5 4.0 3.6	TAXES PAIDM\$65.6 -26.5 -20.8 -17.9 -16.0 -13.9 -10.4 -8.6 -6.8 -6.6 -6.3 -6.1 -5.9 1.4	CASHFLOWM\$	CASHFLOWM\$204.3 -154.9 -119.9 -90.7 -64.9 -42.3 -24.3 -8.9 4.0 16.2 27.5 38.2 48.1 50.4 52.3 52.3
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.0 4.7 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.6 1.6 1.5	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 289.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$269.9 22.9 14.2 11.4 9.8 8.6 7.7 6.8 6.1 5.6 5.0 4.5 4.0 3.6 3.2	TAXES PAIDM\$65.6 -26.5 -20.8 -17.9 -16.0 -13.9 -10.4 -8.6 -6.8 -6.6 -6.3 -6.1 -5.9 1.4 1.2	CASHFLOWM\$204.3 49.4 35.0 29.3 25.8 22.5 18.1 15.4 12.9 12.1 11.4 10.6 10.0 2.2 2.0	CASHFLOWM\$204.3 -154.9 -119.9 -90.7 -64.9 -42.3 -24.3 -8.9 4.0 16.2 27.5 38.2 48.1 50.4 52.3

PF:P.A. EVAL #: 13

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

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NAME : RINCON U. #257 - FT TAXCR FIELD : BASIN FRUITLAND COAL

CNTY, STATE: NEW MEXICO FORMATION : FRUITLAND COAL

OPERATOR : UNOCAL

	GROSS TOTAL INVESTMENT	OPER EXP	GROSS WELLS	NET NGL VOLUME	EFFECTIVE NGL PRICE \$/BBL	NET NGL REVENUE	NET SULPHUR M-TONS		+TREAT+COMP	
( 9MO)1990	289.0	1.2	1.0	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	289.0	51.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	55.8	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 30.3 YR	289.0	107.4	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
4 000 4000	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
( 9MO)1990	LEASEHOLD M\$ 0.0	DRY HOLE M\$ 0.0	DRILLING M\$ 0.0	COMPLETION M\$ 0.0	FACILITIESM\$	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0	DEPREC M\$ 12.4	DEPLETION M\$ 0.0	AMORT M\$ 4.0
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	FACILITIES M\$ 0.0 0.0	PLATFORM M\$ 0.0 0.0	PIPELINE M\$ 0.0 0.0	DEPREC M\$ 12.4 21.3	DEPLETION M\$ 0.0 0.0	AMORT M\$ 4.0 12.1
1991 1992	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	PLATFORM M\$ 0.0 0.0	PIPELINE M\$ 0.0 0.0	DEPREC M\$ 12.4 21.3 15.2	DEPLETION M\$ 0.0 0.0	AMORT M\$ 4.0 12.1 12.1
1991 1992 1993	LEASEHOLD M\$ 0.0 0.0 0.0 0.0	DRY HOLE M\$ 0.0 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 0.0 0.0	PLATFORM M\$ 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPREC M\$ 12.4 21.3 15.2 10.9	DEPLETIONM\$ 0.0 0.0 0.0 0.0	AMORT M\$ 4.0 12.1 12.1
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	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPREC M\$ 12.4 21.3 15.2 10.9 7.8	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 4.0 12.1 12.1 12.1 12.1
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	DRILLINGM\$ 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	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	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 12.4 21.3 15.2 10.9 7.8 7.8	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 4.0 12.1 12.1 12.1 12.1 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 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	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 12.4 21.3 15.2 10.9 7.8 7.8 7.8	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORT 4.0 12.1 12.1 12.1 12.1 8.1 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	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	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 12.4 21.3 15.2 10.9 7.8 7.8 7.8 3.9	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORT 4.0 12.1 12.1 12.1 12.1 8.1 0.0 0.0
1991 1992 1993 1994 1995 1996 1997 1998	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	DEPREC 12.4 21.3 15.2 10.9 7.8 7.8 3.9 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 4.0 12.1 12.1 12.1 12.1 8.1 0.0 0.0 0.0
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/F:P.A. EVAL #: 13

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

DATE: 04/22/91 TIME: 13:35:37 PAGE: 12

IAME : RINCON U. #257 - FT TAXCR
IELD : BASIN FRUITLAND COAL
CNTY, STATE: NEW MEXICO
FORMATION : FRUITLAND COAL
OPERATOR : UNOCAL

	TEMP #1	TEMP #2	TEMP #5	TEMP #6	NET CREDITS INPUT
(9MO)1990	18883.5	12.8	0.840	0.000	12.8
1991	33119.2	22.5	0.840	0.000	22.5
1992	23194.4	15.8	0.840	0.000	15.8
1993	19811.4	13.5	0.840	0.000	13.5
1994	17847.8	12.1	0.840	0.000	12.1
1995	16442.7	11.2	0.840	0.000	11.2
1996	15291.7	10.4	0.840	0.000	10.4
1997	14230.5	9.7	0.840	0.000	9.7
1998	13437.1	9.1	0.840	0.000	9.1
1999	12765.2	8.7	0.840	0.000	8.7
2000	12127.0	8.3	0.840	0.000	8.3
2001	11520.6	7.8	0.840	0.000	7.8
2002	10944.6	7.4	0.840	0.000	7.4
2003	10397.4	0.0	0.000	0.000	0.0
2004	9877.5	0.0	0.000	0.000	0.0
SUB TOTAL	239890.7	149.4	0.840	0.000	149.4
REMAINDER	102927.1	0.0	0.000	0.000	0.0
TOT 30.3 YR	342817.8	149.4	0.840	0.000	149.4

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               "RINCON U. #257 - FT TAXCR
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                "NEW MEXICO
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-0 FORMATION
                "FRUITLAND COAL
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'O OPERATOR
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               ELIM
               1. 0.809987
 0 OWNERSHIP
                 "PROD DECLINE BASED ON AVG WELL CASE
 20 COMMENT
 30 COMMENT
                 "FIRST 6 MONTHS # ACTUAL PROD.
                         MON 5.344 3.48 2.8 4.379 3.217 1.978
40 GPROD
                  Р
                          EXP 3.04 * * 60. 4.
50 GPROD
                          EXP * * * 28. 14.
160 GPROD
                          EXP * * * 10. 25.
170 GPROD
                          EXP * * * 7. 36.
180 GPROD
                          EXP * * * 5.
190 GPROD
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210 TAN
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                          MON 202000. 0.
                          MON 1.25 1.5 1.86 1.76 1.35
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240 PRGAS
260 PRGAS
                          CON 1.2
290 FACTOR
                1.18 PRGAS
                Р
                          CON 300.
310 LOETOT
                     *
320 AVALPS
                          CON 3.5
*** START OF INSERT FILE C-TAX
               "ASSUMES CONSTANT $.84 TAX CREDIT
10 COMMENT
                "TO 2003
20 COMMENT
                         CON O.
30 TEMP1
               TEMP1 GPROD
40 CADD
               1000. TEMP1
50 FACTOR
60 FACTOR
               1.18 TEMP1
               JAN 1990 CON 0.84
70 TEMP5
80 TEMP5
                JAN 2003 CON 0.
                TEMP2 TEMP1
TEMP5 TEMP2
90 CADD
100 CFACTOR
               0.809987 TEMP2
110 FACTOR
                TAXCR TEMP2
120 CADD
               0.001 TEMP2
130 FACTOR
*** END OF INSERT FILE
370 ULTIMATE GPROD 490.
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" 04/22/91 13:35:07

GLOBAL FILE: \$UNOCAL2

LOBAL FILE: \$UNOCAL1

VALUATION #13 IN PROJECT FILE "P.A.

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 6 WEST, N.M.P.M.

Section 17: North/2

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 #258 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #258 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

This application is predicated on nine months of actual production history from the Rincon Unit #258 well which first delivered on September 21, 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 September 1. 1990.

Dated this 22nd day of July, 1991.

Bill Hering

Bill He

District Petroleum Engineer Union Oil Company of California Well Summary

Well Name: Rincon Unit #258

Location: 1505'FNL, 915'FEL, Sec 17, T27N, R6W

Elevation: 6570' GL Total Depth: 3254'

Lease Number: NM-013654

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 5-23-90 Completion Date: 6-6-90 1st Delivery Date: 9-21-90

Perf'd Interval: 3100-3105, 3107, 3110-3113, 3147-3150,

3153, 3160, 3163-3167, 3169-3175, 3179,

3181-3193.

# 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 #258 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 350 sacks to surface. Production casing measuring 4-1/2" was then set at 3253 feet and cemented in two stages to surface with 925 sacks cement. After drilling out to PBTD of 3250' the upper and lower coal zones were perforated from 3100'-3193' with 4 shots per foot and fracture stimulated with 253,000# 20/40 sand, 1.02 MMSCF N2 and 26,700 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 411 MCFD and 380 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 21, 1990. The current deliverability for the well against a 150# line pressure is 100 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.44 Bcf.

Net Pay: 50 ft

Drainage area: 160 acres Gas Content: 152 SCF/ton

Tonnage Factor: 2145 tons/acre-feet (from density log)

Recovery Factor: 17%

**Economics** 

Completion Cost: \$283,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 253 MCFD, Current - 69 MCFD, No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 7.2 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:

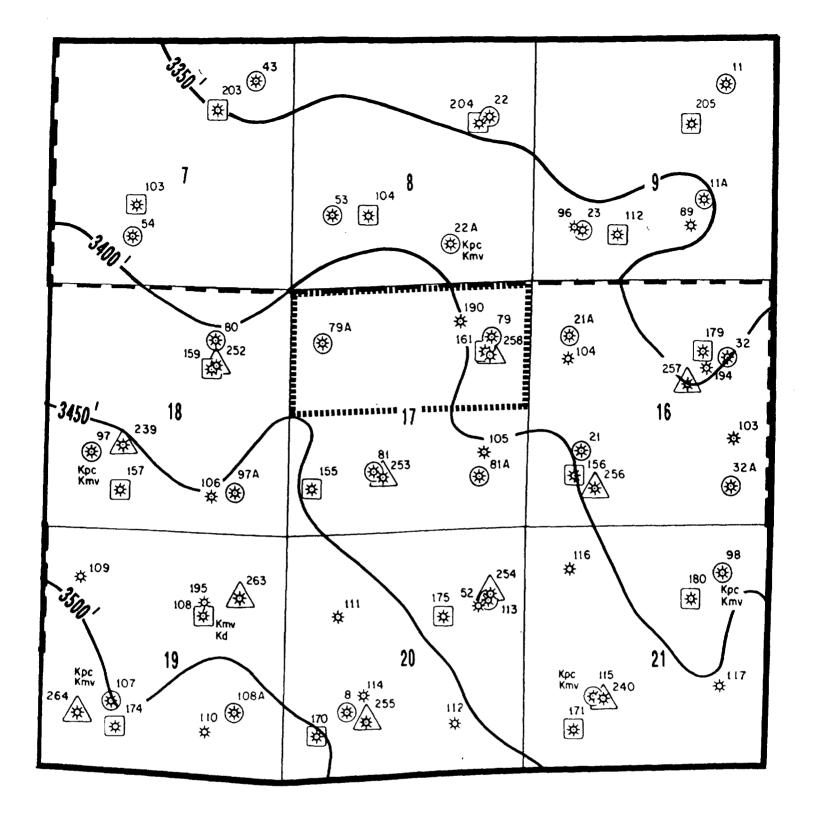
- 1) That this Statement and Affidavit is made concerning this application for expansion to the Basin Fruitland Coal Gas participating area in the Rincon Unit, in the N/2 Section 17, T27N-R6W, comprising 320 acres.
- 2) That to the best of his information, knowledge and belief, the information supplied 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.

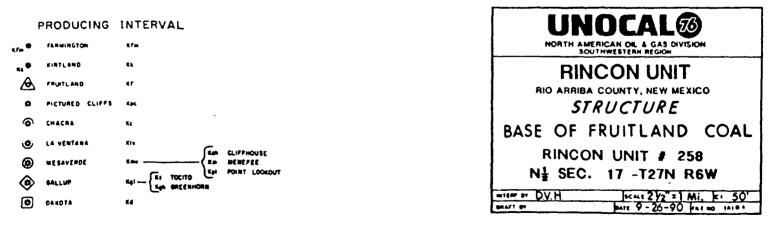
SUBSCRIBED AND SWORN TO before me, this undersigned authority, on this day of

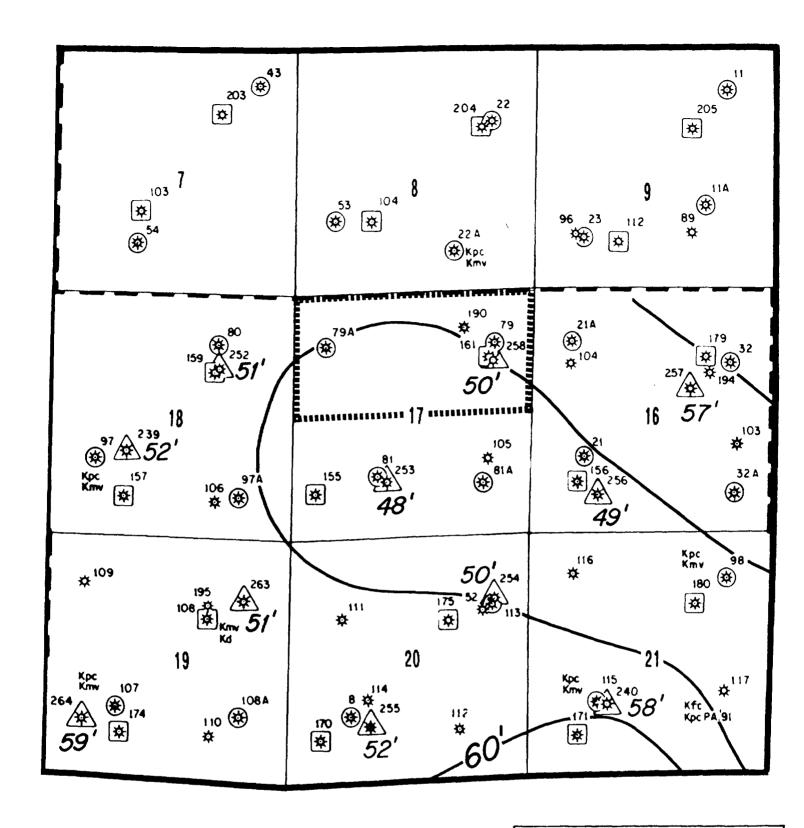
Notary Public in and for San Juan County, New Mexico

My Commission Expires:

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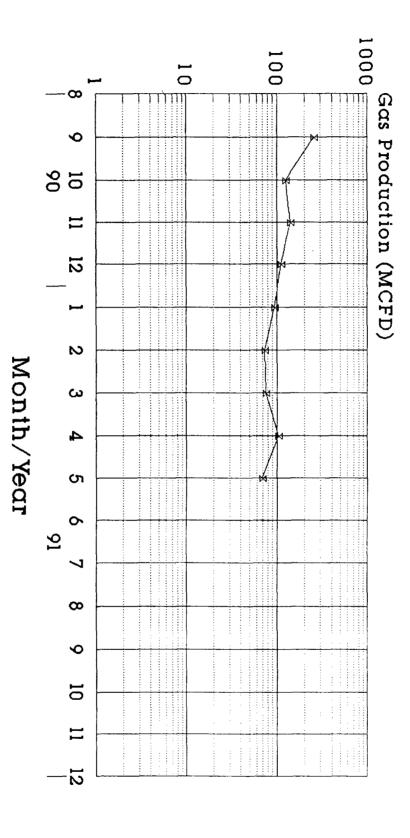








# RINCON UNIT #258 RIO ARRIBA COUNTY, NEW MEXICO



Production based on actual days on

--- GAS

### UNOCAL North American Oil & Gas Division Economic Report Summary

REGION: Southwestern DISTRICT: Farmington

CNIYSTATE: New Mexico

PROJECT NAME: RINCON U. #258 - FT TAXCR

LOCATION:

	JDGET CATI						CTIVE DAT	E: FEB O		
IDEN	ITIFICATIO	ON			PROFI	T INDICES BTAX			WORTH PROF	ILE
ETELD . DACIN	EDILITI AM	CON		DDOE	IT TO THIS OF	2/1):			DTAV	ATAV
FIELD : BASIN	PROTICANT	COAL							BTAX	ATAX
LSE/BLOCK :	4ND CO41					-0.41 -0.63		RATE (%)	(M\$)	(M\$)
FORMATION : FRUITL	AND COAL								407	
TOTAL DEPTH:						-0.68	-0.18	0.0	-107.	79.
OPERATOR : Unocal	•				EFF RATIO (			5.0	-141.	20.
AFE # :					DISCOUNTED			10.0	-162.	-19.
LIFE (YRS) : 30.5				DIS	sc a 10.0%	-0.63	-0.09	15.0	-175.	-46.
				DI	sc a 15.0%	-0.68	-0.21		-184.	-65.
WI ORI	GR	I I	DATE					25.0	-191.	-80.
100.00000 80.9987	70 80.99	9870 JU	N 1990	PAYO	UT (YEARS)	*	7.2			
						(%) -1000.0			- JHN 100	on .
						(7)		DISCOUNT METH		
COMMODI			AVG		INVESTME			CASH	FLOW (M\$)	
	BEG		AVG			GROSS	NEI			NET
(4.00)										
OIL (\$/BBL)		0.00	0.00		EHOLD			TOTAL REVENUES		345.
		1.42	1.47		HOLE	0.	0.	EXPENSES:		
NGL (\$/B8L)	0.00	0.00	0.00					OPEX (LOE)	•	109.
SULPHUR (\$/TON)	0.00	0.00	0.00	DRIL	LING	0.				0.
				COMP	LETION	0.				0.
\$EQUIV BOE RATIO	6.00	6.00	6.00	PLAT	FORM	0.	0.	SEV & ADVA	L TAXES	49.
				FACII	LITIES	0.	0.	INDIRECT		9.
UNIT CO	ST PERFO	RMANCE -		PIPE	LINE	0.	0.	OVERHEAD		24.
		ROSS	NET		T		0.		SALV	0.
						0.				٠.
OPEX (\$/BOE)		2.26	2.78			•	••	NET INVESTMENTS		261.
OPEX (\$/BO\$E)			7.23	MISC	INTAN	170.	170.	MET THESTHEMIS		201.
F&D (\$/BOE)			6.67		TAN	91.	91.	DIAV CACU FLOU		107
				MISC	IAN	71.	91.			-107.
		14.04			****	244	2/4	INCOME TAXES PAI		-186.
ATAX CF (\$/BOE)			2.02		TOTAL	261.	261.			79.
ATAX CF (\$/BO\$E)			5.26	DISC	a 10.0%	259.	259.	ATAX DISC a 10.	0%	-19.
• • • • • • • • • • • • • • • • • • • •					NET			ASSUMPTIONS & REMA	RKS	• • • • • • • • • • • • • • • • • • • •
	REMA		ULT		ULT					
OIL (MBBLS)		0.	0.	0.	0.					
GAS (MMCF)	•	290.	290.	235.	235.					
NGL (MSBLS)		0.	0.	0.	0.					
SULPHUR (MTONS)		0.	0.	0.	0.					
EQUIVALENT RESERVES	<b>:</b>									
BTU (MBOE)		48.	48.	39.	39.					
VALUE (MBOSE)		19.	19.	15.	15.					
INITIAL RATE:										
OIL (BBLS/DAY)		0.				r.	LORAL FT	LES: 1= \$UNOCAL1	2= \$UNDEN 3	)
GAS (MCF/DAY)		77.							Z- DUNUCALZ	=
GAO (FIGITORI)						Α	LTKEY: U	JA		

DATE: 06/21/91 TIME: 10:43:50 RPT FILE: 4 PG # 1 PRJ FILE: P.A. EVAL # 23

```
EVALUATION #23 IN PROJECT FILE "P.A. " 06/21/91 10:43:10
10 IDENT "30 25 U091205
            JUN 1990 JUN 1990 SEP 1990
20 DATES
               "RINCON U. #258 - FT TAXCR
30 NAME
40 FIELD
               "BASIN FRUITLAND COAL
                                            11
                                            ŧı
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
130 COMMENT
                "FIRST 9 MONTHS = ACTUAL PROD.
                P MON 2.296 3.858 3.621 3.092 2.903 2.032 2.362 2.263 2.144
140 GPROD
                         EXP * * * 28. 11.
160 GPROD
                         EXP * * * 10. 25.
170 GPROD
                         EXP * * * 7. 36.
180 GPROD
                         EXP * * * 5.
190 GPROD
                I MON 91000. 0. (
                         MON 91000. 0. 0. 0.
210 TAN
220 INTAN
230 COMMENT
              "FIRST 9 MONTHS = ACTUAL GAS PRICES
               P MON 1.94 1.62 1.94 2.27 2.23 1.7 1.36 1.05 1.06  
* CON 1.2
240 PRGAS
260 PRGAS
290 FACTOR
               1.18 PRGAS
              P CON 300.
310 LOETOT
320 AVALPS
                        CON 3.5
*** START OF INSERT FILE C-TAX
           "ASSUMES CONSTANT $.84 TAX CREDIT
10 COMMENT
20 COMMENT
               "TO 2003
               * CON 0.
TEMP1 GPROD
30 TEMP1
40 CADD
              1000. TEMP1
50 FACTOR
60 FACTOR
             1.18 TEMP1
               JAN 1990 CON 0.84
70 TEMP5
               JAN 2003 CON 0.
80 TEMP5
               TEMP2 TEMP1
TEMP5 TEMP2
90 CADD
100 CFACTOR
               0.809987 TEMP2
110 FACTOR
120 CADD
               TAXCR TEMP2
130 FACTOR
           0.001 TEMP2
*** END OF INSERT FILE
```

11

GLOBAL FILE: \$UNOCAL2

GLOBAL FILE: \$UNOCAL1

PF:P.A. EVAL #: 23

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

DATE: 06/21/91 TIME: 10:43:50 PAGE: 2

IAME : RINCON U. #258 - FT TAXCR
TIELD : BASIN FRUITLAND COAL
ENTY, STATE: NEW MEXICO

FORMATION : FRUITLAND COAL OPERATOR : UNOCAL

			PRODUCTION	NET GAS VOLUME	NET EQ PROD (RE: BOE)	O+C PRICE	NET REV OIL + COND		NET GAS REVENUE	NET TOTAL REVENUE
	MBBLS	MBBLS	MMCF	MMCF	EMBBLS	\$/BBL	M\$	\$/MCF	M\$	M\$
( 7MO)1990	0.0	0.0	12.9	10.4	1.7	0.00	0.0	2.27	23.7	23.7
1991	0.0	0.0	25.4	20.5	3.4	0.00	0.0	1.59	32.7	32.7
1992	0.0	0.0	19.0	15.4	2.6	0.00	0.0	1.42	21.7	21.7
1993	0.0	0.0	16.8	13.6	2.3	0.00	0.0	1.42	19.3	19.3
1994	0.0	0.0	15.2	12.3	2.1	0.00	0.0	1.42	17.5	17.5
1995	0.0	0.0	14.1	11.4	1.9	0.00	0.0	1.42	16.2	16.2
1996	0.0	0.0	13.1	10.6	1.8	0.00	0.0	1.42	15.1	15.1
1997	0.0	0.0	12.3	9.9	1.7	0.00	0.0	1.42	14.1	14.1
1998	0.0	0.0	11.6	9.4	1.6	0.00	0.0	1.42	13.3	13.3
1999	0.0	0.0	11.1	9.0	1.5	0.00	0.0	1.42	12.7	12.7
2000	0.0	0.0	10.5	8.5	1.4	0.00	0.0	1.42	12.0	12.0
2001	0.0	0.0	10.0	8.1	1.3	0.00	0.0	1.42	11.4	11.4
2002	0.0	0.0	9.5	7.7	1.3	0.00	0.0	1.42	10.9	10.9
2003	0.0	0.0	9.0	7.3	1.2	0.00	0.0	1.42	10.3	10.3
2004	0.0	0.0	8.6	6.9	1.2	0.00	0.0	1.42	9.8	9.8
SUB TOTAL	0.0	0.0	199.0	161.2	26.9	0.00	0.0	1.49	240.7	240.7
REMAINDER	0.0	0.0	90.7	73.4	12.2	0.00	0.0	1.42	104.0	104.0
TOT 30.5 YR	0.0	0.0	289.7	234.6	39.1	0.00	0.0	1.47	344.7	344.7
				NET TOTAL	WET 40444	NET TOTAL	5711	11100115		
	NET LOE	NET	NET TOTAL	NET TOTAL		NET TOTAL	BTAX	INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 7um) 1000	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 7MO)1990	(FIX + VAR)M\$ 1.2	WORKOVR EXP	DIRECT EXP M\$ 1.2	TAXES M\$ 2.6	EXPENSE M\$ 0.4	INVESTMENT M\$ 261.0	CASHFLOW M\$ -241.5	TAXES PAIDM\$	CASHFLOW M\$ -187.1	CASHFLOW M\$ -187.1
1991	(FIX + VAR) M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 2.6 4.4	EXPENSE M\$ 0.4 1.1	INVESTMENT M\$ 261.0 0.0	CASHFLOW M\$ -241.5 23.5	TAXES PAID M\$ -54.4 -23.8	CASHFLOW M\$ -187.1 47.3	CASHFLOW M\$ -187.1 -139.8
1991 1992	(FIX + VAR)M\$ 1.2 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6	TAXES M\$ 2.6 4.4 3.2	EXPENSE M\$ 0.4 1.1	INVESTMENT M\$ 261.0 0.0	CASHFLOW M\$ -241.5 23.5 13.9	TAXES PAID M\$ -54.4 -23.8 -19.9	CASHFLOW M\$ -187.1 47.3 33.8	CASHFLOW M\$ -187.1 -139.8 -106.1
1991 1992 1993	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6	TAXES M\$ 2.6 4.4 3.2 2.8	EXPENSE M\$ 0.4 1.1 1.1	INVESTMENT M\$ 261.0 0.0 0.0	CASHFLOWM\$	TAXES PAID M\$ -54.4 -23.8 -19.9 -17.2	CASHFLOW M\$ -187.1 47.3 33.8 29.0	CASHFLOW M\$ -187.1 -139.8 -106.1 -77.0
1991 1992 1993 1994	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXESM\$ 2.6 4.4 3.2 2.8 2.6	EXPENSE M\$ 0.4 1.1 1.1 1.1	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAID M\$ -54.4 -23.8 -19.9 -17.2 -15.3	CASHFLOW M\$ -187.1 47.3 33.8 29.0 25.5	CASHFLOWM\$187.1 -139.8 -106.1 -77.0 -51.5
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.6 4.4 3.2 2.8 2.6 2.4	EXPENSE M\$ 0.4 1.1 1.1 1.1	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -241.5 23.5 13.9 11.8 10.2 9.1	TAXES PAIDM\$54.4 -23.8 -19.9 -17.2 -15.3 -13.5	CASHFLOWM\$187.1 47.3 33.8 29.0 25.5 22.7	CASHFLOWM\$187.1 -139.8 -106.1 -77.0 -51.5 -28.8
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.6 4.4 3.2 2.8 2.6 2.4 2.2	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$54.4 -23.8 -19.9 -17.2 -15.3 -13.5 -10.5	CASHFLOWM\$187.1 47.3 33.8 29.0 25.5 22.7 18.7	CASHFLOWM\$187.1 -139.8 -106.1 -77.0 -51.5 -28.8 -10.1
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.6 4.4 3.2 2.8 2.6 2.4 2.2 2.1	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$54.4 -23.8 -19.9 -17.2 -15.3 -13.5 -10.5 -8.6	CASHFLOWM\$187.1 47.3 33.8 29.0 25.5 22.7 18.7 15.9	CASHFLOWM\$187.1 -139.8 -106.1 -77.0 -51.5 -28.8 -10.1 5.8
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.6 4.4 3.2 2.8 2.6 2.4 2.2 2.1 2.0	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$54.4 -23.8 -19.9 -17.2 -15.3 -13.5 -10.5 -8.6 -6.8	CASHFLOWM\$187.1 47.3 33.8 29.0 25.5 22.7 18.7 15.9 13.5	CASHFLOWM\$187.1 -139.8 -106.1 -77.0 -51.5 -28.8 -10.1 5.8 19.3
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.6 4.4 3.2 2.8 2.6 2.4 2.2 2.1 2.0 1.9	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$54.4 -23.8 -19.9 -17.2 -15.3 -13.5 -10.5 -8.6 -6.8 -6.5	CASHFLOWM\$187.1 47.3 33.8 29.0 25.5 22.7 18.7 15.9 13.5	CASHFLOWM\$187.1 -139.8 -106.1 -77.0 -51.5 -28.8 -10.1 5.8 19.3 32.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.6 4.4 3.2 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$54.4 -23.8 -19.9 -17.2 -15.3 -13.5 -10.5 -8.6 -6.8 -6.5 -6.3	CASHFLOWM\$187.1 47.3 33.8 29.0 25.5 22.7 18.7 15.9 13.5 12.7 11.9	CASHFLOWM\$187.1 -139.8 -106.1 -77.0 -51.5 -28.8 -10.1 5.8 19.3 32.0 43.9
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.6 4.4 3.2 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$54.4 -23.8 -19.9 -17.2 -15.3 -13.5 -10.5 -8.6 -6.8 -6.5 -6.3 -6.1	CASHFLOWM\$187.1 47.3 33.8 29.0 25.5 22.7 18.7 15.9 13.5 12.7 11.9	CASHFLOWM\$187.1 -139.8 -106.1 -77.0 -51.5 -28.8 -10.1 5.8 19.3 32.0 43.9 55.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.6 4.4 3.2 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$54.4 -23.8 -19.9 -17.2 -15.3 -13.5 -10.5 -8.6 -6.8 -6.5 -6.3 -6.1 -5.9	CASHFLOWM\$187.1 47.3 33.8 29.0 25.5 22.7 18.7 15.9 13.5 12.7 11.9 11.2 10.5	CASHFLOWM\$187.1 -139.8 -106.1 -77.0 -51.5 -28.8 -10.1 5.8 19.3 32.0 43.9 55.1 65.5
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.6 4.4 3.2 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$54.4 -23.8 -19.9 -17.2 -15.3 -13.5 -10.5 -8.6 -6.8 -6.5 -6.3 -6.1 -5.9 1.6	CASHFLOWM\$187.1 47.3 33.8 29.0 25.5 22.7 18.7 15.9 13.5 12.7 11.9 11.2 10.5 2.6	CASHFLOWM\$187.1 -139.8 -106.1 -77.0 -51.5 -28.8 -10.1 5.8 19.3 32.0 43.9 55.1 65.5 68.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.6 4.4 3.2 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$54.4 -23.8 -19.9 -17.2 -15.3 -13.5 -10.5 -8.6 -6.8 -6.5 -6.3 -6.1 -5.9 1.6 1.4	CASHFLOWM\$187.1 47.3 33.8 29.0 25.5 22.7 18.7 15.9 13.5 12.7 11.9 11.2 10.5 2.6 2.3	CASHFLOWM\$187.1 -139.8 -106.1 -77.0 -51.5 -28.8 -10.1 5.8 19.3 32.0 43.9 55.1 65.5 68.1 70.4
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.6 4.4 3.2 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$54.4 -23.8 -19.9 -17.2 -15.3 -13.5 -10.5 -8.6 -6.8 -6.5 -6.3 -6.1 -5.9 1.6	CASHFLOWM\$187.1 47.3 33.8 29.0 25.5 22.7 18.7 15.9 13.5 12.7 11.9 11.2 10.5 2.6	CASHFLOWM\$187.1 -139.8 -106.1 -77.0 -51.5 -28.8 -10.1 5.8 19.3 32.0 43.9 55.1 65.5 68.1

# UNOCAL North American Oil & Gas Division Economic Report Summary

AS OF JUN 1, 1990

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HAME: RINCON U. #258 - FT TAXCR
HELD: BASIN FRUITLAND COAL

INTY, STATE: NEW MEXICO FORMATION : FRUITLAND COAL

OPERATOR : UNOCAL

	GROSS TOTAL INVESTMENT	TOTAL GROSS OPER EXP	NUMBER GROSS WELLS	NET NGL VOLUME	EFFECTIVE NGL PRICE	NET NGL REVENUE	NET SULPHUR	NET PLANT OPER EXP	NET TRANS +TREAT+COMP	
	M\$	M\$		MBBLS	\$/BBL	M\$	M-TONS	M\$	M\$	M\$
( 7MO)1990	261.0	1.2	1.0	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	261.0	51.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	57.3	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 30.5 YR	261.0	108.9	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
( 7MO)1990	LEASEHOLD M\$ 0.0	DRY HOLE M\$ 0.0	DRILLING M\$ 0.0	COMPLETIONM\$ 0.0	FACILITIES M\$ 0.0	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0	DEPREC M\$ 13.0	DEPLETION M\$ 0.0	AMORT
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\$ 13.0 22.3	DEPLETION M\$ 0.0 0.0	AMORT
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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\$ 13.0 22.3 15.9 11.4 8.1 8.1 4.1 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\$ 3.4 10.2 10.2 10.2 10.2 6.8 0.0 0.0 0.0 0.0 0.0 0.0 0.0
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PF:P.A. EVAL #: 23

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

DATE: 06/21/91 TIME: 10:43:53 PAGE: 4

NAME : RINCON U. #258 - FT TAXCR FIELD : BASIN FRUITLAND COAL

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

	TEMP	TEMP	TEMP	TEMP	NET CREDITS
	#1	#2	#5	#6	INPUT
-		· · · · · · · · · · · · · · · · · · ·			M\$
( 7MO)1990	15183.1	10.3	0.840	0.000	10.3
1991	29926.7	20.4	0.840	0.000	20.4
1992	22376.7	15.2	0.840	0.000	15.2
1993	19875.9	13.5	0.840	0.000	13.5
1994	17985.5	12.2	0.840	0.000	12.2
1995	16677.6	11.3	0.840	0.000	11.3
1996	15510.2	10.6	0.840	0.000	10.6
1997	14475.7	9.8	0.840	0.000	9.8
1998	13726.0	9.3	0.840	0.000	9.3
1999	13039.7	8.9	0.840	0.000	8.9
2000	12387.7	8.4	0.840	0.000	8.4
2001	11768.4	8.0	0.840	0.000	8.0
2002	11179.9	7.6	0.840	0.000	7.6
2003	10621.0	0.0	0.000	0.000	0.0
2004	10089.9	0.0	0.000	0.000	0.0
SUB TOTAL	234824.0	145.7	0.840	0.000	145.7
REMAINDER	106970.8	0.0	0.000	0.000	0.0
TOT 30.5 YR	341794.8	145.7	0.840	0.000	145.7

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, Nèw 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 6 WEST, N.M.P.M.

Section 29: North/2

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 #259 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #259 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

This application is predicated on six months of actual production history from the Rincon Unit #259 well which first delivered on September 6, 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 September 1, 1990.

Dated this 22nd day of July, 1991.

Bill Hering

District Petroleum Engineer Union Oil Company of California Well Summary

Well Name: Rincon Unit #259

Location: 1708'FNL, 957'FEL, Sec 29, T27N, R6W

Elevation: 6658' GL Total Depth: 3232' Lease Number: SF-079364

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 7-3-90

Completion Date: 8-5-90 1st Delivery Date: 9-6-90

Perf'd Interval: 3065-3073, 3077-3081, 3083-3089, 3094-3100,

3128-3135, 3139-3155, 3157-3177.

## 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 #259 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 355 feet and cemented with 350 sacks to surface. Production casing measuring 4-1/2" was then set at 3231 feet and cemented in two stages to surface with 820 sacks cement. After drilling out to PBTD of 3226' the upper and lower coal zones were perforated from 3065'-3177' with 4 shots per foot and fracture stimulated with 320,000# 20/40 sand, 1.33 MMSCF N2 and 32,550 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 804 MCFD and 575 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 6, 1990. The current deliverability for the well against a 150# line pressure is 109 MCFD.

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

Net Pay: 67 ft

Drainage area: 160 acres Gas Content: 137 SCF/ton

Tonnage Factor: 2105 tons/acre-feet (from density log)

Recovery Factor: 17 %

Economics

Completion Cost: \$285,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 444 MCFD, Current - 122 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

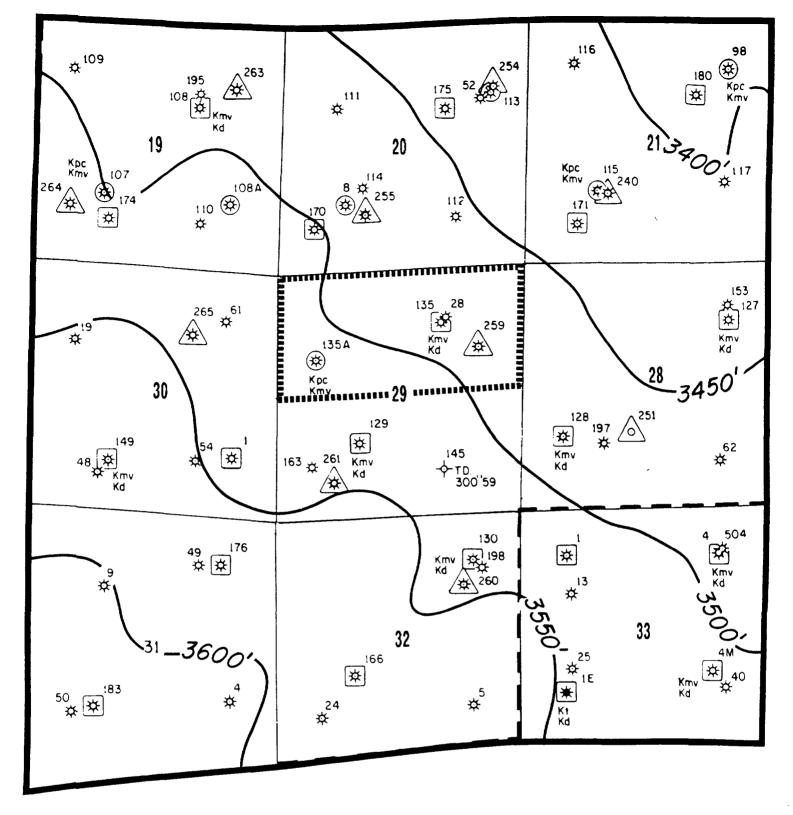
BEFORE ME, the undersigned authority on this day personally appeared Bill Hering, District Petroleum Engineer, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

- 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 the N/2 Section 29, T27N-R6W, 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.

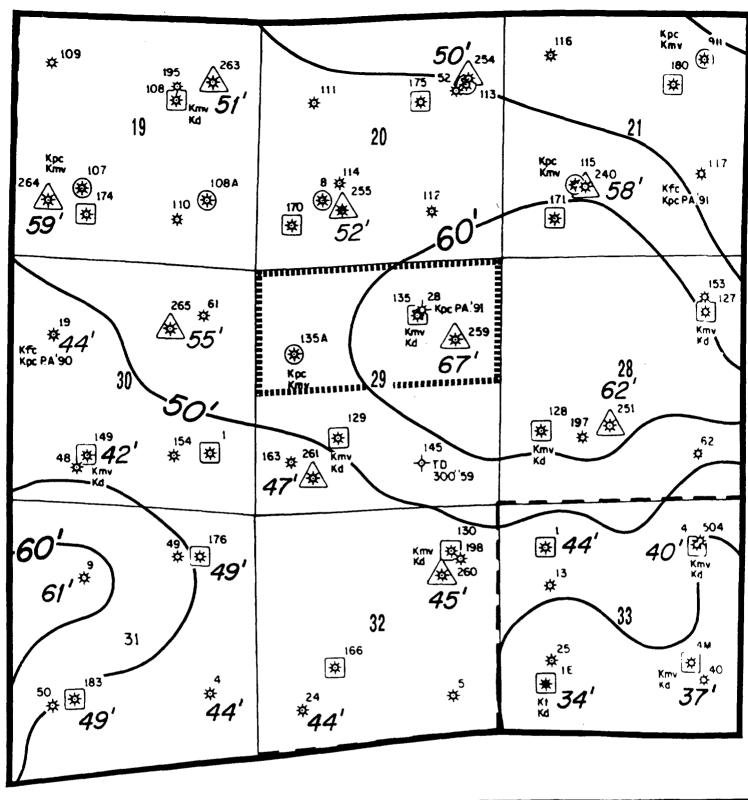
SUBSCRIBED AND SWORN TO before me, this undersigned authority, on this day of

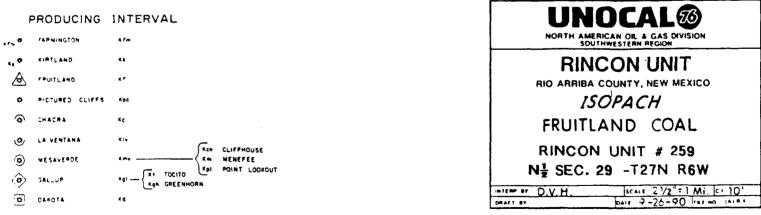
Notary Public in and for San Juan County, New Mexico

My Commission Expires:

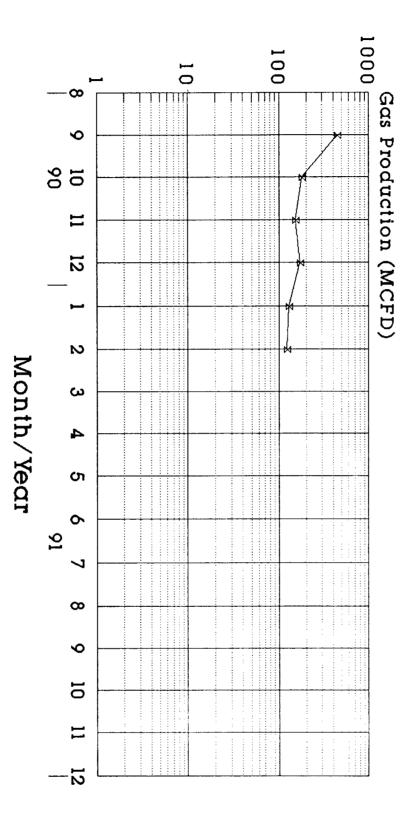








# RINCON UNIT #259 RIO ARRIBA COUNTY, NEW MEXICO



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. #259 - FT TAXCR

LOCATION:

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

IDEN	TIFICATION			PROFIT		X ATAX	PRESEN	T WORTH PROFI	LE
FIELD : BASIN F	RITTIAND COAL		PROFI	T TO INV (P			DISCOUNT	BTAX	ATAX
LSE/BLOCK :	NOTTE SAME			ISCOUNTED			RATE (%)	(M\$)	(M\$)
FORMATION : FRUITLA	AND COAL			c a 10.0%					(1147)
TOTAL DEPTH:	IIID COME			c a 15.0%		4 -0.12	0.0	-128.	81.
OPERATOR : Unocal				FF RATIO (I		4 0.12	5.0	-153.	29.
				ISCOUNTED	-0 A	0.35		-170.	
AFE # :				C a 10.0%	-0.4.	0.33	15.0		-7.
LIFE (YRS) : 29.5								-182.	-33.
	60.1	DATE	D15	c a 15.0%	-0.64	4 -0.14	20.0	-190.	-52.
WI ORI 100.00000 80.99870		DATE	DAYOU	T (YEARS)	•	( 7	25.0	-196.	-67.
100.00000 60.99670	00.99070	JUL 1990	PATOU	OF RETURN (				TE : JUL 199	10
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COMMODIT	Y PRICES			INVESTME	NTS (MS)		CASI	H FLOW (MS) -	
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NGL (\$/BBL)	0.00 0.0				٠.	٠.	OPEX (LO	: \	106.
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\$EQUIV BOE RATIO	0.00	0 6.00					SEV & ADV	/AL TAXES	51.
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0057 (# (005)			GATHE	RING	0.	0.	HET THURSTHEHT		205
OPEX (\$/BOE)	2.11 5.89	2.61 7.27	MICC	ThTAN	100	100	NET INVESTMENTS	•	285.
OPEX (\$/BO\$E)			MISC		199.		DTAY 04011 51011		400
F&D (\$/BOE)	5.71	7.05	MISC	TAN	٥٥.	86.			-128.
F&D (\$/BO\$E)	15.88			TOTAL	285.	205	INCOME TAXES PA		-209.
ATAX CF (\$/BOE)		2.01			207.	285. 283.			81.
ATAX CF (\$/BO\$E)		5.58	0150	10.0%	283.	283.	ATAX DISC a 10	1.0%	-7.
	- RESERVES &	PRODUCTION					ASSUMPTIONS & REN	1ARKS	
		ss							
	REMAIN	ULT	REMAIN	ULT					
OIL (MBBLS)	0.	0.	0.	0.					
GAS (MMCF)	300.	0. 300.	243. 0.	243.					
NGL (MBBLS)	0.	0.	0.	0.					
SULPHUR (MTONS)	0.	0.	0.	0.					
FOUTUAL FUT DECERVES									
EQUIVALENT RESERVES:		F.0							
BTU (MBOE)	50.	50.	40.	40.					
VALUE (MBO\$E)	18.	18.	15.	15.					
INITIAL RATE:									
OIL (BBLS/DAY)	0.					GLOBAL FI	LES: 1= \$UNOCAL1	2= \$UNOCAL2	
GAS (MCF/DAY)	444.					ALTKEY: U	SA		
DATE: 04/22/91	TIME:	13:35:04	RPT F	 ILE: 4	PG #	5	PRJ FILE: P.A.	EVAL	# 12
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# UNOCAL North American Oil & Gas Division Economic Report Summary AS OF JUL 1, 1990

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VAME : RINCON U. #259 - FT TAXCR FIELD : BASIN FRUITLAND COAL

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

	GROSS PROD	NET VOLUME	GROSS GAS	NET GAS	NET EQ PROD	EFFECTIVE	NET REV	EFFECTIVE	NET GAS	NET TOTAL
		OIL + COND		VOLUME	(RE: BOE)			GAS PRICE	REVENUE	REVENUE
	MBBLS	MBBLS	MMCF	MMCF	EMBBLS	\$/BBL	M\$	\$/MCF	M\$	M\$
( 6MO)1990	0.0	0.0	28.4	23.0	3.8	0.00	0.0	1.91	43.9	43.9
1991	0.0	0.0	32.1	26.0	4.3	0.00	0.0	1.44	37.5	37.5
1992	0.0	0.0	19.9	16.1	2.7	0.00	0.0	1.42	22.8	22.8
1993	0.0	0.0	16.5	13.4	2.2	0.00	0.0	1.42	18.9	18.9
1994	0.0	0.0	14.8	12.0	2.0	0.00	0.0	1.42	17.0	17.0
1995	0.0	0.0	13.6	11.0	1.8	0.00	0.0	1.42	15.6	15.6
1996	0.0	0.0	12.7	10.3		0.00	0.0	1.42	14.5	14.5
1997	0.0	0.0	11.8	9.5		0.00	0.0	1.42	<b>13.</b> 5	13.5
1998	0.0	0.0	11.1	9.0	1.5	0.00	0.0	1.42	12.7	12.7
1999	0.0	0.0	10.5	8.5	1.4	0.00	0.0	1.42	12.1	12.1
2000	0.0	0.0	10.0	8.1	1.4	0.00	0.0	1.42	11.5	11.5
2001	0.0	0.0	9.5	7.7	1.3	0.00	0.0	1.42	10.9	10.9
2002	0.0	0.0	9.0	7.3	1.2	0.00	0.0	1.42	10.4	10.4
2003	0.0	0.0	8.6	6.9	1.2	0.00	0.0	1.42	9.8	9.8
2004	0.0	0.0	8.1	6.6	1.1	0.00	0.0	1.42	9.3	9.3
SUB TOTAL	0.0	0.0	216.6	175.4	29.2	0.00	0.0	1.48	260.4	260.4
REMAINDER	0.0	0.0	83.1	67.3	11.2	0.00	0.0	1.42	95.3	95.3
TOT 29.5 YR	0.0	0.0	299.7	242.7	40.5	0.00	0.0	1.47	355.7	355.7
	NET LOE	NET		NET TOTAL				INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 6MO)1990	(FIX + VAR)M\$ 1.2	WORKOVR EXP	DIRECT EXP M\$ 1.2	TAXES M\$ 5.3	EXPENSE M\$ 0.5	INVESTMENT M\$ 285.0	CASHFLOW M\$ -248.1	TAXES PAIDM\$	CASHFLOW M\$ -180.2	CASHFLOW M\$ -180.2
1991	(FIX + VAR) M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 5.3 5.4	EXPENSE M\$ 0.5 1.4	INVESTMENT M\$ 285.0 0.0	CASHFLOW M\$ -248.1 27.0	TAXES PAID M\$ -67.9 -28.0	CASHFLOW M\$ -180.2 55.0	CASHFLOW M\$ -180.2 -125.2
1991 1992	(FIX + VAR)M\$ 1.2 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6	TAXES M\$ 5.3 5.4 3.3	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 285.0 0.0 0.0	CASHFLOW M\$ -248.1 27.0 14.4	TAXES PAID M\$ -67.9 -28.0 -20.7	CASHFLOW M\$ -180.2 55.0 35.1	CASHFLOW M\$ -180.2
1991 1992 1993	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6	TAXES M\$ 5.3 5.4 3.3 2.8	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 285.0 0.0 0.0 0.0	CASHFLOW M\$ -248.1 27.0 14.4 11.1	TAXES PAID M\$ -67.9 -28.0 -20.7 -17.6	CASHFLOW M\$ -180.2 55.0 35.1 28.7	CASHFLOW M\$ -180.2 -125.2 -90.1 -61.3
1991 1992 1993 1994	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXESM\$ 5.3 5.4 3.3 2.8 2.5	EXPENSE M\$ 0.5 1.4 1.4 1.4	INVESTMENTM\$ 285.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -248.1 27.0 14.4 11.1 9.5	TAXES PAID M\$ -67.9 -28.0 -20.7 -17.6 -15.8	CASHFLOW M\$ -180.2 55.0 35.1 28.7 25.3	CASHFLOW M\$ -180.2 -125.2 -90.1 -61.3 -36.1
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 5.3 5.4 3.3 2.8 2.5 2.3	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4	INVESTMENTM\$ 285.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -248.1 27.0 14.4 11.1 9.5 8.3	TAXES PAIDM\$67.9 -28.0 -20.7 -17.6 -15.8 -13.7	CASHFLOWM\$180.2 55.0 35.1 28.7 25.3 22.0	CASHFLOW M\$ -180.2 -125.2 -90.1 -61.3
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 5.3 5.4 3.3 2.8 2.5 2.3 2.1	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4	INVESTMENTM\$ 285.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -248.1 27.0 14.4 11.1 9.5 8.3 7.4	TAXES PAIDM\$67.9 -28.0 -20.7 -17.6 -15.8 -13.7 -10.3	CASHFLOW M\$ -180.2 55.0 35.1 28.7 25.3	CASHFLOW M\$ -180.2 -125.2 -90.1 -61.3 -36.1
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 5.3 5.4 3.3 2.8 2.5 2.3 2.1 2.0	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 285.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$248.1 27.0 14.4 11.1 9.5 8.3 7.4 6.5	TAXES PAIDM\$67.9 -28.0 -20.7 -17.6 -15.8 -13.7	CASHFLOWM\$180.2 55.0 35.1 28.7 25.3 22.0 17.6 14.9	CASHFLOWM\$
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 5.3 5.4 3.3 2.8 2.5 2.3 2.1 2.0 1.9	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 285.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$248.1 27.0 14.4 11.1 9.5 8.3 7.4 6.5 5.8	TAXES PAIDM\$67.9 -28.0 -20.7 -17.6 -15.8 -13.7 -10.3 -8.4 -6.7	CASHFLOWM\$180.2 55.0 35.1 28.7 25.3 22.0 17.6 14.9 12.5	CASHFLOWM\$
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 5.3 5.4 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 285.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$248.1 27.0 14.4 11.1 9.5 8.3 7.4 6.5 5.8 5.3	TAXES PAIDM\$67.9 -28.0 -20.7 -17.6 -15.8 -13.7 -10.3 -8.4	CASHFLOWM\$180.2 55.0 35.1 28.7 25.3 22.0 17.6 14.9 12.5 11.7	CASHFLOWM\$
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 5.3 5.4 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8 1.7	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 285.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$248.1 27.0 14.4 11.1 9.5 8.3 7.4 6.5 5.8 5.3 4.8	TAXES PAIDM\$67.9 -28.0 -20.7 -17.6 -15.8 -13.7 -10.3 -8.4 -6.7 -6.5 -6.2	CASHFLOWM\$180.2 55.0 35.1 28.7 25.3 22.0 17.6 14.9 12.5	CASHFLOWM\$
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 5.3 5.4 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 285.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$248.1 27.0 14.4 11.1 9.5 8.3 7.4 6.5 5.8 5.3 4.8 4.3	TAXES PAIDM\$67.9 -28.0 -20.7 -17.6 -15.8 -13.7 -10.3 -8.4 -6.7 -6.5 -6.2 -6.0	CASHFLOWM\$180.2 55.0 35.1 28.7 25.3 22.0 17.6 14.9 12.5 11.7 11.0 10.3	CASHFLOWM\$
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 5.3 5.4 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 285.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$248.1 27.0 14.4 11.1 9.5 8.3 7.4 6.5 5.8 5.3 4.8 4.3 3.8	TAXES PAIDM\$67.9 -28.0 -20.7 -17.6 -15.8 -13.7 -10.3 -8.4 -6.7 -6.5 -6.2 -6.0 -5.8	CASHFLOWM\$180.2 55.0 35.1 28.7 25.3 22.0 17.6 14.9 12.5 11.7 11.0 10.3 9.6	CASHFLOWM\$180.2 -125.2 -90.1 -61.3 -36.1 -14.1 3.6 18.5 31.0 42.7 53.7 64.0 73.6
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 5.3 5.4 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 285.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$248.1 27.0 14.4 11.1 9.5 8.3 7.4 6.5 5.8 5.3 4.8 4.3 3.8 3.4	TAXES PAIDM\$67.9 -28.0 -20.7 -17.6 -15.8 -13.7 -10.3 -8.4 -6.7 -6.5 -6.2 -6.0 -5.8 1.3	CASHFLOWM\$180.2 55.0 35.1 28.7 25.3 22.0 17.6 14.9 12.5 11.7 11.0 10.3 9.6 2.1	CASHFLOWM\$180.2 -125.2 -90.1 -61.3 -36.1 -14.1 3.6 18.5 31.0 42.7 53.7 64.0 73.6 75.7
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 5.3 5.4 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 285.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$248.1 27.0 14.4 11.1 9.5 8.3 7.4 6.5 5.8 5.3 4.8 4.3 3.8 3.4 2.9	TAXES PAIDM\$67.9 -28.0 -20.7 -17.6 -15.8 -13.7 -10.3 -8.4 -6.7 -6.5 -6.2 -6.0 -5.8 1.3 1.1	CASHFLOWM\$180.2 55.0 35.1 28.7 25.3 22.0 17.6 14.9 12.5 11.7 11.0 10.3 9.6 2.1 1.8	CASHFLOWM\$180.2 -125.2 -90.1 -61.3 -36.1 -14.1 3.6 18.5 31.0 42.7 53.7 64.0 73.6 75.7 77.5
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 SUB TOTAL	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 5.3 5.4 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4 37.0	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 285.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$248.1 27.0 14.4 11.1 9.5 8.3 7.4 6.5 5.8 5.3 4.8 4.3 3.8 3.4 2.9 -133.8	TAXES PAIDM\$67.9 -28.0 -20.7 -17.6 -15.8 -13.7 -10.3 -8.4 -6.7 -6.5 -6.2 -6.0 -5.8 1.3 1.1 -211.3	CASHFLOWM\$180.2 55.0 35.1 28.7 25.3 22.0 17.6 14.9 12.5 11.7 11.0 10.3 9.6 2.1 1.8 77.5	CASHFLOWM\$180.2 -125.2 -90.1 -61.3 -36.1 -14.1 3.6 18.5 31.0 42.7 53.7 64.0 73.6 75.7 77.5 77.5
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 5.3 5.4 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 285.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$248.1 27.0 14.4 11.1 9.5 8.3 7.4 6.5 5.8 5.3 4.8 4.3 3.8 3.4 2.9	TAXES PAIDM\$67.9 -28.0 -20.7 -17.6 -15.8 -13.7 -10.3 -8.4 -6.7 -6.5 -6.2 -6.0 -5.8 1.3 1.1	CASHFLOWM\$180.2 55.0 35.1 28.7 25.3 22.0 17.6 14.9 12.5 11.7 11.0 10.3 9.6 2.1 1.8	CASHFLOWM\$180.2 -125.2 -90.1 -61.3 -36.1 -14.1 3.6 18.5 31.0 42.7 53.7 64.0 73.6 75.7 77.5

PF:P.A. EVAL #: 12

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: RINCON U. #259 - FT TAXCR
!ELD : BASIN FRUITLAND COAL

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

	GROSS TOTAL	TOTAL GROSS	NUMBER	NET NGL	EFFECTIVE	NET NGL	NET	NET PLANT	NET TRANS	NET ABAND
	INVESTMENT	OPER EXP	GROSS WELLS	VOLUME	NGL PRICE	REVENUE	SULPHUR	OPER EXP	+TREAT+COMP	& SALVAGE
	M\$	M\$	• • • • • • • • • • • • • • • • • • • •	MBBLS	\$/BBL	M\$	M-TONS	M\$	M\$	M\$
(6MO)1990	285.0	1.2	1.0	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
1996	0.0	3.6	1.0	0.0	0.00	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
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
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	285.0	51.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	54.0	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 29.5 YR	285.0	105.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
	NET	NET	NFT	NET	NET	NFT	NET	TAY	TAY	inc
	NET LEASEHOLD	NET DRY HOLE	NET DRILLING	NET COMPLETION	NET FACILITIES	NET PLATFORM	NET PIPFLINE	TAX	TAX	IDC AMORT
	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
( 6MO)1990	LEASEHOLD	DRY HOLE		COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
( 6MO)1990 1991	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
•	LEASEHOLD M\$ 0.0	DRY HOLEM\$	DRILLING M\$ 0.0	COMPLETIONM\$	FACILITIESM\$	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0	DEPREC M\$ 12.3	DEPLETION M\$ 0.0 0.0	AMORT M\$
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\$ 12.3 21.1	DEPLETIONM\$ 0.0 0.0 0.0	AMORT M\$ 4.0 11.9
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 0.0	DEPREC M\$ 12.3 21.1 15.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0	AMORT M\$ 4.0 11.9 11.9
1991 1992 1993	LEASEHOLD M\$ 0.0 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0	DRILLINGM\$ 0.0 0.0 0.0 0.0	COMPLETION M\$ 0.0 0.0 0.0	FACILITIESM\$ 0.0 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\$ 12.3 21.1 15.0 10.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 4.0 11.9 11.9
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	DRILLINGM\$ 0.0 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	DEPREC M\$ 12.3 21.1 15.0 10.7 7.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 4.0 11.9 11.9 11.9 11.9 8.0
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	DRILLINGM\$ 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	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	DEPREC M\$ 12.3 21.1 15.0 10.7 7.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 4.0 11.9 11.9 11.9 11.9 8.0 0.0
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 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	DEPREC 12.3 21.1 15.0 10.7 7.7 7.7 7.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 4.0 11.9 11.9 11.9 11.9 8.0
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	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	DEPREC 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 4.0 11.9 11.9 11.9 11.9 8.0 0.0 0.0 0.0
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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 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\$ 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 4.0 111.9 11.9 11.9 8.0 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	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\$ 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8 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\$ 4.0 11.9 11.9 11.9 11.9 8.0 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\$ 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8 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\$ 4.0 11.9 11.9 11.9 11.9 8.0 0.0 0.0 0.0 0.0 0.0 0.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	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\$ 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8 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\$ 4.0 11.9 11.9 11.9 11.9 8.0 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\$ 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8 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\$ 4.0 11.9 11.9 11.9 11.9 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\$ 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8 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\$ 4.0 11.9 11.9 11.9 11.9 8.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0

F:P.A. .VAL #: 12

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

DATE: 04/22/91 TIME: 13:35:07 PAGE: 8

AME : RINCON U. #259 - FT TAXCR
LELD : BASIN FRUITLAND COAL
ORMATION : FRUITLAND COAL
OPERATOR : UNOCAL

	TEMP #1	TEMP #2	TEMP #5	TEMP #6	NET CREDITS INPUT
( 6MO)1990	33484.9	22.8	0.840	0.000	22.8
1991	37835.2	25.7	0.840	0.000	25.7
1992	23447.6	16.0	0.840	0.000	16.0
1993	19458.8	13.2	0.840	0.000	13.2
1994	17514.8	11.9	0.840	0.000	11.9
1995	16062.1	10.9	0.840	0.000	10.9
1996	14937.8	10.2	0.840	0.000	10.2
1997	13893.1	9.5	0.840	0.000	9.5
1998	13079.6	8.9	0.840	0.000	8.9
1999	12425.6	8.5	0.840	0.000	8.5
2000	11804.3	8.0	0.840	0.000	8.0
2001	11214.1	7.6	0.840	0.000	7.6
2002	10653.4	7.2	0.840	0.000	7.2
2003	10120.7	0.0	0.000	0.000	0.0
2004	9614.7	0.0	0.000	0.000	0.0
SUB TOTAL	255546.6	160.4	0.840	0.000	160.4
REMAINDER	98045.5	0.0	0.000	0.000	0.0
TOT 29.5 YR	353592.0	160.4	0.840	0.000	160.4

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GLOBAL FILE: $UNOCAL1
EVALUATION #12 IN PROJECT FILE "P.A. " 04/22/91 13:34:23
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            JUL 1990 JUL 1990 SEP 1990
20 DATES
              "RINCON U. #259 - FT TAXCR
30 NAME
40 FIELD
               "BASIN FRUITLAND COAL
50 CNTYSTATE
               "NEW MEXICO
                                            н
               "FRUITLAND COAL
60 FORMATION
               "UNOCAL
70 OPERATOR
30 ECONOMICS
              ELIM
              1. 0.809987
90 OWNERSHIP
120 COMMENT
              "PROD DECLINE BASED ON AVG WELL CASE
                "FIRST 6 MONTHS = ACTUAL PROD.
130 COMMENT
140 GPROD
                 Р
                        MON 13.321 5.51 4.428 5.118 4.003 3.418
                         EXP * * * 60. 6.
150 GPROD
                       EXP * * * 28. 14.
160 GPROD
170 GPROD
                         EXP * * * 10. 25.
                         EXP * * * 7. 36.
180 GPROD
                       EXP * * * 5.
190 GPROD
                   *
                   I MON 86000. 0. 0.
210 TAN
220 INTAN
                   I
                         MON 199000. 0.
                 P
                       MON 1.42 1.68 1.82 1.89 1.38
240 PRGAS
                        CON 1.2
260 PRGAS
290 FACTOR
             1.18 PRGAS
               P CON 300.
310 LOETOT
                        CON 3.5
320 AVALPS
*** START OF INSERT FILE C-TAX
10 COMMENT "ASSUMES CONSTANT $.84 TAX CREDIT
20 COMMENT
               2003 סזיי
30 TEMP1
               *
                        CON O.
              TEMP1 GPROD
40 CADD
50 FACTOR
             1000. TEMP1
             1.18 TEMP1
60 FACTOR
70 TEMP5
               JAN 1990 CON 0.84
               JAN 2003 CON 0.
80 TEMP5
              TEMP2 TEMP1
TEMP5 TEMP2
90 CADD
100 CFACTOR
               0.809987 TEMP2
110 FACTOR
               TAXCR TEMP2
120 CADD
130 FACTOR
               0.001 TEMP2
*** END OF INSERT FILE
370 ULTIMATE GPROD 520.
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GLOBAL FILE: \$UNOCAL2

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 6 WEST, N.M.P.M.

Section 19: North/2

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 #263 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #263 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

This application is predicated on nine months of actual production history from the Rincon Unit #263 well which first delivered on September 21, 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 September 1, 1990.

Dated this 22nd day of July, 1991.

Bill Hering

District Petroleum Engineer

Union Oil Company of California

Well Summary

Well Name: Rincon Unit #263

Location: 1369'FNL, 1015'FEL, Sec 19, T27N, R6W

Elevation: 6481' GL Total Depth: 3078'

Lease Number: SF-079366

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 6-28-90

Completion Date: 7-14-90 1st Delivery Date: 9-21-90

Perf'd Interval: 2873-2876, 2887-2890, 2897-2902, 2904-2906,

2978-2982, 2984-2987, 2989-2999, 3001-3014.

### 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 #263 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 350 sacks to surface. Production casing measuring 4-1/2" was then set at 3077 feet and cemented in two stages to surface with 800 sacks cement. After drilling out to PBTD of 3075' the upper and lower coal zones were perforated from 2873'-3014' with 4 shots per foot and fracture stimulated with 260,000# 20/40 sand, 1.08 MMSCF N2 and 25,434 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 265 MCFD and 360 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 21, 1990. The current deliverability for the well against a 150# line pressure is 60 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.45 Bcf.

Net Pay: 51 ft

Drainage area: 160 acres Gas Content: 161 SCF/ton

Tonnage Factor: 2037 tons/acre-feet (from density log)

Recovery Factor: 17%

Economics

Completion Cost: \$276,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 219 MCFD, Current - 41 MCFD,

No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 11.4 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

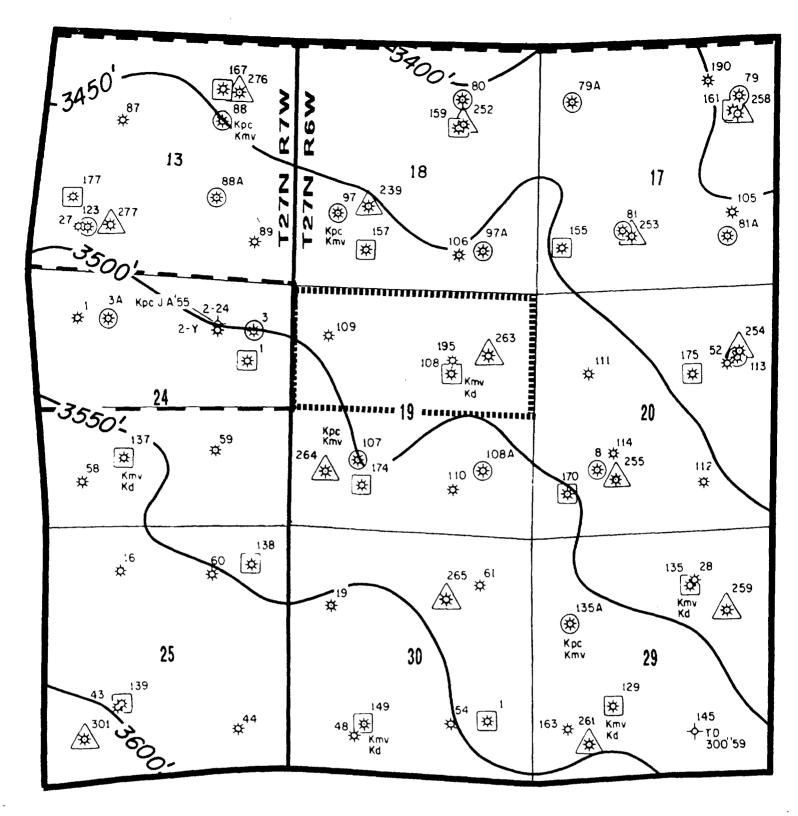
BEFORE ME, the undersigned authority on this day personally appeared Bill Hering, District Petroleum Engineer, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

- 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 the N/2 Section 19, T27N-R6W, 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.

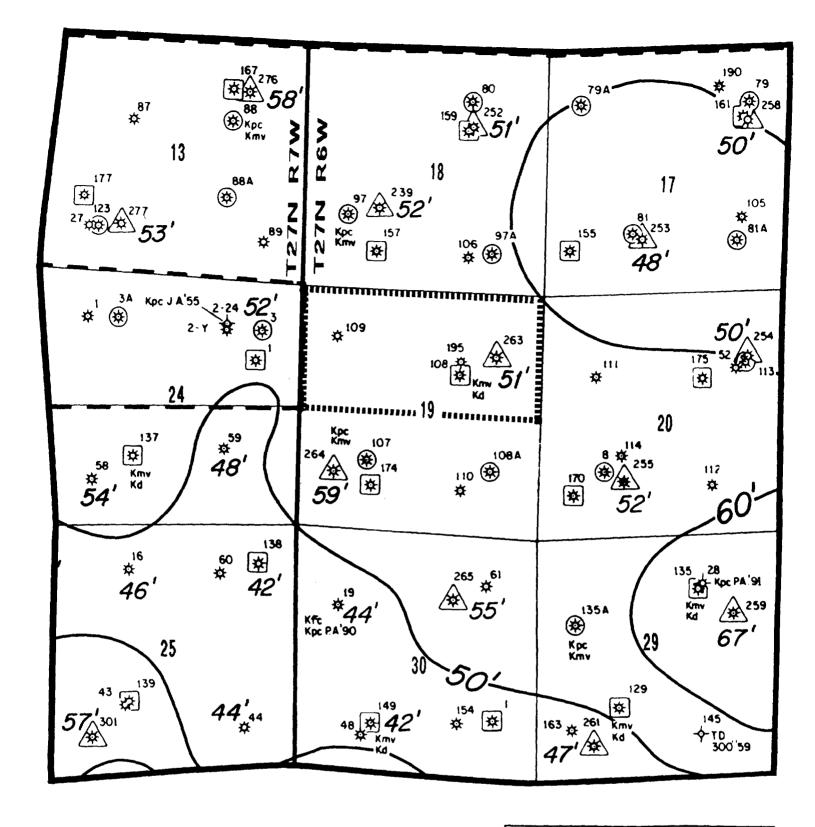
SUBSCRIBED AND SWORN TO before me, this undersigned authority, on this day of

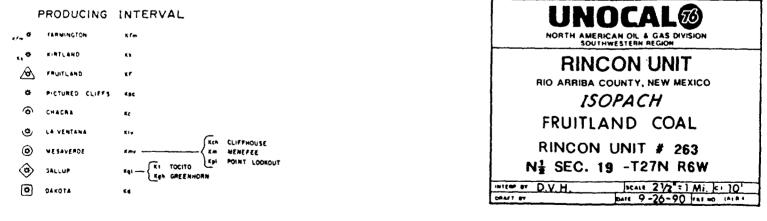
Notary Rublic in and for San Juan County, New Mexico

My Commission Expires:

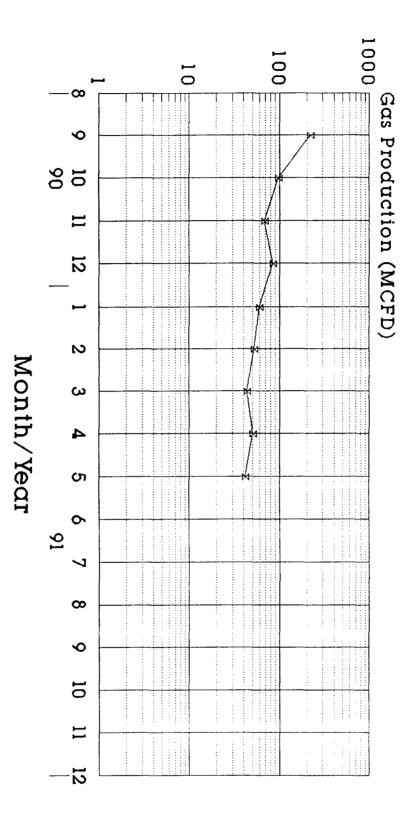








# RINCON UNIT #263 RIO ARRIBA COUNTY, NEW MEXICO



Production based on actual days on

--- GAS

# UNOCAL North American Oil & Gas Division Economic Report Summary

REGION: Southwestern

DISTRICT: Farmington

CNTYSTATE: New Mexico

PROJECT NAME: RINCON U. #263 - FT TAXCR LOCATION:

BUD BUD				CTIVE DAT OSED BY					
IDENT	IFICATION			PROFIT	INDICES -		PRESENT	WORTH PROFI	LE
FIELD : BASIN F	RUITLAND COAL		PROFIT	TO INV (P/			DISCOUNT	BTAX	ATAX
LSE/BLOCK :				SCOUNTED		0.06	RATE (%)	(M\$)	(M\$)
FORMATION : FRUITLA	ND COAL			a 10.0%		-0.23			
TOTAL DEPTH:				a 15.0%		-0.31	0.0	-160.	16.
OPERATOR : Unocal			INV EF	F RATIO (IE	R):		5.0	-180.	-29.
AFE # :				SCOUNTED		0.07	10.0	-193.	-59.
LIFE (YRS) : 27.4			DISC	ີ ລ 10.0%	-0.75	-0.28	15.0	-202.	-80.
			DISC	a 15.0%	-0.79	-0.38	20.0	-208.	-96.
WI ORI	GRI	DATE					25.0	-212.	-107.
100.00000 80.99870	80.99870 J	UL 1990	PAYOUT	(YEARS)	*	11.4			
			RATE C	)F RETURN (%	6) -1000.0	1.6	DISCOUNT DATE DISCOUNT METH		
COMMODIT	Y PRICES			- INVESTMEN	NTS (M\$)		CASH	FLOW (M\$) -	• • • • • • • • • •
	BEG END	AVG			GROSS	NET		,	NET
OIL (\$/BBL)	0.00 0.00	0.00	LEASEH	IOLD	0.	0.	TOTAL REVENUES		266.
	1.88 1.42				0.	0.			-
NGL (\$/BBL)							OPEX (LOE)		98.
SULPHUR (\$/TON)	0.00 0.00	0.00	DRILLI	NG	0.	0.	WORKOVER		0.
			COMPLE	TION	0.	0.	PLANT		0.
SEQUIV BOE RATIO	6.00 6.00	6.00	PLATFO	RM	0.	0.	SEV & ADVA	L TAXES	38.
			FACILI	TIES	0.	0.	INDIRECT		8.
UNIT COS	T PERFORMANCE		PIPELI	NE	0.	0.	OVERHEAD		21.
	GROSS	NET	PLANT		0.	0.	NET ABAND/	SALV	0.
			GATHER	ING	0.	0.			
OPEX (\$/BOE)		3.22					NET INVESTMENTS		260.
OPEX (\$/BO\$E)	6.82	8.42	MISC 1		169.	169.			
F&D (\$/BOE)	6.92	8.55 22.32	MISC T	AN	91.	91.	BTAX CASH FLOW		-160.
F&D (\$/BO\$E)	18.08						INCOME TAXES PAI	D	-175.
ATAX CF (\$/BOE)		0.52		OTAL					16.
ATAX CF (\$/BO\$E)		1.36	DISC &	10.0%	258.	258.	ATAX DISC a 10.	0%	-59.
							ASSUMPTIONS & REMA	RKS	
	GROS								
	REMAIN	ULT	REMAIN	ULT					
OT (MDD) ES		0.	0.	0.					
OIL (MBBLS)	0. 225.	225.	183.	183.					
GAS (MMCF) NGL (MBBLS)	0.	0.	0.	0.					
SULPHUR (MTONS)	0.	0.	0.	0.					
SOLPHON (MICHS)	٥.	0.	٠.	0.					
EQUIVALENT RESERVES:									
BTU (MBOE)	38.	38.	30.	30.					
VALUE (MBO\$E)	14.	14.	12.	12.					
INITIAL RATE:									
OIL (BBLS/DAY)	0.				(	GLOBAL FI	LES: 1= \$UNOCAL1	2= \$UNOCAL2	
GAS (MCF/DAY)	67.				A	ALTKEY: US	SA		
DATE: 06/25/91	TIME:	14:49:38	RPT FI	LE: 4	PG #	1 1	PRJ FILE: P.A.	EVAL	# 26

```
VALUATION #26 IN PROJECT FILE "P.A. " 06/25/91 14:49:04
  0 IDENT "30 25 U091205
  O DATES
                                      JUL 1990 JUL 1990 SEP 1990
                                          "RINCON U. #263 - FT TAXCR
 O NAME
 .0 FIELD
                                             "BASIN FRUITLAND COAL
                                              "NEW MEXICO
                                                                                                                                     - 11
 50 CNTYSTATE
                                              "FRUITLAND COAL
 50 FORMATION
 70 OPERATOR
                                             "UNOCAL
                                            ELIM
 0 ECONOMICS
                                           1. 0.809987
 40 OWNERSHIP
 120 COMMENT
                                                 "PROD DECLINE BASED ON AVG WELL CASE
                                                 "FIRST 9 MONTHS = ACTUAL PROD.
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 130 COMMENT
                                              P MON 1.59 1.59 1.88 2.26 2.2 1.66 1.34 1.04 1.04
* CON 1.2
 240 PRGAS
                                                                           CON 1.2
 260 PRGAS
                                               1.18 PRGAS
 290 FACTOR
                                   1.18 PRUAD
P CON 300.
* CON 3.5
 310 LOETOT
 320 AVALPS
 *** START OF INSERT FILE C-TAX
                                   "ASSUMES CONSTANT $.84 TAX CREDIT
 10 COMMENT
                                              "10 2003
 20 COMMENT
                                             * CON
TEMP1 GPROD
                                                                        CON O.
 30 TEMP1
 40 CADD
                                      1000. TEMP1
50 FACTOR
 50 FACTOR
                                       1.18 TEMP1
                                              JAN 1990 CON 0.84
 70 TEMP5
                                              JAN 2003 CON 0.
 80 TEMP5
                                           TEMP2 TEMP1
 90 CADD
                                                TEMP5 TEMP2
 100 CFACTOR
 110 FACTOR
                                                0.809987 TEMP2
                                              TAXCR TEMP2
 120 CADD
                                    0.001 TEMP2
 130 FACTOR
 *** END OF INSERT FILE
```

GLOBAL FILE: \$UNOCAL2

LOBAL FILE: \$UNOCAL1

F:P.A. VAL #: 26

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

DATE: 06/25/91 TIME: 14:49:39 PAGE: 2

AME : RINCON U. #263 - FT TAXCR
IELD : BASIN FRUITLAND COAL
INTY, STATE: NEW MEXICO

ORMATION : FRUITLAND COAL PERATOR : UNOCAL

	GROSS PROD	NET VOLUME	GROSS GAS	NET GAS	NET EQ PROD		NET REV	EFFECTIVE	NET GAS	NET TOTAL
		OIL + COND		VOLUME	(RE: BOE)		OIL + COND		REVENUE	REVENUE
					EMBBLS					
(6MO)1990	0.0	0.0	9.5	7.7		0.00	0.0	2.16	16.6	16.6
1991	0.0	0.0	15.7	12.7		0.00	0.0	1.58	20.2	20.2
1992	0.0	0.0	14.2	11.5		0.00	0.0	1.42	16.2	16.2
1993	0.0	0.0	13.2	10.7		0.00	0.0	1.42		15.1
1994	0.0	0.0	12.3	9.9		0.00	0.0	1.42	14.1	14.1
1995	0.0	0.0	11.6	9.4		0.00	0.0	1.42	13.3	13.3
1996	0.0	0.0	11.0	8.9		0.00	0.0	1.42	12.7	12.7
1997	0.0	0.0	10.5	8.5		0.00	0.0	1.42	12.0	12.0
1998	0.0	0.0	10.0	8.1		0.00	0.0	1.42	11.4	11.4
1999	0.0	0.0	9.5	7.7		0.00	0.0	1.42	10.8	10.8
2000	0.0	0.0	9.0	7.3		0.00	0.0	1.42	10.3	10.3
2001	0.0	0.0	8.5	6.9		0.00	0.0	1.42	9.8	9.8
2002	0.0	0.0	8.1	6.6		0.00	0.0	1.42	9.3	9.3
2003	0.0	0.0	7.7	6.2		0.00	0.0	1.42	8.8	8.8
2004	0.0	0.0	7.3	5.9		0.00	0.0	1.42	8.4	8.4
SUB TOTAL	0.0	0.0	158.0	128.0		0.00	0.0	1.48	189.1	189.1
REMAINDER	0.0	0.0	67.4	54.6		0.00	0.0	1.42	77.3	77. <b>3</b>
TOT 27.4 YR	0.0	0.0	225.4	182.6	30.4	0.00	0.0	1.46	266.4	266.4
	NET LOE	NET	NET TOTAL	NET TOTAL	NET ADMIN	NET TOTAL	BTAX	INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES		INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 6MO)1990	(FIX + VAR)M\$ 1.2	WORKOVR EXP	DIRECT EXPM\$	TAXESM\$	EXPENSE M\$ 0.4	INVESTMENT M\$ 260.0	CASHFLOW M\$ -246.8	TAXES PAIDM\$	CASHFLOW M\$	CASHFLOW M\$ -193.0
( 6MO)1990 1991	(FIX + VAR)	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP	TAXES	EXPENSE M\$ 0.4	INVESTMENT	CASHFLOW	TAXES PAID M\$ -53.8 -20.1	CASHFLOW	CASHFLOW M\$ -193.0 -160.1
	(FIX + VAR)M\$ 1.2	WORKOVR EXP	DIRECT EXPM\$	TAXES M\$	EXPENSE M\$ 0.4 1.1	INVESTMENT M\$ 260.0 0.0	CASHFLOW M\$ -246.8 12.8 9.2	TAXES PAIDM\$	CASHFLOW M\$	CASHFLOW M\$ -193.0 -160.1 -133.2
1991	(FIX + VAR) M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 1.9 2.8	EXPENSE M\$ 0.4 1.1	INVESTMENT M\$ 260.0 0.0	CASHFLOW M\$ -246.8 12.8	TAXES PAID M\$ -53.8 -20.1	CASHFLOW M\$ -193.0 32.9 27.0 23.8	CASHFLOW M\$ -193.0 -160.1
1991 1992 1993 1994	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXESM\$ 1.9 2.8 2.4 2.2 2.1	EXPENSE M\$ 0.4 1.1 1.1 1.1	INVESTMENT M\$ 260.0 0.0 0.0 0.0	CASHFLOW M\$ -246.8 12.8 9.2 8.2 7.3	TAXES PAIDM\$53.8 -20.1 -17.8 -15.6 -14.0	CASHFLOW M\$ -193.0 32.9 27.0 23.8 21.3	CASHFLOW M\$ -193.0 -160.1 -133.2 -109.3 -88.0
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.9 2.8 2.4 2.2 2.1 2.0	EXPENSE M\$ 0.4 1.1 1.1 1.1	INVESTMENT M\$ 260.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -246.8 12.8 9.2 8.2 7.3 6.7	TAXES PAIDM\$53.8 -20.1 -17.8 -15.6 -14.0 -12.4	CASHFLOW M\$ -193.0 32.9 27.0 23.8 21.3 19.1	CASHFLOWM\$193.0 -160.1 -133.2 -109.3 -88.0 -68.9
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.9 2.8 2.4 2.2 2.1 2.0 1.9	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1	INVESTMENT M\$ 260.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -246.8 12.8 9.2 8.2 7.3 6.7 6.1	TAXES PAIDM\$53.8 -20.1 -17.8 -15.6 -14.0 -12.4 -9.6	CASHFLOW M\$ -193.0 32.9 27.0 23.8 21.3	CASHFLOWM\$193.0 -160.1 -133.2 -109.3 -88.0 -68.9 -53.2
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.9 2.8 2.4 2.2 2.1 2.0 1.9 1.8	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 260.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -246.8 12.8 9.2 8.2 7.3 6.7 6.1 5.6	TAXES PAIDM\$53.8 -20.1 -17.8 -15.6 -14.0 -12.4	CASHFLOW M\$ -193.0 32.9 27.0 23.8 21.3 19.1	CASHFLOWM\$193.0 -160.1 -133.2 -109.3 -88.0 -68.9 -53.2 -39.8
1991 1992 1993 1994 1995 1996 1997 1998	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.9 2.8 2.4 2.2 2.1 2.0 1.9 1.8 1.7	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 260.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$53.8 -20.1 -17.8 -15.6 -14.0 -12.4 -9.6 -7.8	CASHFLOWM\$193.0 32.9 27.0 23.8 21.3 19.1 15.7 13.4 11.1	CASHFLOWM\$193.0 -160.1 -133.2 -109.3 -88.0 -68.9 -53.2 -39.8 -28.6
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.9 2.8 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 260.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$246.8 12.8 9.2 8.2 7.3 6.7 6.1 5.6 5.1	TAXES PAIDM\$53.8 -20.1 -17.8 -15.6 -14.0 -12.4 -9.6 -7.8 -6.1 -5.9	CASHFLOWM\$193.0 32.9 27.0 23.8 21.3 19.1 15.7 13.4 11.1 10.4	CASHFLOWM\$193.0 -160.1 -133.2 -109.3 -88.0 -68.9 -53.2 -39.8 -28.6 -18.2
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.9 2.8 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 260.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$246.8 12.8 9.2 8.2 7.3 6.7 6.1 5.6 5.1 4.6 4.1	TAXES PAIDM\$53.8 -20.1 -17.8 -15.6 -14.0 -12.4 -9.6 -7.8 -6.1 -5.9 -5.7	CASHFLOWM\$193.0 32.9 27.0 23.8 21.3 19.1 15.7 13.4 11.1 10.4 9.8	CASHFLOWM\$193.0 -160.1 -133.2 -109.3 -88.0 -68.9 -53.2 -39.8 -28.6 -18.2 -8.4
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.9 2.8 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 260.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$246.8 12.8 9.2 8.2 7.3 6.7 6.1 5.6 5.1 4.6 4.1 3.7	TAXES PAIDM\$53.8 -20.1 -17.8 -15.6 -14.0 -12.4 -9.6 -7.8 -6.1 -5.9 -5.7	CASHFLOWM\$193.0 32.9 27.0 23.8 21.3 19.1 15.7 13.4 11.1 10.4 9.8 9.1	CASHFLOWM\$193.0 -160.1 -133.2 -109.3 -88.0 -68.9 -53.2 -39.8 -28.6 -18.2 -8.4 0.7
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.9 2.8 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4 1.4	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 260.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$246.8 12.8 9.2 8.2 7.3 6.7 6.1 5.6 5.1 4.6 4.1 3.7 3.3	TAXES PAIDM\$53.8 -20.1 -17.8 -15.6 -14.0 -12.4 -9.6 -7.8 -6.1 -5.9 -5.7 -5.5	CASHFLOWM\$193.0 32.9 27.0 23.8 21.3 19.1 15.7 13.4 11.1 10.4 9.8 9.1 8.5	CASHFLOWM\$193.0 -160.1 -133.2 -109.3 -88.0 -68.9 -53.2 -39.8 -28.6 -18.2 -8.4 0.7 9.2
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.9 2.8 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4 1.3	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 260.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$246.8 12.8 9.2 8.2 7.3 6.7 6.1 5.6 5.1 4.6 4.1 3.7 3.3 2.9	TAXES PAIDM\$53.8 -20.1 -17.8 -15.6 -14.0 -12.4 -9.6 -7.8 -6.1 -5.9 -5.7 -5.5 -5.3	CASHFLOWM\$193.0 32.9 27.0 23.8 21.3 19.1 15.7 13.4 11.1 10.4 9.8 9.1 8.5 1.8	CASHFLOWM\$193.0 -160.1 -133.2 -109.3 -88.0 -68.9 -53.2 -39.8 -28.6 -18.2 -8.4 0.7 9.2 11.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.9 2.8 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4 1.3 1.2	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 260.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$246.8 12.8 9.2 8.2 7.3 6.7 6.1 5.6 5.1 4.6 4.1 3.7 3.3 2.9 2.5	TAXES PAIDM\$53.8 -20.1 -17.8 -15.6 -14.0 -12.4 -9.6 -7.8 -6.1 -5.9 -5.7 -5.5 -5.3 1.1 0.9	CASHFLOWM\$193.0 32.9 27.0 23.8 21.3 19.1 15.7 13.4 11.1 10.4 9.8 9.1 8.5 1.8	CASHFLOWM\$193.0 -160.1 -133.2 -109.3 -88.0 -68.9 -53.2 -39.8 -28.6 -18.2 -3.4 0.7 9.2 11.0 12.5
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.9 2.8 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4 1.3 1.2 27.0	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 260.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$246.8 9.2 8.2 7.3 6.7 6.1 5.6 5.1 4.6 4.1 3.7 3.3 2.9 2.5 -165.0	TAXES PAIDM\$53.8 -20.1 -17.8 -15.6 -14.0 -12.4 -9.6 -7.8 -6.1 -5.9 -5.7 -5.5 -5.3 1.1 0.9 -177.5	CASHFLOWM\$193.0 32.9 27.0 23.8 21.3 19.1 15.7 13.4 11.1 10.4 9.8 9.1 8.5 1.8 1.5	CASHFLOWM\$193.0 -160.1 -133.2 -109.3 -88.0 -68.9 -53.2 -39.8 -28.6 -18.2 -3.4 0.7 9.2 11.0 12.5
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.9 2.8 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4 1.3 1.2	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 260.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$246.8 12.8 9.2 8.2 7.3 6.7 6.1 5.6 5.1 4.6 4.1 3.7 3.3 2.9 2.5	TAXES PAIDM\$53.8 -20.1 -17.8 -15.6 -14.0 -12.4 -9.6 -7.8 -6.1 -5.9 -5.7 -5.5 -5.3 1.1 0.9	CASHFLOWM\$193.0 32.9 27.0 23.8 21.3 19.1 15.7 13.4 11.1 10.4 9.8 9.1 8.5 1.8	CASHFLOWM\$193.0 -160.1 -133.2 -109.3 -88.0 -68.9 -53.2 -39.8 -28.6 -18.2 -3.4 0.7 9.2 11.0 12.5

F:P.A. VAL #: 26

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

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AME : RINCON U. #263 - FT TAXCR
IELD : BASIN FRUITLAND COAL

INTY, STATE: NEW MEXICO ORMATION : FRUITLAND COAL

PERATOR : UNOCAL

	GROSS TOTAL	TOTAL GROSS	NUMBER	NET NGL	EFFECTIVE	NET NGL	NET	NET PLANT	NET TRANS	NET ABAND
	INVESTMENT		GROSS WELLS	VOLUME	NGL PRICE	REVENUE	SULPHUR		+TREAT+COMP	
					•					
. 6MO)1990	260.0	1.2		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	260.0	51.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	46.5	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 27.4 YR	260.0	98.1	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
	NET	NET	NET	NET	NET	NET	NET	TAV	TAV	100
	NET	NET	NET	NET	NET	NET	NET	TAX	TAX	201
	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
/ <b>/ //</b> 0.1000	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
( 6MO)1990	LEASEHOLD M\$ 0.0	DRY HOLE M\$ 0.0	DRILLING M\$ 0.0	COMPLETION M\$ 0.0	FACILITIESM\$	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0	DEPREC M\$ 13.0	DEPLETIONM\$ 0.0	AMORT M\$
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\$ 13.0 22.3	DEPLETION M\$ 0.0 0.0	AMORT M\$ 3.4 10.1
1991 1992	LEASEHOLD M\$ 0.0 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 0.0	PLATFORM M\$ 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0	DEPREC M\$ 13.0 22.3 15.9	DEPLETION M\$ 0.0 0.0 0.0	AMORT M\$ 3.4 10.1 10.1
1991 1992 1993	LEASEHOLD M\$ 0.0 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0	DRILLINGM\$ 0.0 0.0 0.0 0.0	COMPLETION M\$ 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0	PLATFORMM\$ 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPREC M\$ 13.0 22.3 15.9 11.4	DEPLETIONM\$ 0.0 0.0 0.0 0.0	AMORT M\$ 3.4 10.1 10.1
1991 1992 1993 1994	LEASEHOLD 0.0 0.0 0.0 0.0 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 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	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPREC M\$ 13.0 22.3 15.9 11.4 8.1	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.4 10.1 10.1 10.1 10.1
1991 1992 1993 1994 1995	LEASEHOLD 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	DRILLINGM\$ 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	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	DEPREC M\$ 13.0 22.3 15.9 11.4 8.1 8.1	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.4 10.1 10.1 10.1 10.1 6.8
1991 1992 1993 1994 1995 1996	LEASEHOLD 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	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 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	DEPREC M\$ 13.0 22.3 15.9 11.4 8.1 8.1 8.1	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.4 10.1 10.1 10.1 10.1 6.8 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	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 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 0.0	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 13.0 22.3 15.9 11.4 8.1 8.1 8.1 4.1	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.4 10.1 10.1 10.1 10.1 6.8 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 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\$ 13.0 22.3 15.9 11.4 8.1 8.1 8.1 4.1 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.4 10.1 10.1 10.1 10.1 6.8 0.0 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 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	DEPREC M\$ 13.0 22.3 15.9 11.4 8.1 8.1 8.1 4.1 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.4 10.1 10.1 10.1 10.1 6.8 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	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	DEPREC M\$ 13.0 22.3 15.9 11.4 8.1 8.1 8.1 4.1 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.4 10.1 10.1 10.1 6.8 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	DEPREC M\$ 13.0 22.3 15.9 11.4 8.1 8.1 8.1 4.1 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\$ 3.4 10.1 10.1 10.1 6.8 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	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	DEPREC M\$ 13.0 22.3 15.9 11.4 8.1 8.1 8.1 4.1 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\$ 3.4 10.1 10.1 10.1 10.1 6.8 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\$ 13.0 22.3 15.9 11.4 8.1 8.1 8.1 0.0 0.0 0.0 0.0 0.0 0.0	DEPLETION	AMORTM\$ 3.4 10.1 10.1 10.1 6.8 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\$ 13.0 22.3 15.9 11.4 8.1 8.1 8.1 4.1 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0	DEPLETION	AMORTM\$ 3.4 10.1 10.1 10.1 6.8 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 SUB TOTAL	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\$ 13.0 22.3 15.9 11.4 8.1 8.1 8.1 4.1 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0	DEPLETION	AMORTM\$ 3.4 10.1 10.1 10.1 10.1 6.8 0.0 0.0 0.0 0.0 0.0 0.0 50.7
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\$ 13.0 22.3 15.9 11.4 8.1 8.1 8.1 4.1 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0	DEPLETION	AMORTM\$ 3.4 10.1 10.1 10.1 6.8 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0

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HAME : RINCON U. #263 - 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	11238.3	7.6	0.840	0.000	7.6
1991	18566.8	12.6	0.840	0.000	12.6
1992	16705.8	11.4	0.840	0.000	11.4
1993	15536.4	10.6	0.840	0.000	10.6
1994	14475.0	9.8	0.840	0.000	9.8
1995	13700.6	9.3	0.840	0.000	9.3
1996	13015.6	8.9	0.840	0.000	8.9
1997	12364.8	8.4	0.840	0.000	8.4
1998	11746.6	8.0	0.840	0.000	8.0
1999	11159.2	7.6	0.840	0.000	7.6
2000	10601.3	7.2	0.840	0.000	7.2
2001	10071.2	6.9	0.840	0.000	6.9
2002	9567.7	6.5	0.840	0.000	6.5
2003	9089.3	0.0	0.000	0.000	0.0
2004	8634.8	0.0	0.000	0.000	0.0
SUB TOTAL	186473.4	114.8	0.840	0.000	114.8
REMAINDER	79481.0	0.0	0.000	0.000	0.0
TOT 27.4 YR	265954.3	114.8	0.840	0.000	114.8

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 6 WEST, N.M.P.M.

Section 19: South/2

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 #264 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #264 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

This application is predicated on six months of actual production history from the Rincon Unit #264 well which first delivered on September 7, 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 September 1, 1990.

Dated this 22nd day of July, 1991,

Bill Hering / District Petroleum Engineer

Union Oil Company of California

Well Summary

Well Name: Rincon Unit #264

Location: 1200'FSL, 798'FWL, Sec 19, T27N, R6W

Elevation: 6575' GL Total Depth: 3122'

Lease Number: SF-079366

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 6-18-90

Completion Date: 7-14-90 1st Delivery Date: 9-7-90

Perf'd Interval: 2939-2945, 2949-2953, 2956-2960, 2961-2963,

2964-2968, 2997-3002, 3024-3043, 3045-3060.

## 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 #264 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 358 feet and cemented with 350 sacks to surface. Production casing measuring 4-1/2" was then set at 3119 feet and cemented in two stages to surface with 788 sacks cement. After drilling out to PBTD of 3114' the upper and lower coal zones were perforated from 2939'-3060' with 4 shots per foot and fracture stimulated with 304,000# 20/40 sand, 1.27 MMSCF N2 and 30,150 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 219 MCFD and 505 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 7, 1990. The current deliverability for the well against a 150# line pressure is 40 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.48 Bcf.

Net Pay: 59 ft

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

Tonnage Factor: 2023 tons/acre-feet (from density log)

Recovery Factor: 17%

Economics

Completion Cost: \$268,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 82 MCFD, Current - 38 MCFD,

No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 11.4 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

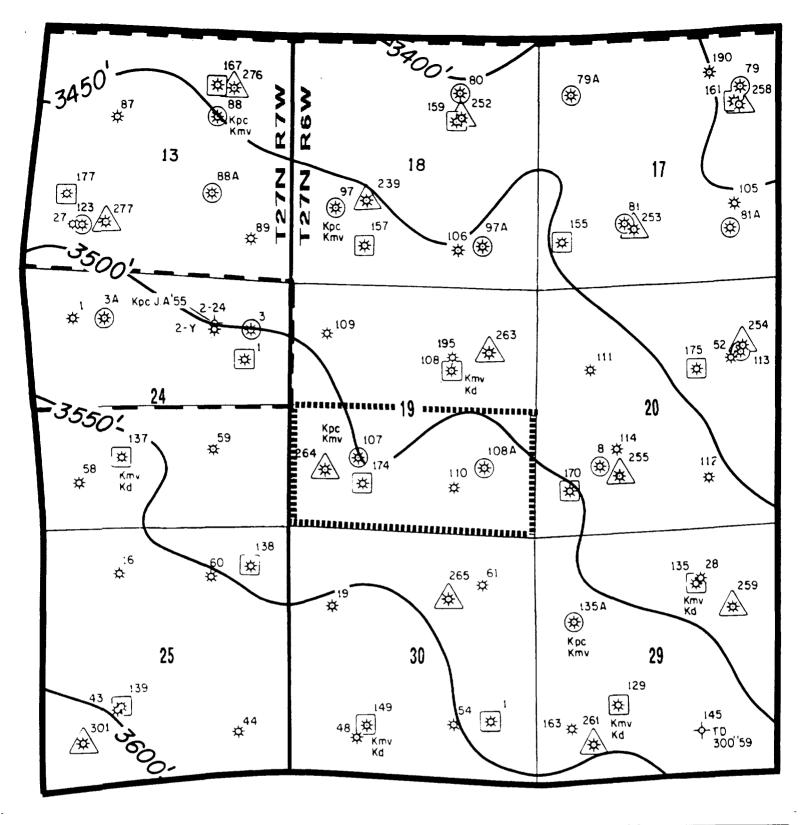
BEFORE ME, the undersigned authority on this day personally appeared Bill Hering, District Petroleum Engineer, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

- 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 the S/2 Section 19, T27N-R6W, comprising 320.00 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.

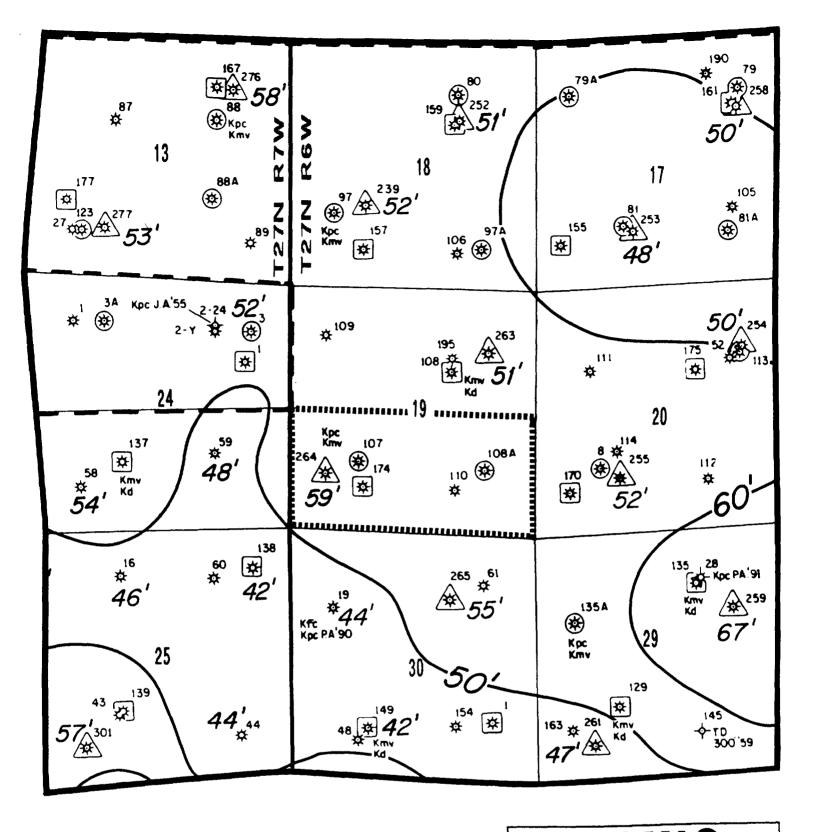
SUBSCRIBED AND SWORN TO before me, this undersigned authority, on this day of

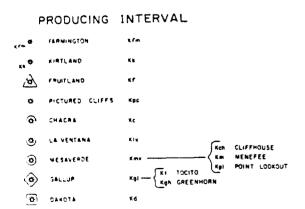
Notary Public in and for San Juan County, New Mexico

My Commission Expires:



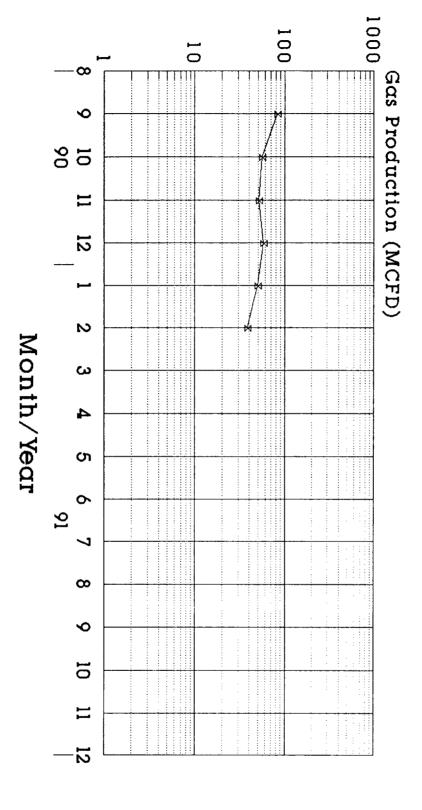








# RINCON UNIT #264 RIO ARRIBA COUNTY, NEW MEXICO



Production based on actual days on

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## UNOCAL North American Oil & Gas Division Economic Report Summary

REGION: Southwestern

DISTRICT: Farmington

CNTYSTATE: New Mexico

PROJECT NAME: RINCON U. #264 - FT TAXCR

LOCATION:

	DGET CATEGORY:					CTIVE DAT	E: FEB O		
IDEN	ITIFICATION			PROFIT	INDICES -	<del>-</del>	PRESENT	WORTH PROF	TIF
					RTAY	ATAY		WOKIN I KO	
FIELD : BASIN	FRUITLAND COAL		PROFIT	TO INV (P/	I):		DISCOUNT	BTAX	ATAX
LSE/BLOCK :			UNDIS	COUNTED	-0.63	0.06	RATE (%)	(M\$)	(M\$)
FORMATION : FRUITL	AND COAL			10.0%					
TOTAL DEPTH:				ລ 15.0%			0.0	-169.	17.
OPERATOR : Unocal				RATIO (IER			5.0	-190.	-31.
AFE # :				COUNTED		0.08	10.0	-204.	-63.
LIFE (YRS) : 28.9			DISC	อ 10.0%	-0.77			-213.	-85.
			DISC	อ 15.0%	-0.81	-0.40	20.0	-220.	-102.
WI ORI	GRI	DATE					25.0	-224.	-114.
100.00000 80.9987	0 80.99870	JUN 1990	PAYOUT	(YEARS)	*	11.4			
			RATE OF	RETURN (%)	-1000.0	1.6	DISCOUNT DAT DISCOUNT MET		
COMMOD I	TY PRICES			INVESTMENT	TS (M\$)		CASH	FLOW (M\$)	
		AVG			GROSS				NET
01L (\$/BBL)	0.00 0.0	0.00	LEASEHOL	LD	0.	0.	TOTAL REVENUES		285.
GAS (\$/MCF) NGL (\$/BBL) SUIPHUR (\$/TON)	1.53 1.4		DRY HOLE	Ē			EXPENSES:		
NGL (\$/BBL)	0.00 0.0	0.00					OPEX (LOE	)	103.
SULPHUR (\$/TON)	0.00 0.0	0.00	DRILLING	3	0.	0.	WORKOVER		0.
			COMPLET	ION	0.	0.	PLANT		0.
SEQUIV BOE RATIO	6.00 6.0	0 6.00	PLATFORM	4	0.	0.	SEV & ADV. INDIRECT	AL TAXES	42.
			FACILIT	IES	0.	0.	INDIRECT		17.
UNIT CO	ST PERFORMANCE		PIPELIN	Ξ	0.	0.	OVERHEAD		24.
	GROSS	NET	PLANT			0.	NET ABAND	/SALV	0.
			GATHER I	NG	0.	0.			
OPEX (\$/BOE)	2.52	3.11					NET INVESTMENTS		268.
OPEX (\$/BO\$E)	7.46	9.21	MISC IN		188.				
	6.54	8.08	MISC TAR	٧	80.	80.	BTAX CASH FLOW		-169.
F&D (\$/BO\$E)	19.36	23.90					INCOME TAXES PA		-186.
ATAX CF (\$/BOE)		0.51	101		268.	268.	ATAX CASH FLOW		17.
ATAX CF (\$/BO\$E)		1.51	DISC a	10.0%	266.	266.	ATAX DISC @ 10	.0%	-63.
			NET			,	ASSUMPTIONS & REMA	ARKS	
		ULT	REMAIN						
			REMAIN						
OIL (MBBLS)	0.	0.	0.	0.					
GAS (MMCF)	246.	246.	199.	199.					
NGL (MBBLS)	0.	0.	0.	0.					
SULPHUR (MTONS)	0.	0.	0.	0.					
FAUTURIEUT DECENYO									
EQUIVALENT RESERVES		7.4	77	77					
BTU (MBOE)	41.	41.	33.	33.					
VALUE (MBO\$E)	14.	14.	11.	11.					
INITIAL RATE:									
OIL (BBLS/DAY)	0.				(	GLOBAL FI	ES: 1= \$UNOCAL1	2= \$UNOCAL2	!
GAS (MCF/DAY)	82.				F	ALTKEY: U	SA		
DATE: 0//22/0	1 TIME.	13.38.0%	DDT EILE	· · · /	DC # 3		DD 1 571 % D A		4 17

DATE: 04/22/91 TIME: 13:38:04 RPT FILE: 4 PG # 25 PRJ FILE: P.A. EVAL # 17

F:P.A. EVAL #: 17

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

DATE: 04/22/91 TIME: 13:38:04 PAGE: 26

:AME : RINCON U. #264 - FT TAXCR
:IELD : BASIN FRUITLAND COAL
:NTY, STATE: NEW MEXICO

ORMATION : FRUITLAND COAL
OPERATOR : UNOCAL

		NET VOLUME OIL + COND		NET GAS VOLUME	NET EQ PROD (RE: BOE)	EFFECTIVE O+C PRICE	NET REV	EFFECTIVE	NET GAS REVENUE	NET TOTAL REVENUE
	OIL + COND	UIL + COND	PRODUCTION					\$/MCF		
: 7MO)1990	0.0	0.0	7.5	6.1	1.0	0.00	0.0	1.88	11.4	11.4
1991	0.0	0.0	16.6	13.5	2.2	0.00	0.0	1.43	19.3	19.3
1992	0.0	0.0	15.4	12.5	2.1	0.00	0.0	1.42	17.7	17.7
1993	0.0	0.0	14.3	11.6	1.9	0.00	0.0	1.42	16.5	16.5
1994	0.0	0.0	13.3	10.8	1.8	0.00	0.0	1.42	15.3	15.3
1995	0.0	0.0	12.5	10.1	1.7	0.00	0.0	1.42	14.4	14.4
1996	0.0	0.0	11.9	9.6	1.6	0.00	0.0	1.42	13.6	13.6
1997	0.0	0.0	11.3	9.2	1.5	0.00	0.0	1.42	13.0	13.0
1998	0.0	0.0	10.7	8.7	1.4	0.00	0.0	1.42	12.3	12.3
1999	0.0	0.0	10.2	8.3	1.4	0.00	0.0	1.42	11.7	11.7
2000	0.0	0.0	9.7	7.8	1.3	0.00	0.0	1.42	11.1	11.1
2001	0.0	0.0	9.2	7.5	1.2	0.00	0.0	1.42	10.6	10.6
2002	0.0	0.0	8.7	7.1	1.2	0.00	0.0	1.42	10.0	10.0
2003	0.0	0.0	8.3	6.7	1.1	0.00	0.0	1.42	9.5	9.5
2004	0.0	0.0	7.9	6.4	1.1	0.00	0.0	1.42	9.0	9.0
SUB TOTAL	0.0	0.0	167.7	135.8	22.6	0.00	0.0	1.44	195.4	195.4
REMAINDER	0.0	0.0	78.0	63.2	10.5	0.00	0.0	1.42	89.5	89.5
TOT 28.9 YR	0.0	0.0	245.7	199.0	33.2	0.00	0.0	1.43	284.9	284.9
	NET LOE	NET	NET TOTAL	NET TOTAL		NET TOTAL	BTAX	INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLCW
( 7MO)1990	(FIX + VAR)M\$ 1.2	WORKOVR EXP	DIRECT EXP M\$ 1.2	TAXES M\$ 1.4	EXPENSE M\$ 0.5	INVESTMENT M\$ 268.0	CASHFLOW M\$ -259.7	TAXES PAIDM\$	CASHFLOW M\$ -201.0	CASHFLOW M\$
1991	(FIX + VAR)M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 1.4 2.8	EXPENSE M\$ 0.5 1.4	1NVESTMENT M\$ 268.0 0.0	CASHFLOW M\$ -259.7 11.5	TAXES PAIDM\$	CASHFLOW M\$ -201.0 32.2	CASHFLC# M\$ -201.0 -168.8
1991 1992	(FIX + VAR)M\$ 1.2 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6	TAXES M\$ 1.4 2.8 2.6	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 268.0 0.0	CASHFLOW M\$ -259.7 11.5 10.1	TAXES PAID M\$ -58.6 -20.7 -18.2	CASHFLOW M\$ -201.0 32.2 28.2	CASHFLOW M\$ -201.0 -168.8 -140.6
1991 1992 1993	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6	TAXES M\$ 1.4 2.8 2.6 2.4	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 268.0 0.0 0.0	CASHFLOW M\$ -259.7 11.5 10.1 9.0	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2	CASHFLOW M\$ -201.0 32.2 28.2 25.2	CASHFLC# M\$ -201.0 -168.8 -140.6 -115.4
1991 1992 1993 1994	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.6 2.4 2.2	EXPENSE M\$ 0.5 1.4 1.4 1.4	INVESTMENTM\$ 268.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -259.7 11.5 10.1 9.0 8.0	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2 -14.7	CASHFLOW M\$ -201.0 32.2 28.2 25.2 22.7	CASHFLC# M\$ -201.0 -168.8 -140.6 -115.4 -92.7
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.6 2.4 2.2 2.1	EXPENSE M\$ 0.5 1.4 1.4 1.4	INVESTMENTM\$ 268.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -259.7 11.5 10.1 9.0 8.0 7.2	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2 -14.7 -12.9	CASHFLOWM\$201.0 32.2 28.2 25.2 22.7 20.1	CASHFLCW M\$ -201.0 -168.8 -140.6 -115.4 -92.7 -72.6
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.6 2.4 2.2 2.1 2.0	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4	INVESTMENTM\$ 268.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -259.7 11.5 10.1 9.0 8.0 7.2 6.6	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2 -14.7 -12.9 -9.8	CASHFLOWM\$201.0 32.2 28.2 25.2 22.7 20.1 16.4	CASHFLCW M\$ -201.0 -168.8 -140.6 -115.4 -92.7 -72.6 -56.2
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 3.6 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.6 2.4 2.2 2.1 2.0 1.9	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 268.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$259.7 11.5 10.1 9.0 8.0 7.2 6.6 6.0	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2 -14.7 -12.9 -9.8 -8.1	CASHFLOWM\$201.0 32.2 28.2 25.2 22.7 20.1 16.4 14.2	CASHFLCW M\$ -201.0 -168.8 -140.6 -115.4 -92.7 -72.6 -56.2 -42.1
1991 1992 1993 1994 1995 1996 1997 1998	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 268.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$259.7 11.5 10.1 9.0 8.0 7.2 6.6 6.0 5.5	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2 -14.7 -12.9 -9.8 -8.1 -6.5	CASHFLOWM\$201.0 32.2 28.2 25.2 22.7 20.1 16.4 14.2 12.0	CASHFLCWM\$
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 268.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$259.7 11.5 10.1 9.0 8.0 7.2 6.6 6.0 5.5 4.9	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2 -14.7 -12.9 -9.8 -8.1 -6.5 -6.3	CASHFLOWM\$	CASHFLCW M\$ -201.0 -168.8 -140.6 -115.4 -92.7 -72.6 -56.2 -42.1 -30.1 -18.8
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 268.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$259.7 11.5 10.1 9.0 8.0 7.2 6.6 6.0 5.5 4.9 4.4	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2 -14.7 -12.9 -9.8 -8.1 -6.5 -6.3 -6.1	CASHFLOWM\$	CASHFLCWM\$201.0 -168.8 -140.6 -115.4 -92.7 -72.6 -56.2 -42.1 -30.1 -18.8 -8.3
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 268.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$259.7 11.5 10.1 9.0 8.0 7.2 6.6 6.0 5.5 4.9 4.4 4.0	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2 -14.7 -12.9 -9.8 -8.1 -6.5 -6.3 -6.1 -5.9	CASHFLOWM\$	CASHFLCW
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 268.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$259.7 11.5 10.1 9.0 8.0 7.2 6.6 6.0 5.5 4.9 4.4 4.0 3.5	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2 -14.7 -12.9 -9.8 -8.1 -6.5 -6.3 -6.1 -5.9 -5.7	CASHFLOWM\$201.0 32.2 28.2 25.2 22.7 20.1 16.4 14.2 12.0 11.3 10.5 9.9 9.2	CASHFLOWM\$201.0 -168.8 -140.6 -115.4 -92.7 -72.6 -56.2 -42.1 -30.1 -18.8 -8.3 1.6 -0.8
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.5	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 268.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$259.7 11.5 10.1 9.0 8.0 7.2 6.6 6.0 5.5 4.9 4.4 4.0 3.5 3.1	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2 -14.7 -12.9 -9.8 -8.1 -6.5 -6.3 -6.1 -5.9 -5.7	CASHFLOWM\$201.0 32.2 28.2 25.2 22.7 20.1 16.4 14.2 12.0 11.3 10.5 9.9 9.2 1.9	CASHFLCW
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.5 1.4	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 268.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$259.7 11.5 10.1 9.0 8.0 7.2 6.6 6.0 5.5 4.9 4.4 4.0 3.5 3.1 2.7	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2 -14.7 -12.9 -9.8 -8.1 -6.5 -6.3 -6.1 -5.9 -5.7 1.2	CASHFLOWM\$201.0 32.2 28.2 25.2 22.7 20.1 16.4 14.2 12.0 11.3 10.5 9.9 9.2 1.9 1.7	CASHFLCW
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 SUB_TOTAL	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.5 1.4 1.3 28.4	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 268.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$259.7 11.5 10.1 9.0 8.0 7.2 6.6 6.0 5.5 4.9 4.4 4.0 3.5 3.1 2.7 -173.1	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2 -14.7 -12.9 -9.8 -8.1 -6.5 -6.3 -6.1 -5.9 -5.7 1.2 1.0 -187.4	CASHFLOWM\$201.0 32.2 28.2 25.2 22.7 20.1 16.4 14.2 12.0 11.3 10.5 9.9 9.2 1.9 1.7 14.3	CASHFLCW
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.5 1.4	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 20.5 20.5	INVESTMENTM\$ 268.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$259.7 11.5 10.1 9.0 8.0 7.2 6.6 6.0 5.5 4.9 4.4 4.0 3.5 3.1 2.7	TAXES PAIDM\$58.6 -20.7 -18.2 -16.2 -14.7 -12.9 -9.8 -8.1 -6.5 -6.3 -6.1 -5.9 -5.7 1.2	CASHFLOWM\$201.0 32.2 28.2 25.2 22.7 20.1 16.4 14.2 12.0 11.3 10.5 9.9 9.2 1.9 1.7	CASHFLCW

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FIELD : BASIN FRUITLAND COAL

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

	INVESTMENT		GROSS WELLS	NET NGL VOLUME	EFFECTIVE NGL PRICE	NET NGL REVENUE	NET SULPHUR		NET TRANS +TREAT+COMP	
( 7MO)1990	268.0	1.2	1.0	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	268.0	51.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	51.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 28.9 YR	268.0	103.2	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
	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
( 7MO)1990	LEASEHOLD M\$	DRY HOLE M\$ 0.0	DRILLING M\$ 0.0	COMPLETIONM\$ 0.0	FACILITIESM\$	PLATFORM M\$ 0.0	PIPELINE <b>M\$</b> 0.0	DEPREC M\$ 11.4	DEPLETION M\$ O.O	AMORT M\$ 3.8
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	FACILITIES M\$ 0.0 0.0	PLATFORM M\$ 0.0 0.0	PIPELINE M\$ 0.0 0.0	DEPREC M\$ 11.4 19.6	DEPLETION M\$ 0.0 0.0	AMORT M\$ 3.8 11.3
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 0.0	PLATFORM M\$ 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0	DEPREC M\$ 11.4 19.6 14.0	DEPLETION M\$ 0.0 0.0 0.0	AMORT M\$ 3.8 11.3
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 0.0	DEPREC M\$ 11.4 19.6 14.0	DEPLETION M\$ 0.0 0.0 0.0 0.0	AMORT M\$ 3.8 11.3 11.3
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	DRILLINGM\$ 0.0 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	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 11.4 19.6 14.0 10.0 7.1	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 3.8 11.3 11.3 11.3
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	DRILLINGM\$ 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	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	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 11.4 19.6 14.0 10.0 7.1 7.1	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.8 11.3 11.3 11.3 11.3 7.5
1991 1992 1993 1994	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\$ 11.4 19.6 14.0 10.0 7.1 7.1 7.1	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.8 11.3 11.3 11.3 11.3 7.5 0.0
1991 1992 1993 1994 1995	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	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\$ 11.4 19.6 14.0 10.0 7.1 7.1 3.6	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.8 11.3 11.3 11.3 7.5 0.0 0.0
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 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\$ 11.4 19.6 14.0 10.0 7.1 7.1 7.1	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.8 11.3 11.3 11.3 11.3 7.5 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	DRY HOLEM\$ 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\$ 11.4 19.6 14.0 10.0 7.1 7.1 3.6	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.8 11.3 11.3 11.3 7.5 0.0 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\$ 11.4 19.6 14.0 10.0 7.1 7.1 7.1 3.6 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.8 11.3 11.3 11.3 7.5 0.0 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 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\$ 11.4 19.6 14.0 10.0 7.1 7.1 7.1 3.6 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.8 11.3 11.3 11.3 7.5 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	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 0.0	DEPRECM\$ 11.4 19.6 14.0 10.0 7.1 7.1 7.1 3.6 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\$ 3.8 11.3 11.3 11.3 7.5 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\$ 11.4 19.6 14.0 10.0 7.1 7.1 3.6 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\$ 3.8 11.3 11.3 11.3 7.5 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	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\$ 11.4 19.6 14.0 10.0 7.1 7.1 7.1 3.6 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\$ 3.8 11.3 11.3 11.3 7.5 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\$ 11.4 19.6 14.0 10.0 7.1 7.1 7.1 3.6 0.0 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\$ 3.8 11.3 11.3 11.3 7.5 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\$ 11.4 19.6 14.0 10.0 7.1 7.1 7.1 3.6 0.0 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\$ 3.8 11.3 11.3 11.3 7.5 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0

F:P.A. VAL #: 17

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

DATE: 04/22/91 TIME: 13:38:06 PAGE: 28

AME : RINCON U. #264 - FT TAXCR
IELD : BASIN FRUITLAND COAL
NTY, STATE: NEW MEXICO ORMATION : FRUITLAND COAL PERATOR : UNOCAL

_	TEMP #1	TEMP #2	TEMP #5	TEMP #6	NET CREDITS INPUT
7MO) 1990	8840.6	6.0	0.840	0.000	6.0
1991	19645.6	13.4	0.840	0.000	13,4
1992	18204.9	12.4	0.840	0.000	12.4
1993	16928.6	11.5	0.840	0.000	11.5
1994	15743.6	10.7	0.840	0.000	10.7
1995	14771.4	10.1	0.840	0.000	10.1
1996	14031.8	9.5	0.840	0.000	9.5
1997	13330.2	9.1	0.840	0.000	9.1
1998	12663.7	8.6	0.840	0.000	8.6
1999	12030.5	8.2	0.840	0.000	8.2
2000	11429.0	7.8	0.840	0.000	7.8
2001	10857.5	7.4	0.840	0.000	7.4
2002	10314.6	7.0	0.840	0.000	7.0
2003	9798.9	0.0	0.000	0.000	0.0
2004	9309.0	0.0	0.000	0.000	0.0
SUB TOTAL	19789 <b>9.7</b>	121.6	0.840	0.000	121.6
REMAINDER	92077.3	0.0	0.000	0.000	0.0
TOT 28.9 YR	289977.0	121.6	0.840	0.000	121.6

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10 IDENT "30 25 U091205
             JUN 1990 JUN 1990 SEP 1990
20 DATES
              "RINCON U. #264 - FT TAXCR
30 NAME
               "BASIN FRUITLAND COAL
10 FIELD
50 CNTYSTATE
               "NEW MEXICO
                                             61
               "FRUITLAND COAL
50 FORMATION
70 OPERATOR
               "UNOCAL
              ELIM
30 ECONOMICS
90 OWNERSHIP
              1. 0.809987
               "PROD DECLINE BASED ON AVG WELL CASE
120 COMMENT
                "FIRST 6 MONTHS = ACTUAL PROD.
130 COMMENT
                P
                         MON 2.468 1.716 1.534 1.774 1.525 1.156
140 GPROD
                         EXP 1.459 * * 10. 11.
150 GPROD
                         EXP * * * 7. 36.
180 GPROD
                         EXP * * * 5.
190 GPROD
                         MON 80000. 0. 0.
210 TAN
                    I
                         MON 188000. 0.
220 INTAN
                    I
240 PRGAS
                    Ρ
                          MON 1.3 1.56 1.86 1.81 1.37
                         CON 1.2
260 PRGAS
290 FACTOR
              1.18 PRGAS
               P CON 300.
310 LOETOT
                    *
320 AVALPS
                         CON 3.5
*** START OF INSERT FILE C-TAX
               "ASSUMES CONSTANT $.84 TAX CREDIT
10 COMMENT
20 COMMENT
               "TO 2003
               * CON
TEMP1 GPROD
                         CON 0.
30 TEMP1
40 CADD
               1000. TEMP1
50 FACTOR
               1.18 TEMP1
60 FACTOR
70 TEMP5
               JAN 1990 CON 0.84
               JAN 2003 CON 0.
80 TEMP5
               TEMP2 TEMP1
TEMP5 TEMP2
90 CADD
100 CFACTOR
110 FACTOR
               0.809987 TEMP2
                TAXCR TEMP2
120 CADD
130 FACTOR
               0.001 TEMP2
*** END OF INSERT FILE
370 ULTIMATE GPROD 640.
```

" 04/22/91 13:37:37

GLOBAL FILE: \$UNOCAL2

GLOBAL FILE: \$UNOCAL1

EVALUATION #17 IN PROJECT FILE "P.A.

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: North/2

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 #270 Fruitland Coal Gas Production Decline Curve
  6) Rincon Unit #270 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

This application is predicated on six months of actual production history from the Rincon Unit #270 well which first delivered on September 7, 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 September 1, 1990.

Dated this 22nd day of July, 1991

Bill Hering

District Petroleum Engineer

Union Oil Company of California

Well Summary

Well Name: Rincon Unit #270

Location: 1658'FNL, 2311'FEL, Sec 12, T26N, R7W

Elevation: 6464' GL Total Depth: 2790'

Lease Number: SF-079160

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 4-26-90

Completion Date: 5-26-90 1st Delivery Date: 9-7-90

Perf'd Interval: 2627-2631, 2685-2688, 2726-2738.

## 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 #270 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 218 feet and cemented with 300 sacks to surface. Production casing measuring 4-1/2" was then set at 2790 feet and cemented in two stages to surface with 670 sacks cement. After drilling out to PBTD of 2778' the upper and lower coal zones were perforated from 2627'-2738' with 4 shots per foot and fracture stimulated with 191,500# 20/40 sand, sand tagged with 45 MC Iridium 192, and 50,000 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 325 MCFD and 310 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 7, 1990. The current deliverability for the well against a 150# line pressure is 182 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.33 Bcf.

Net Pay: 30 ft

Drainage area: 160 acres Gas Content: 198 SCF/ton

Tonnage Factor: 2037 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 constant

Production Rate: Maximum - 207 MCFD, Current - 111 MCFD, No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 5.7 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:

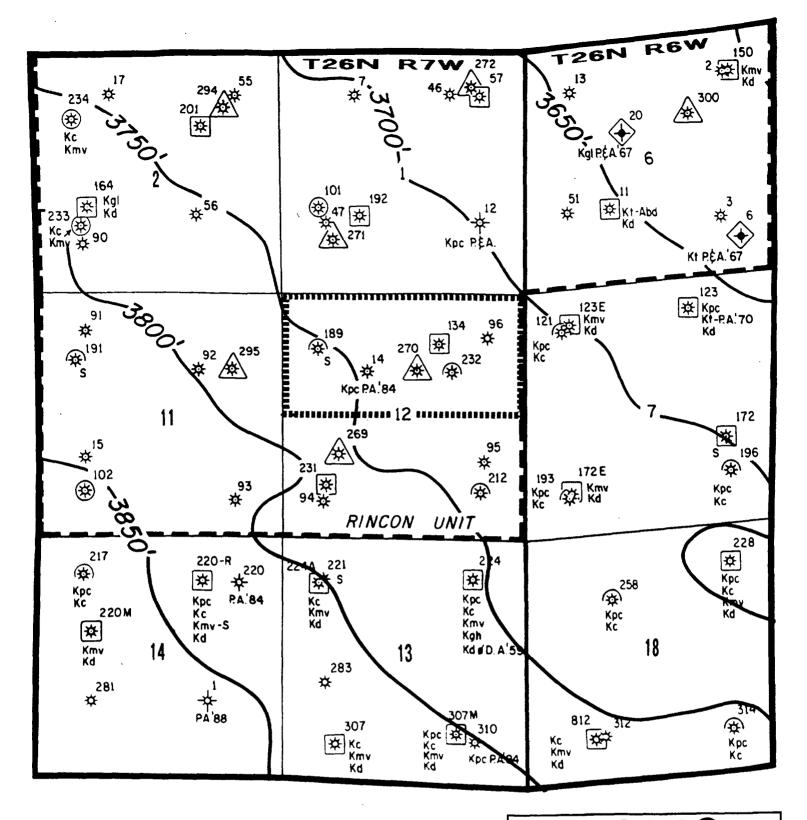
- 1) That this Statement and Affidavit is made concerning this application for expansion to the Basin Fruitland Coal Gas participating area in the Rincon Unit, in the N/2 Section 12, T26N-R7W, comprising 320.00 acres.
- 2) That to the best of his information, knowledge and belief, the information supplied 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.
- 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:





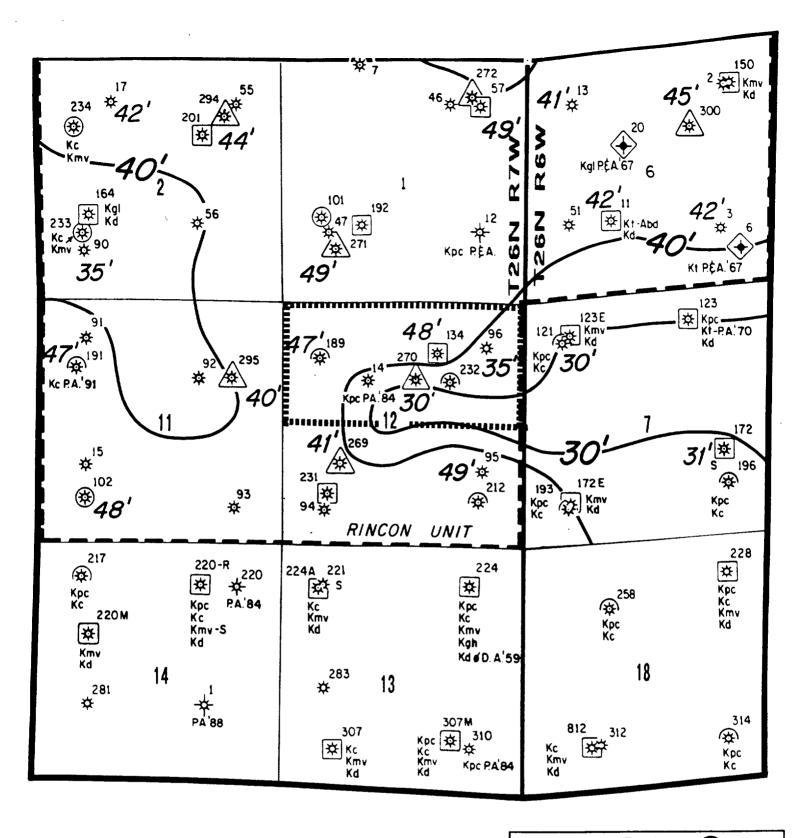


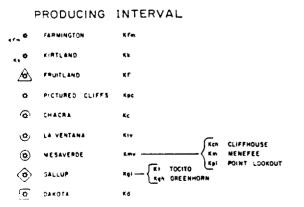
## RINCON UNIT

RIO ARRIBA COUNTY, NEW MEXICO STRUCTURE

BASE OF FRUITLAND COAL

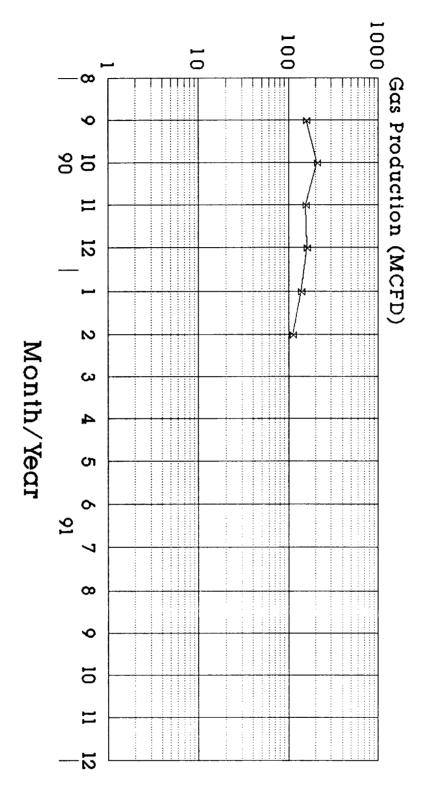
RINCON UNIT # 270 N1 SEC. 12 -T26N R7W







# RINCON UNIT #270 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: RIN	CON U. #270 - F1	TAXCR	LOCATION:

	BUDGET C BUDGET P						CTIVE DAT			
	IDENTIFICA	TION	. <b></b> .		DDOFIT	INDICES -		PRESENT	LINDTH DOOR	
	IDENTITION	11 2014			1 10, 11	BTAX		PRESERV	WORTH PROFI	
FIELD : B/	ASIN FRIITE	AND COAL		PROFI	T TO INV (P/			DISCOUNT	BTAX	ATAX
LSE/BLOCK :		THE COME			ISCOUNTED			RATE (%)	(M\$)	(M\$)
FORMATION : FF		ıΔ1			c a 10.0%				(1/13)	(1417)
TOTAL DEPTH:	KOTTEMID CO				C a 15.0%			0.0	-93.	104.
OPERATOR : Ur	nocal				FF RATIO (IE		0.07	5.0	-124.	46.
AFE # :					ISCOUNTED	-0.37	0.51	10.0	-144.	6.
LIFE (YRS) : 30					c a 10.0%			15.0	-157.	-21.
	•				C a 15.0%				-166.	-42.
wi (	OR I	GR I	DATE						-173.	-57.
100.00000 80.	.99870 <b>8</b> 0	.99870 MA	Y 1990	PAYOU	T (YEARS)	*	5.7			•
					OF RETURN (%			DISCOUNT DATE DISCOUNT METE		
CON	MODITY PRI	CES			INVESTMEN	ITS (M\$) -		CASH	FLOW (M\$) -	
	BEG	END	AVG			GROSS	NET		•	NET
OIL (\$/BBL)	0.00	0.00	0.00	LEASE	HOLD	0.	0.	TOTAL REVENUES		363.
GAS (\$/MCF)	0.00	1.42	1.44					EXPENSES:		
NGL (\$/BBL)	0.00	0.00	0.00					OPEX (LOE)	)	110.
SULPHUR (\$/TON)	0.00	0.00	0.00	DRILL	ING	0.	0.			0.
				COMPL	ETION	0.	0.	PLANT		0.
\$EQUIV BOE RATI	10 6.00	6.00	6.00	PLATE	ORM	0.	0.	SEV & ADV	AL TAXES	53.
				FACIL	ITIES	0.	0.	SEV & ADVA		18.
UNI	IT COST PER	FORMANCE -		PIPEL	INE	0.	0.	OVERHEAD		26.
		GROSS	NET	PLANT		0.	0.	NET ABAND,	/SALV	0.
				GATHE	RING	0.	0.			
OPEX (\$/BOE)	)	2.12	2.61					NET INVESTMENTS		249.
OPEX (\$/BO\$			7.54	MISC	INTAN	174.	174.			
F&D (\$/BOE)	)	4.79	5.91	MISC	TAN	75.	75.	BTAX CASH FLOW		-93.
F&D (\$/BO\$8	<b>E)</b>	13.82	17.06					INCOME TAXES PAT	ID	-197.
ATAX CF (\$/BOE)	)		2.47		TOTAL			ATAX CASH FLOW		104.
ATAX CF (\$/BO\$E	<b>E</b> )		7.12	DISC	a 10.0%	247.	247.	ATAX DISC @ 10.	. 0%	6.
								ASSUMPTIONS & REMA	ARKS	•••••
	-	GROSS		N	ET					
			ULT		ULT					
OIL (MBBLS)	•	0.	0.	0.	0.					
GAS (MMCF)		312.	312.	253.	253.					
NGL (MBBLS)		0.	0.	0.	0.					
SULPHUR (MTONS)	)	0.	0.	0.	0.					
EQUIVALENT RESE	DVEC.									
BTU (MBOE)		52.	52.	42.	42.					
VALUE (MBC		18.	18.	15.	15.					
INITIAL RATE:										
OIL (BBLS/DA	14)	0.				1	GLORAL FIL	LES: 1= \$UNOCAL1	2= \$HMOCAL2	
GAS (MCF/DAY		156.					ALTKEY: U		Z- DUNULALZ	
DATE: 04	/22 /01	TIME. 1	7.77.7/	 DDT E				DD   ETIC - D A		

DATE: 04/22/91 TIME: 13:37:34 RPT FILE: 4 PG # 21 PRJ FILE: P.A. EVAL # 16

F:P.A. VAL #: 16

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

DATE: 04/22/91 TIME: 13:37:34 PAGE: 22

AME : RINCON U. #270 - FT TAXCR
IELD : BASIN FRUITLAND COAL

INTY, STATE: NEW MEXICO ORMATION : FRUITLAND COAL PERATOR : UNDCAL

		NET VOLUME		NET GAS	NET EQ PROD (RE: BOE)		NET REV	EFFECTIVE	NET GAS REVENUE	NET TOTAL
								\$/MCF		
8MO)1990	0.0	0.0	20.7	16.8		0.00	0.0	1.71	28.7	28.7
1991	0.0	0.0	32.5	26.3		0.00	0.0	1.43	37.6	37.6
1992	0.0	0.0	20.7	16.8		0.00	0.0	1.42	23.8	23.8
1993	0.0	0.0	17.5	14.2	2.4	0.00	0.0	1.42	20.0	20.0
1994	0.0	0.0	15.7	12.7	2.1	0.00	0.0	1.42	18.0	18.0
1995	0.0	0.0	14.5	11.7	2.0	0.00	0.0	1.42	16.6	16.6
1996	0.0	0.0	13.5	10.9	1.8	0.00	0.0	1.42	15.4	15.4
1997	0.0	0.0	12.5	10.1	1.7	0.00	0.0	1.42	14.4	14.4
1998	0.0	0.0	11.8	9.6	1.6	0.00	0.0	1.42	13.5	13.5
1999	0.0	0.0	11.2	9.1	1.5	0.00	0.0	1.42	12.9	12.9
2000	0.0	0.0	10.6	8.6	1.4	0.00	0.0	1.42	12.2	12.2
2001	0.0	0.0	10.1	8.2	1.4	0.00	0.0	1.42	11.6	11.6
2002	0.0	0.0	9.6	7.8	1.3	0.00	0.0	1.42	11.0	11.0
2003	0.0	0.0	9.1	7.4		0.00	0.0	1.42	10.5	10.5
2004	0.0	0.0	8.7	7.0	1.2	0.00	0.0	1.42	9.9	9.9
SUB TOTAL	0.0	0.0	218.8	177.2	29.5	0.00	0.0	1.45	256.1	256.1
REMAINDER	0.0	0.0	93.2	75.5	12.6	0.00	0.0	1.42	106.9	106.9
TOT 30.9 YR	0.0	0.0	311.9	252.7	42.1	0.00	0.0	1.44	363.0	363.0
	NET LOE	NET	NET TOTAL	NET TOTAL	NET ADMIN	NET TOTAL	BTAX	INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 0uo)1000	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 8MD)1990	(FIX + VAR)M\$ 1.2	WORKOVR EXP	DIRECT EXP M\$ 1.2	TAXES M\$ 3.7	EXPENSE M\$ 0.5	INVESTMENT M\$ 249.0	CASHFLOW M\$ -225.7	TAXES PAIDM\$	CASHFLOW M\$ -166.3	CASHFLOW M\$ -166.3
1991	(FIX + VAR) M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 3.7 5.5	EXPENSE M\$ 0.5 1.4	INVESTMENT M\$ 249.0 0.0	CASHFLOW M\$ -225.7 27.1	TAXES PAID M\$ -59.5 -26.8	CASHFLOW M\$ -166.3 53.8	CASHFLOW M\$ -166.3 -112.4
1991 1992	(FIX + VAR)M\$ 1.2 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6	TAXES M\$ 3.7 5.5 3.5	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 249.0 0.0 0.0	CASHFLOW M\$ -225.7 27.1 15.3	TAXES PAID M\$ -59.5 -26.8 -19.8	CASHFLOW M\$ -166.3 53.8 35.1	CASHFLOW M\$ -166.3 -112.4 -77.4
1991 1992 1993	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6	TAXES M\$ 3.7 5.5	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 249.0 0.0	CASHFLOW M\$ -225.7 27.1	TAXES PAID M\$ -59.5 -26.8	CASHFLOW M\$ -166.3 53.8	CASHFLOW M\$ -166.3 -112.4
1991 1992 1993 1994	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXES M\$ 3.7 5.5 3.5 2.9	EXPENSE M\$ 0.5 1.4 1.4 1.4	INVESTMENT M\$ 249.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$59.5 -26.8 -19.8 -17.0	CASHFLOW M\$ -166.3 53.8 35.1 29.0	CASHFLOW M\$ -166.3 -112.4 -77.4 -48.3
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXES M\$ 3.7 5.5 3.5 2.9 2.6 2.4	EXPENSE M\$ 0.5 1.4 1.4 1.4	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$59.5 -26.8 -19.8 -17.0 -15.2 -13.3	CASHFLOW M\$ -166.3 53.8 35.1 29.0 25.6 22.5	CASHFLOW M\$ -166.3 -112.4 -77.4 -48.3 -22.8
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6	TAXES M\$ 3.7 5.5 3.5 2.9 2.6	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -225.7 27.1 15.3 12.1 10.4	TAXES PAIDM\$59.5 -26.8 -19.8 -17.0 -15.2	CASHFLOW M\$ -166.3 53.8 35.1 29.0 25.6	CASHFLOWM\$166.3 -112.4 -77.4 -48.3 -22.8 -0.3
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6	TAXES M\$ 3.7 5.5 3.5 2.9 2.6 2.4 2.3	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$59.5 -26.8 -19.8 -17.0 -15.2 -13.3 -10.3	CASHFLOW M\$ -166.3 53.8 35.1 29.0 25.6 22.5 18.4	CASHFLOWM\$166.3 -112.4 -77.4 -48.3 -22.8 -0.3 18.1
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.7 5.5 3.5 2.9 2.6 2.4 2.3 2.1	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$59.5 -26.8 -19.8 -17.0 -15.2 -13.3 -10.3 -8.6	CASHFLOW M\$ -166.3 53.8 35.1 29.0 25.6 22.5 18.4 15.8	CASHFLOWM\$166.3 -112.4 -77.4 -48.3 -22.8 -0.3 18.1 33.9
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.7 5.5 3.5 2.9 2.6 2.4 2.3 2.1 2.0	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$59.5 -26.8 -19.8 -17.0 -15.2 -13.3 -10.3 -8.6 -7.0	CASHFLOWM\$166.3 53.8 35.1 29.0 25.6 22.5 18.4 15.8 13.5	CASHFLOWM\$166.3 -112.4 -77.4 -48.3 -22.8 -0.3 18.1 33.9 47.4
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.7 5.5 3.5 2.9 2.6 2.4 2.3 2.1 2.0 1.9	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$59.5 -26.8 -19.8 -17.0 -15.2 -13.3 -10.3 -8.6 -7.0 -6.7	CASHFLOWM\$166.3 53.8 35.1 29.0 25.6 22.5 18.4 15.8 13.5 12.7	CASHFLOWM\$166.3 -112.4 -77.4 -48.3 -22.8 -0.3 18.1 33.9 47.4 60.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.7 5.5 3.5 2.9 2.6 2.4 2.3 2.1 2.0 1.9 1.8	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$59.5 -26.8 -19.8 -17.0 -15.2 -13.3 -10.3 -8.6 -7.0 -6.7	CASHFLOWM\$166.3 53.8 35.1 29.0 25.6 22.5 18.4 15.8 13.5 12.7 11.9	CASHFLOWM\$166.3 -112.4 -77.4 -48.3 -22.8 -0.3 18.1 33.9 47.4 60.1 71.9
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.7 5.5 3.5 2.9 2.6 2.4 2.3 2.1 2.0 1.9 1.8 1.7	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$59.5 -26.8 -19.8 -17.0 -15.2 -13.3 -10.3 -8.6 -7.0 -6.7 -6.5 -6.3	CASHFLOWM\$166.3 53.8 35.1 29.0 25.6 22.5 18.4 15.8 13.5 12.7 11.9 11.1	CASHFLOWM\$166.3 -112.4 -77.4 -48.3 -22.8 -0.3 18.1 33.9 47.4 60.1 71.9 83.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.7 5.5 3.5 2.9 2.6 2.4 2.3 2.1 2.0 1.9 1.8 1.7 1.6	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$59.5 -26.8 -19.8 -17.0 -15.2 -13.3 -10.3 -8.6 -7.0 -6.7 -6.5 -6.3 -6.1	CASHFLOWM\$166.3 53.8 35.1 29.0 25.6 22.5 18.4 15.8 13.5 12.7 11.9 11.1	CASHFLOWM\$166.3 -112.4 -77.4 -48.3 -22.8 -0.3 18.1 33.9 47.4 60.1 71.9 83.1 93.5
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.7 5.5 3.5 2.9 2.6 2.4 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$ 225.7 27.1 15.3 12.1 10.4 9.1 8.1 7.2 6.5 5.9 5.4 4.9 4.4 3.9	TAXES PAIDM\$59.5 -26.8 -19.8 -17.0 -15.2 -13.3 -10.3 -8.6 -7.0 -6.7 -6.5 -6.3 -6.1 1.5	CASHFLOWM\$166.3 53.8 35.1 29.0 25.6 22.5 18.4 15.8 13.5 12.7 11.9 11.1 10.4 2.4	CASHFLOWM\$166.3 -112.4 -77.4 -48.3 -22.8 -0.3 18.1 33.9 47.4 60.1 71.9 83.1 93.5 95.9
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.7 5.5 3.5 2.9 2.6 2.4 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 20.5	INVESTMENTM\$ 249.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$225.7 27.1 15.3 12.1 10.4 9.1 8.1 7.2 6.5 5.9 5.4 4.9 4.4 3.9 3.5	TAXES PAIDM\$59.5 -26.8 -19.8 -17.0 -15.2 -13.3 -10.3 -8.6 -7.0 -6.7 -6.5 -6.3 -6.1 1.5 1.3	CASHFLOWM\$166.3 53.8 35.1 29.0 25.6 22.5 18.4 15.8 13.5 12.7 11.9 11.1 10.4 2.4 2.1	CASHFLOWM\$166.3 -112.4 -77.4 -48.3 -22.8 -0.3 18.1 33.9 47.4 60.1 71.9 83.1 93.5 95.9 98.1

PF:P.A. EVAL #: 16

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NAME : RINCON U. #270 - FT TAXCR FIELD : BASIN FRUITLAND COAL

CNTY, STATE: NEW MEXICO FORMATION : FRUITLAND COAL

OPERATOR : UNOCAL

	INVESTMENT		GROSS WELLS	NET NGL VOLUME	EFFECTIVE NGL PRICE	NET NGL REVENUE	NET SULPHUR		NET TRANS +TREAT+COMP	
			4.0		,					
( 8MO)1990	249.0	1.2		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	0.0
1992	0.0	3.6	1.0	0.0	0.00	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
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
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		1.0	0.0	0.00	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		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	51.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	58.5	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 30.9 YR	249.0	110.1	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
	NET	NET	NFT	NET	NFT	NFT	NET	TAY	TAY	IDC
	NET LEASEHOLD	NET	NET	NET COMPLETION	NET FACTLITIES	NET PLATFORM	NET PIDELINE	TAX	TAX	IDC AMORT
	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
( 8MD)1990	LEASEHOLD	DRY HOLE		COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
( 8MO)1990 1991	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT M\$
1991	LEASEHOLD M\$	DRY HOLEM\$	DRILLING M\$ 0.0	COMPLETIONM\$ 0.0	FACILITIESM\$	PLATFORM M\$ 0.0 0.0	PIPELINE M\$ 0.0 0.0	DEPREC M\$ 10.7 18.4	DEPLETION M\$ 0.0 0.0	AMORT M\$ 3.5 10.4
1991 1992	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	FACILITIESM\$ 0.0 0.0	PLATFORM M\$ 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0	DEPREC M\$ 10.7 18.4 13.1	DEPLETION M\$ 0.0 0.0 0.0	AMORT M\$ 3.5 10.4 10.4
1991	LEASEHOLD M\$ 0.0 0.0	DRY HOLEM\$ 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	PIPELINE M\$ 0.0 0.0	DEPREC M\$ 10.7 18.4	DEPLETIONM\$ 0.0 0.0 0.0 0.0	AMORT M\$ 3.5 10.4 10.4
1991 1992 1993	LEASEHOLD M\$ 0.0 0.0 0.0	DRY HOLEM\$ 0.0 0.0 0.0	DRILLING M\$ 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0	PLATFORM M\$ 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPREC M\$ 10.7 18.4 13.1 9.4	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 3.5 10.4 10.4
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	DEPRECM\$ 10.7 18.4 13.1 9.4 6.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.5 10.4 10.4 10.4 7.0
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	DRILLINGM\$ 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	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	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 10.7 18.4 13.1 9.4 6.7 6.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.5 10.4 10.4 10.4 7.0 0.0
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\$ 10.7 18.4 13.1 9.4 6.7 6.7 6.7 3.3	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.5 10.4 10.4 10.4 7.0 0.0 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\$ 10.7 18.4 13.1 9.4 6.7 6.7 6.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.5 10.4 10.4 10.4 7.0 0.0 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 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\$ 10.7 18.4 13.1 9.4 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\$ 3.5 10.4 10.4 10.4 7.0 0.0 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	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC 10.7 18.4 13.1 9.4 6.7 6.7 6.7 3.3 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\$ 3.5 10.4 10.4 10.4 7.0 0.0 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	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 18.4 13.1 9.4 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\$ 3.5 10.4 10.4 10.4 7.0 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	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 18.4 13.1 9.4 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\$ 3.5 10.4 10.4 10.4 7.0 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	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	DEPREC 10.7 18.4 13.1 9.4 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\$ 3.5 10.4 10.4 10.4 7.0 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 18.4 13.1 9.4 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\$ 3.5 10.4 10.4 10.4 7.0 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 SUB TOTAL	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 18.4 13.1 9.4 6.7 6.7 3.3 0.0 0.0 0.0 0.0 0.0 0.0 0.0 75.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.5 10.4 10.4 10.4 7.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 52.2
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 18.4 13.1 9.4 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\$ 3.5 10.4 10.4 10.4 7.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0

∍F:P.A. EVAL #: 16 UNOCAL North American Oil & Gas Division Economic Report Summary AS OF MAY 1, 1990

DATE: 04/22/91 TIME: 13:37:36 PAGE: 24

HAME : RINCON U. #270 - FT TAXCR
HIELD : BASIN FRUITLAND COAL
CNTY, STATE: NEW MEXICO
FORMATION : FRUITLAND COAL
OPERATOR : UNOCAL

	TEMP #1	TEMP #2	TEMP #5	TEMP #6	NET CREDITS INPUT
€ 8MO)1990	24427.2	16.6	0.840	0.000	16.6
1991	38356.7	26.1	0.840	0.000	26.1
1992	24471.3	16.6	0.840	0.000	16.6
1993	20618.2	14.0	0.840	0.000	14.0
1994	18564.5	12.6	0.840	0.000	12.6
1995	17065.7	11.6	0.840	0.000	11.6
1996	15871.1	10.8	0.840	0.000	10.8
1997	14764.3	10.0	0.840	0.000	10.0
1998	13921.5	9.5	0.840	0.000	9.5
1999	13225.4	9.0	0.840	0.000	9.0
2000	12564.1	8.5	0.840	0.000	8.5
2001	11935.9	8.1	0.840	0.000	8.1
2002	11339.1	7.7	0.840	0.000	7.7
2003	10772.2	0.0	0.000	0.000	0.0
2004	10233.6	0.0	0.000	0.000	0.0
SUB TOTAL	258130.8	161.3	0.840	0.000	161.3
REMAINDER	109950.9	0.0	0.000	0.000	0.0
TOT 30.9 YR	368081.8	161.3	0.840	0.000	161.3

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0 IDENT "30 25 U091205
            MAY 1990 MAY 1990 SEP 1990
"RINCON U. #270 - FT TAXCR
0 DATES
0 NAME
.0 FIELD
               "BASIN FRUITLAND COAL
30 CNTYSTATE
               "NEW MEXICO
                                              11
               "FRUITLAND COAL
30 FORMATION
               "UNOCAL
'0 OPERATOR
0 ECONOMICS
             ELIM
0 OWNERSHIP
              1. 0.809987
                "PROD DECLINE BASED ON AVG WELL CASE
20 COMMENT
30 COMMENT
                "FIRST 6 MONTHS = ACTUAL PROD.
                P
                         MON 4.678 6.437 4.652 4.934 4.254 3.385
40 GPROD
                          EXP * * * 60.5.
150 GPROD
                          EXP * * * 28. 14.
160 GPROD
                          EXP * * * 10. 25.
170 GPROD
                          EXP * * * 7. 36.
180 GPROD
                         EXP * * * 5.
190 GPROD
                   1
                         MON 75000. 0. 0.
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                    I
                          MON 174000. 0.
                          MON 1.12 1.36 1.71 1.63 1.28
240 PRGAS
                    Ρ
                          CON 1.2
260 PRGAS
290 FACTOR
               1.18 PRGAS
               P CON 300.
310 LOETOT
320 AVALPS
                          CON 3.5
*** START OF INSERT FILE C-TAX
            "ASSUMES CONSTANT $.84 TAX CREDIT
10 COMMENT
20 COMMENT
               "TO 2003
               * CON 0.
TEMP1 GPROD
30 TEMP1
-0 CADD
               1000. TEMP1
50 FACTOR
50 FACTOR
              1.18 TEMP1
70 TEMP5
               JAN 1990 CON 0.84
               JAN 2003 CON 0.
80 TEMPS
               TEMP2 TEMP1
TEMP5 TEMP2
90 CADD
100 CFACTOR
               0.809987 TEMP2
110 FACTOR
               TAXCR TEMP2
120 CADD
               0.001 TEMP2
130 FACTOR
*** END OF INSERT FILE
370 ULTIMATE GPROD 330.
```

VALUATION #16 IN PROJECT FILE "P.A. " 04/22/91 13:36:52

GLOBAL FILE: \$UNOCAL2

HOBAL FILE: \$UNOCAL1

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 1: South/2

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 #271 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #271 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

This application is predicated on six months of actual production history from the Rincon Unit #271 well which first delivered on September 7, 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 September 1, 1990.

Dated this 22nd day of July, 1991.

Bill Hering

District Petroleum Engineer Union Oil Company of California Well Summary

Well Name: Rincon Unit #271

Location: 1155'FSL, 1155'FWL, Sec 1, T26N, R7W

Elevation: 6469' GL Total Depth: 2800'

Lease Number: SF-079160

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 6-3-90

Completion Date: 6-24-90 1st Delivery Date: 9-7-90

Perf'd Interval: 2636-2639, 2649, 2658-2668, 2703, 2706, 2708-2710, 2713-2721, 2728-2742.

## 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 #271 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 2799 feet and cemented in two stages to surface with 700 sacks cement. After drilling out to PBTD of 2794' the upper and lower coal zones were perforated from 2636'-2742' with 4 shots per foot and fracture stimulated with 240,000# 20/40 sand, 1.09 MMSCF N2 and 24,000 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 101 MCFD and 450 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 7, 1990. The current deliverability for the well against a 150# line pressure is 45 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.33 Bcf.

Net Pay: 49 ft

Drainage area: 160 acres Gas Content: 123 SCF/ton

Tonnage Factor: 2023 tons/acre-feet (from density log)

Recovery Factor: 17%

Economics

Completion Cost: \$236,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 96 MCFD, Current -35 MCFD,

No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 8.2 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

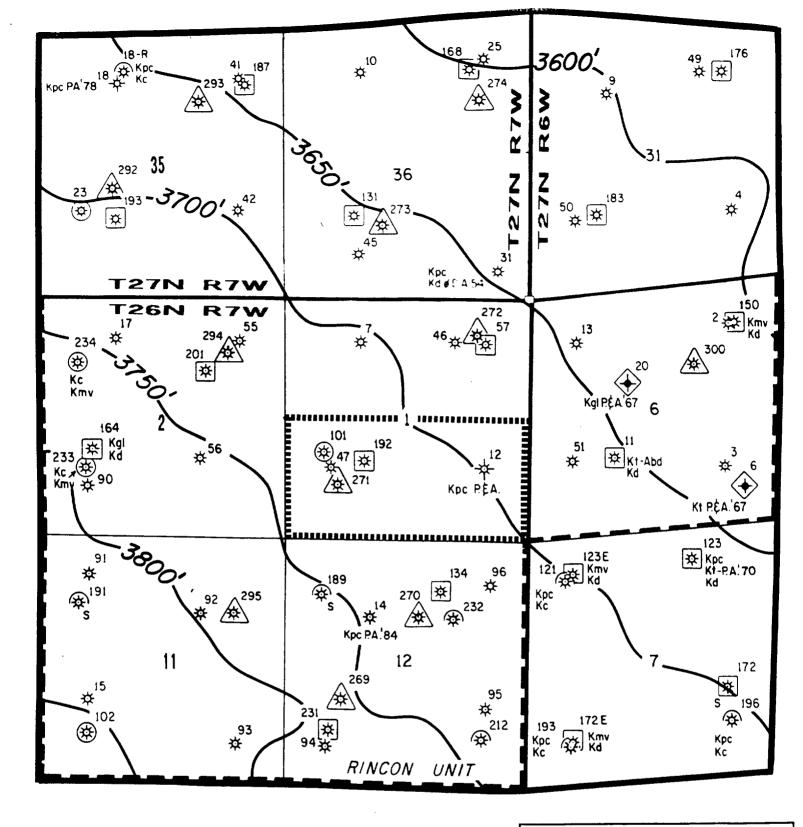
BEFORE ME, the undersigned authority on this day personally appeared Bill Hering, District Petroleum Engineer, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

- 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 the S/2 Section 1, T26N-R7W, comprising 320.00 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.

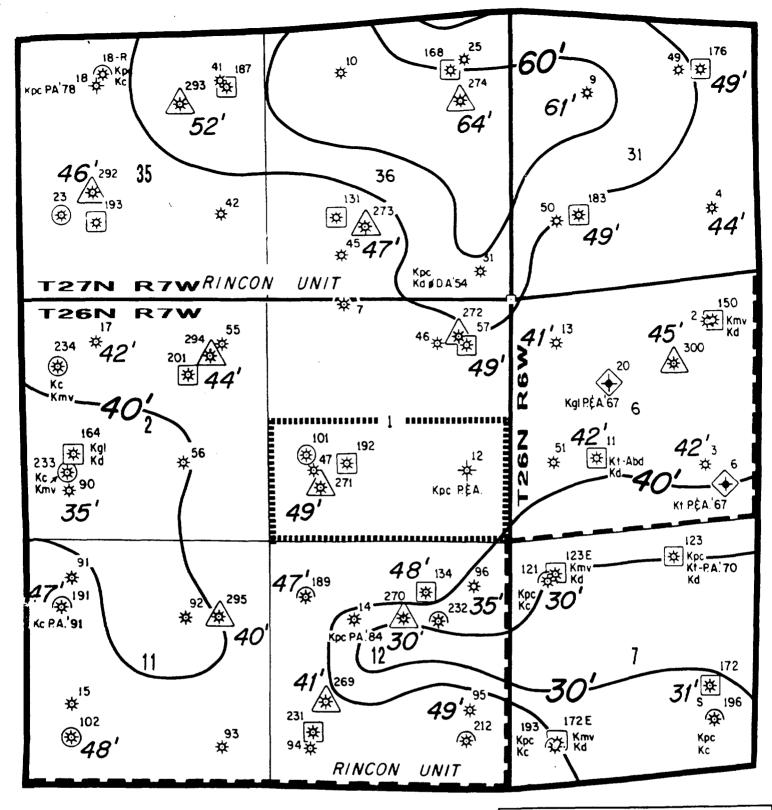
SUBSCRIBED AND SWORN TO before me, this undersigned authority, on this day of

Notary Public in and for San Juan County, New Mexico

My Commission Expires:

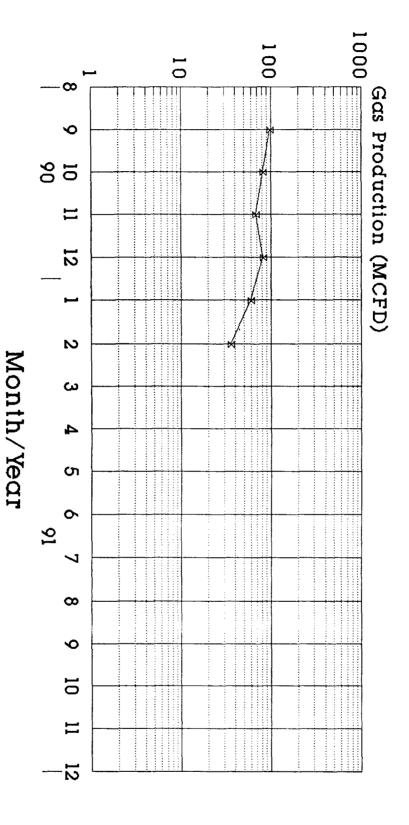








# RINCON UNIT #271 RIO ARRIBA COUNTY, NEW MEXICO



—¥— Gαs

Production based on actual days on

## UNOCAL North American Oil & Gas Division Economic Report Summary

REGION: Southwestern DISTRICT: Farmington

CNTYSTATE: New Mexico

PROJECT NAME: RINCON U. #271 - FT TAXCR LOCATION:

BUD BUD		EFFECTIVE DATE: FEB 0 PROPOSED BY :							
IDENT	IFICATION			PROFIT	INDICES		PRESENT	WORTH PROFI	LE
					BTAX				
FIELD : BASIN F	RUITLAND COAL		PROFIT	TO INV (P	/1):		DISCOUNT	BTAX	XATA
LSE/BLOCK :				SCOUNTED		0.24	RATE (%)	(M\$)	(M\$)
FORMATION : FRUITLA	ND COAL			a 10.0%		-0.12			
TOTAL DEPTH:			DISC	a 15.0%	-0.75	-0.23	0.0	-121.	58.
OPERATOR : Unocal				F RATIO (I			5.0	-147.	6.
AFE # :				SCOUNTED		0.30		-163.	-28.
LIFE (YRS) : 30.0			DISC	a 10.0%	-0.70	-0.15	15.0	-174.	-53.
			DISC	: ଇ 15.0%	-0.75	-0.28	20.0	-182.	-70.
WI ORI	GRI	DATE					25.0	-187.	-83.
100.00000 80.99870	80.99870 J	UN 1990			*				
			RATE C	F RETURN (	%) -1000.0	5.8	DISCOUNT DATE	: JUN 199	0
							DISCOUNT METH	OD: EFFECTI	VE MON
COMMODIT	v ppires			- INVESTME	NTC (MC)		LOACH CASH	FLOU (ME) -	
וועטוווייטט דיייייט ווועטווייטט דיייייי	BEG END	AVG		14163141		NET	LASh	rLUW (M3) -	NET
									NC1
OIL (\$/BBL)	0.00 0.00		LEASEH	0.101	0.		TOTAL REVENUES		310.
	1.31 1.42					0.			510.
NGL (\$/BBL)	0.00 0.00				٠.	٠.	OPEX (LOE)		107.
SULPHUR (\$/TON)	0.00 0.00			NG	0.	0.	WORKOVER		0.
3027 11011 (47 1011)	0.00	• • • • • • • • • • • • • • • • • • • •	COMPLE		0.		PLANT		0.
\$EQUIV BOE RATIO	6.00 6.00	6.00			0.	0.	SEV & ADVA	I TAVES	45.
SEGOIA BOE KALIO	0.00		· FACILI		0.	0.	INDIRECT	L IAKES	18.
UNIT COS	T DEPENDMANCE				0.	0.	OVERHEAD		25.
ONII COS		NET			0.	0.	NET ABAND/	CALV	25. 0.
			GATHER		0.	0.	NEI ABAND/	SHLV	0.
OPEX (\$/BOE)	2.39	2.95	GNINE		٥.	٥.	NET INVESTMENTS		236.
OPEX (\$/BO\$E)	7.11		MISC I	NTAN	165.	165.	NET INVESTMENTS		230.
F&D (\$/BOE)	5.27		MISC T		71.	71.	DTAV CACH FLOIL		121
	15.66		11130	<b>7</b> 11	′ • •	71.			-121.
• • •	15.00	1.59	,	OTAL	274	27.6	INCOME TAXES PAI	U	-178.
ATAX CF (\$/BOE)		4.71			236.	230.	ATAX CASH FLOW	004	58.
ATAX CF (\$/BO\$E)		4./1	טואל מ	10.0%	234.	234.	ATAX DISC @ 10.	0%	-28,
	- RESERVES & P	RODUCTION				,	ASSUMPTIONS & REMA	RKS	
	GROS	s	NE	7					
	REMAIN	ULT	REMAIN	ULT					
OIL (MBBLS)	0.	0.	0.	0.					
GAS (MMCF)	269.	269.	218.	218.					
NGL (MBBLS)	0.	0.	0.	0.					
SULPHUR (MTONS)	0.	0.	0.	0.					
SOLPHUK (MIONS)	0.	0.	٠.	٥.					
EQUIVALENT RESERVES:									
BTU (MBOE)	45.	45.	36.	36.					
VALUE (MBO\$E)	15.	15.	12.	12.					
INITIAL DATE.									
INITIAL RATE:	0				_	1 ODA: E!	EC. 1- CUMOCAL 1	2~ ¢IINOCAL 2	
OIL (BBLS/DAY)	0. 96						LES: 1= \$UNOCAL1	Z- DUNUCALZ	
GAS (MCF/DAY)	96.		. <b></b>		A	LTKEY: U	ом 		
DATE: 04/22/91	TIME:	13:39:18	RPT FI	LE: 4	PG # 3	i3 i	PRJ FILE: P.A.	EVAL	# 19

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## UNOCAL North American Oil & Gas Division Economic Report Summary

AS OF JUN 1, 1990

DATE: 04/22/91 TIME: 13:39:18

PAGE: 34

AME : RINCON U. #271 - FT TAXCR

IELD : BASIN FRUITLAND COAL

NTY, STATE: NEW MEXICO

ORMATION : FRUITLAND COAL PERATOR : UNOCAL

		NET VOLUME OIL + COND		NET GAS VOLUME	NET EQ PROD (RE: BOE)		NET REV	EFFECTIVE GAS PRICE	NET GAS REVENUE	NET TOTAL REVENUE
	MRRIS	MRRI S	MMCF		EMBBLS					
7MO)1990	0.0	0.0	9.9	8.0		0.00	0.0	1.67	13.5	13.5
1991	0.0	0.0	18.6	15.1		0.00	0.0	1.42	21.5	21.5
1992	0.0	0.0	17.1	13.9		0.00	0.0	1.42	19.6	19.6
1993	0.0	0.0	15.6	12.6	2.1	0.00	0.0	1.42	17.8	17.8
1994	0.0	0.0	14.5	11.7	2.0	0.00	0.0	1.42	16.6	16.6
1995	0.0	0.0	13.4	10.9	1.8	0.00	0.0	1.42	15.4	15.4
1996	0.0	0.0	12.6	10.2	1.7	0.00	0.0	1.42	14.4	14.4
1997	0.0	0.0	11.9	9.7		0.00	0.0	1.42	13.7	13.7
1998	0.0	0.0	11.3	9.2		0.00	0.0	1.42	13.0	13.0
1999	0.0	0.0	10.8	8.7	1.5	0.00	0.0	1,42	12.4	12.4
2000	0.0	0.0	10.2	8.3	1.4	0.00	0.0	1.42	11.7	11.7
2001	0.0	0.0	9.7	7.9	1.3	0.00	0.0	1.42	11.2	11.2
2002	0.0	0.0	9.2	7.5	1.2	0.00	0.0	1.42	10.6	10.6
2003	0.0	0.0	8.8	7.1		0.00	0.0	1.42	10.1	10.1
2004	0.0	0.0	8.3	6.8	1.1	0.00	0.0	1.42	9.6	9.6
SUB TOTAL	0.0	0.0	182.1	147.5	24.6	0.00	0.0	1.43	211.0	211.0
REMAINDER	0.0	0.0	86.6	70.1	11.7	0.00	0.0	1.42	99.3	99.3
OT 30.0 YR	0.0	0.0	268.6	217.6	36.3	0.00	0.0	1.43	310.3	310.3
	NET LOE	NET	NET TOTAL		NET ADMIN	NET TOTAL	BTAX	INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES		INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 7MO)1990	(FIX + VAR)	WORKOVR EXP	DIRECT EXP M\$ 1.2	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 7MO)1990 1991	(FIX + VAR)	WORKOVR EXP M\$ 0.0	DIRECT EXP	TAXES	EXPENSE M\$ 0.5 1.4	INVESTMENT	CASHFLOW M\$ -226.0 13.3	TAXES PAID M\$ -53.2 -20.3	CASHFLOW M\$ -172.8 33.6	CASHFLOW M\$ -172.8 -139.3
• • •	(FIX + VAR) M\$ 1.2	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2	TAXES M\$	EXPENSE M\$ 0.5 1.4	INVESTMENT M\$ 236.0	CASHFLOW M\$ -226.0	TAXES PAID M\$ -53.2 -20.3	CASHFLOW M\$ -172.8 33.6 29.5	CASHFLOW M\$ -172.8 -139.3 -109.7
1991	(FIX + VAR) M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 1.8 3.1	EXPENSE M\$ 0.5 1.4	INVESTMENT M\$ 236.0 0.0	CASHFLOW M\$ -226.0 13.3	TAXES PAID M\$ -53.2 -20.3	CASHFLOW M\$ -172.8 33.6 29.5 25.9	CASHFLOW M\$ -172.8 -139.3
1991 1992	(FIX + VAR)M\$ 1.2 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6	TAXES M\$ 1.8 3.1 2.9	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 236.0 0.0 0.0	CASHFLOW M\$ -226.0 13.3 11.7	TAXES PAID M\$ -53.2 -20.3 -17.8	CASHFLOW M\$ -172.8 33.6 29.5	CASHFLOW M\$ -172.8 -139.3 -109.7
1991 1992 1993	(FIX + VAR) M\$ 1.2 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6	TAXES M\$ 1.8 3.1 2.9	EXPENSE M\$ 0.5 1.4 1.4 1.4	INVESTMENT M\$ 236.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$53.2 -20.3 -17.8 -15.7 -14.3 -12.6	CASHFLOW M\$ -172.8 33.6 29.5 25.9	CASHFLOW M\$ -172.8 -139.3 -109.7 -83.8
1991 1992 1993 1994	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXES M\$ 1.8 3.1 2.9 2.6	EXPENSEM\$	INVESTMENTM\$ 236.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -226.0 13.3 11.7 10.2 9.1	TAXES PAID M\$ -53.2 -20.3 -17.8 -15.7 -14.3	CASHFLOW M\$ -172.8 33.6 29.5 25.9 23.4	CASHFLOW M\$ -172.8 -139.3 -109.7 -83.8 -60.4
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.8 3.1 2.9 2.6 2.4 2.3	EXPENSEM\$	INVESTMENTM\$ 236.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -226.0 13.3 11.7 10.2 9.1 8.1	TAXES PAIDM\$53.2 -20.3 -17.8 -15.7 -14.3 -12.6	CASHFLOW M\$ -172.8 33.6 29.5 25.9 23.4 20.7	CASHFLOWM\$172.8 -139.3 -109.7 -83.8 -60.4 -39.6
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.8 3.1 2.9 2.6 2.4 2.3 2.1	EXPENSEM\$	INVESTMENTM\$ 236.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$226.0 13.3 11.7 10.2 9.1 8.1 7.3	TAXES PAIDM\$53.2 -20.3 -17.8 -15.7 -14.3 -12.6 -9.7	CASHFLOW M\$ -172.8 33.6 29.5 25.9 23.4 20.7 17.0	CASHFLOWM\$172.8 -139.3 -109.7 -83.8 -60.4 -39.6 -22.6
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.8 3.1 2.9 2.6 2.4 2.3 2.1	EXPENSEM\$	INVESTMENTM\$ 236.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$226.0 13.3 11.7 10.2 9.1 8.1 7.3 6.6	TAXES PAIDM\$53.2 -20.3 -17.8 -15.7 -14.3 -12.6 -9.7 -8.3	CASHFLOWM\$172.8 33.6 29.5 25.9 23.4 20.7 17.0 14.9	CASHFLOWM\$172.8 -139.3 -109.7 -83.8 -60.4 -39.6 -22.6 -7.7
1991 1992 1993 1994 1995 1996 1997 1998	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.8 3.1 2.9 2.6 2.4 2.3 2.1 2.0	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 236.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$226.0 13.3 11.7 10.2 9.1 8.1 7.3 6.6 6.1	TAXES PAIDM\$53.2 -20.3 -17.8 -15.7 -14.3 -12.6 -9.7 -8.3 -6.8	CASHFLOWM\$172.8 33.6 29.5 25.9 23.4 20.7 17.0 14.9 12.9	CASHFLOWM\$172.8 -139.3 -109.7 -83.8 -60.4 -39.6 -22.6 -7.7 5.1
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.8 3.1 2.9 2.6 2.4 2.3 2.1 2.0 1.9	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 236.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$226.0 13.3 11.7 10.2 9.1 8.1 7.3 6.6 6.1 5.5	TAXES PAIDM\$53.2 -20.3 -17.8 -15.7 -14.3 -12.6 -9.7 -8.3 -6.8 -6.6	CASHFLOWM\$172.8 33.6 29.5 25.9 23.4 20.7 17.0 14.9 12.9	CASHFLOWM\$172.8 -139.3 -109.7 -83.8 -60.4 -39.6 -22.6 -7.7 5.1 17.2
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.8 3.1 2.9 2.6 2.4 2.3 2.1 2.0 1.9 1.8	EXPENSEM\$ 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 236.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$226.0 13.3 11.7 10.2 9.1 8.1 7.3 6.6 6.1 5.5 5.0	TAXES PAIDM\$53.2 -20.3 -17.8 -15.7 -14.3 -12.6 -9.7 -8.3 -6.8 -6.6 -6.3	CASHFLOWM\$172.8 33.6 29.5 25.9 23.4 20.7 17.0 14.9 12.9 12.1 11.3	CASHFLOWM\$172.8 -139.3 -109.7 -83.8 -60.4 -39.6 -22.6 -7.7 5.1 17.2 28.5
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.8 3.1 2.9 2.6 2.4 2.3 2.1 2.0 1.9 1.8 1.7	EXPENSEM\$ 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 236.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$226.0 13.3 11.7 10.2 9.1 8.1 7.3 6.6 6.1 5.5 5.0 4.5	TAXES PAIDM\$53.2 -20.3 -17.8 -15.7 -14.3 -12.6 -9.7 -8.3 -6.8 -6.6 -6.3 -6.1	CASHFLOWM\$172.8 33.6 29.5 25.9 23.4 20.7 17.0 14.9 12.9 12.1 11.3 10.6	CASHFLOWM\$172.8 -139.3 -109.7 -83.8 -60.4 -39.6 -22.6 -7.7 5.1 17.2 28.5 39.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.8 3.1 2.9 2.6 2.4 2.3 2.1 2.0 1.9 1.8 1.7	EXPENSEM\$ 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 236.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$226.0 13.3 11.7 10.2 9.1 8.1 7.3 6.6 6.1 5.5 5.0 4.5 4.0 3.6 3.1	TAXES PAIDM\$53.2 -20.3 -17.8 -15.7 -14.3 -12.6 -9.7 -8.3 -6.8 -6.6 -6.3 -6.1 -5.9 1.4 1.2	CASHFLOWM\$172.8 33.6 29.5 25.9 23.4 20.7 17.0 14.9 12.9 12.1 11.3 10.6 9.9	CASHFLOWM\$172.8 -139.3 -109.7 -83.8 -60.4 -39.6 -22.6 -7.7 5.1 17.2 28.5 39.1 49.0 51.2 53.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.8 3.1 2.9 2.6 2.4 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.6 30.7	EXPENSEM\$ 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 236.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$226.0 13.3 11.7 10.2 9.1 8.1 7.3 6.6 6.1 5.5 5.0 4.5 4.0 3.6 3.1 -127.9	TAXES PAIDM\$53.2 -20.3 -17.8 -15.7 -14.3 -12.6 -9.7 -8.3 -6.8 -6.6 -6.3 -6.1 -5.9 1.4 1.2 -181.0	CASHFLOWM\$172.8 33.6 29.5 25.9 23.4 20.7 17.0 14.9 12.9 12.1 11.3 10.6 9.9 2.2 1.9 53.1	CASHFLOWM\$172.8 -139.3 -109.7 -83.8 -60.4 -39.6 -22.6 -7.7 5.1 17.2 28.5 39.1 49.0 51.2 53.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.8 3.1 2.9 2.6 2.4 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.6 30.7 14.6	EXPENSEM\$ 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 236.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$226.0 13.3 11.7 10.2 9.1 8.1 7.3 6.6 6.1 5.5 5.0 4.5 4.0 3.6 3.1 -127.9 7.1	TAXES PAIDM\$53.2 -20.3 -17.8 -15.7 -14.3 -12.6 -9.7 -8.3 -6.8 -6.6 -6.3 -6.1 -5.9 1.4 1.2 -181.0 2.7	CASHFLOWM\$172.8 33.6 29.5 25.9 23.4 20.7 17.0 14.9 12.9 12.1 11.3 10.6 9.9 2.2 1.9 53.1 4.4	CASHFLOWM\$172.8 -139.3 -109.7 -83.8 -60.4 -39.6 -22.6 -7.7 5.1 17.2 28.5 39.1 49.0 51.2 53.1 53.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 SUB TOTAL	(FIX + VAR)M\$ 1.2 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 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.8 3.1 2.9 2.6 2.4 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.6 30.7	EXPENSEM\$ 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 236.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$226.0 13.3 11.7 10.2 9.1 8.1 7.3 6.6 6.1 5.5 5.0 4.5 4.0 3.6 3.1 -127.9	TAXES PAIDM\$53.2 -20.3 -17.8 -15.7 -14.3 -12.6 -9.7 -8.3 -6.8 -6.6 -6.3 -6.1 -5.9 1.4 1.2 -181.0	CASHFLOWM\$172.8 33.6 29.5 25.9 23.4 20.7 17.0 14.9 12.9 12.1 11.3 10.6 9.9 2.2 1.9 53.1	CASHFLOWM\$172.8 -139.3 -109.7 -83.8 -60.4 -39.6 -22.6 -7.7 5.1 17.2 28.5 39.1 49.0 51.2 53.1

PF:P.A. EVAL #: 19

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TIAME : RINCON U. #271 - FT TAXCR
FIELD : BASIN FRUITLAND COAL

CNTY, STATE: NEW MEXICO FORMATION : FRUITLAND COAL

OPERATOR : UNOCAL

	INVESTMENT		GROSS WELLS	NET NGL VOLUME	EFFECTIVE NGL PRICE \$/BBL	NET NGL REVENUE	NET SULPHUR M-TONS	NET PLANT OPER EXP	NET TRANS +TREAT+COMP	NET ABAND & SALVAGE
( 7MO)1990	236.0	1.2		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	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	236.0	51.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	55.5	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 30.0 YR	236.0	107.1	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	AMOR T
/ 7NO 1990	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE M\$	DEPREC	DEPLETION	AMORT
( 7M0)1990	LEASEHOLD M\$ 0.0	DRY HOLEM\$	DRILLING M\$ 0.0	COMPLETION M\$ 0.0	FACILITIESM\$	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0	DEPREC M\$ 10.1	DEPLETION M\$ 0.0	AMORT M\$ 3.3
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	FACILITIESM\$ 0.0 0.0	PLATFORM M\$ 0.0 0.0	PIPELINE M\$ 0.0 0.0	DEPREC M\$ 10.1 17.4	DEPLETION M\$ 0.0 0.0	AMORT M\$ 3.3 9.9
1991 1992	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	PLATFORM M\$ 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0	DEPREC M\$ 10.1 17.4 12.4	DEPLETION M\$ 0.0 0.0 0.0	AMORT M\$ 3.3 9.9 9.9
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 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPREC M\$ 10.1 17.4 12.4 8.9	DEPLETION M\$ 0.0 0.0 0.0 0.0	AMORT M\$ 3.3 9.9 9.9 9.9
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	COMPLETION M\$ 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0	PLATFORM 0.0 0.0 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPRECM\$ 10.1 17.4 12.4 8.9 6.3	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 3.3 9.9 9.9 9.9 9.9
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	DRILLINGM\$ 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	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	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 10.1 17.4 12.4 8.9 6.3 6.3	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.3 9.9 9.9 9.9 9.9 9.9 6.6
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F:P.A. EVAL #: 19

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

DATE: 04/22/91 TIME: 13:39:20 PAGE: 36

AME : RINCON U. #271 - FT TAXCR
| IELD : BASIN FRUITLAND COAL

INTY, STATE: NEW MEXICO FORMATION : FRUITLAND COAL
DPERATOR : UNOCAL

	TEMP #1	TEMP #2	TEMP #5	TEMP #6	NET CREDITS INPUT
( 7MO) 1990	11719.8	8.0	0.840	0.000	8.0
1991	21969.0	14.9	0.840	0.000	14.9
1992	20212.8	13.8	0.840	0.000	13.8
1993	18356.3	12.5	0.840	0.000	12.5
1994	17053.2	11.6	0.840	0.000	11.6
1995	15859.6	10.8	0.840	0.000	10.8
1996	14836.5	10.1	0.840	0.000	10.1
1997	14085.1	9.6	0.840	0.000	9.6
1998	13380.8	9.1	0.840	0.000	9.1
1999	12711.8	8.6	0.840	0.000	8.6
2000	12076.2	8.2	0.840	0.000	8.2
2001	11472.4	7.8	0.840	0.000	7.8
2002	10898.8	7.4	0.840	0.000	7.4
2003	10353.8	0.0	0.000	0.000	0.0
2004	9836.1	0.0	0.000	0.000	0.0
SUB TOTAL	214822.1	132.4	0.840	0.000	132.4
REMAINDER	102134.5	0.0	0.000	0.000	0.0
TOT 30.0 YR	316956.5	132.4	0.840	0.000	132.4

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310 LOETOT
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                         CON 3.5
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50 FACTOR
             1.18 TEMP1
               JAN 1990 CON 0.84
70 TEMP5
               JAN 2003 CON 0.
30 TEMP5
              TEMP2 TEMP1
TEMP5 TEMP2
90 CADD
100 CFACTOR
                       TEMP2
               0.809987 TEMP2
110 FACTOR
120 CADD
                TAXCR TEMP2
130 FACTOR
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*** END OF INSERT FILE
370 ULTIMATE GPROD 330.
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" 04/22/91 13:38:51

GLOBAL FILE: \$UNOCAL2

LOBAL FILE: \$UNOCAL1

TVALUATION #19 IN PROJECT FILE "P.A.

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 1: North/2

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 #272 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #272 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

This application is predicated on nine months of actual production history from the Rincon Unit #272 well which first delivered on September 21, 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 September 1, 1990.

Dated this 22nd day of July, 1991.

ill Her Bill Hering

District Petroleum Engineer

Union Oil Company of California

Well Summary

Well Name: Rincon Unit #272

Location: 790'FNL, 1200'FEL, Sec 1, T26N, R7W

Elevation: 6585' GL Total Depth: 2972'

Lease Number: SF-079160

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 7-9-90

Completion Date: 7-22-90 1st Delivery Date: 9-21-90

Perf'd Interval: 2814-2830, 2851-2857, 2875-2896, 2902-2918.

# 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 #272 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 356 feet and cemented with 350 sacks to surface. Production casing measuring 4-1/2" was then set at 2971 feet. Due to lost returns during the initial cement job the production casing was cemented in three stages with a total of 460 sacks cement. After drilling out to PBTD of 2965' the upper and lower coal zones were perforated from 2814'-2918' with 4 shots per foot and fracture stimulated with 210,000# 20/40 sand, 1.04 MMSCF N2 and 23,300 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 323 MCFD and 275 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 21, 1990. The current deliverability for the well against a 150# line pressure is 70 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.39 Bcf.

Net Pay: 49 ft

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

Tonnage Factor: 1982 tons/acre-feet (from density log)

Recovery Factor: 17%

**Economics** 

Completion Cost: \$276,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 102 MCFD, Current - 71 MCFD, No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 9.9 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

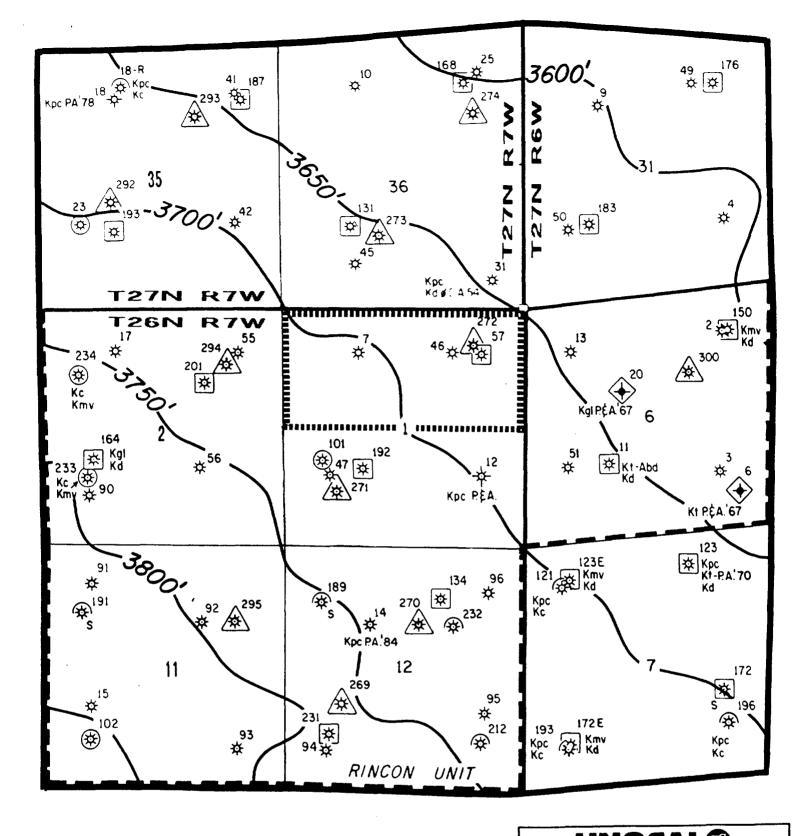
BEFORE ME, the undersigned authority on this day personally appeared Bill Hering, District Petroleum Engineer, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

- 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 the N/2 Section 1, 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.

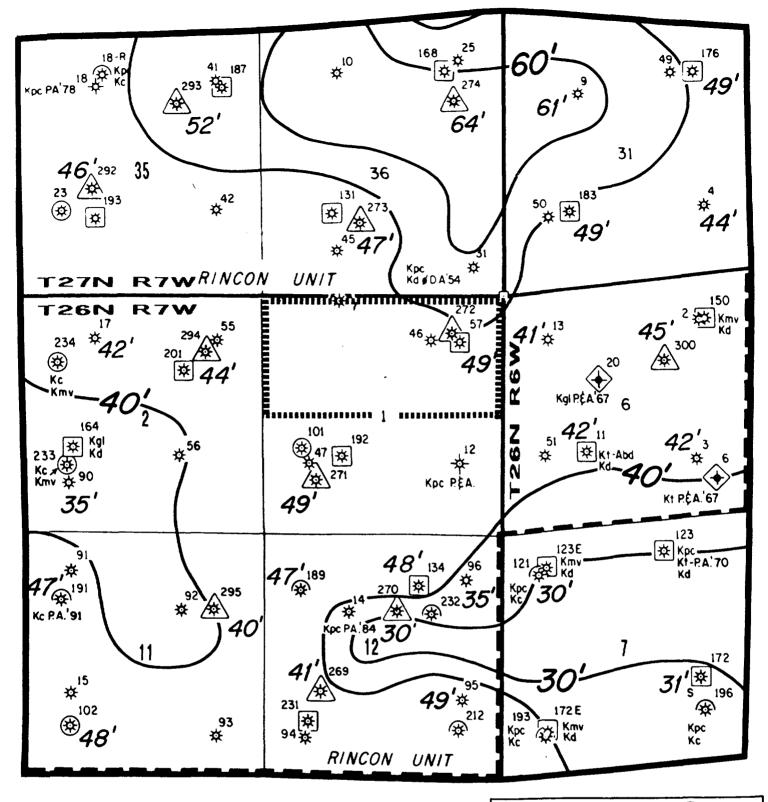
SUBSCRIBED AND SWORN TO before me, this undersigned authority, on this day of

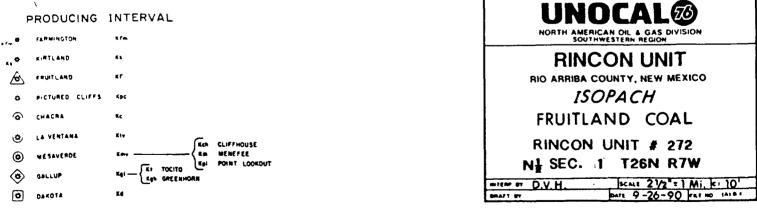
Notary Public in and for San Juan County, New Mexico

My Commission Expires:

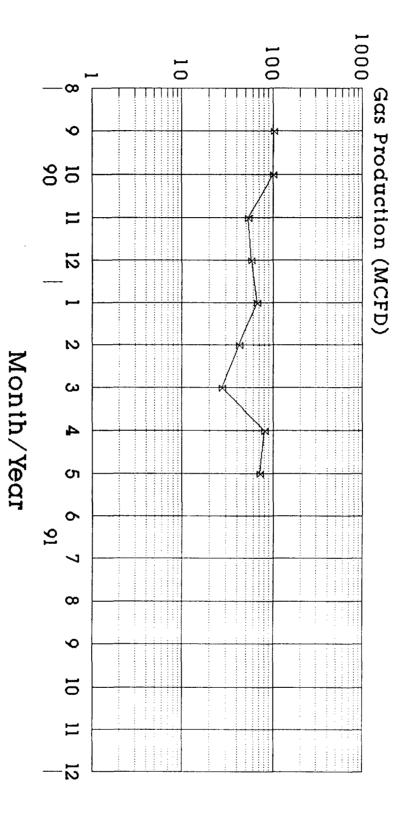








# RINCON UNIT #272 RIO ARRIBA COUNTY, NEW MEXICO



—<del>≭</del> GAS

Production based on actual days on

# UNOCAL North American Oil & Gas Division Economic Report Summary

BUDGET CATEGORY:

REGION: Southwestern DISTRICT: Farmington

CNTYSTATE: New Mexico

PROJECT NAME: RINCON U. #272 - FT TAXCR

LOCATION:

EFFECTIVE DATE: FEB 0

BUDGET PRIORITY:					PROPO	SED BY	:			
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								DISCOUNT METH	HUD: EFFECT	IVE MUN
	COMMOD !	TY PRICE	s		INVESTME	:NTS (M\$)		CASU	FLOU (ME)	
		BEG	END	AVG		GROSS	NET	CASH	r LOW (MJ)	NET
		0.00	0.00		LEAGENOLD			TOTAL DELICITIES		
	,	0.00	0.00	0.00				TOTAL REVENUES		279.
			1.42	1.44		U.	0.	EXPENSES:		
	(\$/BBL)	0.00	0.00	0.00		•	_	OPEX (LOE)	)	102.
SULPHU	R (\$/TON)	0.00	0.00	0.00			0.			0.
					COMPLETION	0.	0.			0.
\$EQUIV	BOE RATIO	6.00	6.00	6.00		0.	0.	SEV & ADVA	AL TAXES	41.
					FACILITIES	0.	0.	INDIRECT		8.
	UNIT CO						0.	OVERHEAD		22.
				NET		0.		NET ABAND	SALV	0.
					GATHERING	0.	0.			
OPEX	(\$/BOE)		2.55	3.15				NET INVESTMENTS		245.
OPEX	(\$/BO\$E)		6.86	8.46		159.				
F&D	• • •			7.57	MISC TAN	86.	86.	BTAX CASH FLOW		- 139.
F&D			16.47					INCOME TAXES PAT	D	-172.
	F (\$/BOE)			1.03	TOTAL			ATAX CASH FLOW		33.
ATAX C	F (\$/BO\$E)			2.75	DISC @ 10.0%	243.	243.	ATAX DISC @ 10.	.0%	-47.
	· · · · · · · · · · · · · · · · · · ·	RESER	VES & PR	ODUCTION			,	ASSUMPTIONS & REMA	RKS	
					NET					
		REMA	AIN	ULT	REMAIN ULT					

	REMAIN	ULT	REMAIN	ULT					
OIL (MBBLS)	0.	0.	0.	0.					
GAS (MMCF)	240.	240.	194.	194.					
NGL (MBBLS)	0.	0.	0.	0.					
SULPHUR (MTONS)	0.	0.	0.	0.					
EQUIVALENT RESERVES:									
BTU (MBOE)	40.	40.	32.	32.					
VALUE (MBOSE)	15.	15.	12.	12.					
INITIAL RATE:									
OIL (BBLS/DAY)	0.					GLOBAL	FILES: 1= \$UNOCAL1	2= \$UNOCAL2	
GAS (MCF/DAY)	31.					ALTKEY	: USA		
DATE: 06/25/91	TIME:	15:35:26	RPT FI	LE: 4	PG #	1	PRJ FILE: P.A.	EVAL #	27

```
'0 IDENT "30 25 U091205
10 DATES
             JUL 1990 JUL 1990 SEP 1990
               "RINCON U. #272 - FT TAXCR
30 NAME
               "BASIN FRUITLAND COAL
-0 FIELD
               "NEW MEXICO
                                             11
50 CNTYSTATE
               "FRUITLAND COAL
                                             18
50 FORMATION
O OPERATOR
               "UNOCAL
             ELIM
30 ECONOMICS
O OWNERSHIP
             1. 0.809987
                "PROD DECLINE BASED ON AVG WELL CASE
120 COMMENT
                "FIRST 9 MONTHS = ACTUAL PROD.
130 COMMENT
                 P MON 0.937 3.131 1.599 1.762 2.054 1.04 0.827 1.89 1.368
140 GPROD
                          EXP * * * 10. 4.
170 GPROD
                          EXP * * * 7. 36.
180 GPROD
                         EXP * * * 5.
190 GPROD
                  I
                         MON 86000. 0. 0. 0.
210 TAN
220 INTAN
                    I
                         MON 159000. 0.
               "FIRST 9 MONTHS = ACTUAL GAS PRICES
230 COMMENT
                P MON 1.33 1.33 1.88 2.19 2.11 1.58 1.23 0.96 0.96
240 PRGAS
260 PRGAS
                    *
                         CON 1.2
                1.18 PRGAS
290 FACTOR
               P CON 300.
310 LOETOT
                          CON 3.5
320 AVALPS
*** START OF INSERT FILE C-TAX
               "ASSUMES CONSTANT $.84 TAX CREDIT
10 COMMENT
               "TO 2003
20 COMMENT
30 TEMP1
                        CON 0.
              TEMP1 GPROD
40 CADD
             1000. TEMP1
50 FACTOR
              1.18 TEMP1
60 FACTOR
               JAN 1990 CON 0.84
70 TEMP5
80 TEMP5
               JAN 2003 CON 0.
               TEMP2 TEMP1
TEMP5 TEMP2
90 CADD
100 CFACTOR
110 FACTOR
               0.809987 TEMP2
120 CADD
                TAXCR TEMP2
             0.001 TEMP2
130 FACTOR
*** END OF INSERT FILE
```

GLOBAL FILE: \$UNOCAL2

SLOBAL FILE: \$UNOCAL1

EVALUATION #27 IN PROJECT FILE "P.A. " 06/25/91 15:34:51

PF:P.A. EVAL #: 27

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

DATE: 06/25/91 TIME: 15:35:27 PAGE: 2

:AME : RINCON U. #272 - FT TAXCR
TIELD : BASIN FRUITLAND COAL
SNTY, STATE: NEW MEXICO
FORMATION : FRUITLAND COAL
DPERATOR : UNOCAL

	OIL + COND	NET VOLUME OIL + COND	PRODUCTION		(RE: BOE)	O+C PRICE			NET GAS REVENUE	NET TOTAL REVENUE
					EMBBLS			•		
( 6MO)1990	0.0	0.0	7.4	6.0		0.00	0.0	1.95	11.7	11.7
1991	0.0	0.0	16.5	13.4		0.00	0.0	1.52	20.3	20.3
1992	0.0	0.0	15.0	12.2		0.00	0.0	1.42	17.2	17.2
1993	0.0	0.0	14.0	11.3		0.00	0.0	1.42	16.0	16.0
1994	0.0	0.0	13.0	10.5		0.00	0.0	1.42	14.9	14.9
1995	0.0	0.0	12.3	9.9		0.00	0.0	1.42	14.1	14.1
1996	0.0	0.0	11.7			0.00	0.0	1.42	13.4	13.4
1997	0.0	0.0	11.1	9.0		0.00	0.0	1.42	12.7	12.7
1998	0.0	0.0	10.5	8.5		0.00	0.0	1.42	12.1	12.1
1999	0.0	0.0	10.0	8.1		0.00	0.0	1.42	11.5	11.5
2000	0.0	0.0	9.5	7.7		0.00	0.0	1.42	10.9	10.9
2001	0.0	0.0	9.0			0.00	0.0	1.42	10.3	10.3
2002	0.0	0.0	8.6	6.9		0.00	0.0	1.42	9.8	9.8
2003	0.0	0.0	8.1	6.6		0.00	0.0	1.42	9.3	9.3
2004	0.0	0.0	7.7			0.00	0.0	1.42	8.9	8.9
SUB TOTAL	0.0		164.3			0.00	0.0	1.45	193.1	193.1
REMAINDER	0.0	0.0	75.3			0.00	0.0	1.42	86.3	86.3
TOT 28.5 YR	0.0	0.0	239.6	194.1	32.3	0.00	0.0	1.44	279.5	279.5
	NET LOE	NET	NET TOTAL		NET ADMIN			INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES		INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 6MO)1990	(FIX + VAR)	WORKOVR EXP	DIRECT EXPM\$	TAXES M\$	EXPENSE M\$ 0.4	INVESTMENT M\$ 245.0	CASHFLOW M\$ -236.2	TAXES PAIDM\$	CASHFLOW M\$ -185.4	CASHFLOW M\$ -185.4
( 6MO)1990 1991	(FIX + VAR)M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 1.4 2.8	EXPENSE M\$ 0.4 1.1	INVESTMENT M\$ 245.0 0.0	CASHFLOW M\$ -236.2 12.8	TAXES PAID M\$ -50.8 -20.0	CASHFLOW M\$ -185.4 32.8	CASHFLOW M\$ -185.4 -152.6
	(FIX + VAR)M\$ 1.2 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6	TAXESM\$ 1.4 2.8 2.5	EXPENSE M\$ 0.4 1.1 1.1	INVESTMENT M\$ 245.0 0.0	CASHFLOW M\$ -236.2 12.8 10.0	TAXES PAID M\$ -50.8 -20.0 -17.6	CASHFLOW M\$ -185.4 32.8 27.6	CASHFLOW M\$ -185.4 -152.6 -125.0
1991 1992 1993	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3	EXPENSE M\$ 0.4 1.1 1.1	INVESTMENT M\$ 245.0 0.0 0.0	CASHFLOW M\$ -236.2 12.8 10.0 9.0	TAXES PAID M\$ -50.8 -20.0 -17.6 -15.5	CASHFLOW M\$ -185.4 32.8 27.6 24.5	CASHFLOW M\$ -185.4 -152.6 -125.0 -100.5
1991 1992	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3 2.2	EXPENSE M\$ 0.4 1.1 1.1 1.1	INVESTMENTM\$ 245.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -236.2 12.8 10.0 9.0 8.0	TAXES PAIDM\$50.8 -20.0 -17.6 -15.5 -13.9	CASHFLOW M\$ -185.4 32.8 27.6 24.5 22.0	CASHFLOWM\$185.4 -152.6 -125.0 -100.5 -78.6
1991 1992 1993	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6 3.6	WORKOVR EXPM\$ 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3 2.2 2.1	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1	INVESTMENTM\$ 245.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -236.2 12.8 10.0 9.0 8.0 7.3	TAXES PAIDM\$50.8 -20.0 -17.6 -15.5 -13.9 -12.4	CASHFLOW M\$ -185.4 32.8 27.6 24.5 22.0 19.7	CASHFLOWM\$185.4 -152.6 -125.0 -100.5 -78.6 -58.9
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3 2.2 2.1 2.0	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1	INVESTMENTM\$ 245.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.2 12.8 10.0 9.0 8.0 7.3 6.7	TAXES PAIDM\$50.8 -20.0 -17.6 -15.5 -13.9 -12.4 -9.7	CASHFLOWM\$185.4 32.8 27.6 24.5 22.0 19.7 16.4	CASHFLOWM\$185.4 -152.6 -125.0 -100.5 -78.6 -58.9 -42.4
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3 2.2 2.1 2.0 1.9	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 245.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.2 12.8 10.0 9.0 8.0 7.3 6.7 6.2	TAXES PAIDM\$50.8 -20.0 -17.6 -15.5 -13.9 -12.4 -9.7 -8.0	CASHFLOWM\$185.4 32.8 27.6 24.5 22.0 19.7 16.4 14.2	CASHFLOWM\$185.4 -152.6 -125.0 -100.5 -78.6 -58.9 -42.4 -28.2
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3 2.2 2.1 2.0 1.9 1.8	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 245.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.2 12.8 10.0 9.0 8.0 7.3 6.7 6.2 5.6	TAXES PAIDM\$50.8 -20.0 -17.6 -15.5 -13.9 -12.4 -9.7 -8.0 -6.3	CASHFLOWM\$185.4 32.8 27.6 24.5 22.0 19.7 16.4 14.2 11.9	CASHFLOWM\$185.4 -152.6 -125.0 -100.5 -78.6 -58.9 -42.4 -28.2 -16.3
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3 2.2 2.1 2.0 1.9 1.8 1.7	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 245.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.2 12.8 10.0 9.0 8.0 7.3 6.7 6.2 5.6	TAXES PAIDM\$50.8 -20.0 -17.6 -15.5 -13.9 -12.4 -9.7 -8.0 -6.3 -6.1	CASHFLOWM\$185.4 32.8 27.6 24.5 22.0 19.7 16.4 14.2 11.9 11.2	CASHFLOWM\$185.4 -152.6 -125.0 -100.5 -78.6 -58.9 -42.4 -28.2 -16.3 -5.1
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3 2.2 2.1 2.0 1.9 1.8	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 245.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.2 12.8 10.0 9.0 8.0 7.3 6.7 6.2 5.6 5.1 4.6	TAXES PAIDM\$50.8 -20.0 -17.6 -15.5 -13.9 -12.4 -9.7 -8.0 -6.3 -6.1 -5.9	CASHFLOWM\$185.4 32.8 27.6 24.5 22.0 19.7 16.4 14.2 11.9	CASHFLOWM\$185.4 -152.6 -125.0 -100.5 -78.6 -58.9 -42.4 -28.2 -16.3 -5.1 5.3
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 245.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.2 12.8 10.0 9.0 8.0 7.3 6.7 6.2 5.6 5.1 4.6 4.1	TAXES PAIDM\$50.8 -20.0 -17.6 -15.5 -13.9 -12.4 -9.7 -8.0 -6.3 -6.1 -5.9 -5.7	CASHFLOWM\$185.4 32.8 27.6 24.5 22.0 19.7 16.4 14.2 11.9 11.2	CASHFLOWM\$185.4 -152.6 -125.0 -100.5 -78.6 -58.9 -42.4 -28.2 -16.3 -5.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 245.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.2 12.8 10.0 9.0 8.0 7.3 6.7 6.2 5.6 5.1 4.6 4.1 3.7	TAXES PAIDM\$50.8 -20.0 -17.6 -15.5 -13.9 -12.4 -9.7 -8.0 -6.3 -6.1 -5.9 -5.7	CASHFLOWM\$185.4 32.8 27.6 24.5 22.0 19.7 16.4 14.2 11.9 11.2	CASHFLOWM\$185.4 -152.6 -125.0 -100.5 -78.6 -58.9 -42.4 -28.2 -16.3 -5.1 5.3
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 245.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.2 12.8 10.0 9.0 8.0 7.3 6.7 6.2 5.6 5.1 4.6 4.1	TAXES PAIDM\$50.8 -20.0 -17.6 -15.5 -13.9 -12.4 -9.7 -8.0 -6.3 -6.1 -5.9 -5.7	CASHFLOWM\$185.4 32.8 27.6 24.5 22.0 19.7 16.4 14.2 11.9 11.2 10.5 9.8	CASHFLOWM\$185.4 -152.6 -125.0 -100.5 -78.6 -58.9 -42.4 -28.2 -16.3 -5.1 5.3 15.2
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 245.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.2 12.8 10.0 9.0 8.0 7.3 6.7 6.2 5.6 5.1 4.6 4.1 3.7	TAXES PAIDM\$50.8 -20.0 -17.6 -15.5 -13.9 -12.4 -9.7 -8.0 -6.3 -6.1 -5.9 -5.7 -5.5	CASHFLOWM\$185.4 32.8 27.6 24.5 22.0 19.7 16.4 14.2 11.9 11.2 10.5 9.8 9.2	CASHFLOWM\$185.4 -152.6 -125.0 -100.5 -78.6 -58.9 -42.4 -28.2 -16.3 -5.1 5.3 15.2 24.3
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4 1.4	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 245.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.2 12.8 10.0 9.0 8.0 7.3 6.7 6.2 5.6 5.1 4.6 4.1 3.7 3.3	TAXES PAIDM\$50.8 -20.0 -17.6 -15.5 -13.9 -12.4 -9.7 -8.0 -6.3 -6.1 -5.9 -5.7 -5.5 1.2	CASHFLOWM\$185.4 32.8 27.6 24.5 22.0 19.7 16.4 14.2 11.9 11.2 10.5 9.8 9.2 2.0	CASHFLOWM\$185.4 -152.6 -125.0 -100.5 -78.6 -58.9 -42.4 -28.2 -16.3 -5.1 5.3 15.2 24.3 26.4
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 1.4 2.8 2.5 2.3 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4 1.4	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 245.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$236.2 12.8 10.0 9.0 8.0 7.3 6.7 6.2 5.6 5.1 4.6 4.1 3.7 3.3 2.9	TAXES PAIDM\$50.8 -20.0 -17.6 -15.5 -13.9 -12.4 -9.7 -8.0 -6.3 -6.1 -5.9 -5.7 -5.5 1.2 1.1 -175.0	CASHFLOWM\$185.4 32.8 27.6 24.5 22.0 19.7 16.4 14.2 11.9 11.2 10.5 9.8 9.2 2.0 1.8	CASHFLOWM\$185.4 -152.6 -125.0 -100.5 -78.6 -58.9 -42.4 -28.2 -16.3 -5.1 5.3 15.2 24.3 26.4 28.2

'F:P.A. :VAL #: 27

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

DATE: 06/25/91 TIME: 15:35:28 PAGE: 3

.AME : RINCON U. #272 - FT TAXCR
IELD : BASIN FRUITLAND COAL

INTY, STATE: NEW MEXICO TORMATION : FRUITLAND COAL
PERATOR : UNOCAL

	INVESTMENT		GROSS WELLS	NET NGL VOLUME	EFFECTIVE NGL PRICE	NET NGL REVENUE	NET SULPHUR		+TREAT+COMP	
									M\$	
( 6MO)1990	245.0	1.2		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		1.0	0.0	0.00	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
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	245.0	51.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	50.4	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 28.5 YR	245.0	102.0	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		AMORT
( 6MO)1990	LEASEHOLD M\$ 0.0	DRY HOLE M\$ 0.0	DRILLING M\$ 0.0	COMPLETION M\$ 0.0	FACILITIESM\$	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0	DEPREC M\$ 12.3	DEPLETION	AMORT M\$
( 6MO)1990 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	DEPREC	DEPLETION	AMORT
( 6MO)1990 1991 1992	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	DEPREC M\$ 12.3	DEPLETION M\$ 0.0	AMORT M\$
( 6MO)1990 1991 1992 1993	LEASEHOLD M\$ 0.0 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 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0	PLATFORM M\$ 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0	DEPREC M\$ 12.3 21.1 15.0 10.7	DEPLETION M\$ 0.0 0.0 0.0 0.0	AMORT M\$ 3.2 9.5 9.5 9.5
( 6MO)1990 1991 1992 1993 1994	LEASEHOLD M\$ 0.0 0.0 0.0 0.0 0.0	DRY HOLEM\$ 0.0 0.0 0.0 0.0 0.0	DRILLINGM\$ 0.0 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\$ 12.3 21.1 15.0 10.7 7.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 3.2 9.5 9.5 9.5 9.5
( 6MO)1990 1991 1992 1993 1994 1995	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	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	PLATFORM M\$ 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	DEPREC 12.3 21.1 15.0 10.7 7.7 7.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 3.2 9.5 9.5 9.5
( 6MO)1990 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 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	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	DEPREC 12.3 21.1 15.0 10.7 7.7 7.7 7.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 3.2 9.5 9.5 9.5 9.5
( 6MO)1990 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	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	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	DEPREC 12.3 21.1 15.0 10.7 7.7 7.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 3.2 9.5 9.5 9.5 9.5 6.4
( 6MO)1990 1991 1992 1993 1994 1995 1996 1997 1998	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	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	DEPREC 12.3 21.1 15.0 10.7 7.7 7.7 7.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.2 9.5 9.5 9.5 9.5 6.4 0.0
( 6MO)1990 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 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	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.2 9.5 9.5 9.5 9.5 6.4 0.0 0.0
( 6MO)1990 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	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	DEPREC 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.2 9.5 9.5 9.5 9.5 6.4 0.0 0.0 0.0
( 6MO)1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	UEASEHOLDM\$ 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	DEPRECM\$ 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8 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\$ 3.2 9.5 9.5 9.5 9.5 6.4 0.0 0.0 0.0
( 6MO)1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	UEASEHOLDM\$ 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\$ 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8 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\$ 3.2 9.5 9.5 9.5 9.5 6.4 0.0 0.0 0.0 0.0
( 6MO)1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	UEASEHOLDM\$ 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	DEPREC 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8 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\$ 3.2 9.5 9.5 9.5 9.5 6.4 0.0 0.0 0.0 0.0
( 6MO)1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	UEASEHOLDM\$ 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	DEPREC 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8 0.0 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\$ 3.2 9.5 9.5 9.5 9.5 6.4 0.0 0.0 0.0 0.0 0.0
( 6MO)1990 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	DEPREC 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8 0.0 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\$ 3.2 9.5 9.5 9.5 9.5 6.4 0.0 0.0 0.0 0.0 0.0 0.0 0.0
( 6MO)1990 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	DEPREC 12.3 21.1 15.0 10.7 7.7 7.7 7.7 3.8 0.0 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\$ 3.2 9.5 9.5 9.5 9.5 6.4 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0

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

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:AME : RINCON U. #272 - FT TAXCR
IELD : BASIN FRUITLAND COAL

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

	TEMP #1	TEMP #2	TEMP #5	TEMP #6	NET CREDITS INPUT
( 6MO)1990	8766.2	6.0	0.840	0.000	6.0
1991	19449.6	13.2	0.840	0.000	13.2
1992	17715.5	12.1	0.840	0.000	12.1
1993	16475.5	11.2	0.840	0.000	11.2
1994	15332.0	10.4	0.840	0.000	10.4
1995	14477.3	9.9	0.840	0.000	9.9
1996	13753.4	9.4	0.840	0.000	9.4
1997	13065.7	8.9	0.840	0.000	8.9
1998	12412.4	8.4	0.840	0.000	8.4
1999	11791.8	8.0	0.840	0.000	8.0
2000	11202.2	7.6	0.840	0.000	7.6
2001	10642.1	7.2	0.840	0.000	7.2
2002	10110.0	6.9	0.840	0.000	6.9
2003	9604.5	0.0	0.000	0.000	0.0
2004	9124.3	0.0	0.000	0.000	0.0
SUB TOTAL	193922.5	119.2	0.840	0.000	119.2
REMAINDER	88817.3	0.0	0.000	0.000	0.0
TOT 28.5 YR	282739.8	119.2	0.840	0.000	119.2

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 14: South/2

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 #279 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #279 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

This application is predicated on six months of actual production history from the Rincon Unit #279 well which first delivered on September 6, 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 September 1, 1990.

Dated this 22nd day of July, 1991.

Bill Hering

District Petroleum Engineer Union Oil Company of California Well Summary

Well Name: Rincon Unit #279

Location: 1735'FSL, 1456'FWL, Sec 14, T27N, R7W

Elevation: 6725' GL Total Depth: 3294'

Lease Number: SF-079298-D

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 5-11-90

Completion Date: 5-27-90 1st Delivery Date: 9-6-90

Perf'd Interval: 3124-3129, 3155-3157, 3163-3168, 3197-3199,

3207-3213, 3224-3239.

# 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 #279 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 362 feet and cemented with 450 sacks to surface. Production casing measuring 4-1/2" was then set at 3293 feet and cemented in two stages to surface with 770 sacks cement. After drilling out to PBTD of 3290' the upper and lower coal zones were perforated from 3124'-3239' with 4 shots per foot and fracture stimulated with 300,000# 20/40 sand, 1.2 MMSCF N2 and 31,800 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 160 MCFD and 460 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 6, 1990. The current deliverability for the well against a 150# line pressure is 61 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.43 Bcf.

Net Pay: 54 ft

Drainage area: 160 acres Gas Content: 145 SCF/ton

Tonnage Factor: 2023 tons/acre-feet (from density log)

Recovery Factor: 17 %

**Economics** 

Completion Cost: \$267,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 127 MCFD, Current - 62 MCFD,

No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 9.5 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

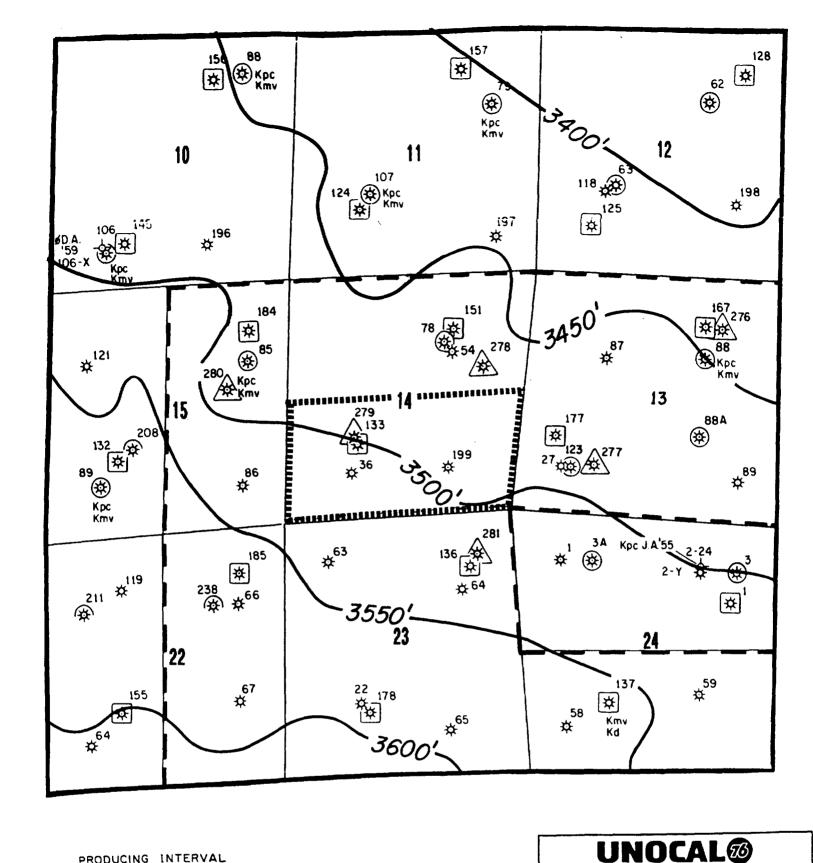
BEFORE ME, the undersigned authority on this day personally appeared Bill Hering, District Petroleum Engineer, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

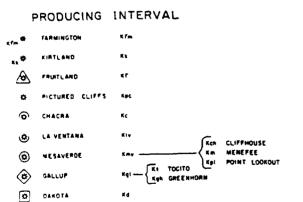
- 1) That this Statement and Affidavit is made concerning this application for expansion to the Basin Fruitland Coal Gas participating area in the Rincon Unit, in the S/2 Section 14, T27N-R7W, comprising 320.00 acres.
- 2) That to the best of his information, knowledge and belief, the information supplied 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.
- 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

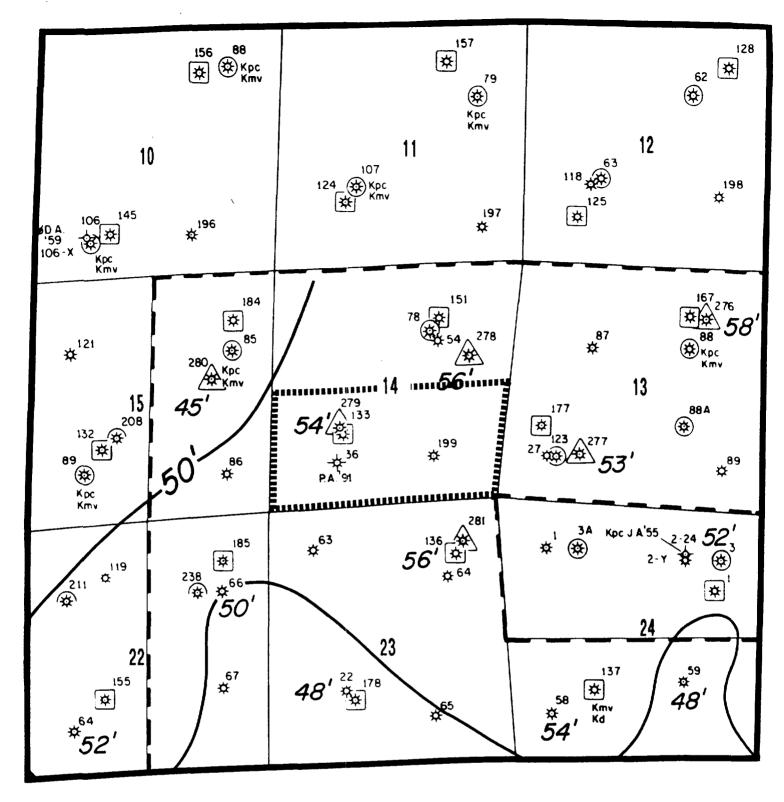
Notary Rublic in and for San Juan County, New Mexico

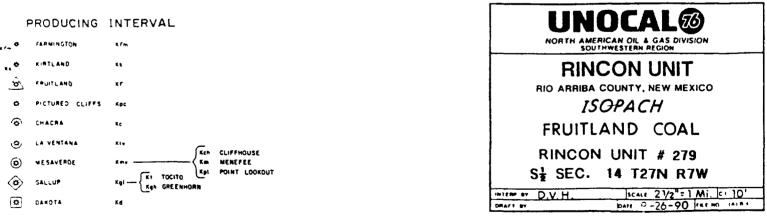
My Commission Expires:



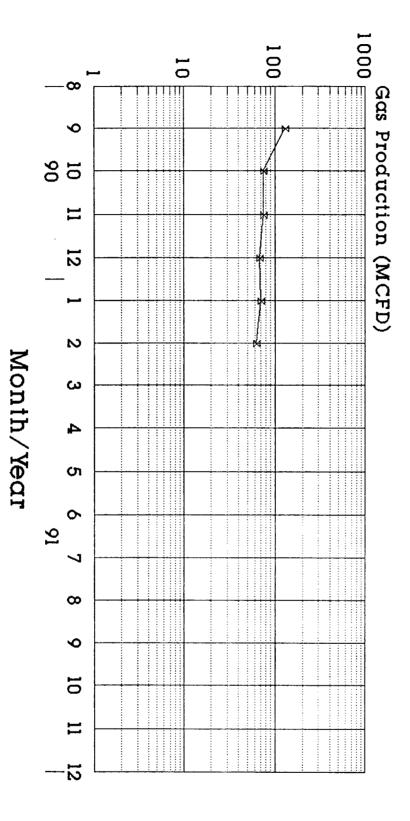


# RINCON UNIT RINCON UNIT RIO ARRIBA COUNTY, NEW MEXICO STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 STRUCTURE BASE OF FRUITLAND COAL RINCON UNIT # 279 BASE OF FRUITLAND COAL BASE OF FRUITLAND COAL RINCON UNIT # 279 BASE OF FRUITLAND COAL BASE OF FR





# RINCON UNIT #279 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. #279 - FT TAXCR LOCATION:

BUD (				TIVE DAT					
IDENT	IFICATION		•••	PROFIT	INDICES		PRESENT	WORTH PROFI	LE
FIELD : BASIN FF	RIITLAND COAL		PROFIT	TO INV (P.	/[):		DISCOUNT	BTAX	ATAX
LSE/BLOCK :	10112/110 00/12			SCOUNTED		0.15	RATE (%)	(M\$)	(M\$)
FORMATION : FRUITLAN	ND COAL			a 10.0%					
TOTAL DEPTH:						-0.27	0.0	-150.	40.
OPERATOR : Unocal				F RATIO (II			5.0	-176.	-11.
AFE # :				SCOUNTED		0.19	10.0	-192.	-47.
LIFE (YRS) : 29.8			DISC	a 10.0%	-0.72	-0.22	15.0	-203.	-71.
• • • • • • • • • • • • • • • • • • • •			DISC	a 15.0%	-0.77	-0.33	20.0	-210.	-89.
WI ORI	GRI	DATE					25.0	-215.	-103.
	80.99870 M	IAY 1990	PAYOUT	(YEARS)	*	9.5			
					%) -1000.0		DISCOUNT DATE	: MAY 199	0
							DISCOUNT METH		
COMMODITY	Y PRICES			- INVESTME	NTS (M\$)		CASH	FLOW (M\$) -	
_	BEG END				GROSS	NET			NET
OIL (\$/BBL)				OI D		0.	TOTAL REVENUES		310.
• • •	1.45 1.42					0.			310.
	0.00 0.00				٠.	٠.	OPEX (LOE)		106.
SULPHUR (\$/TON)	0.00 0.00			NG	0.	0.	WORKOVER		0.
OULT HOR (4) TON)	0.00		COMPLE		0.	0.	PLANT		0.
\$EQUIV BOE RATIO	6.00 6.00	6.00			0.		SEV & ADVA	L TAXES	45.
721017 DOE 101110			FACILI		0.	0.			17.
UNIT COST	T PERFORMANCE				0.	0.	INDIRECT OVERHEAD		25.
	GROSS	NET	PLANT		0.	0.	NET ABAND/	SALV	0.
			GATHER	ING	0.	0.			
OPEX (\$/BOE)	2.38	2.94					NET INVESTMENTS		267.
OPEX (\$/BO\$E)	7.00	8.64	MISC I	NTAN	187.	187.			
F&D (\$/BOE)	5.99	7.40	MISC T.	AN	80.	80.	BTAX CASH FLOW		-150.
F&D (\$/BO\$E)	17.65	21.79					INCOME TAXES PAI	D	-191.
ATAX CF (\$/BOE)		1.12	T	OTAL	267.	267.	ATAX CASH FLOW		40.
ATAX CF (\$/BO\$E)		3.30	DISC a	10.0%	265.			0%	-47.
	- RESERVES & F	RODUCTION					ASSUMPTIONS & REMA	RKS	
			NE						
	REMAIN	ULT	REMAIN	ULT					
OIL (MBBLS)	0.	0.	0.	0.					
GAS (MMCF)	267.	267.	216.	216.					
NGL (MBBLS)	0.	0.	0.	0.					
SULPHUR (MTONS)	0.	0.	0.	0.					
EQUIVALENT RESERVES:									
BTU (MBOE)	45.	45.	<b>3</b> 6.	36.					
VALUE (MBOSE)	15.	15.	12.	12.					
INITIAL RATE:									
OIL (BBLS/DAY)	0.				G	LOBAL FI	LES: 1= \$UNOCAL1	2= \$UNOCAL2	
GAS (MCF/DAY)	128.					LTKE": U			
DATE: 04/22/91	TIME:	13:40:02	RPT F1	LE: 4	PG # 3	57	PRJ FILE: P.A.	EVAL	# 20

PF:P.A. EVAL #: 20

# UNOCAL North American Oil & Gas Division Economic Report Summary

AS OF MAY 1, 1990

DATE: 04/22/91

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PAGE: 38

IAME : RINCON U. #279 - FT TAXCR
FIELD : BASIN FRUITLAND COAL
INTY, STATE: NEW MEXICO FORMATION : FRUITLAND COAL
OPERATOR : UNOCAL

OIL + COND OIL + COND PRODUCTION VOLUME (RE: BOE) O+C PRICE OIL + COND GA	FFECTIVE NET GAS AS PRICE REVENUE	NET TOTAL REVENUE
MBBLSMBBLSMMCFEMBBLS\$/BBLM\$		M\$
(8MO)1990 0.0 0.0 10.4 8.5 1.4 0.00 0.0	1.77 14.9	14.9
1991 0.0 0.0 20.8 16.8 2.8 0.00 0.0	1.43 24.1	24.1
1992 0.0 0.0 17.4 14.1 2.3 0.00 0.0	1.42 19.9	19.9
<b>1993</b>	1.42 17.9	17.9
1994 0.0 0.0 14.4 11.6 1.9 0.00 0.0	1.42 16.5	16.5
1995 0.0 0.0 13.4 10.8 1.8 0.00 0.0	1.42 15.3	15.3
1996 0.0 0.0 12.4 10.1 1.7 0.00 0.0	1.42 14.3	14.3
1997 0.0 0.0 11.7 9.5 1.6 0.00 0.0	1.42 13.5	
1998 0.0 0.0 11.1 9.0 1.5 0.00 0.0	1.42 12.8	12.8
1999 0.0 0.0 10.6 8.6 1.4 0.00 0.0	1.42 12.1	12.1
2000 0.0 0.0 10.1 8.1 1.4 0.00 0.0	1.42 11.5	
2001 0.0 0.0 9.6 7.7 1.3 0.00 0.0	1.42 11.0	
2002 0.0 0.0 9.1 7.4 1.2 0.00 0.0	1.42 10.4	
2003 0.0 0.0 8.6 7.0 1.2 0.00 0.0	1.42 9.9	
2004 0.0 0.0 8.2 6.6 1.1 0.00 0.0	1.42 9.4	
SUB TOTAL 0.0 0.0 183.4 148.6 24.8 0.00 0.0	1.44 213.6	
REMAINDER 0.0 0.0 83.8 67.9 11.3 0.00 0.0	1.42 96.2	
TOT 29.8 YR 0.0 0.0 267.3 216.5 36.1 0.00 0.0	1.43 309.8	309.8
NET LOS NET NET TOTAL NET TOTAL NET TOTAL NET TOTAL DIAV	71100UF 474V	0.04 .7.5
NET LOE NET NET TOTAL NET TOTAL NET ADMIN NET TOTAL BTAX  (FIX + VAR) WORKOVR EXP DIRECT EXP TAXES EXPENSE INVESTMENT CASHFLOW TA	INCOME ATAX	
(FIX + VAK) WUKKUVK EAP DIRECT EAP TAXES EXPENSE INVESTMENT CASHFLOW TA		CASHFLOW
(8MO)1990 1.2 0.0 1.2 1.9 0.5 267.0 -255.6	-59.6 -196.1	
1991 3.6 0.0 3.6 3.5 1.4 0.0 15.6	-22.5 38.0	
1992 3.6 0.0 3.6 2.9 1.4 0.0 12.0	-19.0 31.0	
1993 3.6 0.0 3.6 2.6 1.4 0.0 10.3	-16.7 27.0	
1994 3.6 0.0 3.6 2.4 1.4 0.0 9.0	-15.1 24.1	
1995 3.6 0.0 3.6 2.3 1.4 0.0 8.1	-13.2 21.3	
1996 3.6 0.0 3.6 2.1 1.4 0.0 7.1	-10.0 17.1	
1997 3.6 0.0 3.6 2.0 1.4 0.0 6.4	-8.3 14.8	
1998 3.6 0.0 3.6 1.9 1.4 0.0 5.9	-6.7 12.6	
1999 3.6 0.0 3.6 1.8 1.4 0.0 5.3	-6.5 11.8	
2000 3.6 0.0 3.6 1.7 1.4 0.0 4.8	-6.2 11.1	
2001 3.6 0.0 3.6 1.6 1.4 0.0 4.3	-6.0 10.3	
2002 3.6 0.0 3.6 1.5 1.4 0.0 3.9	-5.8 9.7	
2003 3.6 0.0 3.6 1.5 1.4 0.0 3.4	1.3 2.1	34.8
2004 3.6 0.0 3.6 1.4 1.4 0.0 3.0	1.1 1.9	
SUB TOTAL 51.6 0.0 51.6 31.0 20.5 267.0 -156.6	-193.2 36.7	
REMAINDER 54.3 0.0 54.3 14.1 21.6 0.0 6.2	2.3 3.8	
TOT 29.8 YR 105.9 0.0 105.9 45.1 42.1 267.0 -150.4	-190.9 40.5	

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

NET NGL EFFECTIVE NET NGL

NET

DATE: 04/22/91

TIME: 13:40:04

PAGE: 39

NET PLANT NET TRANS NET ABAND

AME

: RINCON U. #279 - FT TAXCR : BASIN FRUITLAND COAL TELD

GROSS TOTAL TOTAL GROSS

NUMBER

INTY, STATE: NEW MEXICO ORMATION : FRUITLAND COAL
OPERATOR : UNOCAL

			22222	NCT NGE				NCI FUANT		NEI ADANU
			GROSS WELLS		NGL PRICE	REVENUE		OPER EXP	+TREAT+COMP	& SALVAGE
									,	
( 8MO)1990	267.0	1.2	•	0.0	0.00	0.0	0.0	0.0	0.0	0.0
1991	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1992	0.0	3.6		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		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1995	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1996	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1997	0.0	3.6		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	267.0	51.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	54.3		0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 29.8 YR	267.0	105.9	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
	NET		NET	NET		NET				IDC
	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
( 8MO)1990	LEASEHOLD M\$ 0.0	DRY HOLEM\$	DRILLING M\$ 0.0	COMPLETION M\$ 0.0	FACILITIESM\$ 0.0	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0	DEPREC M\$ 11.4	DEPLETION M\$ 0.0	AMORT M\$
( 8MO)1990 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 M\$ 11.4 19.6	DEPLETION M\$ 0.0 0.0	AMORT M\$ 3.7 11.2
( 8MO)1990 1991 1992	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\$ 11.4 19.6 14.0	DEPLETION M\$ 0.0 0.0 0.0	AMORT M\$ 3.7 11.2 11.2
( 8MO)1990 1991 1992 1993	LEASEHOLD M\$ 0.0 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0 0.0	DRILLING M\$ 0.0 0.0 0.0	COMPLETIONM\$ 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 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\$ 11.4 19.6 14.0 10.0	DEPLETION M\$ 0.0 0.0 0.0 0.0	AMORT M\$ 3.7 11.2 11.2
( 8MO) 1990 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	COMPLETION M\$ 0.0 0.0 0.0 0.0	FACILITIESM\$ 0.0 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	DEPREC M\$ 11.4 19.6 14.0 10.0 7.1	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 3.7 11.2 11.2 11.2
( 8MO)1990 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	DRILLINGM\$ 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	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	DEPREC M\$ 11.4 19.6 14.0 10.0 7.1 7.1	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.7 11.2 11.2 11.2 11.2 7.5
( 8MO) 1990 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	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	DEPREC M\$ 11.4 19.6 14.0 10.0 7.1 7.1	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.7 11.2 11.2 11.2 11.2 7.5 0.0
( 8MO) 1990 1991 1992 1993 1994 1995 1996	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	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	DEPREC M\$ 11.4 19.6 14.0 10.0 7.1 7.1 7.1 3.6	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.7 11.2 11.2 11.2 11.2 7.5 0.0 0.0
( 8MO) 1990 1991 1992 1993 1994 1995 1996 1997	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	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 11.4 19.6 14.0 10.0 7.1 7.1 7.1 3.6 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.7 11.2 11.2 11.2 11.2 7.5 0.0 0.0 0.0
( 8MO) 1990 1991 1992 1993 1994 1995 1996 1997 1998	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\$ 11.4 19.6 14.0 10.0 7.1 7.1 7.1 3.6 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.7 11.2 11.2 11.2 7.5 0.0 0.0 0.0 0.0
( 8MO) 1990 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	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\$ 11.4 19.6 14.0 10.0 7.1 7.1 7.1 3.6 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\$ 3.7 11.2 11.2 11.2 7.5 0.0 0.0 0.0 0.0 0.0
( 8MO) 1990 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\$ 11.4 19.6 14.0 10.0 7.1 7.1 3.6 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\$ 3.7 11.2 11.2 11.2 11.2 7.5 0.0 0.0 0.0 0.0 0.0 0.0
( 8MO) 1990 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\$ 11.4 19.6 14.0 10.0 7.1 7.1 3.6 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\$ 3.7 11.2 11.2 11.2 11.2 7.5 0.0 0.0 0.0 0.0 0.0 0.0 0.0
( 8MO) 1990 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\$ 11.4 19.6 14.0 10.0 7.1 7.1 3.6 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\$ 3.7 11.2 11.2 11.2 7.5 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0
( 8MO) 1990 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\$ 11.4 19.6 14.0 10.0 7.1 7.1 3.6 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\$ 3.7 11.2 11.2 11.2 7.5 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0
( 8MO) 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 SUB TOTAL	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\$ 11.4 19.6 14.0 10.0 7.1 7.1 3.6 0.0 0.0 0.0 0.0 0.0 0.0 80.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.7 11.2 11.2 11.2 7.5 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0
( 8MO) 1990 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\$ 11.4 19.6 14.0 10.0 7.1 7.1 3.6 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\$ 3.7 11.2 11.2 11.2 7.5 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0

₽F:P.A. EVAL #: 20

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

DATE: 04/22/91 TIME: 13:40:05 PAGE: 40

HAME : RINCON U. #279 - 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
( 8MO)1990	12316.8	8.4	0.840	0.000	8.4
1991	24524.5	16.7	0.840	0.000	16.7
1992	20501.7	13.9	0.840	0.000	13.9
1993	18459.6	12.6	0.840	0.000	12.6
1994	16969.3	11.5	0.840	0.000	11.5
1995	15781.4	10.7	0.840	0.000	10.7
1996	14681.0	10.0	0.840	0.000	10.0
1997	13842.8	9.4	0.840	0.000	9.4
1998	13150.7	8.9	0.840	0.000	8.9
1999	12493.2	8.5	0.840	0.000	8.5
2000	11868.5	8.1	0.840	0.000	8.1
2001	11275.1	7.7	0.840	0.000	7.7
2002	10711.3	7.3	0.840	0.000	7.3
2003	10175.8	0.0	0.000	0.000	0.0
2004	9667.0	0.0	0.000	0.000	0.0
SUB TOTAL	216418.6	133.7	0.840	0.000	133.7
REMAINDER	98941.6	0.0	0.000	0.000	0.0
TOT 29.8 YR	315360.2	133.7	0.840	0.000	133.7

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LOBAL FILE: $UNOCAL1
-VALUATION #20 IN PROJECT FILE "P.A. " 04/22/91 13:39:21
0 IDENT "30 25 U091205
            MAY 1990 MAY 1990 SEP 1990
0 DATES
              "RINCON U. #279 - FT TAXCR
O NAME
               "BASIN FRUITLAND COAL
                                             ..
.0 FIELD
               "NEW MEXICO
O CNTYSTATE
JO FORMATION
               "FRUITLAND COAL
               "UNOCAL
'O OPERATOR
50 ECONOMICS
              ELIM
O OWNERSHIP
              1. 0.809987
               "PROD DECLINE BASED ON AVG WELL CASE
120 COMMENT
130 COMMENT
                "FIRST 6 MONTHS = ACTUAL PROD.
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                         MON 3.834 2.308 2.218 2.078 2.165 1.897
40 GPROD
                          EXP * * * 28. 7.
:60 GPROD
                        EXP * * * 10. 25.
170 GPROD
                         EXP * * * 7. 36.
180 GPROD
                         EXP * * * 5.
190 GPROD
210 TAN
                         MON 80000. 0. 0.
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                         MON 187000. 0.
                    I
220 INTAN
240 PRGAS
                    Ρ
                         MON 1.23 1.43 1.64 1.91 1.33
                         CON 1.2
260 PRGAS
                1.18 PRGAS
390 FACTOR
               P CON 300.
310 LOETOT
                   *
                         CON 3.5
320 AVALPS
*** START OF INSERT FILE C-TAX
            "ASSUMES CONSTANT $.84 TAX CREDIT
10 COMMENT
20 COMMENT
               2003 סזיי
               * CON
TEMP1 GPROD
30 TEMP1
                         CON 0.
40 CADD
50 FACTOR
               1000. TEMP1
              1.18 TEMP1
50 FACTOR
70 TEMP5
               JAN 1990 CON 0.84
80 TEMP5
               JAN 2003 CON 0.
               TEMP2 TEMP1
TEMP5 TEMP2
90 CADD
100 CFACTOR
110 FACTOR
               0.809987 TEMP2
                TAXCR TEMP2
120 CADD
130 FACTOR
               0.001 TEMP2
*** END OF INSERT FILE
370 ULTIMATE GPROD 430.
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GLOBAL FILE: \$UNOCAL2

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 34:

Containing 640 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 #291 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #291 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

This application is predicated on six months of actual production history from the Rincon Unit #291 well which first delivered on September 6, 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 September 1, 1990.

Dated this 22nd day of July, 1991.

Bill Hering

District Petroleum Engineer

Union Oil Company of California

Well Summary

Well Name: Rincon Unit #291

Location: 1085'FNL, 921'FEL, Sec 34, T27N, R7W

Elevation: 6717' GL Total Depth: 3086'

Lease Number: SF-080385

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 6-29-90

Completion Date: 7-28-90 lst Delivery Date: 9-6-90

Perf'd Interval: 2917-2921, 2943-2955, 2987-2993, 3017-3039.

## 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 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 #291 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 3085 feet and cemented in two stages to surface with 700 sacks cement. After drilling out to PBTD of 3084' the upper and lower coal zones were perforated from 2917'-3039' with 4 shots per foot and fracture stimulated with 220,000# 20/40 sand, 0.99 MMSCF N2 and 22,790 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 313 MCFD and 520 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 6, 1990. The current deliverability for the well against a 150# line pressure is 101 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.42 Bcf.

Net Pay: 44 ft

Drainage area: 160 acres Gas Content: 173 SCF/ton

Tonnage Factor: 2037 tons/acre-feet (from density log)

Recovery Factor: 17%

Economics

Completion Cost: \$261,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 175 MCFD, Current - 104 MCFD,

No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 6.8 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

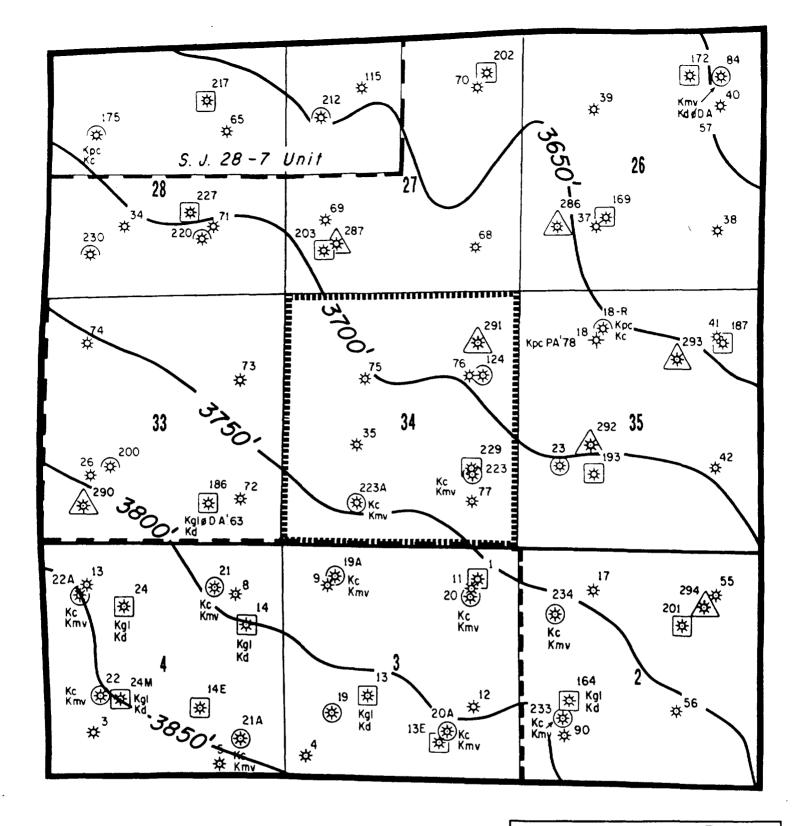
### APPLICANT'S STATEMENT AND AFFIDAVIT

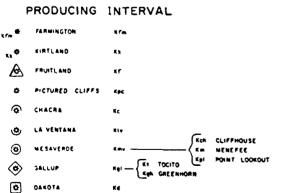
BEFORE ME, the undersigned authority on this day personally appeared Bill Hering, District Petroleum Engineer, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

- 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 34, T27N-R7W, comprising 640 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.

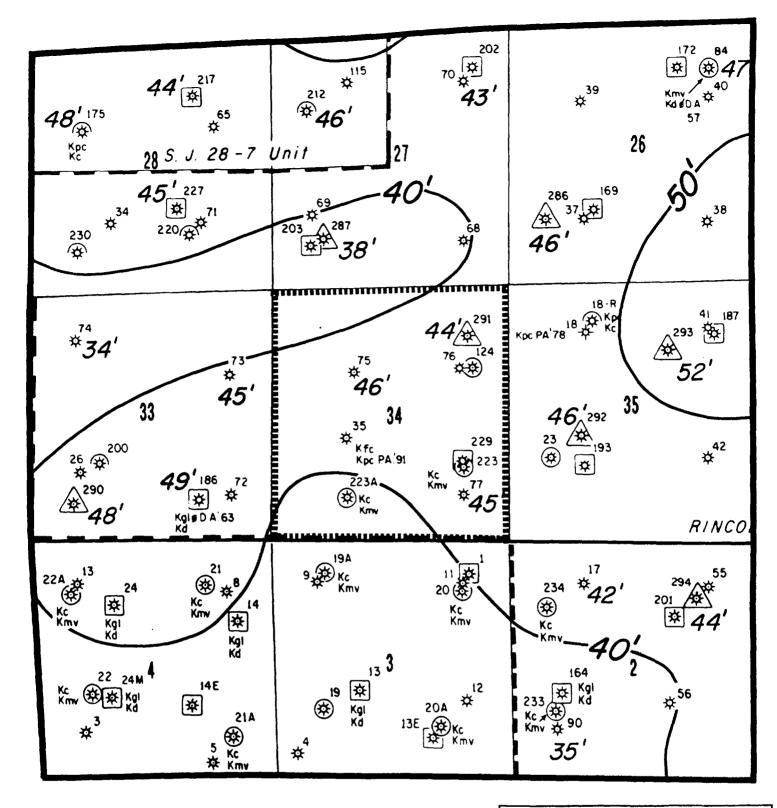
Notary Rublic in and for San Juan County, New Mexico

My Commission Expires:



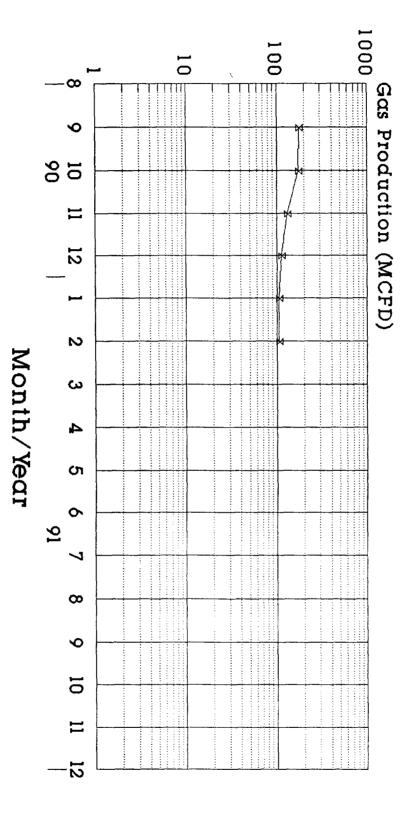








# RINCON UNIT #291 RIO ARRIBA COUNTY, NEW MEXICO



Production based on actual days on

- Bas

# UNOCAL North American Oil & Gas Division Economic Report Summary

REGION: Southwestern DISTRICT: Farmington

CNTYSTATE: New Mexico

PROJECT NAME: RINCON U. #291 - FT TAXCR

LOCATION:

	GET CATEGORY: GET PRIORITY:				CTIVE DAT	E: FEB O		
IDENT	IFICATION		F	PROFIT INDICES -	<b></b>	PRESENT	WORTH PROF	ILE
				BTAX	ATAX			
FIELD : BASIN F	RUITLAND COAL	\	PROFIT TO I	INV (P/I):		DISCOUNT	BTAX	ATAX
LSE/BLOCK :				NTED -0.49		RATE (%)	(M\$)	(M\$)
FORMATION : FRUITLA	ND COAL		DISC a 10	0.0% -0.65	-0.06			
TOTAL DEPTH:				5.0% -0.70		0.0	-127.	72.
OPERATOR : Unocal			INV EFF RAT			5.0	-152.	20.
AFE # :				ITED -0.49	0.34	10.0	-168.	
LIFE (YRS) : 29.6				0.0% -0.65			-180.	-40.
21.2 (110) 1 2112				5.0% -0.70			-188.	-59.
WI ORI	GRI	DATE	3110 3 13		••••		-193.	
100.00000 80.99870			PAYOUT (YEA	ARS) *	6.8		1,5.	73.
100:00000 80:77010	00.77070 0	OL 1770	PATE OF PET	TUDN 7%1 -1000 0	7.6	DISCOUNT DATE		20
			KATE OF KET		1.0	DISCOUNT METH		
						DISCOONT METE	IOD: EFFECT	IVE MUN
COMMODIT	V DDTCEC		INS	SECTION TO CHEN		CASH	ELOU (MA)	
COMMODII		AVG				CASH	FLOW (MS)	
		AVG		GROSS	NEI			NET
						TOTAL DEVENUES		
OIL (\$/BBL)			LEASEHOLD			TOTAL REVENUES		331.
GAS (\$/MCF) NGL (\$/BBL)	1.42 1.42			0.	0.			
NGL (\$/BBL)	0.00 0.00			•	_	OPEX (LOE)		106.
SULPHUR (\$/TON)	0.00 0.00	0.00		0.				0.
			COMPLETION	0.	0.	PLANT		0.
\$EQUIV BOE RATIO	6.00 6.00	6.00		0.	0.	SEV & ADVA INDIRECT	L TAXES	48.
			FACILITIES	0.	0.	INDIRECT		17.
UNIT COS					0.			25.
	GROSS	NET			0.	NET ABAND/	SALV	0.
			GATHERING	0.	0.			
OPEX (\$/BOE)		2.73				NET INVESTMENTS		261.
OPEX (\$/BO\$E)		7.97	MISC INTAN	183.	183.			
F&D (\$/BOE)		6.72	MISC TAN	78.	78.	BTAX CASH FLOW		- 127.
F&D (\$/BO\$E)	15.92	19.65				INCOME TAXES PAI	D	-198.
ATAX CF (\$/BOE)		1.85	TOTAL	261. % 259.	261.	ATAX CASH FLOW		72.
ATAX CF (\$/BO\$E)		5.40	DISC a 10.0	% 259.	259.	ATAX DISC a 10.	0%	-15.
	- RESERVES & P	RODUCTION	•••••			ASSUMPTIONS & REMA	RKS	
	GROS	s	NET					
	REMAIN	ULT	REMAIN UL	.Т				
OIL (MBBLS)	0.	0.	0.	0.				
GAS (MMCF)	288.	288.	233. 2	233.				
NGL (MBBLS)	0.	0.	0.	0.				
SULPHUR (MTONS)	0.	0.	0.	0.				
EQUIVALENT RESERVES:								
BTU (MBOE)	48.	48.	39.	39.				
VALUE (MBOSE)	16.	16.	13.	13.				
INITIAL RATE:								
OIL (BBLS/DAY)	0.			0	GLOBAL FI	LES: 1= \$UNOCAL1	2= \$UNOCAL2	<u> </u>
GAS (MCF/DAY)	176.				LTKEY: U			
						···		

DATE: 04/22/91 TIME: 13:34:20 RPT FILE: 4 PG # 1 PRJ FILE: P.A. EVAL # 11

PF:P.A. EVAL #: 11

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

DATE: 04/22/91 TIME: 13:34:20 PAGE: 2

NAME : RINCON U. #291 - FT TAXCR FIELD : BASIN FRUITLAND COAL

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

	GROSS PROD	NET VOLUME	GROSS GAS	NET GAS	NET EQ PROD	EFFECTIVE	NET REV	EFFECTIVE	NET GAS	NET TOTAL
		OIL + COND			(RE: BOE)		OIL + COND		REVENUE	REVENUE
	MBBLS	7WBBT2	MMCF	MMCF	EMBBLS	\$/BBL	M\$	\$/MCF	M\$	M\$
(6MO)1990	0.0	0.0	18.0	14.6	2.4	0.00	0.0	1.49	21.7	21.7
1991	0.0	0.0	29.9	24.2		0.00	0.0	1.41	34.1	34.1
1992	0.0	0.0	19.5	15.8	2.6	0.00	0.0	1.42	22.4	22.4
1993	0.0	0.0	16.5	13.3	2.2	0.00	0.0	1.42	18.9	18.9
1994	0.0	0.0	14.8	12.0		0.00	0.0	1.42		17.0
1995	0.0	0.0	13.6	11.0	1.8	0.00	0.0	1.42	15.6	15.6
1996	0.0	0.0	12.7	10.3	1.7	0.00	0.0	1.42	14.5	14.5
1997	0.0	0.0	11.8	9.6	1.6	0.00	0.0	1.42	13.5	13.5
1998	0.0	0.0	11.1	9.0	1.5	0.00	0.0	1.42	12.8	12.8
1999	0.0	0.0	10.6	8.6	1.4	0.00	0.0	1.42	12.1	12.1
2000	0.0	0.0	10.0	8.1	1.4	0.00	0.0	1.42	11.5	11.5
2001	0.0	0.0	9.5	7.7	1.3	0.00	0.0	1.42	10.9	10.9
2002	0.0	0.0	9.1	7.3	1.2	0.00	0.0	1.42	10.4	10.4
2003	0.0	0.0	8.6	7.0	1.2	0.00	0.0	1.42	9.9	9.9
2004	0.0	0.0	8.2	6.6	1.1	0.00	0.0	1.42	9.4	9.4
SUB TOTAL	0.0	0.0	203.9	165.2	27.5	0.00	0.0	1.42	234.9	234.9
REMAINDER	0.0	0.0	83.7	67.8	11.3	0.00	0.0	1.42	96.0	96.0
TOT 29.6 YR	0.0	0.0	287.6	233.0	38.8	0.00	0.0	1.42	330.8	330.8
	NET LOE	NET	NET TOTAL	NET TOTAL	NET ADMIN	NET TOTAL	BTAX	INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXESM\$	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 6MO)1990	(FIX + VAR)M\$	WORKOVR EXPM\$	DIRECT EXP	TAXES M\$ 3.1	EXPENSE M\$ 0.5	INVESTMENT M\$ 261.0	CASHFLOW M\$ -244.0	TAXES PAIDM\$	CASHFLOW M\$ -181.7	CASHFLOW M\$ -181.7
( 6MO)1990 1991	(FIX + VAR) M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 3.1 5.0	EXPENSE M\$ 0.5 1.4	INVESTMENT M\$ 261.0 0.0	CASHFLOW M\$ -244.0 24.1	TAXES PAID M\$ -62.3 -26.3	CASHFLOW M\$ -181.7 50.4	CASHFLOW M\$ -181.7 -131.4
•	(FIX + VAR)M\$	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6	TAXES M\$ 3.1 5.0 3.3	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 261.0 0.0	CASHFLOWM\$	TAXES PAIDM\$	CASHFLOW M\$ -181.7 50.4 33.8	CASHFLOW M\$ -181.7 -131.4 -97.6
1991 1992 1993	(FIX + VAR) M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6	TAXES M\$ 3.1 5.0 3.3 2.8	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 261.0 0.0 0.0	CASHFLOW M\$ -244.0 24.1 14.1	TAXES PAID M\$ -62.3 -26.3 -19.7 -16.9	CASHFLOW M\$ -181.7 50.4 33.8 28.0	CASHFLOW M\$ -181.7 -131.4
1991 1992 1993 1994	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXES M\$ 3.1 5.0 3.3 2.8 2.5	EXPENSE M\$ 0.5 1.4 1.4 1.4	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -244.0 24.1 14.1 9.5	TAXES PAIDM\$62.3 -26.3 -19.7 -16.9 -15.1	CASHFLOW M\$ -181.7 50.4 33.8 28.0 24.6	CASHFLOW M\$ -181.7 -131.4 -97.6 -69.6 -45.0
1991 1992 1993	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXES M\$ 3.1 5.0 3.3 2.8 2.5 2.3	EXPENSE M\$ 0.5 1.4 1.4 1.4	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$62.3 -26.3 -19.7 -16.9 -15.1 -13.2	CASHFLOW M\$ -181.7 50.4 33.8 28.0	CASHFLOW M\$ -181.7 -131.4 -97.6 -69.6 -45.0 -23.5
1991 1992 1993 1994	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXES M\$ 3.1 5.0 3.3 2.8 2.5 2.3	EXPENSE M\$ 0.5 1.4 1.4 1.4	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$62.3 -26.3 -19.7 -16.9 -15.1	CASHFLOW M\$ -181.7 50.4 33.8 28.0 24.6	CASHFLOW M\$ -181.7 -131.4 -97.6 -69.6 -45.0
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXES M\$ 3.1 5.0 3.3 2.8 2.5 2.3 2.1	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$62.3 -26.3 -19.7 -16.9 -15.1 -13.2	CASHFLOW M\$ -181.7 50.4 33.8 28.0 24.6 21.5	CASHFLOW M\$ -181.7 -131.4 -97.6 -69.6 -45.0 -23.5
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6	TAXES M\$ 3.1 5.0 3.3 2.8 2.5 2.3 2.1 2.0	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4	INVESTMENT 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$62.3 -26.3 -19.7 -16.9 -15.1 -13.2 -10.0	CASHFLOWM\$181.7 50.4 33.8 28.0 24.6 21.5 17.4	CASHFLOWM\$181.7 -131.4 -97.6 -69.6 -45.0 -23.5 -6.1
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXES M\$ 3.1 5.0 3.3 2.8 2.5 2.3 2.1 2.0	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENT 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$62.3 -26.3 -19.7 -16.9 -15.1 -13.2 -10.0 -8.3	CASHFLOWM\$181.7 50.4 33.8 28.0 24.6 21.5 17.4 14.8	CASHFLOWM\$181.7 -131.4 -97.6 -69.6 -45.0 -23.5 -6.1 8.8
1991 1992 1993 1994 1995 1996 1997 1998	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.1 5.0 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENT 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$62.3 -26.3 -19.7 -16.9 -15.1 -13.2 -10.0 -8.3 -6.7	CASHFLOWM\$181.7 50.4 33.8 28.0 24.6 21.5 17.4 14.8 12.6	CASHFLOWM\$181.7 -131.4 -97.6 -69.6 -45.0 -23.5 -6.1 8.8 21.3
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.1 5.0 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8 1.7	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENT 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$62.3 -26.3 -19.7 -16.9 -15.1 -13.2 -10.0 -8.3 -6.7 -6.5	CASHFLOWM\$181.7 50.4 33.8 28.0 24.6 21.5 17.4 14.8 12.6 11.8	CASHFLOWM\$181.7 -131.4 -97.6 -69.6 -45.0 -23.5 -6.1 8.8 21.3 33.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.1 5.0 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$62.3 -26.3 -19.7 -16.9 -15.1 -13.2 -10.0 -8.3 -6.7 -6.5 -6.2	CASHFLOWM\$181.7 50.4 33.8 28.0 24.6 21.5 17.4 14.8 12.6 11.8	CASHFLOWM\$181.7 -131.4 -97.6 -69.6 -45.0 -23.5 -6.1 8.8 21.3 33.1 44.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.1 5.0 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$62.3 -26.3 -19.7 -16.9 -15.1 -13.2 -10.0 -8.3 -6.7 -6.5 -6.2 -6.0	CASHFLOWM\$181.7 50.4 33.8 28.0 24.6 21.5 17.4 14.8 12.6 11.8 11.0 10.3	CASHFLOWM\$181.7 -131.4 -97.6 -69.6 -45.0 -23.5 -6.1 8.8 21.3 33.1 44.1 54.4
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.1 5.0 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$62.3 -26.3 -19.7 -16.9 -15.1 -13.2 -10.0 -8.3 -6.7 -6.5 -6.2 -6.0 -5.8	CASHFLOWM\$181.7 50.4 33.8 28.0 24.6 21.5 17.4 14.8 12.6 11.8 11.0 10.3 9.6	CASHFLOWM\$181.7 -131.4 -97.6 -69.6 -45.0 -23.5 -6.1 8.8 21.3 33.1 44.1 54.4 64.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.1 5.0 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$62.3 -26.3 -19.7 -16.9 -15.1 -13.2 -10.0 -8.3 -6.7 -6.5 -6.2 -6.0 -5.8 1.3	CASHFLOWM\$181.7 50.4 33.8 28.0 24.6 21.5 17.4 14.8 12.6 11.8 11.0 10.3 9.6 2.1	CASHFLOWM\$181.7 -131.4 -97.6 -69.6 -45.0 -23.5 -6.1 8.8 21.3 33.1 44.1 54.4 64.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.1 5.0 3.3 2.8 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5 1.4 34.4	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 261.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW	TAXES PAIDM\$62.3 -26.3 -19.7 -16.9 -15.1 -13.2 -10.0 -8.3 -6.7 -6.5 -6.2 -6.0 -5.8 1.3	CASHFLOWM\$181.7 50.4 33.8 28.0 24.6 21.5 17.4 14.8 12.6 11.8 11.0 10.3 9.6 2.1 1.8	CASHFLOWM\$181.7 -131.4 -97.6 -69.6 -45.0 -23.5 -6.1 8.8 21.3 33.1 44.1 54.4 64.1 66.2 68.0

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

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AME : RINCON U. #291 - FT TAXCR IELD : BASIN FRUITLAND COAL

INTY, STATE: NEW MEXICO ORMATION : FRUITLAND COAL PERATOR : UNOCAL

		TOTAL GROSS		NET NGL	EFFECTIVE	NET NGL REVENUE	NET SULPHUR		NET TRANS	
`	•		GROSS WELLS		NGL PRICE				+TREAT+COMP	
6MO)1990	261.0	1.2		0.0		0.0	0.0			
·	0.0	3.6		0.0		0.0	0.0	0.0		0.0
1991				0.0	0.00	0.0	0.0			0.0
1992	0.0	3.6						0.0		0.0
1993	0.0	3.6		0.0	0.00	0.0	0.0			0.0
1994	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1995	0.0	3.6		0.0		0.0	0.0			0.0
1996	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1997	0.0	3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
1998	0.0	3.6		0.0	0.00	0.0	0.0			0.0
1999	0.0	3.6		0.0 0.0	0.00 0.00	0.0	0.0 0.0	0.0	0.0	0.0
2000 2001	0.0 0.0	3.6 3.6	1.0 1.0	0.0		0.0 0.0	0.0	0.0	0.0	0.0
	0.0			0.0	0.00		0.0	0.0	0.0	0.0
2002 2003	0.0	3.6 3.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
2003		3.6	-		0.00	0.0		0.0	0.0	0.0
	0.0			0.0		0.0	0.0	0.0	0.0	0.0
SUB TOTAL	261.0	51.6		0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	54.3		0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 29.6 YR	261.0	105.9	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
( 6MO)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\$ 0.0	AMORT M\$ 3.7
( 6MO)1990 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	FACILITIES M\$ 0.0 0.0	PLATFORM M\$ 0.0 0.0	PIPELINE M\$ 0.0 0.0	DEPREC M\$ 11.1 19.1	DEPLETION M\$ 0.0 0.0	AMORT M\$ 3.7 11.0
( 6MO)1990 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 0.0	PLATFORM M\$ 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0	DEPRECM\$ 11.1 19.1 13.6	DEPLETION M\$ 0.0 0.0	AMORT M\$ 3.7 11.0 11.0
( 6MO)1990 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	COMPLETIONM\$ 0.0 0.0 0.0 0.0	FACILITIES M\$ 0.0 0.0 0.0 0.0	PLATFORM M\$ 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPREC M\$ 11.1 19.1 13.6 9.7	DEPLETION M\$ 0.0 0.0 0.0 0.0	AMORT M\$ 3.7 11.0 11.0
( 6M0)1990 1991 1992 1993 1994	LEASEHOLD M\$ 0.0 0.0 0.0 0.0	DRY HOLE M\$ 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	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPREC M\$ 11.1 19.1 13.6 9.7 7.0	DEPLETION M\$ 0.0 0.0 0.0 0.0	AMORT M\$ 3.7 11.0 11.0 11.0
( 6M0)1990 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	DRILLINGM\$ 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	FACILITIESM\$ 0.0 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	DEPREC M\$ 11.1 19.1 13.6 9.7 7.0 7.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.7 11.0 11.0 11.0 11.0 7.3
( 6M0)1990 1991 1992 1993 1994 1995 1996	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	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 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	DEPREC M\$ 11.1 19.1 13.6 9.7 7.0 7.0 7.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.7 11.0 11.0 11.0 11.0 7.3 0.0
( 6M0)1990 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	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 0.0	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 11.1 19.1 13.6 9.7 7.0 7.0 7.0 3.5	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.7 11.0 11.0 11.0 11.0 7.3 0.0 0.0
( 6M0)1990 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	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 11.1 19.1 13.6 9.7 7.0 7.0 7.0 3.5 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.7 11.0 11.0 11.0 7.3 0.0 0.0
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( 6M0)1990 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 19.1 13.6 9.7 7.0 7.0 7.0 3.5 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\$ 3.7 11.0 11.0 11.0 11.0 7.3 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0

PF:P.A. EVAL #: 11

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

DATE: 04/22/91 TIME: 13:34:22 PAGE: 4

JAME : RINCON U. #291 - FT TAXCR = IELD : BASIN FRUITLAND COAL

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

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( 6MO)1990	21218.8	14.4	0.840	0.000	14.4
1991	35289.7	24.0	0.840	0.000	24.0
1992	23068.8	15.7	0.840	0.000	15.7
1993	19436.6	13.2	0.840	0.000	13.2
1994	17500.5	11.9	0.840	0.000	11.9
1995	16087.6	10.9	0.840	0.000	10.9
1996	14961.5	10.2	0.840	0.000	10.2
1997	13918.2	9.5	0.840	0.000	9.5
1998	13123.6	8.9	0.840	0.000	8.9
1999	12467.5	8.5	0.840	0.000	8.5
- 2000	11844.1	8.1	0.840	0.000	8.1
2001	11251.9	7.7	0.840	0.000	7.7
2002	10689.3	7.3	0.840	0.000	7.3
2003	10154.8	0.0	0.000	0.000	0.0
2004	9647.1	0.0	0.000	0.000	0.0
SUB TOTAL	240659.8	150.3	0.840	0.000	150.3
REMAINDER	98737.8	0.0	0.000	0.000	0.0
TOT 29.6 YR	339397.6	150.3	0.840	0.000	150.3

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             JUL 1990 JUL 1990 SEP 1990
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30 NAME
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50 FORMATION
70 OPERATOR
               "UNOCAL
30 ECONOMICS
               ELIM
90 OWNERSHIP
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                "PROD DECLINE BASED ON AVG WELL CASE
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160 GPROD
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                        MON 183000. 0.
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                          CON 3.5
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110 FACTOR
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120 CADD
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370 ULTIMATE
               GPROD 420.
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GLOBAL FILE: \$UNOCAL2

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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 35: South/2

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 #292 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #292 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

This application is predicated on six months of actual production history from the Rincon Unit #292 well which first delivered on September 6, 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 September 1, 1990.

Dated this 22nd day of July, 1991.

Bill Hering District Petroleum Engineer

Union Oil Company of California

Well Summary

Well Name: Rincon Unit #292

Location: 2265'FSL, 1555'FWL, Sec 35, T27N, R7W

Elevation: 6586' GL Total Depth: 2949'

Lease Number: SF-080385

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 4-22-90

Completion Date: 5-12-90 1st Delivery Date: 9-6-90

Perf'd Interval: 2866-2873, 2880-2895.

### 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 #292 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 227 feet and cemented with 300 sacks to surface. Production casing measuring 4-1/2" was then set at 2949 feet and cemented in two stages to surface with 720 sacks cement. After drilling out to PBTD of 2944' the lower coal zone was perforated from 2866'- 2895' with 4 shots per foot and fracture stimulated with 206,140# 20/40 sand, 6700# 100 mesh sand and 56,700 gallons crosslinked gel water. The recorded initial potential and 24 hour shut-in pressure were 376 MCFD and 580 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 6, 1990. The current deliverability for the well against a 150# line pressure is 119 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.39 Bcf.

Net Pay: 46 ft

Drainage area: 160 acres Gas Content: 158 SCF/ton

Tonnage Factor: 1982 tons/acre-feet (from density log)

Recovery Factor: 17%

**Economics** 

Completion Cost: \$228,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 256 MCFD, Current - 105 MCFD,

No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 4.9 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

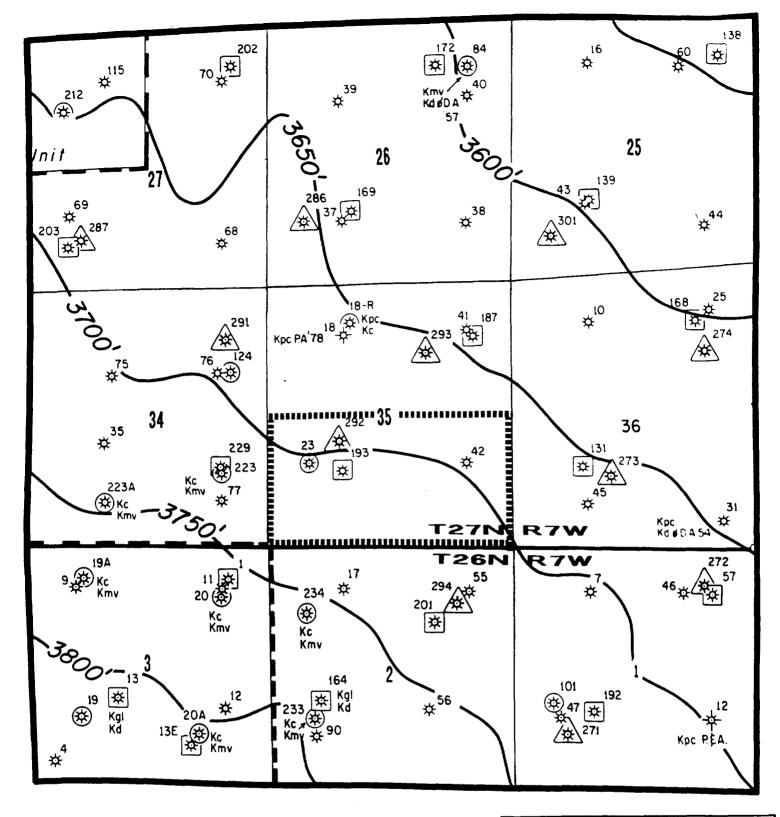
BEFORE ME, the undersigned authority on this day personally appeared Bill Hering, District Petroleum Engineer, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

- 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 the S/2 Section 35, 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.

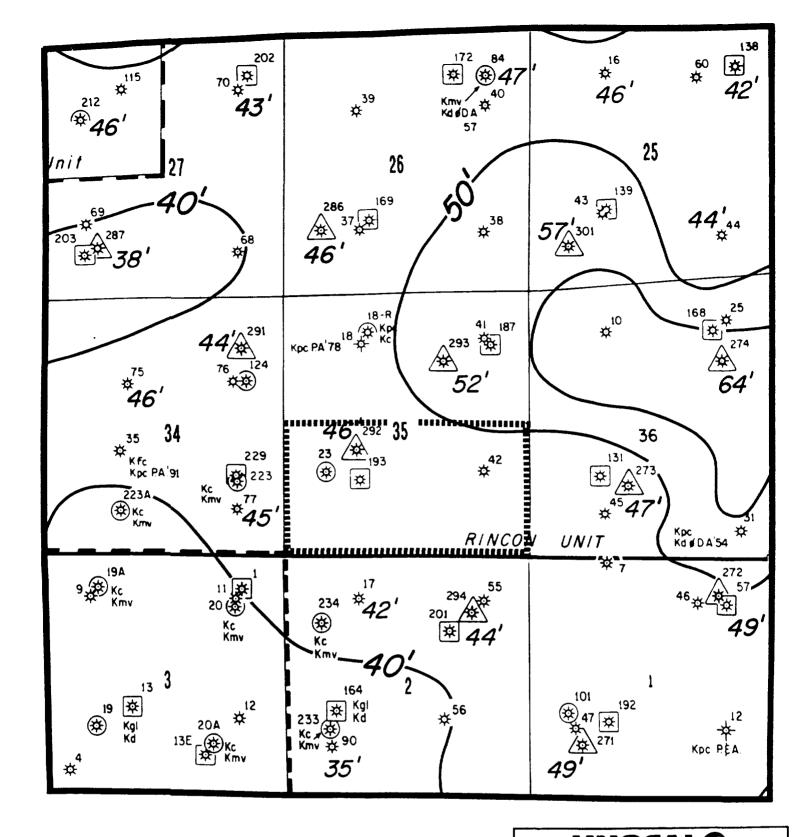
SUBSCRIBED AND SWORN TO before ne, this undersigned authority, on this day of

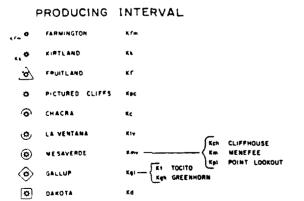
Notary Public in and for San Juan County, New Mexico

My Commission Expires:



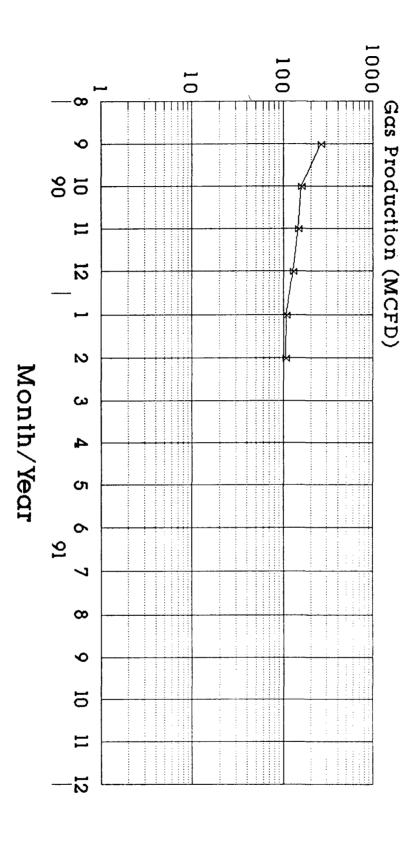








# RIO ARRIBA COUNTY, NEW MEXICO RINCON UNIT #292



Production based on actual days on

—<del>∗</del>— Gαs

### UNOCAL North American Oil & Gas Division Economic Report Summary

REGION: Southwestern

DISTRICT: Farmington

CNTYSTATE: New Mexico

PROJECT	NAME:	RINCON	U.	#292	-	FT	TAXCR	

LOCATION:

		UDGET CAT						TIVE DATI SED BY	E: FEB 0 :		
	IDE	NTIFICATI	ON			- PROFIT	INDICES		PRESENT	WORTH PROFI	!LE
							BTAX	ATAX			
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	.ock :			`			-0.30		RATE (%)	(M\$)	(M\$)
	ION : FRUIT	LAND COAL			DISC 6	10.0%	-0.53				
	DEPTH:				DISC	15.0%	-0.59	-0.02	0.0	-68.	120.
OPERAT		ι				RATIO (IE			5.0	-100.	62.
AFE #		•				COUNTED	-0.30	0.65	10.0	-120.	23.
	(YRS): 31.2						-0.53		15.0	-134.	-5.
						15.0%	-0.59		20.0	-143.	-25.
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					KATE OF	KETOKII (%		14.0	DISCOUNT MET		
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		BEG		AVG			GROSS	NET			NET
OIL	(\$/BBL)	0.00	0.00	0.00	LEASEHOL		0.		TOTAL REVENUES		370.
GAS	(\$/MCF)	1.52	1.42	1.45	DRY HOLE		0.	0.	EXPENSES:		
NGL	(\$/BBL)	0.00	0.00	0.00					OPEX (LOE	)	111.
SULPHU	JR (\$/TON)	0.00	0.00	0.00	DRILLING	ì	0.	0.	WORKOVER		0.
					COMPLET	ON	0.	0.	PLANT		0.
\$EQU1V	BOE RATIO	6.00	6.00	6.00	PLATFORM	1	0.	0.	SEV & ADV	AL TAXES	53.
					FACILITI	ES	0.	0.	INDIRECT		18.
	UNIT C	OST PERFO	RMANCE -		PIPELINE		0.	0.	OVERHEAD		26.
			ROSS	NET	PLANT		0.	0.	NET ABAND	/SALV	0.
					GATHERIN	IG	0.	0.			
OPEX	(\$/BOE)		2.12	2.61					NET INVESTMENTS		228.
	(\$/BO\$E)			7.50	MISC IN	AN	160.	160.			
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F&D	(\$/BO\$E)			15.37					INCOME TAXES PA		- 187.
	F (\$/BOE)			2.81	יחד	TAL	228.	228.	ATAX CASH FLOW	••	120.
	CF (\$/BO\$E)			8.06	DISC a		226.	226.		.0%	23.
								/	ASSUMPTIONS & REM	ARKS	
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2021 110	(			٠.	٠.						

DATE: 04/22/91	TIME: 1	 3 • 3 6 • 1 0	RPT FILE	. 4	PG #	13	PRJ FILE: P.A.	EVAL #	14
GAS (MCF/DAY)	256.					ALTKE'	Y: USA		
OIL (BBLS/DAY)	0.					GLOBA	L FILES: 1= \$UNOCAL1	2= \$UNOCAL2	
INITIAL RATE:									
VALUE (MBOSE)	18.	18.	15.	15.					
EQUIVALENT RESERVES: BTU (MBOE)	53.	53.	43.	43.					

∍F:P.A. EVAL #: 14

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

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IAME : RINCON U. #292 - FT TAXCR IELD : BASIN FRUITLAND COAL

ONTY, STATE: NEW MEXICO FORMATION : FRUITLAND COAL DPERATOR : UNOCAL

	OIL + COND	NET VOLUME OIL + COND	PRODUCTION	VOLUME	NET EQ PROD (RE: BOE)	O+C PRICE	NET REV OIL + COND		NET GAS REVENUE	NET TOTAL REVENUE
	MBBLS	`			EMBBLS					M\$
( 7MO)1990	0.0	0.0	20.8	16.8		0.00	0.0	1.85	31.2	31.2
1991	0.0	0.0	30.7	24.8	4.1	0.00	0.0	1.44	35.7	35.7
1992	0.0	0.0	20.7	16.8	2.8	0.00	0.0	1.42	23.8	23.8
1993	0.0	0.0	17.7	14.3	2.4	0.00	0.0	1.42	20.3	20.3
1994	0.0	0.0	15.9	12.9	2.2	0.00	0.0	1.42	18.3	18.3
1995	0.0	0.0	14.7	11.9	2.0	0.00	0.0	1.42	16.8	16.8
1996	0.0	0.0	13.7	11.1	1.8	0.00	0.0	1.42	15.7	15.7
1997	0.0	0.0	12.7	10.3	1.7	0.00	0.0	1.42	14.6	14.6
1998	0.0	0.0	12.0	9.7		0.00	0.0	1.42	13.8	13.8
1999	0.0	0.0	11.4	9.2	1.5	0.00	0.0	1.42	13.1	13.1
2000	0.0	0.0	10.8	8.8	1.5	0.00	0.0	1.42	12.4	12.4
2001	0.0	0.0	10.3	8.3	1.4	0.00	0.0	1.42	11.8	11.8
2002	0.0	0.0	9.8	7.9	1.3	0.00	0.0	1.42	11.2	11.2
2003	0.0	0.0	9.3	7.5	1.3	0.00	0.0	1.42	10.7	10.7
2004	0.0	0.0	8.8	7.1		0.00	0.0	1.42	10.1	10.1
SUB TOTAL	0.0	0.0	219.3	177.6		0.00	0.0	1.46	259.4	259.4
REMAINDER	0.0	0.0	96.0	77.8	13.0	0.00	0.0	1.42	110.1	110.1
TOT 31.2 YR	0.0	0.0	315.3	255.4	42.6	0.00	0.0	1.45	369.5	369.5
	NET LOE	NET		NET TOTAL		NET TOTAL	BTAX	INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 7MO)1990	(FIX + VAR) M\$ 1.2	WORKOVR EXP	DIRECT EXP M\$ 1.2	TAXES M\$ 3.9	EXPENSE M\$ 0.5	INVESTMENT M\$ 228.0	CASHFLOW M\$ -202.3	TAXES PAIDM\$	CASHFLOW M\$ -147.9	CASHFLOW M\$ -147.9
1991	(FIX + VAR) M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 3.9 5.2	EXPENSE M\$ 0.5 1.4	INVESTMENT M\$ 228.0 0.0	CASHFLOW M\$ -202.3 25.5	TAXES PAID M\$ -54.4 -24.9	CASHFLOW M\$ -147.9 50.4	CASHFLOW M\$ -147.9 -97.5
1991 1992	(FIX + VAR)M\$ 1.2 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6	TAXES M\$ 3.9 5.2 3.5	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 228.0 0.0 0.0	CASHFLOW M\$ -202.3 25.5 15.2	TAXES PAID M\$ -54.4 -24.9 -19.0	CASHFLOW M\$ -147.9 50.4 34.3	CASHFLOW M\$ -147.9 -97.5 -63.3
1991 1992 1993	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6	TAXES M\$ 3.9 5.2 3.5 3.0	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 228.0 0.0 0.0	CASHFLOW M\$ -202.3 25.5 15.2 12.3	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4	CASHFLOW M\$ -147.9 50.4 34.3 28.7	CASHFLOW M\$ -147.9 -97.5 -63.3 -34.6
1991 1992 1993 1994	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXES M\$ 3.9 5.2 3.5 3.0 2.7	EXPENSE M\$ 0.5 1.4 1.4 1.4	INVESTMENTM\$ 228.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -202.3 25.5 15.2 12.3 10.6	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4 -14.7	CASHFLOW M\$ -147.9 50.4 34.3 28.7 25.3	CASHFLOW M\$ -147.9 -97.5 -63.3 -34.6 -9.3
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.9 5.2 3.5 3.0 2.7 2.5	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4	INVESTMENTM\$ 228.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -202.3 25.5 15.2 12.3 10.6 9.3	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4 -14.7 -13.0	CASHFLOW M\$ -147.9 50.4 34.3 28.7 25.3 22.3	CASHFLOW M\$ -147.9 -97.5 -63.3 -34.6 -9.3 13.0
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.9 5.2 3.5 3.0 2.7 2.5 2.3	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4	INVESTMENTM\$ 228.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$202.3 25.5 15.2 12.3 10.6 9.3 8.3	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4 -14.7 -13.0 -10.1	CASHFLOWM\$147.9 50.4 34.3 28.7 25.3 22.3 18.4	CASHFLOWM\$147.9 -97.5 -63.3 -34.6 -9.3 13.0 31.5
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.9 5.2 3.5 3.0 2.7 2.5 2.3 2.1	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 228.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$202.3 25.5 15.2 12.3 10.6 9.3 8.3 7.4	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4 -14.7 -13.0 -10.1 -8.5	CASHFLOWM\$147.9 50.4 34.3 28.7 25.3 22.3 18.4 15.9	CASHFLOWM\$147.9 -97.5 -63.3 -34.6 -9.3 13.0 31.5 47.4
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.9 5.2 3.5 3.0 2.7 2.5 2.3 2.1 2.0	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 228.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$202.3 25.5 15.2 12.3 10.6 9.3 8.3 7.4 6.7	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4 -14.7 -13.0 -10.1 -8.5 -7.1	CASHFLOWM\$147.9 50.4 34.3 28.7 25.3 22.3 18.4 15.9 13.8	CASHFLOWM\$147.9 -97.5 -63.3 -34.6 -9.3 13.0 31.5 47.4 61.2
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.9 5.2 3.5 3.0 2.7 2.5 2.3 2.1 2.0 1.9	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 228.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$202.3 25.5 15.2 12.3 10.6 9.3 8.3 7.4 6.7 6.1	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4 -14.7 -13.0 -10.1 -8.5 -7.1 -6.8	CASHFLOWM\$147.9 50.4 34.3 28.7 25.3 22.3 18.4 15.9 13.8 13.0	CASHFLOWM\$147.9 -97.5 -63.3 -34.6 -9.3 13.0 31.5 47.4 61.2 74.2
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.9 5.2 3.5 3.0 2.7 2.5 2.3 2.1 2.0 1.9 1.8	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 228.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$202.3 25.5 15.2 12.3 10.6 9.3 8.3 7.4 6.7 6.1 5.6	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4 -14.7 -13.0 -10.1 -8.5 -7.1 -6.8 -6.6	CASHFLOWM\$147.9 50.4 34.3 28.7 25.3 22.3 18.4 15.9 13.8 13.0 12.1	CASHFLOWM\$147.9 -97.5 -63.3 -34.6 -9.3 13.0 31.5 47.4 61.2 74.2 86.3
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.9 5.2 3.5 3.0 2.7 2.5 2.3 2.1 2.0 1.9 1.8 1.7	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 228.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$202.3 25.5 15.2 12.3 10.6 9.3 8.3 7.4 6.7 6.1 5.6 5.0	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4 -14.7 -13.0 -10.1 -8.5 -7.1 -6.8 -6.6 -6.3	CASHFLOWM\$147.9 50.4 34.3 28.7 25.3 22.3 18.4 15.9 13.8 13.0 12.1 11.4	CASHFLOWM\$147.9 -97.5 -63.3 -34.6 -9.3 13.0 31.5 47.4 61.2 74.2 86.3 97.7
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.9 5.2 3.5 3.0 2.7 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 228.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$202.3 25.5 15.2 12.3 10.6 9.3 8.3 7.4 6.7 6.1 5.6 5.0 4.5	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4 -14.7 -13.0 -10.1 -8.5 -7.1 -6.8 -6.6 -6.3 -6.1	CASHFLOWM\$147.9 50.4 34.3 28.7 25.3 22.3 18.4 15.9 13.8 13.0 12.1 11.4 10.7	CASHFLOWM\$147.9 -97.5 -63.3 -34.6 -9.3 13.0 31.5 47.4 61.2 74.2 86.3 97.7 108.4
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.9 5.2 3.5 3.0 2.7 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.6	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 228.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$202.3 25.5 15.2 12.3 10.6 9.3 8.3 7.4 6.7 6.1 5.6 5.0 4.5	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4 -14.7 -13.0 -10.1 -8.5 -7.1 -6.8 -6.6 -6.3 -6.1 1.5	CASHFLOWM\$147.9 50.4 34.3 28.7 25.3 22.3 18.4 15.9 13.8 13.0 12.1 11.4 10.7 2.5	CASHFLOWM\$147.9 -97.5 -63.3 -34.6 -9.3 13.0 31.5 47.4 61.2 74.2 86.3 97.7 108.4 110.9
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.9 5.2 3.5 3.0 2.7 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.6 1.5	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 228.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$202.3 25.5 15.2 12.3 10.6 9.3 8.3 7.4 6.7 6.1 5.6 5.0 4.5 4.1 3.6	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4 -14.7 -13.0 -10.1 -8.5 -7.1 -6.8 -6.6 -6.3 -6.1 1.5	CASHFLOWM\$147.9 50.4 34.3 28.7 25.3 22.3 18.4 15.9 13.8 13.0 12.1 11.4 10.7 2.5 2.2	CASHFLOWM\$
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 SUB TOTAL	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.9 5.2 3.5 3.0 2.7 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.5 37.3	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 228.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$202.3 25.5 15.2 12.3 10.6 9.3 8.3 7.4 6.7 6.1 5.6 5.0 4.5 4.1 3.6 -78.0	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4 -14.7 -13.0 -10.1 -8.5 -7.1 -6.8 -6.6 -6.3 -6.1 1.5 1.4 -191.2	CASHFLOWM\$147.9 50.4 34.3 28.7 25.3 22.3 18.4 15.9 13.8 13.0 12.1 11.4 10.7 2.5 2.2 113.1	CASHFLOWM\$
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 3.9 5.2 3.5 3.0 2.7 2.5 2.3 2.1 2.0 1.9 1.8 1.7 1.6 1.6 1.5	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 228.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$202.3 25.5 15.2 12.3 10.6 9.3 8.3 7.4 6.7 6.1 5.6 5.0 4.5 4.1 3.6	TAXES PAIDM\$54.4 -24.9 -19.0 -16.4 -14.7 -13.0 -10.1 -8.5 -7.1 -6.8 -6.6 -6.3 -6.1 1.5	CASHFLOWM\$147.9 50.4 34.3 28.7 25.3 22.3 18.4 15.9 13.8 13.0 12.1 11.4 10.7 2.5 2.2	CASHFLOWM\$147.9 -97.5 -63.3 -34.6 -9.3 13.0 31.5 47.4 61.2 74.2 86.3 97.7 108.4 110.9 113.1

F:P.A. :VAL #: 14

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

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:AME : RINCON U. #292 - FT TAXCR
IELD : BASIN FRUITLAND COAL

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

	GROSS TOTAL		NUMBER GROSS WELLS	NET NGL VOLUME	EFFECTIVE NGL PRICE	NET NGL REVENUE	NET	NET PLANT		NET ABAND
`				MBBLS			SULPHUR		+TREAT+COMP	
. 7MO)1990	228.0	1.2		0.0	0.00	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
1991		3.6	1.0					0.0	0.0	0.0
	0.0			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 2000	0.0	3.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
	0.0	3.6 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 2003	0.0		1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2003	0.0	3.6 3.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
	0.0		1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
SUB TOTAL	228.0	51.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	59.7		0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 31.2 YR	228.0	111.3	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		FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
( 7MO)1990	LEASEHOLD M\$ 0.0	DRY HOLEM\$	DRILLING M\$ 0.0	COMPLETIONM\$ 0.0	FACILITIES M\$ 0.0	PLATFORM	PIPELINE M\$ 0.0	DEPREC	DEPLETION	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	FACILITIES M\$ 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 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 0.0	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0 0.0 0.0	DEPREC M\$ 9.7	DEPLETION M\$ 0.0	AMORT M\$ 3.2
1991 1992 1993	LEASEHOLD M\$ 0.0 0.0 0.0	DRY HOLE M\$ 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	FACILITIESM\$ 0.0 0.0 0.0 0.0	PLATFORM M\$ 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0	DEPREC M\$ 9.7 16.7	DEPLETION M\$ 0.0 0.0	AMORT M\$ 3.2 9.6
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	PLATFORMM\$ 0.0 0.0 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0 0.0	DEPREC 9.7 16.7 11.9 8.5 6.1	DEPLETION M\$ 0.0 0.0 0.0	AMORT M\$ 3.2 9.6 9.6
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	DRILLINGM\$ 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	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	DEPREC 9.7 16.7 11.9 8.5 6.1 6.1	DEPLETION M\$ 0.0 0.0 0.0 0.0	AMORT M\$ 3.2 9.6 9.6 9.6
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 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	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	DEPREC 9.7 16.7 11.9 8.5 6.1 6.1 6.1	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 3.2 9.6 9.6 9.6 9.6
1991 1992 1993 1994 1995 1996	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	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	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	DEPREC 9.7 16.7 11.9 8.5 6.1 6.1 3.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.2 9.6 9.6 9.6 9.6 6.4
1991 1992 1993 1994 1995 1996 1997 1998	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	DEPREC 9.7 16.7 11.9 8.5 6.1 6.1 3.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.2 9.6 9.6 9.6 9.6 6.4 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 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	DEPREC 9.7 16.7 11.9 8.5 6.1 6.1 3.0 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.2 9.6 9.6 9.6 9.6 6.4 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	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	DEPREC 9.7 16.7 11.9 8.5 6.1 6.1 3.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.2 9.6 9.6 9.6 9.6 6.4 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	DEPREC 9.7 16.7 11.9 8.5 6.1 6.1 3.0 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.2 9.6 9.6 9.6 9.6 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	DEPREC 9.7 16.7 11.9 8.5 6.1 6.1 3.0 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\$ 9.6 9.6 9.6 9.6 6.4 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	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	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC 9.7 16.7 11.9 8.5 6.1 6.1 3.0 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\$ 3.2 9.6 9.6 9.6 9.6 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	DEPREC 9.7 16.7 11.9 8.5 6.1 6.1 3.0 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\$ 9.6 9.6 9.6 9.6 6.4 0.0 0.0 0.0 0.0 0.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 SUB TOTAL	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	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC 9.7 16.7 11.9 8.5 6.1 6.1 3.0 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\$ 9.6 9.6 9.6 9.6 6.4 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	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	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC 9.7 16.7 11.9 8.5 6.1 6.1 3.0 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\$ 3.2 9.6 9.6 9.6 9.6 6.4 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0

PÉ:P.A. EVAL #: 14

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

DATE: 04/22/91 TIME: 13:36:22 PAGE: 16

IAME : RINCON U. #292 - FT TAXCR
IIELD : BASIN FRUITLAND COAL

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

-	TEMP #1	TEMP #2	TEMP #5	TEMP #6	NET CREDITS INPUT
( 7MO)1990	24545.2	16.7	0.840	0.000	16.7
1991	36172.9	24.6	0.840	0.000	24.6
1992	24445.7	16.6	0.840	0.000	16.6
1993	20880.1	14.2	0.840	0.000	14.2
1994	18810.6	12.8	0.840	0.000	12.8
1995	17329.8	11.8	0.840	0.000	11.8
1996	16116.7	11.0	0.840	0.000	11.0
1997	14998.2	10.2	0.840	0.000	10.2
1998	14162.0	9.6	0.840	0.000	9.6
1999	13453.9	9.2	0.840	0.000	9.2
20.00	12781.2	8.7	0.840	0.000	8.7
2001	12142.2	8.3	0.840	0.000	8.3
2002	11535.1	7.8	0.840	0.000	7.8
2003	10958.3	0.0	0.000	0.000	0.0
2004	10410.4	0.0	0.000	0.000	0.0
SUB TOTAL	258742.1	161.5	0.840	0.000	161.5
REMAINDER	113307.5	0.0	0.000	0.000	0.0
TOT 31.2 YR	372049.7	161.5	0.840	0.000	161.5

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VALUATION #14 IN PROJECT FILE "P.A.
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O DATES
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O NAME
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0 FIELD
0 CNTYSTATE
               "NEW MEXICO
30 FORMATION
               "FRUITLAND COAL
               "UNOCAL
'0 OPERATOR
30 ECONOMICS
              ELIM
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0 OWNERSHIP
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                 "FIRST 6 MONTHS = ACTUAL PROD.
130 COMMENT
140 GPROD
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150 GPROD
                          EXP * * * 28. 14.
160 GPROD
                         EXP * * * 10. 25.
170 GPROD
                         EXP * * * 7. 36.
180 GPROD
                          EXP * * * 5.
190 GPROD
                    I MON 68000. 0. 0.
210 TAN
                    I MON 160000. 0.
220 INTAN
240 PRGAS
                    Ρ
                          MON 1.29 1.54 1.89 1.8 1.37
                          CON 1.2
260 PRGAS
               1.18 PRGAS
290 FACTOR
               P
310 LOETOT
                          CON 300.
                         CON 3.5
320 AVALPS
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10 COMMENT
               "TO 2003
20 COMMENT
                         CON 0.
30 TEMP1
               TEMP1 GPROD
40 CADD
50 FACTOR
               1000. TEMP1
              1.18 TEMP1
50 FACTOR
70 TEMP5
               JAN 1990 CON 0.84
                JAN 2003 CON 0.
80 TEMP5
               TEMP2 TEMP1
TEMP5 TEMP2
90 CADD
100 CFACTOR
110 FACTOR
               0.809987 TEMP2
                TAXCR TEMP2
120 CADD
130 FACTOR
               0.001 TEMP2
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370 ULTIMATE GPROD 390.
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GLOBAL FILE: \$UNOCAL2

LOBAL FILE: SUNOCAL1

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 2:

Containing 640 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 #294 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #294 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

This application is predicated on six months of actual production history from the Rincon Unit #294 well which first delivered on September 6, 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 September 1, 1990.

Dated this 22nd day of July, 1991.

Bill Hering

District Petroleum Engineer Union Oil Company of California Well Summary

Well Name: Rincon Unit #294

Location: 1219'FNL, 1246'FEL, Sec 2, T26N, R7W

Elevation: 6640' GL Total Depth: 2969' Lease Number: E-291-3

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 6-19-90

Completion Date: 7-22-90 1st Delivery Date: 9-6-90

Perf'd Interval: 2822, 2830-2838, 2888-2890, 2892-2896, 2898-2901,

2905-2920.

### 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 #294 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 2969 feet and cemented in two stages to surface with 750 sacks cement. After drilling out to PBTD of 2964' the upper and lower coal zones were perforated from 2822'-2920' with 4 shots per foot and fracture stimulated with 120,000# 20/40 sand, .75 MMSCF N2 and 24,000 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 300 MCFD and 605 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 6, 1990. The current deliverability for the well against a 150# line pressure is 107 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.48 Bcf.

Net Pay: 44 ft

Drainage area: 160 acres Gas Content: 198 SCF/ton

Tonnage Factor: 2037 tons/acre-feet (from density log)

Recovery Factor: 17%

**Economics** 

Completion Cost: \$239,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 161 MCFD, Current - 93 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

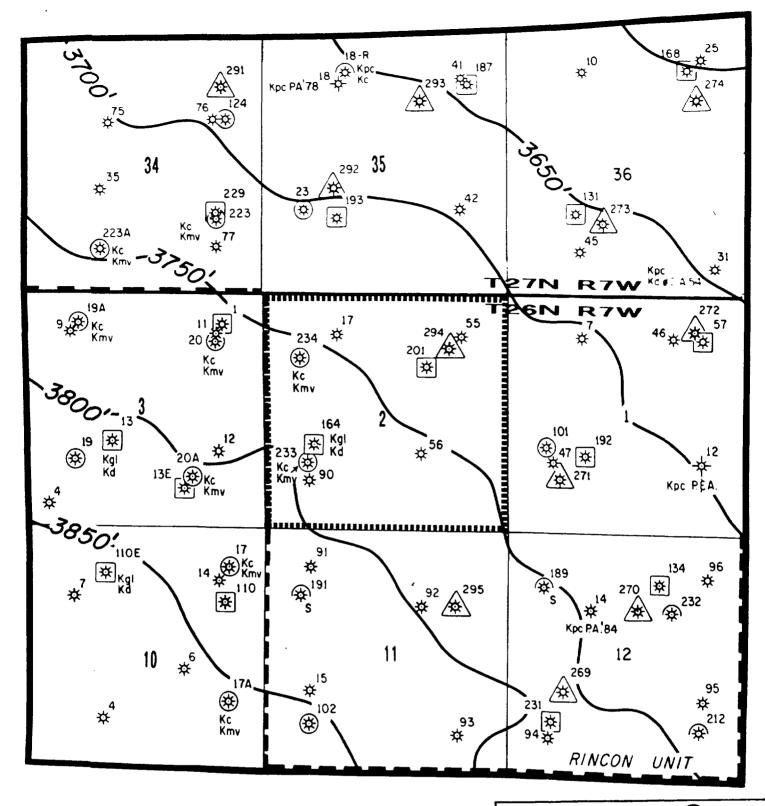
BEFORE ME, the undersigned authority on this day personally appeared Bill Hering, District Petroleum Engineer, known to me to be the person whose name is subscribed to this instrument, who, having been by me first duly sworn, upon oath states as follows:

- 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 2, T26N-R7W, comprising 640 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.

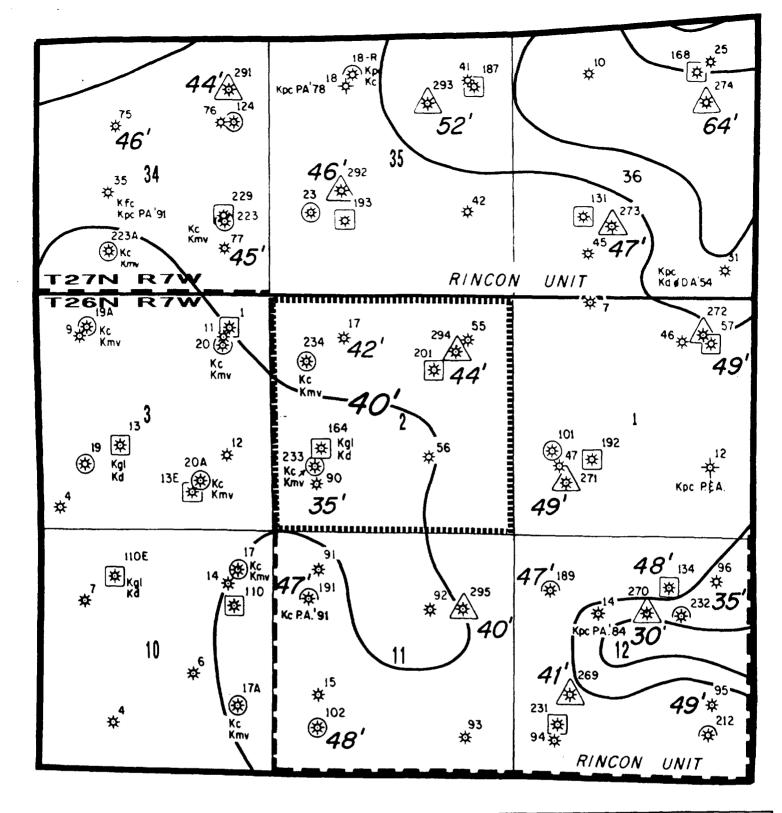
SUBSCRIBED AND SWORN TO before me, this undersigned authority, on this day of

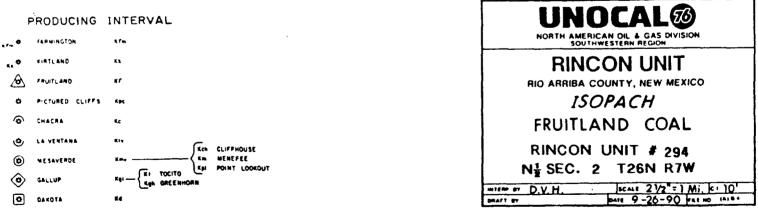
Notary Public in and for San Juan County, New Mexico

My Commission Expires:

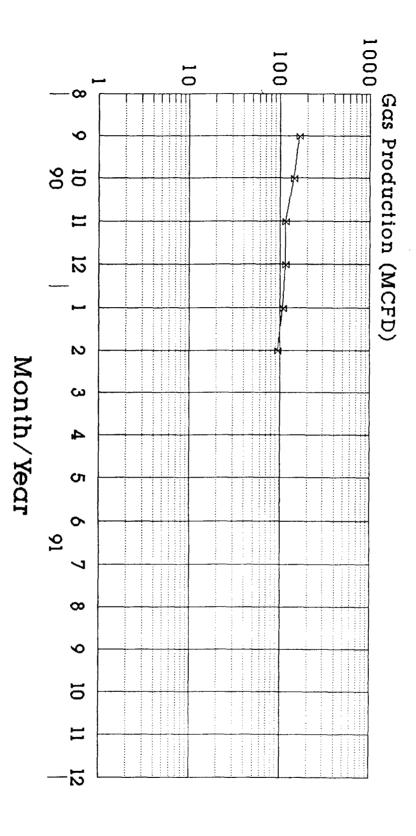








# RINCON UNIT #294 RIO ARRIBA COUNTY, NEW MEXICO



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. #294 - FT TAXCR LOCATION:

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

IDE	NTIFICATION			PROFIT			PRESEN	T WORTH PROF	ILE
					BTAX				
FIELD : BASIN	FRUITLAND C	OAL	PROFIT	TO INV (P/	1):	••••	DISCOUNT	BTAX	ATAX
LSE/BLOCK :				SCOUNTED	-0.42	0.36	RATE (%)	(M\$)	(M\$)
FORMATION : FRUIT	LAND COAL		DISC	a 10.0%					
TOTAL DEPTH:			DISC	a 15.0%	-0.67	-0.12	0.0	-101.	87.
OPERATOR : Unoca	t		INV EF	F RATIO (IE	R):		5.0	-129.	33.
AFE # :				SCOUNTED		0.45	10.0	-147.	-3.
LIFE (YRS) : 30.2			DISC	ର 10.0%	-0.62	-0.02	15.0	-159.	-29.
				a 15.0%		-0.15	20.0	-167.	-48.
WI ORI	GRI	DATE					25.0	-173.	-62.
100.00000 80.998	70 80.9987	0 JUN 1990	PAYOUT	(YEARS)	*	6.3			
			RATE O	F RETURN (%	-1000.0	9.4		TE : JUN 199 THOD: EFFECTI	
COMMOD	ITY PRICES -			- INVESTMEN	TS (M\$) -		CASI	f FLOW (M\$)	· • • • • • • • • • • • • • • • • • • •
		END AVG				NET			NET
			•						
OIL (\$/BBL)	0.00	0.00 0.00	LEASEH	OLD	0.	0.	TOTAL REVENUES		337.
GAS (\$/MCF)	1.30	1.42 1.43	DRY HOL	.E	0.	0.	EXPENSES:		
NGL (\$/BBL)	0.00	0.00 0.00	)				OPEX (LO	<b>E</b> )	108.
SULPHUR (\$/TON)	0.00	0.00 0.00	DRILLI)	√G	0.	0.			0.
			COMPLE*	LION	0.	0.	PLANT		0.
\$EQUIV BOE RATIO	6.00	6.00 6.00	) PLATFOR	RM	0.	0.	SEV & ADV	/AL TAXES	49.
			FACILI		0.	0.			18.
UNIT C	OST PERFORMA	NCE			0.	0.	OVERHEAD		25.
• • • • • • • • • • • • • • • • • • • •	GROS				0.	0.	NET ABANG	/SALV	0.
			GATHER	ING	0.	0.		,, 0,,,2 ,	٠.
OPEX (\$/BOE)	2.		GATTAL.		•	•	NET INVESTMENTS	2	239.
OPEX (\$/BO\$E)	6	47 7.99	MISC I	JTAN	167.	167.	ACT THEOTHERS	•	237.
F&D (\$/80E)	4.		MISC TA		72.	72.	BTAX CASH FLOW		-101.
F&D (\$/BO\$E)	14.3			311	1 4.	12.			
	14			NT 4.1	270	270	INCOME TAXES PA	(ID	-188.
ATAX CF (\$/BOE)		2.20			239.	239.			87.
ATAX CF (\$/BO\$E)		6.42	DISC a	10.0%	237.	237.	ATAX DISC a 10	0.0%	-3.
	RESERVES	& PRODUCTION	·				ASSUMPTIONS & REM	1ARKS	
		GROSS	NE	Γ					
	REMAIN		REMAIN	ULT					
OIL (MBBLS)	0			0.					
	291		236.						
NGL (MBBLS)	0								
SULPHUR (MTONS)	0		0.	o.					
occi non (mono)	·	•	٠.	••					
EQUIVALENT RESERVE	s:								
BTU (MBOE)	49	. 49.	39.	39.					
VALUE (MBOSE)			13.	13.					
INITIAL RATE:									
OIL (BBLS/DAY)	ı	0.				GLOBAL FI	LES: 1= \$UNOCAL1	2= \$HNOCAL2	,
GAS (MCF/DAY)	16					ALTKEY: U		E- HONOCALZ	
4			. <b></b>				vn		
DATE: 04/22/	91 T.II	ME: 13:36:49	RPT FIL	.E: 4	PG #	17	PRJ FILE: P.A.	EVAL	# 15

PF:P.A. EVAL #: 15

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

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NAME : RINCON U. #294 - FT TAXCR FIELD : BASIN FRUITLAND COAL

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

		OIL + COND	PRODUCTION	NET GAS VOLUME	NET EQ PROD (RE: BOE)	O+C PRICE	NET REV		NET GAS REVENUE	NET TOTAL REVENUE
. 7			MMCF							
( 7MO)1990	0.0		16.2	13.1		0.00	0.0	1.63	21.4	21.4
1991	0.0		28.1	22.8		0.00	0.0	1.44	32.7	32.7
1992	0.0		19.4	15.7		0.00	0.0	1.42	22.2	22.2
1993	0.0	0.0	16.8	13.6		0.00	0.0	1.42	19.2	19.2
1994	0.0		15.1	12.2		0.00	0.0	1.42	17.3	17.3
1995	0.0	0.0	13.9	11.3		0.00	0.0	1.42	16.0	16.0
1996	0.0	0.0	13.0	10.5		0.00	0.0	1.42	14.9	14.9
1997	0.0	0.0	12.1	9.8		0.00	0.0	1.42	13.9	13.9
1998	0.0	0.0	11.4	9.2		0.00	0.0	1.42	13.1	13.1
1999	0.0	0.0	10.8	8.8		0.00	0.0	1.42	12.4	12.4
2000	0.0		10.3	8.3		0.00	0.0	1.42	11.8	11.8
2001	0.0	0.0	9.8	7.9		0.00	0.0	1.42	11.2	11.2
2002	0.0	0.0	9.3	7.5		0.00	0.0	1.42	10.7	10.7
2003	0.0		8.8	7.2		0.00	0.0	1.42	10.1	10.1
2004	0.0	0.0	8.4	6.8		0.00	0.0	1.42	9.6	9.6
SUB TOTAL	0.0	0.0	203.5	164.8		0.00	0.0	1.44	236.6	236.6
REMAINDER	0.0	0.0	87.8	71.1		0.00	0.0	1.42	100.7	100.7
TOT 30.2 YR	0.0	0.0	291.2	235.9	39.3	0.00	0.0	1.43	337.3	337.3
	NET LOS	NET	NET TOTAL	NET TOTAL	HET ADMIN	NCT TOTAL	DT4V	******		
	NET LOE	NET .	NET TOTAL	NET TOTAL		NET TOTAL	BTAX	INCOME	ATAX	CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 7MO) 1990	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 7M0)1990	(FIX + VAR)M\$ 1.2	WORKOVR EXP	DIRECT EXP M\$ 1.2	TAXES M\$ 2.9	EXPENSE M\$ 0.5	INVESTMENT M\$ 239.0	CASHFLOW M\$ -222.1	TAXES PAID M\$	CASHFLOW M\$ -165.9	CASHFLOW M\$ -165.9
1991	(FIX + VAR) M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 2.9 4.8	EXPENSE M\$ 0.5 1.4	INVESTMENT M\$ 239.0 0.0	CASHFLOW M\$ -222.1 22.9	TAXES PAID M\$ -56.2 -24.4	CASHFLOW M\$ -165.9 47.3	CASHFLOW M\$ -165.9 -118.6
1991 1992	(FIX + VAR)M\$ 1.2 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6	TAXES M\$ 2.9 4.8 3.3	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 239.0 0.0 0.0	CASHFLOW M\$ -222.1 22.9 13.9	TAXES PAIDM\$56.2 -24.4 -18.9	CASHFLOW M\$ -165.9 47.3 32.8	CASHFLOW M\$ -165.9 -118.6 -85.8
1991 1992 1993	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6	TAXES M\$ 2.9 4.8 3.3 2.8	EXPENSE M\$ 0.5 1.4 1.4	INVESTMENT M\$ 239.0 0.0 0.0	CASHFLOWM\$ -222.1 22.9 13.9 11.4	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4	CASHFLOW M\$ -165.9 47.3 32.8 27.7	CASHFLOW M\$ -165.9 -118.6 -85.8 -58.1
1991 1992 1993 1994	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXESM\$ 2.9 4.8 3.3 2.8 2.5	EXPENSE M\$ 0.5 1.4 1.4 1.4	INVESTMENTM\$ 239.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -222.1 22.9 13.9 11.4 9.8	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4 -14.7	CASHFLOW M\$ -165.9 47.3 32.8 27.7 24.4	CASHFLOWM\$165.9 -118.6 -85.8 -58.1 -33.7
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6 3.6	WORKOVR EXPM\$ 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.9 4.8 3.3 2.8 2.5 2.3	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4	INVESTMENTM\$ 239.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -222.1 22.9 13.9 11.4 9.8 8.6	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4 -14.7 -12.9	CASHFLOW M\$ -165.9 47.3 32.8 27.7 24.4 21.5	CASHFLOWM\$165.9 -118.6 -85.8 -58.1 -33.7 -12.1
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.9 4.8 3.3 2.8 2.5 2.3 2.2	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4	INVESTMENTM\$ 239.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$222.1 22.9 13.9 11.4 9.8 8.6 7.7	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4 -14.7 -12.9 -9.9	CASHFLOWM\$165.9 47.3 32.8 27.7 24.4 21.5	CASHFLOWM\$165.9 -118.6 -85.8 -58.1 -33.7 -12.1 5.5
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.9 4.8 3.3 2.8 2.5 2.3 2.2	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 239.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4 -14.7 -12.9 -9.9 -8.3	CASHFLOWM\$165.9 47.3 32.8 27.7 24.4 21.5 17.6 15.1	CASHFLOWM\$165.9 -118.6 -85.8 -58.1 -33.7 -12.1 5.5 20.6
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.9 4.8 3.3 2.8 2.5 2.3 2.2 2.0 1.9	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 239.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4 -14.7 -12.9 -9.9 -8.3 -6.8	CASHFLOWM\$165.9 47.3 32.8 27.7 24.4 21.5 17.6 15.1 13.0	CASHFLOWM\$165.9 -118.6 -85.8 -58.1 -33.7 -12.1 5.5 20.6 33.6
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.9 4.8 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 239.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$222.1 22.9 13.9 11.4 9.8 8.6 7.7 6.8 6.1 5.6	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4 -14.7 -12.9 -9.9 -8.3 -6.8 -6.6	CASHFLOWM\$165.9 47.3 32.8 27.7 24.4 21.5 17.6 15.1 13.0 12.2	CASHFLOWM\$165.9 -118.6 -85.8 -58.1 -33.7 -12.1 5.5 20.6 33.6 45.7
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.9 4.8 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8 1.7	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 239.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$222.1 22.9 13.9 11.4 9.8 8.6 7.7 6.8 6.1 5.6 5.1	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4 -14.7 -12.9 -9.9 -8.3 -6.8 -6.6 -6.4	CASHFLOWM\$165.9 47.3 32.8 27.7 24.4 21.5 17.6 15.1 13.0 12.2 11.4	CASHFLOWM\$165.9 -118.6 -85.8 -58.1 -33.7 -12.1 5.5 20.6 33.6 45.7 57.1
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.9 4.8 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.6	EXPENSE M\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 239.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$222.1 22.9 13.9 11.4 9.8 8.6 7.7 6.8 6.1 5.6 5.1 4.5	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4 -14.7 -12.9 -9.9 -8.3 -6.8 -6.6 -6.4 -6.1	CASHFLOWM\$165.9 47.3 32.8 27.7 24.4 21.5 17.6 15.1 13.0 12.2 11.4 10.7	CASHFLOWM\$165.9 -118.6 -85.8 -58.1 -33.7 -12.1 5.5 20.6 33.6 45.7 57.1 67.8
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.9 4.8 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.6 1.6	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 239.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$222.1 22.9 13.9 11.4 9.8 8.6 7.7 6.8 6.1 5.6 5.1 4.5	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4 -14.7 -12.9 -9.9 -8.3 -6.8 -6.6 -6.4 -6.1 -5.9	CASHFLOWM\$165.9 47.3 32.8 27.7 24.4 21.5 17.6 15.1 13.0 12.2 11.4 10.7 10.0	CASHFLOWM\$165.9 -118.6 -85.8 -58.1 -33.7 -12.1 5.5 20.6 33.6 45.7 57.1 67.8 77.8
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.9 4.8 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.6 1.6 1.5	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 239.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$222.1 22.9 13.9 11.4 9.8 8.6 7.7 6.8 6.1 5.6 5.1 4.5 4.1 3.6	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4 -14.7 -12.9 -9.9 -8.3 -6.8 -6.6 -6.4 -6.1 -5.9 1.4	CASHFLOWM\$165.9 47.3 32.8 27.7 24.4 21.5 17.6 15.1 13.0 12.2 11.4 10.7 10.0 2.2	CASHFLOWM\$165.9 -118.6 -85.8 -58.1 -33.7 -12.1 5.5 20.6 33.6 45.7 57.1 67.8 77.8 80.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.9 4.8 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.6 1.6 1.5 1.4	EXPENSEM\$ 0.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	INVESTMENTM\$ 239.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$222.1 22.9 13.9 11.4 9.8 8.6 7.7 6.8 6.1 5.6 5.1 4.5 4.1 3.6 3.2	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4 -14.7 -12.9 -9.9 -8.3 -6.8 -6.6 -6.4 -6.1 -5.9 1.4 1.2	CASHFLOWM\$165.9 47.3 32.8 27.7 24.4 21.5 17.6 15.1 13.0 12.2 11.4 10.7 10.0 2.2 2.0	CASHFLOWM\$165.9 -118.6 -85.8 -58.1 -33.7 -12.1 5.5 20.6 33.6 45.7 57.1 67.8 77.8 80.0 82.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 SUB_TOTAL	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.9 4.8 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.6 1.6 1.5 1.4 34.4	EXPENSE	INVESTMENTM\$ 239.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$222.1 22.9 13.9 11.4 9.8 8.6 7.7 6.8 6.1 5.6 5.1 4.5 4.1 3.6 3.2 -108.9	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4 -14.7 -12.9 -9.9 -8.3 -6.8 -6.6 -6.4 -6.1 -5.9 1.4 1.2 -190.9	CASHFLOWM\$165.9 47.3 32.8 27.7 24.4 21.5 17.6 15.1 13.0 12.2 11.4 10.7 10.0 2.2 2.0 82.0	CASHFLOWM\$165.9 -118.6 -85.8 -58.1 -33.7 -12.1 5.5 20.6 33.6 45.7 57.1 67.8 77.8 80.0 82.0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.9 4.8 3.3 2.8 2.5 2.3 2.2 2.0 1.9 1.8 1.7 1.6 1.6 1.5 1.4	EXPENSE	INVESTMENTM\$ 239.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$222.1 22.9 13.9 11.4 9.8 8.6 7.7 6.8 6.1 5.6 5.1 4.5 4.1 3.6 3.2	TAXES PAIDM\$56.2 -24.4 -18.9 -16.4 -14.7 -12.9 -9.9 -8.3 -6.8 -6.6 -6.4 -6.1 -5.9 1.4 1.2	CASHFLOWM\$165.9 47.3 32.8 27.7 24.4 21.5 17.6 15.1 13.0 12.2 11.4 10.7 10.0 2.2 2.0	CASHFLOWM\$165.9 -118.6 -85.8 -58.1 -33.7 -12.1 5.5 20.6 33.6 45.7 57.1 67.8 77.8 80.0 82.0

PF:P.A. EVAL #: 15

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

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RINCON U. #294 - FT TAXCR : BASIN FRUITLAND COAL

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

	INVESTMENT		GROSS WELLS	NET NGL VOLUME	EFFECTIVE NGL PRICE	NET NGL REVENUE	NET Sulphur		NET TRANS +TREAT+COMP	
`		•							M\$	M\$
( 7MO)1990	239.0	1.2		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	239.0	51.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	56.1	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
101 30.2 YR	239.0	107.7	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		AMORT
( 7MO)1990	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
( 7MO)1990 1991	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
-	LEASEHOLD M\$ 0.0	DRY HOLEM\$	DRILLING M\$ 0.0	COMPLETIONM\$ 0.0	FACILITIESM\$	PLATFORM M\$ 0.0	PIPELINE <b>M\$</b> 0.0	DEPREC M\$ 10.3	DEPLETIONM\$ 0.0	AMORT M\$
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	FACILITIESM\$ 0.0 0.0	PLATFORM M\$ 0.0 0.0	PIPELINE M\$ 0.0 0.0	DEPREC M\$ 10.3 17.6	DEPLETION M\$ 0.0 0.0	AMORT M\$ 3.3 10.0
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	COMPLETION M\$ 0.0 0.0 0.0	FACILITIESM\$ 0.0 0.0 0.0	PLATFORM M\$ 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0	DEPREC M\$ 10.3 17.6 12.6	DEPLETION M\$ 0.0 0.0 0.0	AMORT M\$ 3.3 10.0
1991 1992 1993	LEASEHOLD M\$ 0.0 0.0 0.0	DRY HOLE M\$ 0.0 0.0 0.0 0.0	DRILLING M\$ 0.0 0.0 0.0 0.0	COMPLETION M\$ 0.0 0.0 0.0 0.0	FACILITIES M\$ 0.0 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\$ 10.3 17.6 12.6 9.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0	AMORT M\$ 3.3 10.0 10.0
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	DRILLINGM\$ 0.0 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	DEPREC M\$ 10.3 17.6 12.6 9.0 6.4	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT 3.3 10.0 10.0 10.0 10.0 10.0 10.0
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	DRILLINGM\$ 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	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	DEPREC M\$ 10.3 17.6 12.6 9.0 6.4 6.4	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0	AMORT 3.3 10.0 10.0 10.0 10.0 10.0 6.7
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	DEPREC M\$ 10.3 17.6 12.6 9.0 6.4 6.4 6.4	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.3 10.0 10.0 10.0 10.0 10.0 6.7 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	DEPREC M\$ 10.3 17.6 12.6 9.0 6.4 6.4 6.4 3.2	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.3 10.0 10.0 10.0 10.0 6.7 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	DEPREC M\$ 10.3 17.6 12.6 9.0 6.4 6.4 6.4 3.2 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORTM\$ 3.3 10.0 10.0 10.0 10.0 6.7 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 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\$ 10.3 17.6 12.6 9.0 6.4 6.4 6.4 3.2 0.0 0.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORT  3.3 10.0 10.0 10.0 10.0 10.0 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	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\$ 10.3 17.6 12.6 9.0 6.4 6.4 6.4 3.2 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	AMORT  3.3 10.0 10.0 10.0 10.0 10.0 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\$ 10.3 17.6 12.6 9.0 6.4 6.4 6.4 3.2 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	AMORT  3.3 10.0 10.0 10.0 10.0 10.0 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\$ 10.3 17.6 12.6 9.0 6.4 6.4 3.2 0.0 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	AMORT  3.3 10.0 10.0 10.0 10.0 10.0 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\$ 10.3 17.6 12.6 9.0 6.4 6.4 6.4 3.2 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	AMORT  3.3 10.0 10.0 10.0 10.0 6.7 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\$ 10.3 17.6 12.6 9.0 6.4 6.4 6.4 3.2 0.0 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	AMORT  3.3 10.0 10.0 10.0 10.0 6.7 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0

'F:P.A. EVAL #: 15

### UNOCAL North American Oil & Gas Division Economic Report Summary

AS OF JUN 1, 1990

DATE: 04/22/91

TIME: 13:36:52

PAGE: 20

: RINCON U. #294 - FT TAXCR
: BASIN FRUITLAND COAL

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

	TEMP #1	TEMP #2	TEMP #5	TEMP #6	NET CREDITS INPUT
-					M\$
( 7MO)1990	19138.4	13.0	0.840	0.000	13.0
1991	33188.8	22.6	0.840	0.000	22.6
1992	22871.1	15.6	0.840	0.000	15.6
1993	19774.1	13.5	0.840	0.000	13.5
1994	17827.9	12.1	0.840	0.000	12.1
1995	16456.7	11.2	0.840	0.000	11.2
1996	15304.7	10.4	0.840	0.000	10.4
1997	14249.8	9.7	0.840	0.000	9.7
1998	13472.4	9.2	0.840	0.000	9.2
1999	12798.7	8.7	0.840	0.000	8.7
2000	12158.8	8.3	0.840	0.000	8.3
2001	11550.9	7.9	0.840	0.000	7.9
2002	10973.3	7.5	0.840	0.000	7.5
2003	10424.7	0.0	0.000	0.000	0.0
2004	9903.4	0.0	0.000	0.000	0.0
SUB TOTAL	240093.5	149.5	0.840	0.000	149.5
REMAINDER	103559.6	0.0	0.000	0.000	0.0
TOT 30.2 YR	343653.1	149.5	0.840	0.000	149.5

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ILOBAL FILE: $UNOCAL1
EVALUATION #15 IN PROJECT FILE "P.A. " 04/22/91 13:36:23
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            JUN 1990 JUN 1990 SEP 1990
10 DATES
               "RINCON U. #294 - FT TAXCR
10 NAME
               "BASIN FRUITLAND COAL
.0 FIELD
               "NEW MEXICO
30 CNTYSTATE
               "FRUITLAND COAL
50 FORMATION
70 OPERATOR
               "UNOCAL
30 ECONOMICS
              ELIM
OWNERSHIP
              1. 0.809987
              "PROD DECLINE BASED ON AVG WELL CASE
120 COMMENT
130 COMMENT
                "FIRST 6 MONTHS = ACTUAL PROD.
                 Р
                         MON 4.848 4.367 3.452 3.552 3.319 2.836
140 GPROD
                         EXP * * * 60. 3.
150 GPROD
                        EXP * * * 28. 14.
160 GPROD
                         EXP * * * 10. 25.
170 GPROD
                         EXP * * * 7. 36.
180 GPROD
                        EXP * * * 5.
190 GPROD
                    I
                         MON 72000. 0. 0.
210 TAN
                       MON 167000. 0.
220 INTAN
                   I
240 PRGAS
                         MON 1.1 1.33 1.65 1.57 1.34
                         CON 1.2
260 PRGAS
               1.18 PRGAS
290 FACTOR
               P CON 300.
310 LOETOT
                   *
                         CON 3.5
320 AVALPS
*** START OF INSERT FILE C-TAX
           "ASSUMES CONSTANT $.84 TAX CREDIT
10 COMMENT
20 COMMENT
               "TO 2003
              * CON
TEMP1 GPROD
30 TEMP1
                        CON O.
40 CADD
50 FACTOR
              1000. TEMP1
             1.18 TEMP1
60 FACTOR
70 TEMP5
               JAN 1990 CON D.84
80 TEMP5
               JAN 2003 CON 0.
               TEMP2 TEMP1
TEMP5 TEMP2
90 CADD
100 CFACTOR
110 FACTOR
               0.809987 TEMP2
               TAXCR TEMP2
120 CADD
130 FACTOR
               0.001 TEMP2
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370 ULTIMATE
             GPROD 480.
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GLOBAL FILE: \$UNOCAL2

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 11:

Containing 640 acres, more or less

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

- Structure Top Basin Fruitland Coal Gas Formation
   Basin Fruitland Coal Gas Formation Gross Isopach

3) Type Log

- 4) Land Map Rincon Unit
- 5) Rincon Unit #295 Fruitland Coal Gas Production Decline Curve
- 6) Rincon Unit #295 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

This application is predicated on nine of actual production history from the Rincon Unit #295 well which first delivered on September 21, 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 September 1, 1990.

Dated this 22nd day of July, 1991.

Bill Hering District Petroleum Engineer

Union Oil Company of California

Well Summary

Well Name: Rincon Unit #295

Location: 1645'FNL, 1125'FEL, Sec 11, T26N, R7W

Elevation: 6516' GL Total Depth: 2800'

Lease Number: SF-079160

Pool/Formation: Basin Fruitland Coal Gas

Spud Date: 6-14-90

Completion Date: 8-06-90 1st Delivery Date: 9-21-90

Perf'd Interval: 2607-2610, 2629, 2635, 2639-2647, 2710-2714,

2724-2738.

### 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 #295 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 361 feet and cemented with 300 sacks to surface. Production casing measuring 4-1/2" was then set at 2799 feet and cemented in two stages to surface with 650 sacks cement. After drilling out to PBTD of 2794' the upper and lower coal zones were perforated from 2607'-2738' with 4 shots per foot and fracture stimulated with 170,000# 20/40 sand, 637,577 SCF N2 and 19,259 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in pressure were 146 MCFD and 300 psi, respectively. The well was first delivered to the El Paso Natural Gas pipeline system on September 21, 1990. The current deliverability for the well against a 150# line pressure is 70 MCFD.

Volumetrics calculated on the below-listed parameters yields a recoverable gas volume of 0.30 Bcf.

Net Pay: 40 ft

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

Tonnage Factor: 1860 tons/acre-feet (from density log)

Recovery Factor: 17%

**Economics** 

Completion Cost: \$222,000 Royalty Burden: 19.00% Gas Price: \$1.20/MMBTU Operating Cost: \$300/month

Tax Credit: \$0.84/MMBTU constant

Production Rate: Maximum - 130 MCFD, Current - 55 MCFD,

No associated water production

Economics based on the above are attached. Given the investment cost to complete this well payout should occur in 6.2 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:

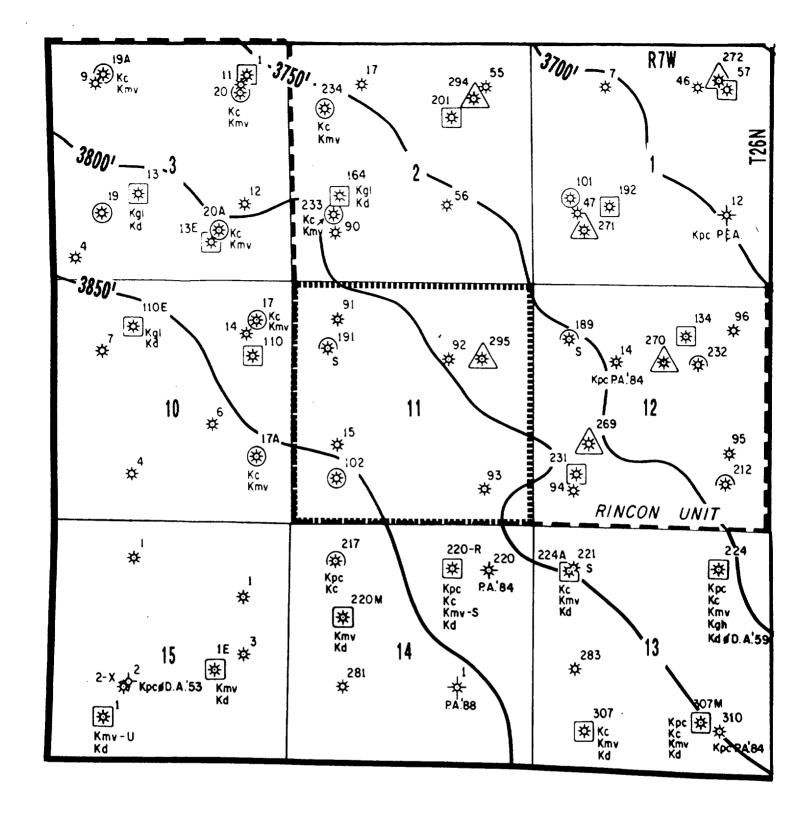
- 1) That this Statement and Affidavit is made concerning this application for expansion to the Basin Fruitland Coal Gas participating area in the Rincon Unit, in Section 11, T26N-R7W, comprising 640 acres.
- 2) That to the best of his information, knowledge and belief, the information supplied is true.
- 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.
- 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.

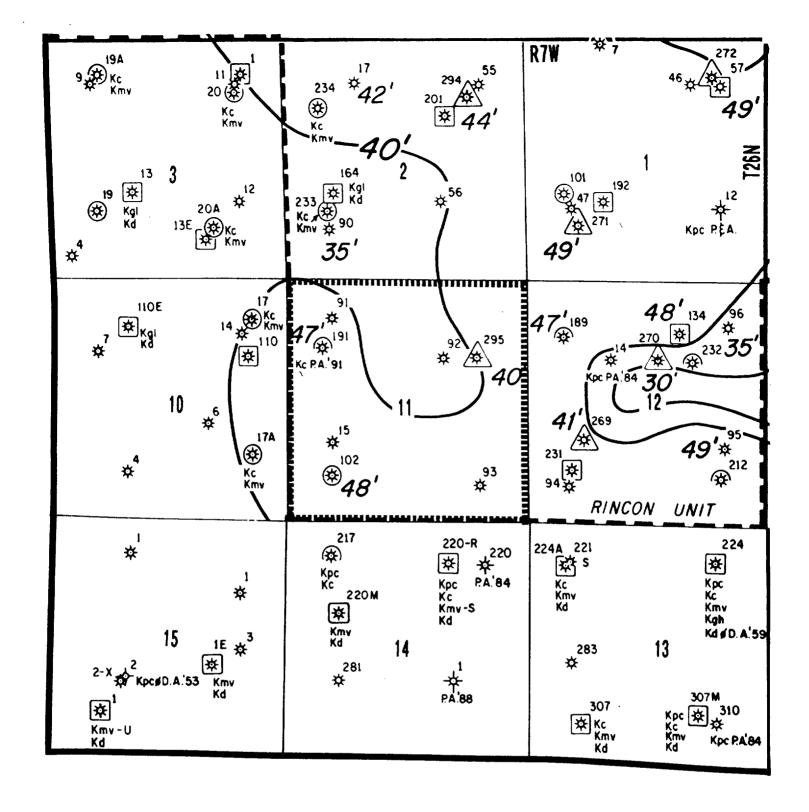
SUBSCRIBED AND SWORN TO before me, this undersigned authority, on this day of

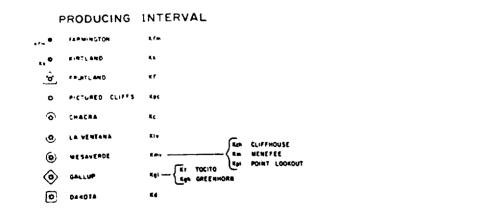
Notary Public in and for San Juan County, New Mexico

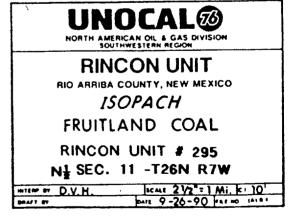
My Commission Expires:



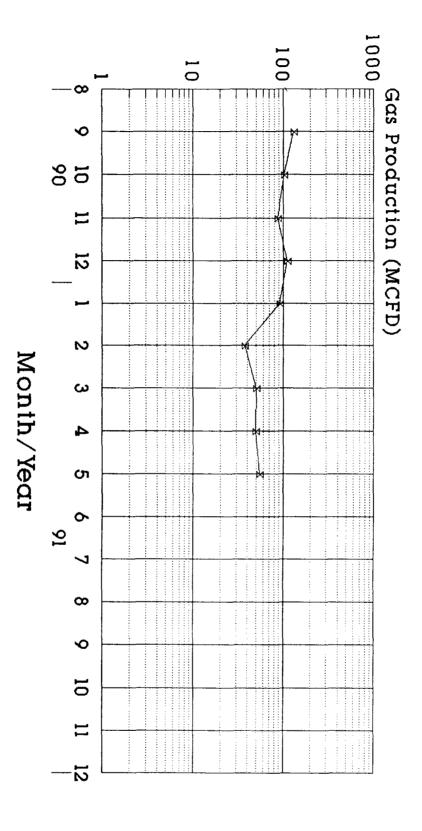








# RIO ARRIBA COUNTY, NEW MEXICO RINCON UNIT #295



Production based on actual days on

-¥- GAS

## UNOCAL North American Oil & Gas Division Economic Report Summary

REGION: Southwestern

EQUIVALENT RESERVES:

OIL (BBLS/DAY)

GAS (MCF/DAY)

INITIAL RATE:

BTU (MBOE) 48. 48. 39. 39. VALUE (MBO\$E) 18. 18. 15. 15.

0. 121. DISTRICT: Farmington

CNTYSTATE: New Mexico

GLOBAL FILES: 1= \$UNOCAL1 2= \$UNOCAL2 ALTKEY: USA

PROJECT NAME: RINCON U. #295 - FT TAXCR

LOCATION:

		JDGET CAT JDGET PRI						TIVE DAT			
	IDE	NT I F I CAT I	ON			PROFIT			PRESENT	WORTH PROF	ILE
F1510	- DACIN	EDINETI AN	0.0041		DDOCIT	TO THE CO.	BTAX		DICCOUNT	DTAV	ATAV
	: BASIN	FRUITLAN	D COAL						DISCOUNT	BTAX	ATAX
	OCK :	AND COAL					-0.33 -0.59		RATE (%)	(M\$)	(M\$)
	ION : FRUITI	AND COAL				a 10.0%	-0.59	0.01 -0.12	0.0	-70.	
TOTAL		1						-0.12	5.0	-105.	98.
	OR : Unoca					F RATIO (IE	-	0 55			39.
	:					SCOUNTED	-0.33		10.0	-126.	1.
LIFE (	YRS): 30.8						-0.59		15.0	-139.	-25.
					DISC	a 15.0%	-0.66	-0.14	20.0		-44.
WI		GR							25.0	-155.	-58.
100.00	000 80.998	70 80.9	9870 JUI	N 1990			*				
					RATE O	F RETURN (%	5) -1000.0	10.2	DISCOUNT DATE		-
	COMMOD	ITY PRICE	s			- INVESTMEN	TS (M\$)		CASH	FLOW (MS) -	· • • • • • • • • • • • • • • • • • • •
	<b>4</b> 0	BEG		AVG			GROSS	NET			NET
01L	(\$/BBL)	0.00	0.00	0.00	LEASEHO	OLD	0.		TOTAL REVENUES		336.
GAS	(\$/MCF)	1.57	1.42	1.44	DRY HO	.E	0.	0.	EXPENSES:		
NGL	(\$/BBL)	0.00	0.00	0.00					OPEX (LOE)		110.
SULPHU	R (\$/TON)	0.00	0.00	0.00	DRILLII	١G	0.	0.	WORKOVER		0.
					COMPLET	LION	0.	0.	PLANT		0.
\$EQUIV	BOE RATIO	6.00	6.00	6.00	PLATFOR	RM MS	0.	0.	SEV & ADVA	L TAXES	49.
					FACILI'	TIES	0.	0.	INDIRECT		9.
	UNIT CO	OST PERFO	RMANCE -		PIPELII	۱E	0.	0.	OVERHEAD		24.
		G	ROSS	NET	PLANT		0.	0.	NET ABAND/	SALV	0.
					GATHER	ING	0.	0.			-
OPEX	(\$/BOE)		2.30	2.84					NET INVESTMENTS		214.
OPEX	(\$/BO\$E)		6.06	7.48	MISC II	ITAN	139.	139.			214.
F&D	(\$/BOE)			5.52	MISC TA		75.	75.	BTAX CASH FLOW		-70.
F&D	(\$/BO\$E)		11.78	14.55	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	***		, , ,	INCOME TAXES PAIN		-168.
	F (\$/BOE)		11.70	2.52	Tr	TAL	214.	21/	ATAX CASH FLOW	,	98.
				6.63	DISC a		212.		ATAX DISC @ 10.0	<b>^∘</b> /	
	F (\$/BO\$E)										1.
								,	ASSUMPTIONS & REMAI	RKS	
			4		NE						
			A I N		REMAIN	ULT					
OIL (M	BBLS)		0.		0.	0.					
GAS (MI	•		287.	287.	233.	233.					
• • • •	- ·		0.	0.	0.	0.					
NGL (M	BBLS)		٠.	٠.		υ.					

DATE: 06/25/91 TIME: 15:52:15 RPT FILE: 4 PG # 1 PRJ FILE: P.A. EVAL # 28

```
0 IDENT "30 25 U091205
            JUN 1990 JUN 1990 SEP 1990
O DATES
              "RINCON U. #295 - FT TAXCR
O NAME
               "BASIN FRUITLAND COAL
                                             ..
O FIELD
                                             11
O CNTYSTATE
               "NEW MEXICO
50 FORMATION
               "FRUITLAND COAL
               "UNOCAL
                                             ш
'O OPERATOR
30 ECONOMICS
              ELIM
              1, 0.809987
O OWNERSHIP
                "PROD DECLINE BASED ON AVG WELL CASE
120 COMMENT
130 COMMENT
                "FIRST 9 MONTHS = ACTUAL PROD.
                 P
140 GPROD
                       MON 3.637 3.168 2.611 3.443 2.827 1.039 1.548 1.375 1.692
                          EXP * * * 10. 25.
170 GPROD
                    *
                         EXP * * * 7. 36.
180 GPROD
                        EXP * * * 5.
190 GPROD
                    I
                         MON 75000. 0. 0. 0.
210 TAN
                   I
                         MON 139000. 0.
220 INTAN
                "FIRST 9 MONTHS = ACTUAL GAS PRICES
230 COMMENT
                P MON 1.33 1.33 1.65 2.03 1.97 1.54 1.18 0.92 0.91
240 PRGAS
                         CON 1.2
260 PRGAS
                1.18 PRGAS
290 FACTOR
              P
310 LOETOT
                         CON 300.
                         CON 3.5
320 AVALPS
*** START OF INSERT FILE C-TAX
           "ASSUMES CONSTANT $.84 TAX CREDIT
10 COMMENT
20 COMMENT
               2003 סזיי
              * CON
TEMP1 GPROD
                         CON 0.
30 TEMP1
40 CADD
50 FACTOR
              1000. TEMP1
              1.18 TEMP1
50 FACTOR
70 TEMP5
              JAN 1990 CON 0.84
               JAN 2003 CON 0.
80 TEMP5
               TEMP2 TEMP1
TEMP5 TEMP2
90 CADD
100 CFACTOR
               0.809987 TEMP2
110 FACTOR
                TAXCR TEMP2
120 CADD
             0.001 TEMP2
130 FACTOR
*** END OF INSERT FILE
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" 06/25/91 15:51:41

GLOBAL FILE: \$UNOCAL2

LOBAL FILE: \$UNOCAL1

VALUATION #28 IN PROJECT FILE "P.A.

PF:P.A. EVAL #: 28

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

DATE: 06/25/91 TIME: 15:52:16 PAGE: 2

IAME : RINCON U. #295 - FT TAXCR
FIELD : BASIN FRUITLAND COAL
CNTY, STATE: NEW MEXICO

FORMATION : FRUITLAND COAL OPERATOR : UNOCAL

	GROSS PROD	NET VOLUME			NET EQ PROD		NET REV	EFFECTIVE	NET GAS	NET TOTAL
	OIL + COND	OIL + COND	PRODUCTION	VOLUME	(RE: BOE)		OIL + COND		REVENUE	REVENUE
						0.00		1.87	19.4	
( 7MO)1990	0.0	0.0	12.9	10.4		0.00	0.0	1.51	24.5	19.4 24.5
1991	0.0	0.0	20.0	16.2						
1992	0.0	0.0	18.1	14.7		0.00	0.0	1.42	20.8	20.8
1993	0.0	0.0	16.4	13.3		0.00	0.0	1.42	18.8	18.8
1994	0.0	0.0	15.2	12.3		0.00	0.0	1.42	17.4	17.4
1995	0.0	0.0	14.1	11.4		0.00	0.0	1.42	16.2	16.2
1996	0.0	0.0	13.2	10.7		0.00	0.0	1.42	15.1	15.1
1997	0.0	0.0	12.5	10.1		0.00	0.0	1.42	14.3	14.3
1998	0.0	0.0	11.8	9.6		0.00	0.0	1.42	13.6	13.6
1999	0.0	0.0	11.2	9.1		0.00	0.0	1.42	12.9	12.9
2000	0.0	0.0	10.7	8.7		0.00	0.0	1.42	12.3	12.3
2001	0.0	0.0	10.1	8.2		0.00	0.0	1.42	11.6	11.6
2002	0.0	0.0	9.6	7.8		0.00	0.0	1.42	11.1	11.1
2003	0.0		9.2	7.4		0.00	0.0	1.42	10.5	10.5
2004	0.0	0.0	8.7			0.00	0.0	1.42	10.0	10.0
SUB TOTAL	0.0	0.0	193.6	156.8		0.00	0.0	1.46	228.3	228.3
REMAINDER	0.0		93.5	75.7		0.00	0.0	1.42	107.2	107.2
TOT 30.8 YR	0.0	0.0	287.1	232.5	38.8	0.00	0.0	1.44	335.5	335.5
	NET LOE	NET	NET TOTAL	NET TOTAL	NET ADMIN	NET TOTAL	BTAX	INCOME	ATAX	CUM ATAX
		NET WORKOVR EXP			NET ADMIN EXPENSE	NET TOTAL INVESTMENT		INCOME TAXES PAID		CUM ATAX
	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES		INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 7MO)1990	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES	EXPENSE	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
( 7MO)1990 1991	(FIX + VAR)	WORKOVR EXP	DIRECT EXP	TAXES M\$ 2.4	EXPENSE M\$ 0.4	INVESTMENT	CASHFLOW	TAXES PAID	CASHFLOW	CASHFLOW
• • • • • •	(FIX + VAR)M\$ 1.2	WORKOVR EXP M\$ 0.0 0.0	DIRECT EXP M\$ 1.2	TAXES M\$ 2.4 3.4	EXPENSE M\$ 0.4 1.1	INVESTMENT M\$ 214.0	CASHFLOW M\$ -198.5	TAXES PAIDM\$	CASHFLOW M\$ -152.0	CASHFLOW M\$ -152.0
1991	(FIX + VAR) M\$ 1.2 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6	TAXES M\$ 2.4 3.4	EXPENSE M\$ 0.4 1.1	INVESTMENT M\$ 214.0 0.0	CASHFLOW M\$ -198.5 16.3	TAXES PAID M\$ -46.5 -20.0	CASHFLOW M\$ -152.0 36.3	CASHFLOW M\$ -152.0 -115.7
1991 1992	(FIX + VAR)M\$ 1.2 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6	TAXES M\$ 2.4 3.4 3.0	EXPENSE M\$ 0.4 1.1 1.1	INVESTMENT M\$ 214.0 0.0 0.0	CASHFLOW M\$ -198.5 16.3 13.1	TAXES PAID M\$ -46.5 -20.0 -17.7	CASHFLOW M\$ -152.0 36.3 30.8	CASHFLOW M\$ -152.0 -115.7 -84.9
1991 1992 1993	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6	WORKOVR EXP M\$ 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6	TAXESM\$ 2.4 3.4 3.0 2.8	EXPENSE M\$ 0.4 1.1 1.1 1.1	INVESTMENTM\$ 214.0 0.0 0.0 0.0	CASHFLOW M\$ -198.5 16.3 13.1 11.3	TAXES PAID M\$ -46.5 -20.0 -17.7 -15.6	CASHFLOW M\$ -152.0 36.3 30.8 26.9	CASHFLOW M\$ -152.0 -115.7 -84.9 -58.0
1991 1992 1993 1994	(FIX + VAR)M\$ 1.2 3.6 3.6 3.6 3.6	WORKOVR EXPM\$ 0.0 0.0 0.0 0.0 0.0 0.0	DIRECT EXP M\$ 1.2 3.6 3.6 3.6 3.6	TAXESM\$ 2.4 3.4 3.0 2.8 2.6	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1	INVESTMENTM\$ 214.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOW M\$ -198.5 16.3 13.1 11.3	TAXES PAIDM\$46.5 -20.0 -17.7 -15.6 -14.0	CASHFLOW M\$ -152.0 36.3 30.8 26.9 24.2	CASHFLOW M\$ -152.0 -115.7 -84.9 -58.0 -33.8
1991 1992 1993 1994 1995	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.4 3.4 3.0 2.8 2.6 2.4	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1	INVESTMENTM\$ 214.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$198.5 16.3 13.1 11.3 10.2 9.1	TAXES PAIDM\$46.5 -20.0 -17.7 -15.6 -14.0 -12.5	CASHFLOW M\$ -152.0 36.3 30.8 26.9 24.2 21.6	CASHFLOW M\$ -152.0 -115.7 -84.9 -58.0 -33.8 -12.1
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.4 3.4 3.0 2.8 2.6 2.4 2.2	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 214.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$198.5 16.3 13.1 11.3 10.2 9.1 8.2	TAXES PAIDM\$46.5 -20.0 -17.7 -15.6 -14.0 -12.5 -10.0	CASHFLOW M\$ -152.0 36.3 30.8 26.9 24.2 21.6 18.2	CASHFLOW M\$ -152.0 -115.7 -84.9 -58.0 -33.8 -12.1 6.0
1991 1992 1993 1994 1995 1996	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.4 3.4 3.0 2.8 2.6 2.4 2.2	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 214.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$198.5 16.3 13.1 11.3 10.2 9.1 8.2 7.5	TAXES PAIDM\$46.5 -20.0 -17.7 -15.6 -14.0 -12.5 -10.0 -8.4	CASHFLOWM\$152.0 36.3 30.8 26.9 24.2 21.6 18.2 15.9	CASHFLOWM\$152.0 -115.7 -84.9 -58.0 -33.8 -12.1 6.0 22.0
1991 1992 1993 1994 1995 1996 1997	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.4 3.4 3.0 2.8 2.6 2.4 2.2 2.1 2.0	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 214.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$198.5 16.3 13.1 11.3 10.2 9.1 8.2 7.5 6.9	TAXES PAIDM\$46.5 -20.0 -17.7 -15.6 -14.0 -12.5 -10.0 -8.4 -6.9	CASHFLOWM\$152.0 36.3 30.8 26.9 24.2 21.6 18.2 15.9 13.8	CASHFLOWM\$152.0 -115.7 -84.9 -58.0 -33.8 -12.1 6.0 22.0 35.8
1991 1992 1993 1994 1995 1996 1997 1998 1999	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.4 3.4 3.0 2.8 2.6 2.4 2.2 2.1 2.0 1.9	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 214.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$198.5 16.3 13.1 11.3 10.2 9.1 8.2 7.5 6.9 6.3	TAXES PAIDM\$46.5 -20.0 -17.7 -15.6 -14.0 -12.5 -10.0 -8.4 -6.9 -6.6	CASHFLOWM\$152.0 36.3 30.8 26.9 24.2 21.6 18.2 15.9 13.8 12.9	CASHFLOWM\$152.0 -115.7 -84.9 -58.0 -33.8 -12.1 6.0 22.0 35.8 48.7
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000	(FIX + VAR)M\$ 1.2 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\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.4 3.4 3.0 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8	EXPENSE M\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1	INVESTMENTM\$ 214.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$198.5 16.3 13.1 11.3 10.2 9.1 8.2 7.5 6.9 6.3 5.8	TAXES PAIDM\$46.5 -20.0 -17.7 -15.6 -14.0 -12.5 -10.0 -8.4 -6.9 -6.6 -6.4	CASHFLOWM\$152.0 36.3 30.8 26.9 24.2 21.6 18.2 15.9 13.8 12.9	CASHFLOWM\$152.0 -115.7 -84.9 -58.0 -33.8 -12.1 6.0 22.0 35.8 48.7 60.9
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.4 3.4 3.0 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 214.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$198.5 16.3 13.1 11.3 10.2 9.1 8.2 7.5 6.9 6.3 5.8	TAXES PAIDM\$46.5 -20.0 -17.7 -15.6 -14.0 -12.5 -10.0 -8.4 -6.9 -6.6 -6.4 -6.2	CASHFLOWM\$152.0 36.3 30.8 26.9 24.2 21.6 18.2 15.9 13.8 12.9 12.2 11.4	CASHFLOWM\$152.0 -115.7 -84.9 -58.0 -33.8 -12.1 6.0 22.0 35.8 48.7 60.9 72.3
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.4 3.4 3.0 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 214.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$198.5 16.3 13.1 11.3 10.2 9.1 8.2 7.5 6.9 6.3 5.8 5.2 4.8	TAXES PAIDM\$46.5 -20.0 -17.7 -15.6 -14.0 -12.5 -10.0 -8.4 -6.9 -6.6 -6.4 -6.2 -5.9	CASHFLOWM\$152.0 36.3 30.8 26.9 24.2 21.6 18.2 15.9 13.8 12.9 12.2 11.4 10.7	CASHFLOWM\$152.0 -115.7 -84.9 -58.0 -33.8 -12.1 6.0 22.0 35.8 48.7 60.9 72.3 82.9
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.4 3.4 3.0 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 214.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$198.5 16.3 13.1 11.3 10.2 9.1 8.2 7.5 6.9 6.3 5.8 5.2 4.8 4.3	TAXES PAIDM\$46.5 -20.0 -17.7 -15.6 -14.0 -12.5 -10.0 -8.4 -6.9 -6.6 -6.4 -6.2 -5.9 1.6	CASHFLOWM\$152.0 36.3 30.8 26.9 24.2 21.6 18.2 15.9 13.8 12.9 12.2 11.4 10.7 2.7	CASHFLOWM\$152.0 -115.7 -84.9 -58.0 -33.8 -12.1 -6.0 -22.0 -35.8 -48.7 -60.9 -72.3 -82.9 -85.6
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004	(FIX + VAR)M\$ 1.2 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 EXPM\$ 1.2 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	TAXESM\$ 2.4 3.4 3.0 2.8 2.6 2.4 2.2 2.1 2.0 1.9 1.8 1.7 1.6 1.5	EXPENSEM\$ 0.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1	INVESTMENTM\$ 214.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	CASHFLOWM\$198.5 16.3 13.1 11.3 10.2 9.1 8.2 7.5 6.9 6.3 5.8 5.2 4.8 4.3 3.8	TAXES PAIDM\$46.5 -20.0 -17.7 -15.6 -14.0 -12.5 -10.0 -8.4 -6.9 -6.6 -6.4 -6.2 -5.9 1.6 1.5	CASHFLOWM\$152.0 36.3 30.8 26.9 24.2 21.6 18.2 15.9 13.8 12.9 12.2 11.4 10.7 2.7 2.4	CASHFLOWM\$152.0 -115.7 -84.9 -58.0 -33.8 -12.1 -6.0 -22.0 -35.8 -48.7 -60.9 -72.3 -82.9 -85.6 -88.0

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

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

	INVESTMENT		GROSS WELLS	NET NGL VOLUME	EFFECTIVE NGL PRICE \$/BBL	NET NGL REVENUE	NET SULPHUR		+TREAT+COMP	
( 7MO)1990	214.0	1.2		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	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	214.0	51.6	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
REMAINDER	0.0	58.5	1.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
TOT 30.8 YR	214.0	110.1	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			NET PLATFORM	NET PIPELINE	TAX DEPREC	TAX DEPLETION	IDC AMORT
	LEASEHOLD	DRY HOLE	DRILLING	COMPLETION	FACILITIES	PLATFORM	PIPELINE	DEPREC	DEPLETION	AMORT
( 7MO)1990	LEASEHOLD M\$ 0.0	DRY HOLE M\$ 0.0	DRILLING M\$ 0.0	COMPLETION M\$ 0.0	FACILITIESM\$	PLATFORM M\$ 0.0	PIPELINE M\$ 0.0	DEPREC <b>M\$</b> 10.7	DEPLETION	AMORT
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 18.4	DEPLETION	AMORTM\$ 2.8 8.3
1991 1992	LEASEHOLD M\$ 0.0 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	PIPELINE M\$ 0.0 0.0 0.0	DEPREC M\$ 10.7 18.4 13.1	DEPLETION M\$ 0.0	AMORT M\$ 2.8
1991 1992 1993	LEASEHOLD M\$ 0.0 0.0 0.0	DRY HOLEM\$ 0.0 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 0.0	PLATFORM M\$ 0.0 0.0 0.0	PIPELINE M\$ 0.0 0.0 0.0 0.0	DEPREC M\$ 10.7 18.4 13.1 9.4	DEPLETIONM\$ 0.0 0.0 0.0 0.0	AMORT M\$ 2.8 8.3 8.3 8.3
1991 1992 1993 1994	LEASEHOLD M\$ 0.0 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 0.0	COMPLETION M\$ 0.0 0.0 0.0 0.0 0.0	FACILITIES M\$ 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	DEPREC M\$ 10.7 18.4 13.1 9.4 6.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT 2.8 8.3 8.3 8.3 8.3
1991 1992 1993 1994 1995	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	DRILLINGM\$ 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	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORM M\$ 0.0 0.0 0.0 0.0 0.0 0.0	PIPELINE 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 10.7 18.4 13.1 9.4 6.7 6.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0	AMORT M\$ 2.8 8.3 8.3 8.3
1991 1992 1993 1994 1995 1996	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	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 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORM M\$ 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	DEPREC M\$ 10.7 18.4 13.1 9.4 6.7 6.7 6.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0	AMORT 2.8 8.3 8.3 8.3 8.3
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	PLATFORM M\$ 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	DEPREC M\$ 10.7 18.4 13.1 9.4 6.7 6.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0	AMORT 2.8 8.3 8.3 8.3 8.3 5.6
1991 1992 1993 1994 1995 1996 1997	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	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 0.0	FACILITIESM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	PLATFORM M\$ 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	DEPREC M\$ 10.7 18.4 13.1 9.4 6.7 6.7 6.7	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORT 2.8 8.3 8.3 8.3 8.3 5.6 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	PLATFORM M\$ 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	DEPREC M\$ 10.7 18.4 13.1 9.4 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 0.0	AMORT 2.8 8.3 8.3 8.3 5.6 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	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	DEPREC M\$ 10.7 18.4 13.1 9.4 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	AMORT 2.8 8.3 8.3 8.3 5.6 0.0 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 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	DEPREC M\$ 10.7 18.4 13.1 9.4 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	AMORT 2.8 8.3 8.3 8.3 5.6 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	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	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 10.7 18.4 13.1 9.4 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	AMORT 2.8 8.3 8.3 8.3 5.6 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	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	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 10.7 18.4 13.1 9.4 6.7 6.7 6.7 3.3 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	AMORT 2.8 8.3 8.3 8.3 5.6 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	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	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC M\$ 10.7 18.4 13.1 9.4 6.7 6.7 6.7 3.3 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	AMORT 2.8 8.3 8.3 8.3 5.6 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 SUB TOTAL	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	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPRECM\$ 10.7 18.4 13.1 9.4 6.7 6.7 6.7 3.3 0.0 0.0 0.0 0.0 0.0 0.0 0.0 75.0	DEPLETIONM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	AMORT 2.8 8.3 8.3 8.3 5.6 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	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	PIPELINEM\$ 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	DEPREC 10.7 18.4 13.1 9.4 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	DEPLETION	AMORT 2.8 8.3 8.3 8.3 5.6 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0

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AME : RINCON U. #295 - FT TAXCR
IELD : BASIN FRUITLAND COAL
NTY, STATE: NEW MEXICO ORMATION : FRUITLAND COAL PERATOR : UNOCAL

	TEMP	TEMP	TEMP	TEMP	NET CREDITS
	#1	#2	#5	#6	INPUT
-	·	·	· · · · · · · · · · · · · · · ·		M\$
7MO)1990	15173.6	10.3	0.840	0.000	10.3
199 <b>1</b>	23562.7	16.0	0.840	0.000	16.0
1992	21384.3	14.5	0.840	0.000	14.5
1993	19322.4	13.1	0.840	0.000	13.1
1994	17894.3	12.2	0.840	0.000	12.2
1995	16641.7	11.3	0.840	0.000	11.3
1996	15517.1	10.6	0.840	0.000	10.6
1997	14701.3	10.0	0.840	0.000	10.0
1998	13966.2	9.5	0.840	0.000	9.5
1999	13267.9	9.0	0.840	0.000	9.0
2000	12604.5	8.6	0.840	0.000	8.6
2001	11974.3	8.1	0.840	0.000	8.1
2002	11375.6	7.7	0.840	0.000	7.7
2003	10806.8	0.0	0.000	0.000	0.0
2004	10266.5	0.0	0.000	0.000	0.0
SUB TOTAL	228459.0	141.1	0.840	0.000	141.1
REMAINDER	110304.3	0.0	0.000	0.000	0.0
TOT 30.8 YR	338763.3	141.1	0.840	0.000	141.1