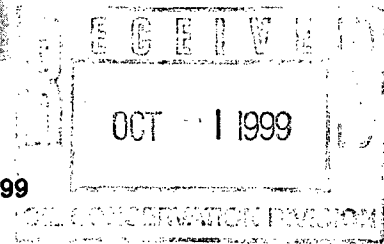




New Name. Same Spirit.
A Business Unit of Unocal

DHC-1906

September 28, 1999



U.S. Department of the Interior
Bureau of Land Management
Attn.: Jim LaVato
1235 La Plata Highway
Farmington, NM 87401

New Mexico Oil Conservation Division
Attn.: Mark Ashley
2040 S. Pacheco Street
Santa Fe, NM 87505
CC: Ernie Bush, NMOCD
Aztec, NM

Re: Revised Commingle Production Forecast
Rincon Unit 131 Basin Dakota
K 36-27N-7W
Rio Arriba Co., New Mexico

Gentlemen,

Following the submission of my August 10th 1999 letter concerning a revised production forecast on the Rincon Unit well #131 Dakota, our production department informed me that this well had amended production volumes. The amended production did cause the forecast to vary slightly from the August 10th submission. Please refer to the enclosed graphs and tabular data for the revised forecast.

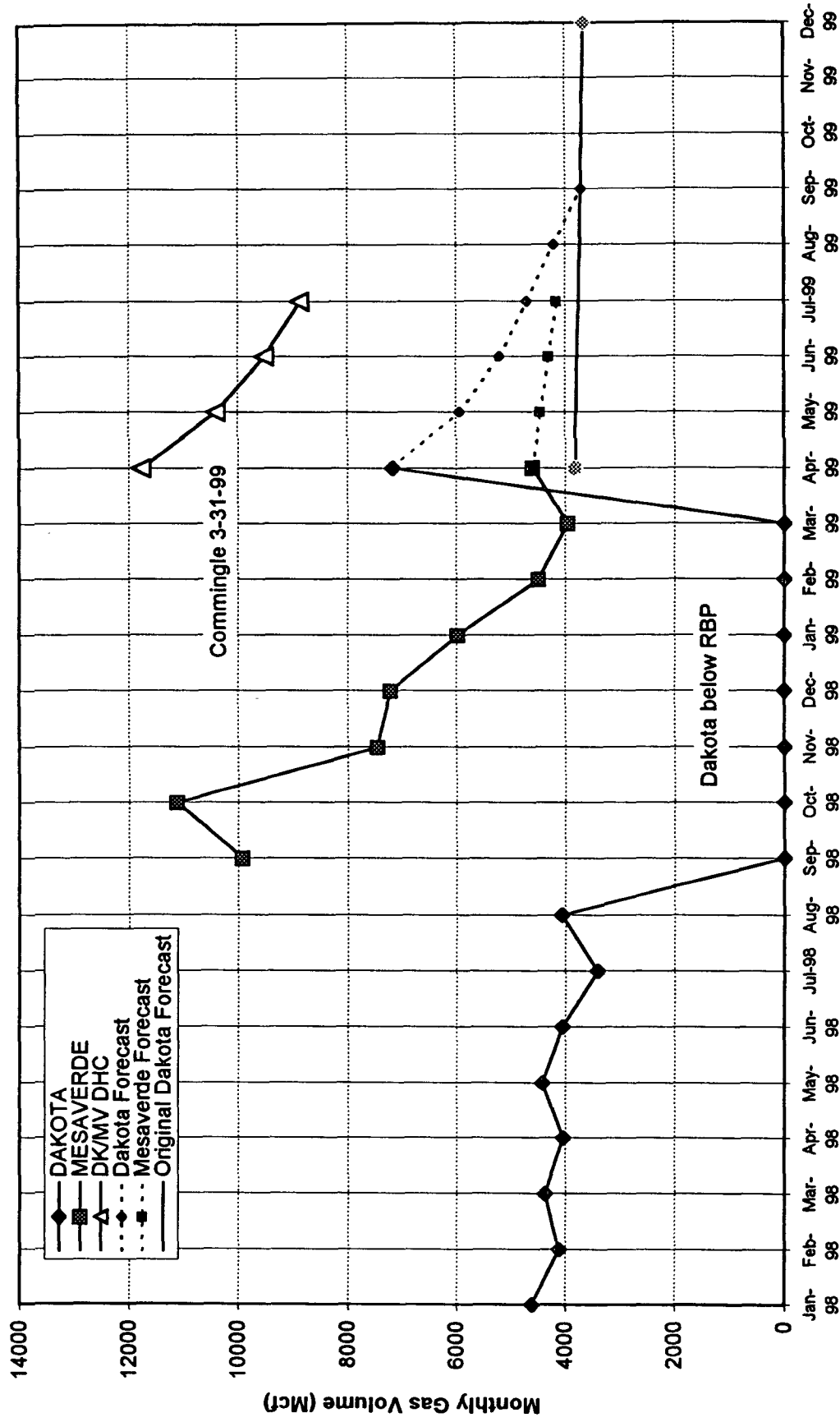
If you have any questions please contact me at (915) 685-7665.

Sincerely,

Spirit Energy 76
A Business Unit of UNOCAL

Heather Dahlgren
Senior Engineering Technician

RINCON UNIT 131 DAKOTA, MESAVERDE & COMMINGLED VOLUMES



RINCON UNIT #131 PRODUCTION HISTORY AND FORECAST

Month	DAKOTA (Mcf)	MESAVERDE (Mcf)	DK/MV DHC (Mcf)
Jan-98	4618		
Feb-98	4115		
Mar-98	4379		
Apr-98	4046		
May-98	4427		
Jun-98	4053		
Jul-98	3410		
Aug-98	4073		
Sep-98	0	9925	
Oct-98	0	11113	
Nov-98	0	7444	
Dec-98	0	7207	
Jan-99	0	5973	
Feb-99	0	4493	
Mar-99	0	3958	
Apr-99	7164	4602	11766
May-99	5941	4452	10393
Jun-99	5201	4302	9503
Jul-99	4706	4160	8866
Aug-99	4212		
Sep-99	3717		
Amended Dakota Forecast			

* Commingled volume may vary slightly from the amended production report.

RU 131DK Revised Forecast

Well
Existing Completion Prior to DHC
Annual Decline
Monthly Effective Decline Factor
Average monthly volume (Mcf) prior to DHC
Average Yield (bbls/mcf) Oil
Average Yield (bbls/mcf) Water
Volume Prior to DHC (Mcf) - Aug 1998

RU 131
DK
6.22%
0.0053
4509
0.0048
0.0041
4073

Avg. Prod. Jan 98 - Aug 98

* Dakota SI for 7 months
* DHC Date: 3-31-99

* Forecasted volumes to be adjusted for actual days on production

Month	DK Forecast (Mcf)	DK Forecast (Mcf @ 30.4)	DK Forecast (Bbls-Oil)	DK Forecast (Bbls-Water)
1	235.7	7164	34.4	29.4
2	195.4	5941	28.5	24.4
3	171.1	5201	25.0	21.3
4	154.8	4706	22.6	19.3
5	138.5	4210	20.2	17.3
6	122.3	3717	17.8	15.2
7	121.6	3697	17.7	15.2
8	121.0	3677	17.7	15.1
9	120.3	3658	17.6	15.0
10	119.7	3638	17.5	14.9
11	119.0	3619	17.4	14.8
12	118.4	3599	17.3	14.8
13	117.8	3580	17.2	14.7
14	117.1	3561	17.1	14.6
15	116.5	3542	17.0	14.5
16	115.9	3523	16.9	14.4
17	115.3	3504	16.8	14.4
18	114.7	3485	16.7	14.3
19	114.0	3467	16.6	14.2
20	113.4	3448	16.6	14.1
21	112.8	3430	16.5	14.1
22	112.2	3411	16.4	14.0
23	111.6	3393	16.3	13.9
24	111.0	3375	16.2	13.8

+ DK flush volume
+ DK flush volume
+ DK flush volume
+ DK flush volume

RINCON UNIT 131 DAKOTA ORIGINAL VS AMENDED FORECAST

