



#299

February 19, 2003

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

Commission of Public Lands
State of New Mexico
PO Box 1148
Santa Fe, NM 87504-2088

New Mexico Oil Conservation Division
1220 South Saint Francis
Santa Fe, NM 87505-4000

Working Interest Owners (See attached Address List)

**Re: 2002 Review of Operations
2003 Plan of Development
Rincon Unit, Rio Arriba County, NM**

Gentlemen:

With regard to the captioned matter, please find the enclosed copy of Pure's 2002 Review of Operations and 2003 Plan of Development for the Rincon Unit.

Should you have any questions concerning this matter, please do not hesitate to contact Tom Morrow (Reservoir Engineer) at (915) 498 2653 or the undersigned at (915) 498 8619.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Robert Ready".

J. Robert Ready
Land Director

JRR/lrw

Enclosures

Pure Resources
Rincon Unit
Rio Arriba County, New Mexico

2003 Plan of Development

New Drill

<u>Well</u>	<u>Pool</u>	<u>Qtr</u>	<u>Sec</u>	<u>Twp</u>	<u>Rng</u>
Rincon Unit 11P	Basin Dakota/Blanco Mesaverde	SE	6	26 N	6 W
Rincon Unit 108P	Basin Dakota/Blanco Mesaverde	SE	19	27 N	6 W
Rincon Unit 126R	Basin Dakota/Blanco Mesaverde	SW	27	27 N	6 W
Rincon Unit 128R	Basin Dakota/Blanco Mesaverde	SW	28	27 N	6 W
Rincon Unit 129P	Basin Dakota/Blanco Mesaverde	SE	29	27 N	6 W
Rincon Unit 135P	Basin Dakota/Blanco Mesaverde	NW	29	27 N	6 W
Rincon Unit 136P	Basin Dakota/Blanco Mesaverde	NW	23	27 N	7 W
Rincon Unit 139R	Basin Dakota/Blanco Mesaverde	SE	25	27 N	7 W
Rincon Unit 155P	Basin Dakota/Blanco Mesaverde	SE	17	27 N	6 W
Rincon Unit 155R	Basin Dakota/Blanco Mesaverde	SW	17	27 N	6 W
Rincon Unit 156P	Basin Dakota/Blanco Mesaverde	SE	16	27 N	6 W
Rincon Unit 159P	Basin Dakota/Blanco Mesaverde	NW	18	27 N	6 W
Rincon Unit 161M	Basin Dakota/Blanco Mesaverde	NW	17	27 N	6 W
Rincon Unit 165R	Basin Dakota/Blanco Mesaverde	NE	27	27 N	6 W
Rincon Unit 166P	Basin Dakota/Blanco Mesaverde	NW	32	27 N	6 W
Rincon Unit 170R	Basin Dakota/Blanco Mesaverde	SW	20	27 N	6 W
Rincon Unit 173P	Basin Dakota/Blanco Mesaverde	SE	23	27 N	6 W
Rincon Unit 174P	Basin Dakota/Blanco Mesaverde	SW	19	27 N	6 W
Rincon Unit 182P	Basin Dakota/Blanco Mesaverde	SE	26	27 N	6 W
Rincon Unit 184P	Basin Dakota/Blanco Mesaverde	SE	22	27 N	7 W

Add Zones

<u>Well</u>	<u>Pool</u>	<u>Qtr</u>	<u>Sec</u>	<u>Twp</u>	<u>Rng</u>
Rincon Unit 125R	Blanco Mesaverde	SW	26	27 N	6 W
Rincon Unit 127R	Blanco Mesaverde	NE	28	27 N	6 W
Rincon Unit 133R	Basin Dakota/Blanco Mesaverde	NW	14	27 N	7 W
Rincon Unit 134R	Blanco Mesaverde	NE	12	26 N	7 W
Rincon Unit 156R	Blanco Mesaverde	SW	16	27 N	6 W
Rincon Unit 159R	Basin Dakota/Blanco Mesaverde	NW	18	27 N	6 W
Rincon Unit 161R	Basin Dakota/Blanco Mesaverde	NE	17	27 N	6 W
Rincon Unit 174R	Basin Dakota/Blanco Mesaverde	NW	19	27 N	6 W
Rincon Unit 177R	Basin Dakota/Blanco Mesaverde	SW	13	27 N	7 W
Rincon Unit 180R	Blanco Mesaverde	NW	21	27 N	6 W
Rincon Unit 182R	Blanco Mesaverde	NE	26	27 N	6 W
Rincon Unit 183R	Basin Dakota/Blanco Mesaverde	SW	31	27 N	6 W
Rincon Unit 201R	Blanco Mesaverde	NE	2	26 N	7 W
Rincon Unit 203R	Basin Dakota/Blanco Mesaverde	SW	27	27 N	7 W

Address List – Rincon Unit Working Interest Owners

DeLaFosse Properties, Ltd.
A.V. Jones, Jr.
P.O. Drawer 787
Albany, TX 76430

H.R. Stasney & Sons Ltd.
P.O. Drawer 1826
Albany, TX 76430

Robert Walter Lundell
2450 Fondren, Suite 304
Houston, TX 77063

Linda Lundell Lindsey
2450 Fondren, Suite 304
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2603 Augusta, Suite 1050
Houston, TX 77057

Susan Beamon Porter
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Beryl B. McMahan Trust
10919 Wickwild Street
Houston, TX 77024

Gwinn M. Lewis Trust
10919 Wickwild Street
Houston, TX 77024

Conoco, Inc.
Attn: Tom Scarbrough
P.O. Box 2197
Houston, TX 77252

Burlington Resources Oil & Gas Company, L.P.
Attn: Alan Alexander
P.O. Box 4289
Farmington, NM 87499-4289

Claudia M. L. Gilmere
2450 Fondren, Suite 304
Houston, TX 77063

James Robert Beamon
2603 Augusta, Suite 1050
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Cathryn Beamon
2603 Augusta, Suite 1050
Houston, TX 77057

Thomas V. McMahan Trust
10919 Wickwild Street
Houston, TX 77024

The Wiser Oil Company
Attn: Gary Patterson
8115 Preston Road, Suite 400
Dallas, TX 75225

Pure Resources

Rincon Unit

Rio Arriba County, New Mexico

2002 Review of Operations

New Drill

Well	Pool	Qtr	Sec	Twp	Rng
Rincon Unit 125P	Basin Dakota/Blanco Mesaverde	NW	26	27 N	6 W
Rincon Unit 125R	Basin Dakota	SW	26	27 N	6 W
Rincon Unit 127R	Basin Dakota	NE	28	27 N	6 W
Rincon Unit 133R	Wating on Completion	NW	14	27 N	7 W
Rincon Unit 134R	Basin Dakota	NE	12	26 N	7 W
Rincon Unit 156R	Basin Dakota	SW	16	27 N	6 W
Rincon Unit 159R	Wating on Completion	NW	18	27 N	6 W
Rincon Unit 161R	Wating on Completion	NE	17	27 N	6 W
Rincon Unit 164R	Basin Dakota/Blanco Mesaverde	SW	2	26 N	7 W
Rincon Unit 168R	Basin Dakota/Blanco Mesaverde	SE	36	27 N	7 W
Rincon Unit 174R	Wating on Completion	NW	19	27 N	6 W
Rincon Unit 177R	Wating on Completion	SW	13	27 N	7 W
Rincon Unit 180R	Basin Dakota	NW	21	27 N	6 W
Rincon Unit 182R	Basin Dakota	NE	26	27 N	6 W
Rincon Unit 183R	Wating on Completion	SW	31	27 N	6 W
Rincon Unit 186R	Basin Dakota/Blanco Mesaverde	SW	33	27 N	7 W
Rincon Unit 201R	Basin Dakota	NE	2	26 N	7 W
Rincon Unit 203R	Wating on Completion	SW	27	27 N	7 W

Add Zones

Well	Pool	Qtr	Sec	Twp	Rng
Rincon Unit 79A	Basin Dakota	NW	17	27 N	6 W
Rincon Unit 130M	Blanco Mesaverde	SE	32	27 N	6 W
Rincon Unit 165M	Blanco Mesaverde	NW	27	27 N	6 W
Rincon Unit 181M	Blanco Mesaverde	NW	22	27 N	6 W
Rincon Unit 227M	Blanco Mesaverde	SW	28	27 N	7 W
Rincon Unit 231R	Blanco Mesaverde	SW	12	26 N	7 W
Rincon Unit 302M	Blanco Mesaverde	SW	11	26 N	7 W
Rincon Unit 303M	Blanco Mesaverde	NE	33	27 N	7 W

RINCON UNIT **REVIEW OF OPERATIONS - 2002**

<u>No. Wells as of 12/31/01</u>	<u>All Formations</u>
Drilling	0
Producing	313
Shut-in	0
Abandoned	42
Injection	0
<u>December 2002 Production</u>	
Oil - Barrels	3,960
Gas - MCF @14.73	1,003,399
Water - Barrels	4,732
Gas Injection - MCF @14.73	0
<u>Production for Year 2002</u>	
Oil - Barrels	46,028
Gas - MCF @14.73	11,451,403
Water - Barrels	43,564
Gas Injection - MCF @14.73	0
<u>Cumulative Production thru 12/31/02</u>	
Oil - Barrels	1,672,415
Gas - MCF @14.73	374,408,662
Water - Barrels	222,059
Gas Injection - MCF @14.73	0

RINCON UNIT WELL SUMMARY

12/31/2002

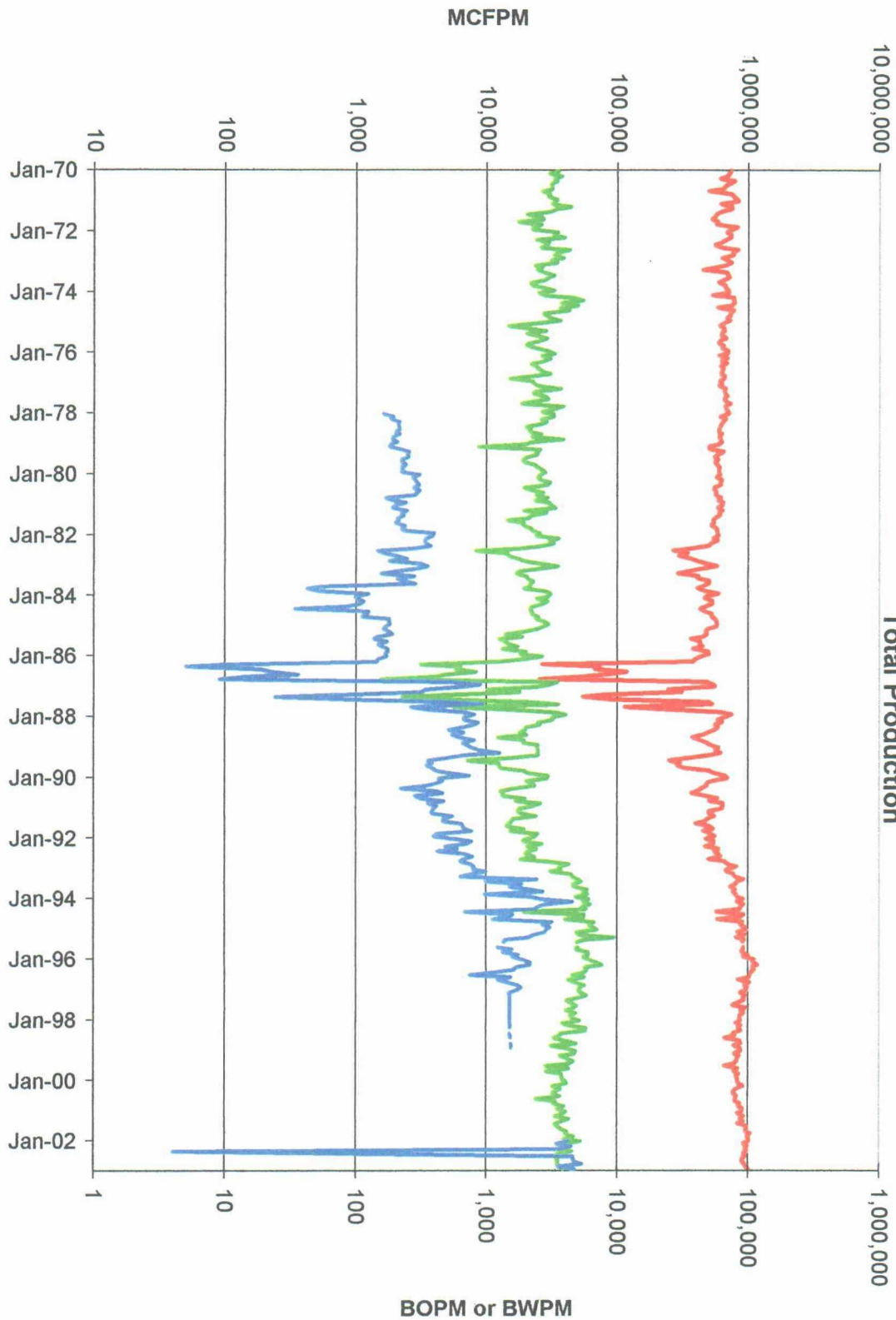
Basin Dakota	Prod Wells	Not Prod	TOTAL
Grand Count	142	5	147
Duals	12	0	12
DH Commingle	88	0	88
Surf Commingle	0	0	0
Triple Completion	0	0	0
Stand Alone	42	0	42
TA	0	0	0
P&A	0	5	5
Basin Fruitland Coal	Prod Wells	Not Prod	TOTAL
Grand Count	39	5	44
Duals	0	0	0
DH Commingle	0	0	0
Surf Commingle	0	0	0
Triple Completion	0	0	0
Stand Alone	39	0	39
TA	0	4	4
P&A	0	1	1
Blanco Mesaverde	Prod Wells	Not Prod	TOTAL
Grand Count	134	3	137
Duals	18	0	18
DH Commingle	85	0	85
Surf Commingle	0	0	0
Triple Completion	0	0	0
Stand Alone	30	0	30
TA	0	0	0
P&A	0	3	3
Blanco Pictured Cliffs	Prod Wells	Not Prod	TOTAL
Grand Count	102	22	124
Duals	18	0	18
DH Commingle	1	0	1
Surf Commingle	0	0	0
Triple Completion	0	0	0
Stand Alone	83	0	83
TA	0	0	0
P&A	0	22	22
Largo Gallup/Tocito	Prod Wells	Not Prod	TOTAL
Grand Count	10	2	12
Duals	1	0	1
DH Commingle	8	0	8
Surf Commingle	0	0	0
Triple Completion	0	0	0
Stand Alone	1	0	1
TA	0	0	0
P&A	0	2	2
Otero Chacra	Prod Wells	Not Prod	TOTAL
Grand Count	10	4	14
Duals	1	0	1
DH Commingle	6	0	6
Surf Commingle	0	0	0
Triple Completion	0	0	0
Stand Alone	3	0	3
TA	0	0	0
P&A	0	4	4
Rincon Unit Totals	Prod Wells	Not Prod	TOTAL
Grand Count Zones	437	41	478
Duals	25	0	25
DH Commingle	90	0	90
Surf Commingle	0	0	0
Triple Completion	0	0	0
Stand Alone	198	0	198
TA	0	4	4
P&A	0	37	37
Total Wellbores	313	41	354

2002

Annual Production Volumes

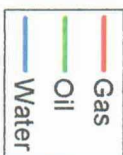
	OIL	GAS
Dakota	23,694	5,704,825
Fruitland Coal	-	409,293
Mesaverde	16,390	3,468,116
Pictured Cliffs	-	1,273,795
Gallup/Tocito	5,944	520,850
Chacra	-	74,524
Rincon Total	46,028	11,451,403

Pure Resources - Rincon Unit
Rio Arriba County, New Mexico
Total Production

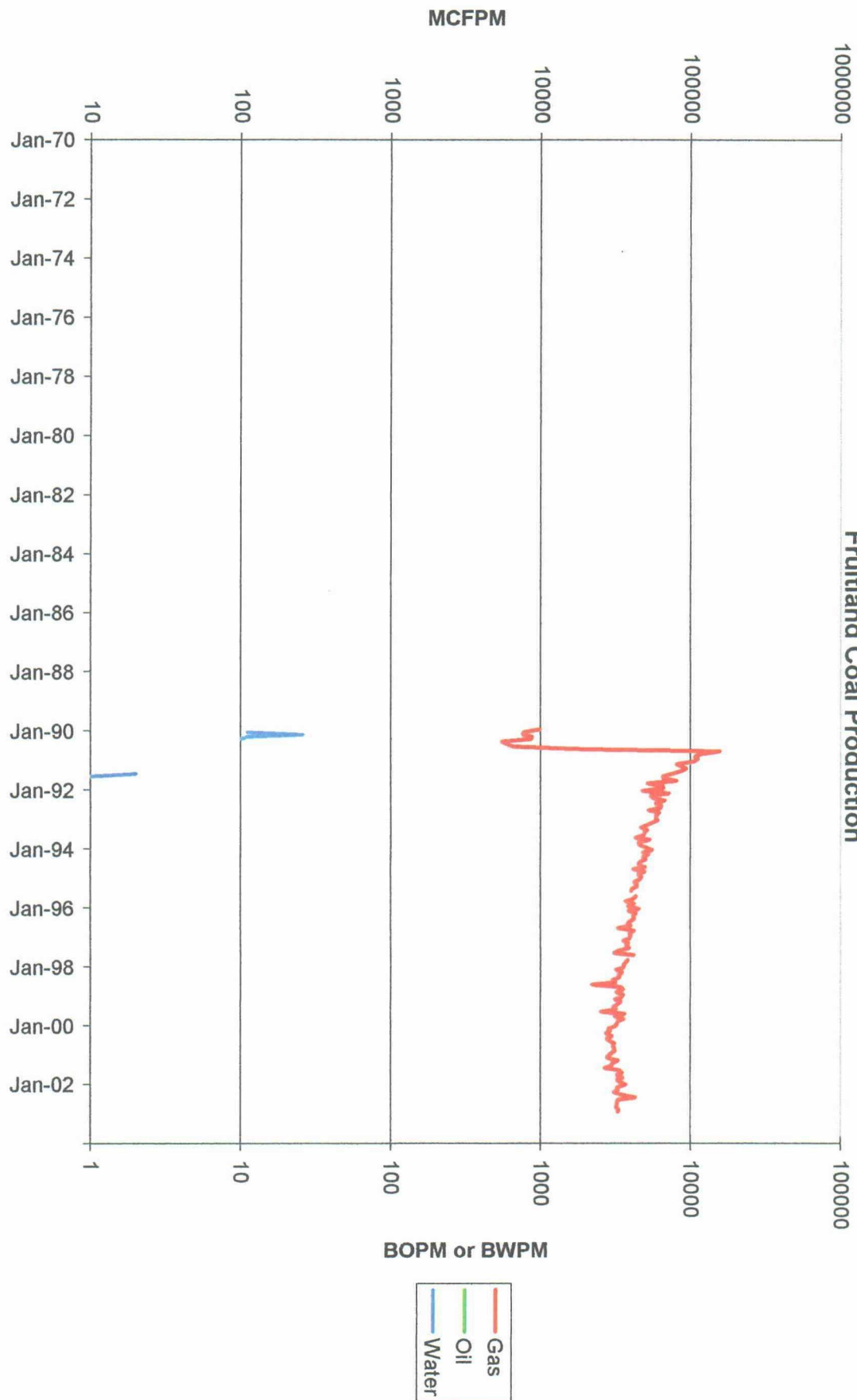


MCFPM

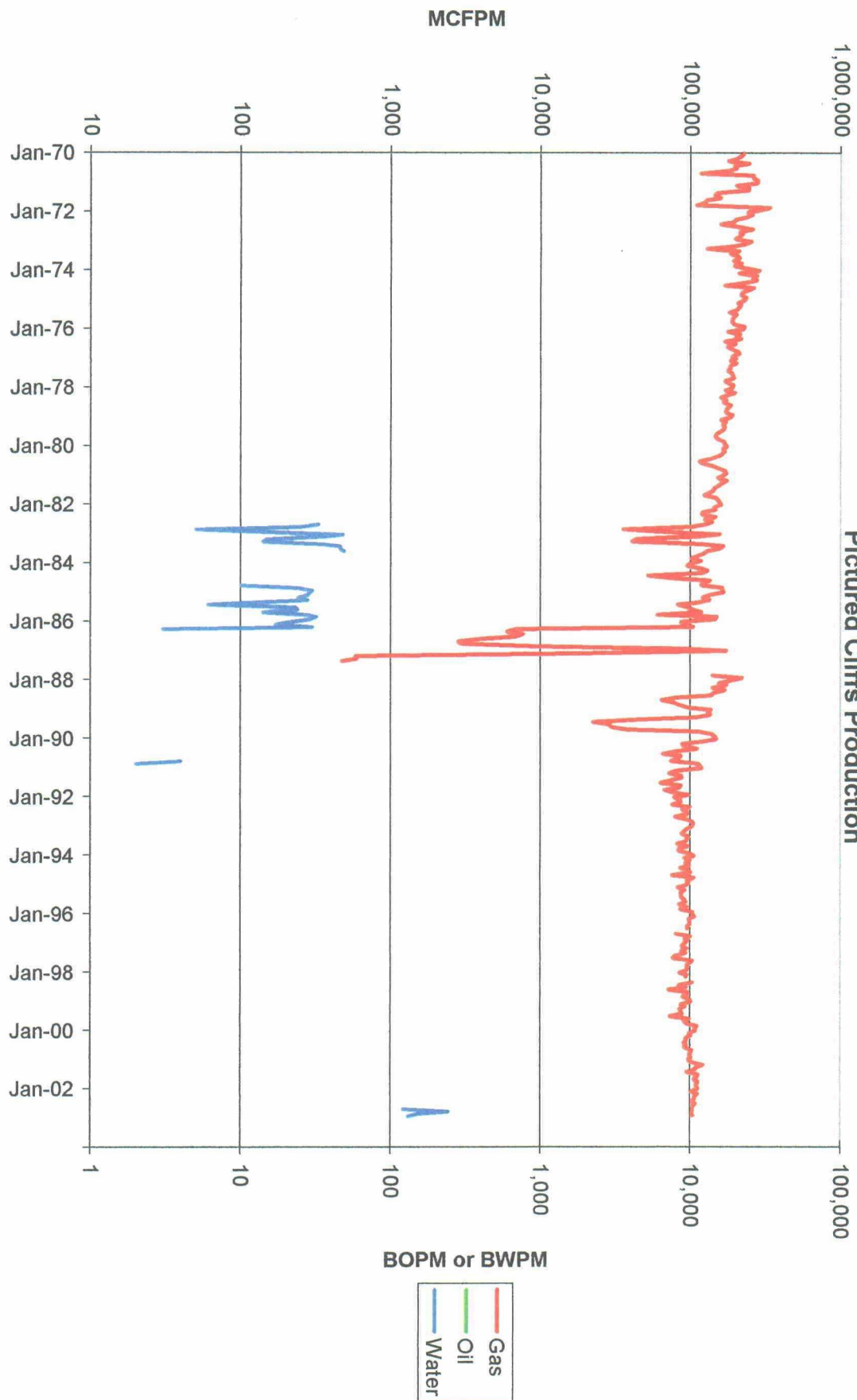
BOPM or BWPM



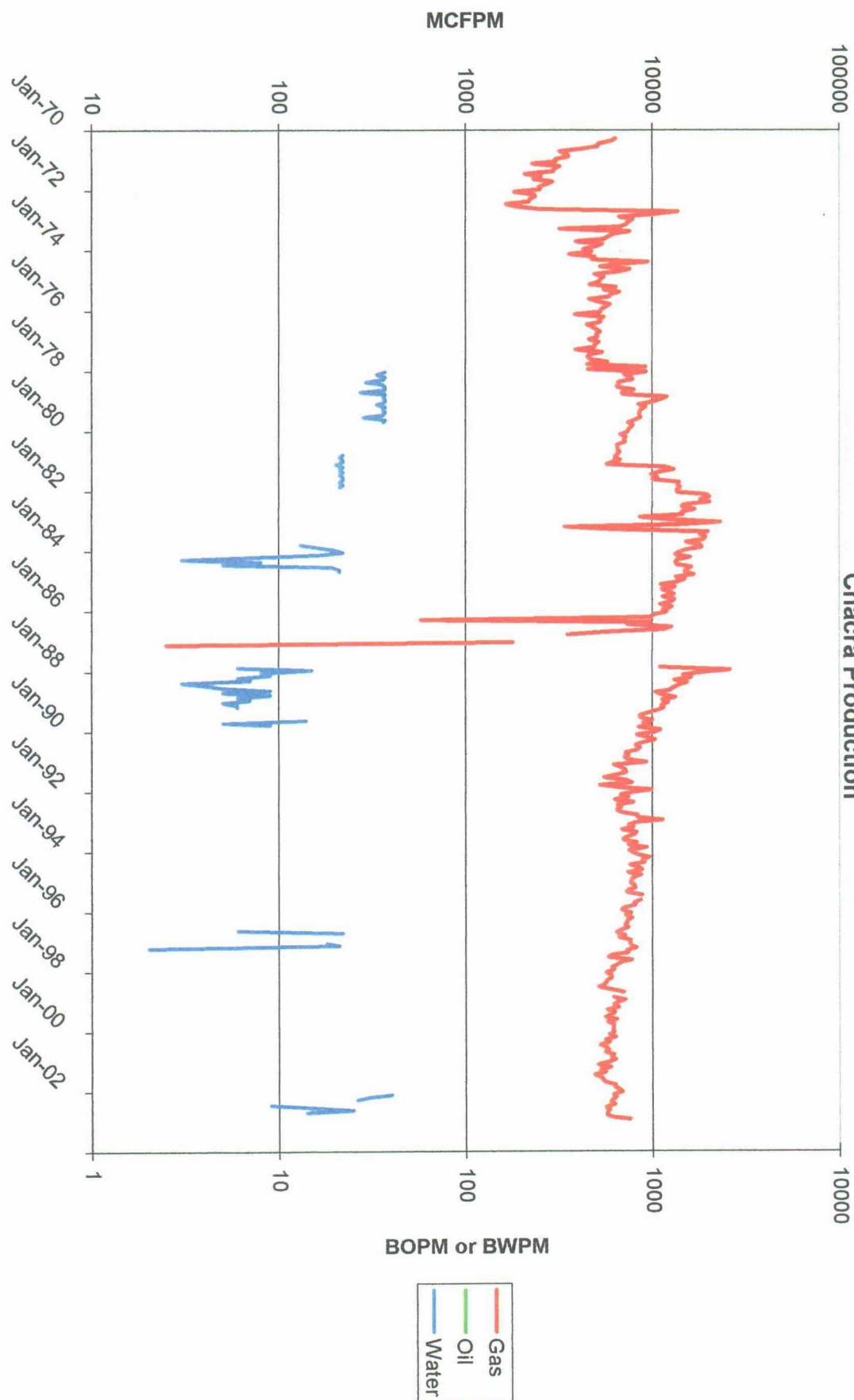
Pure Resources - Rincon Unit
 Rio Arriba County, New Mexico
 Fruitland Coal Production



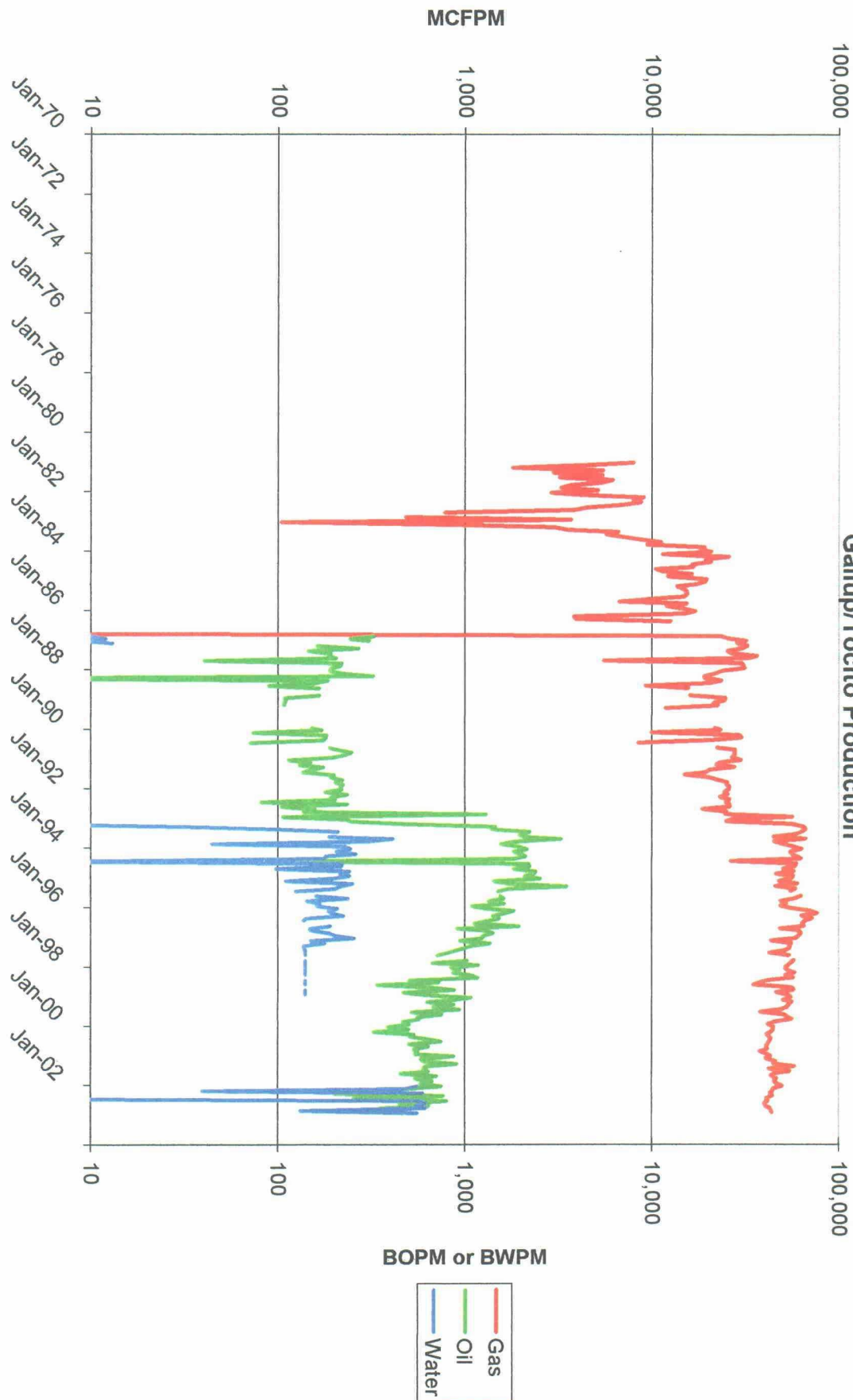
Pure Resources - Rincon Unit
 Rio Arriba County, New Mexico
 Pictured Cliffs Production



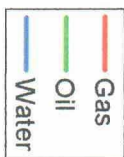
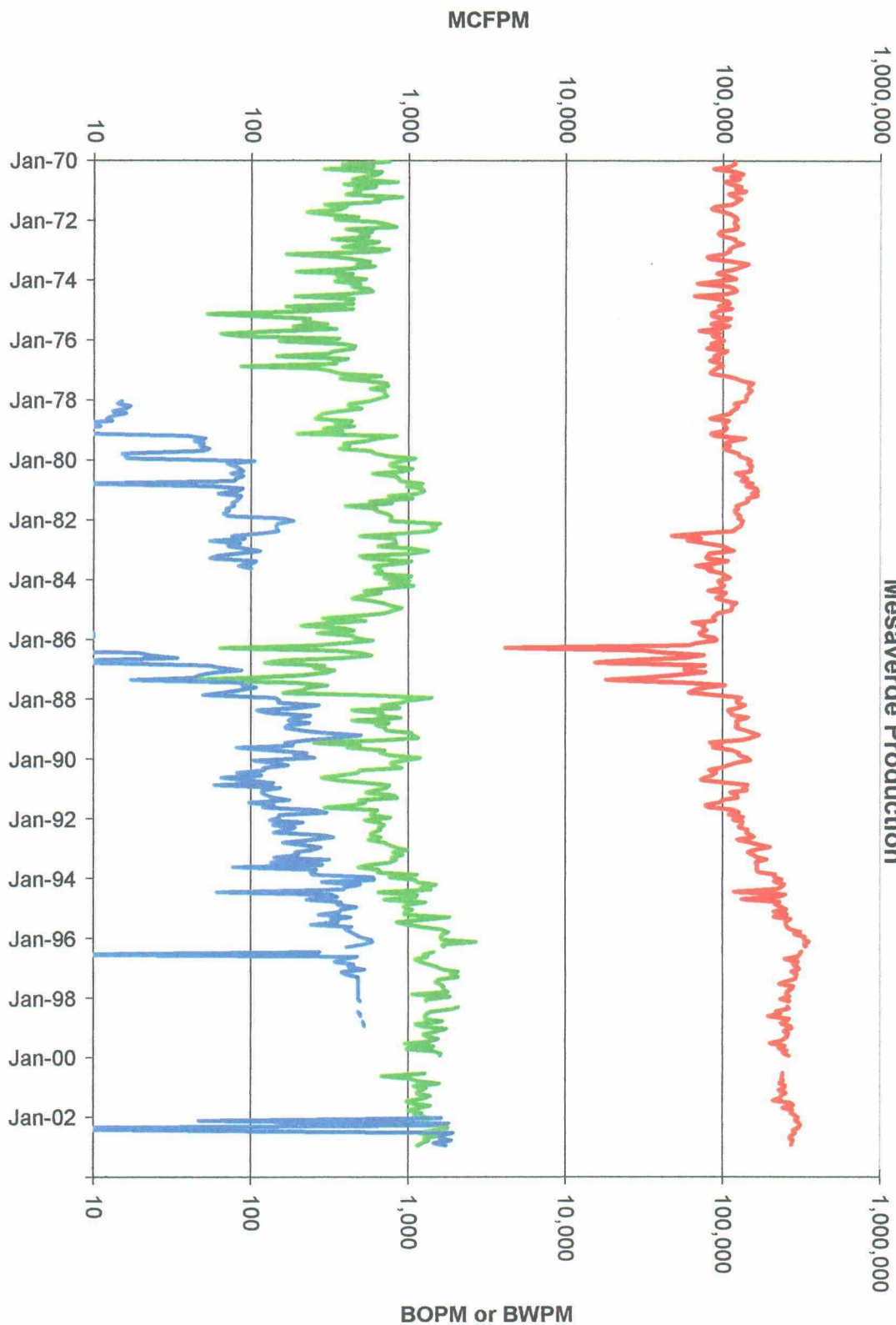
Pure Resources - Rincon Unit
 Rio Arriba County, New Mexico
 Chacra Production



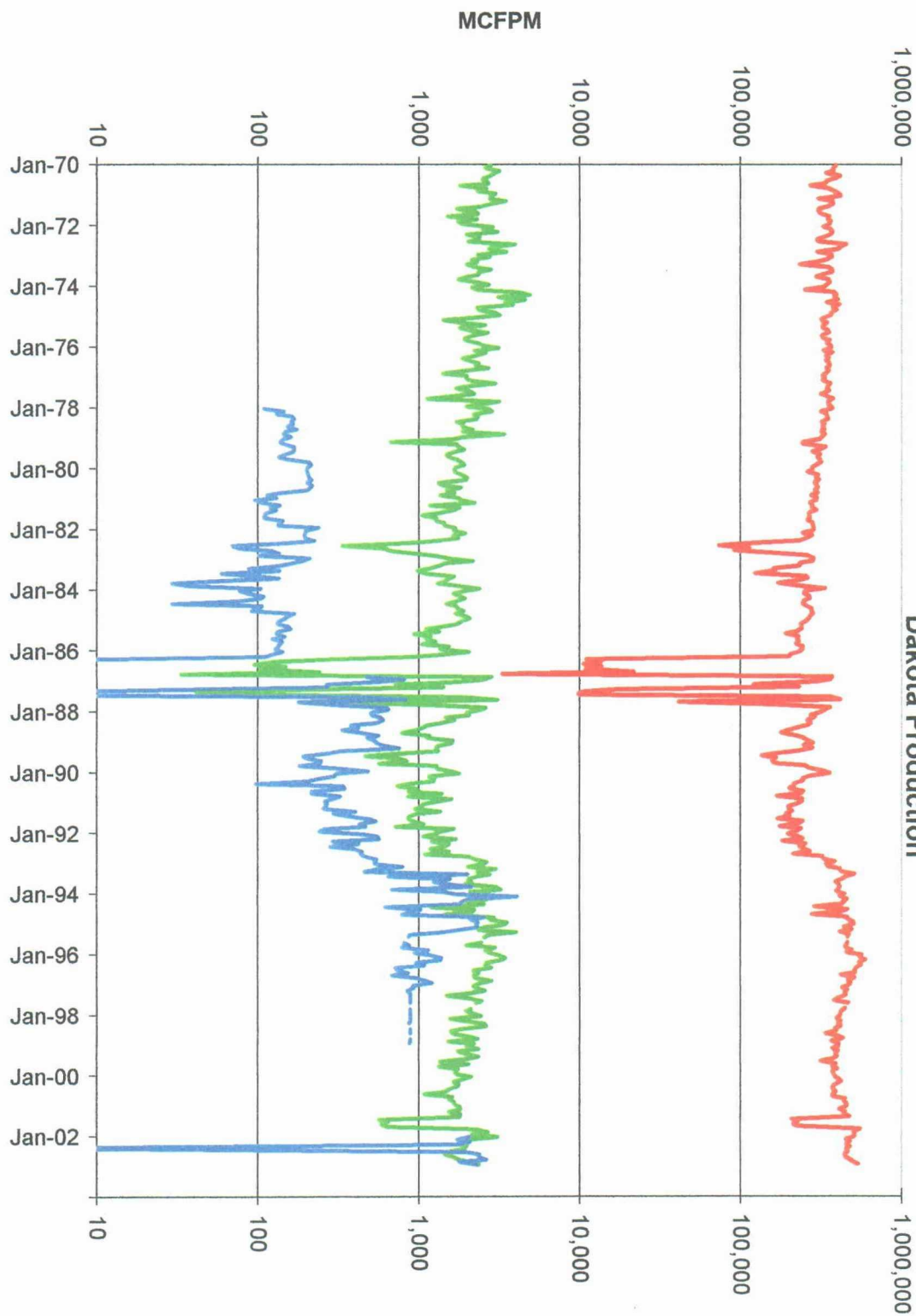
Pure Resources - Rincon Unit
Rio Arriba County, New Mexico
Gallup/Tocito Production



Pure Resources - Rincon Unit
 Rio Arriba County, New Mexico
 Mesaverde Production



Pure Resources - Rincon Unit
Rio Arriba County, New Mexico
Dakota Production



COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION
Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL
Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS
Phone (505) 827-1245
Fax (505) 827-5766



#299
OIL CON. DIVISION
02 JUL -3 PM 2:12

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES
Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES
Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT
Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES
Phone (505) 827-5793
Fax (505) 827-5711

July 1, 2002

Pure Resources, L.P.
500 West Illinois
Midland, Texas 79701

Attn: Mr. J. Robert Ready

2002 Plan of Development
Rincon Unit
Rio Arriba County, New Mexico

Dear Mr. Ready:

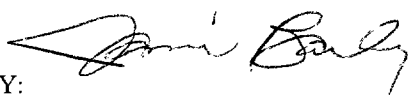
The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
xc: Reader File

OCD

BLM



June 6, 2002

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

Commission of Public Lands
State of New Mexico
PO Box 1148
Santa Fe, NM 87504-2088

Oil Conversation Division
2040 S. Pacheco
Santa Fe, NM 87505

OIL-040 875052010 1101 06 06/13/02
FORWARD TIME EXP RTN TO SEND
OIL CONSERVATION DIVISION
1220 S SAINT FRANCIS DR
SANTA FE NM 87505-4000

RETURN TO SENDER

Working Interest Owners (See attached Address List)

**Re: 2001 Review of Operations
2002 Plan of Development
Rincon Unit, Rio Arriba County, NM**

Gentlemen:

With regard to the captioned matter, please find the enclosed copy of Pure's 2001 Review of Operations and 2002 Plan of Development for the Rincon Unit, dated May 10, 2002.

Should you have any questions concerning this matter, please do not hesitate to contact Kyle Huckaba (Reservoir Engineer) at (915) 498 8617 or the undersigned at (915) 498 8619.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Robert Ready".

J. Robert Ready
Land Director

JRR/lrw

Enclosures

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Attn: Gary Patterson
8115 Preston Road, Suite 400
Dallas, TX 75225



May 10, 2002

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

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504-2088

Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

RE: 2001 Review of Operations
2002 Plan of Development
Rincon Unit, Rio Arriba County, NM

Gentlemen:

Pure Resources, as the operator of the Rincon Unit located in Rio Arriba County, New Mexico submits the following 2001 Review of Operations and the 2002 Plan of Development.

2001 Review of Operations

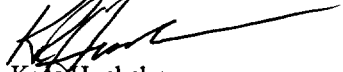
<u>Well</u>	<u>New Pool</u>	<u>Location</u>
<u>New Drill</u>		
Rincon Unit 130M	Basin Dakota	SE Sec 32, 27N 6W
Rincon Unit 156M	Basin Dakota	SE Sec 16, 27N 6W
Rincon Unit 165M	Basin Dakota	NW Sec 27, 27N 6W
Rincon Unit 166R	Basin Dakota/Blanco Mesaverde	SW Sec 32, 27N 6W
Rincon Unit 181M	Basin Dakota	NW Sec 22, 27N 6W
Rincon Unit 185R	Basin Dakota	NE Sec 22, 27N 7W
Rincon Unit 227M	Basin Dakota	SW Sec 28, 27N 7W
Rincon Unit 229M	Basin Dakota/Blanco Mesaverde	NE Sec 34, 27N 7W
Rincon Unit 231R	Basin Dakota	SW Sec 12, 26N 7W
Rincon Unit 302M	Basin Dakota	SW Sec 11, 26N 7W
Rincon Unit 303M	Basin Dakota	NE Sec 33, 27N 7W
Rincon Unit 306M	Basin Dakota/Blanco Mesaverde	NW Sec 34, 27N 7W
<u>Add Completion</u>		
Rincon Unit 179M	Blanco Mesaverde	NW Sec 16, 27N 6W
Rincon Unit 146M	Blanco Mesaverde	NW Sec 23, 27N 6W
Rincon Unit 157M	Blanco Mesaverde	SE Sec 18, 27N 6W
Rincon Unit 155M	Blanco Mesaverde	SE Sec 17, 27N 6W
Rincon Unit 173M	Blanco Mesaverde	SE Sec 23, 27N 6W
Rincon Unit 202M	Blanco Mesaverde	SE Sec 27, 27N 7W
Rincon Unit 100A	Blanco Pictured Cliffs So.	SE Sec 26, 27N 6W
Rincon Unit 134E	Blanco Pictured Cliffs So.	SE Sec 12, 26N 6W
Rincon Unit 185	Blanco Mesaverde	NW Sec 22, 27N 7W

Pure plans to add completions to 9 wells

Rincon Unit 130M	Blanco Mesaverde	SE Sec 32, 27N 6W
Rincon Unit 165M	Blanco Mesaverde	NW Sec 27, 27N 6W
Rincon Unit 181M	Blanco Mesaverde	NW Sec 22, 27N 6W
Rincon Unit 302M	Blanco Mesaverde	SW Sec 11, 26N 7W
Rincon Unit 303M	Blanco Mesaverde	NE Sec 33, 27N 7W
Rincon Unit 227M	Blanco Mesaverde	SW Sec 28, 27N 7W
Rincon Unit 231R	Blanco Mesaverde	SW Sec 12, 26N 7W
Rincon Unit 185R	Blanco Mesaverde	NE Sec 22, 27N 7W
Rincon Unit 79A	Basin Dakota	NW Sec 17, 27N 6W

2001 Rincon Unit production and well status summaries are attached along with updated production curves.

Sincerely,


Kyle Huckaba
Reservoir Engineer

RINCON UNIT REVIEW OF OPERATIONS - 2001

<u>No. Wells as of 12/31/01</u>	<u>All Formations</u>
Drilling	0
Producing	397
Shut-in	6
Abandoned	36
Injection	0
<u>December 2001 Production</u>	
Oil - Barrels	3,777
Gas - MCF @14.73	1,001,132
Water - Barrels	0
Gas Injection - MCF @14.73	0
<u>Production for Year 2001</u>	
Oil - Barrels	39,909
Gas - MCF @14.73	10,018,486
Water - Barrels	0
Gas Injection - MCF @14.73	0
<u>Cumulative Production thru 12/31/01</u>	
Oil - Barrels	1,626,387
Gas - MCF @14.73	362,957,259
Water - Barrels	178,495
Gas Injection - MCF @14.73	0

RINCON UNIT WELL SUMMARY

12/31/2001

Basin Dakota	Prod Wells	Not Prod	TOTAL
Grand Count	114	5	119
Duals	13	0	13
DH Commingle	52	0	52
Surf Commingle	0	0	0
Triple	7	0	7
Stand Alone	42	0	42
TA	0	0	0
P&A	0	5	5
Basin Fruitland Coal	Prod Wells	Not Prod	TOTAL
Grand Count	37	5	42
Duals	0	0	0
DH Commingle	0	0	0
Surf Commingle	0	0	0
Triple	0	0	0
Stand Alone	37	5	42
TA	0	4	4
P&A	0	1	1
Blanco Mesaverde	Prod Wells	Not Prod	TOTAL
Grand Count	106	3	109
Duals	18	0	18
DH Commingle	51	0	51
Surf Commingle	0	0	0
Triple	9	0	9
Stand Alone	28	0	28
TA	0	0	0
P&A	0	3	3
Blanco Pictured Cliffs	Prod Wells	Not Prod	TOTAL
Grand Count	101	22	123
Duals	11	1	12
DH Commingle	1	0	1
Surf Commingle	0	0	0
Triple	6	0	6
Stand Alone	83	0	83
TA	0	1	1
P&A	0	22	22
Largo Gallup/Tocito	Prod Wells	Not Prod	TOTAL
Grand Count	10	2	12
Duals	1	0	1
DH Commingle	5	0	5
Surf Commingle	0	0	0
Triple	3	0	3
Stand Alone	1	0	1
TA	0	0	0
P&A	0	2	2
Otero Chacra	Prod Wells	Not Prod	TOTAL
Grand Count	11	4	15
Duals	3	0	3
DH Commingle	3	0	3
Surf Commingle	0	0	0
Triple	1	0	1
Stand Alone	4	0	4
TA	0	0	0
P&A	0	4	4

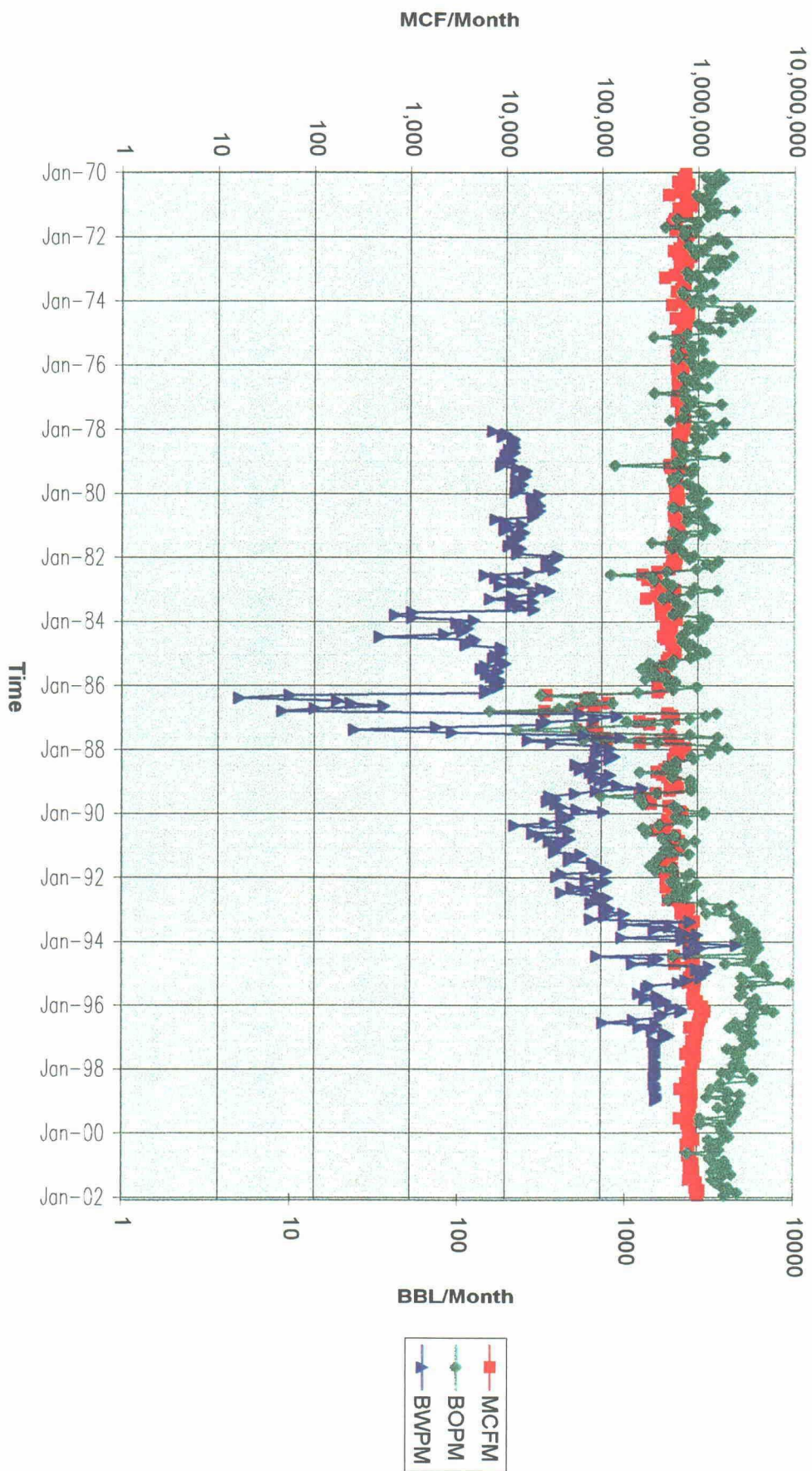
Rincon Unit Totals	Prod Wells	Not Prod	TOTAL
Grand Count	379	41	420
Duals	46	0	46
DH Commingle	57	0	57
Surf Commingle	0	0	0
Triple	8	0	8
Stand Alone	195	0	195
TA	0	5	5
P&A	0	37	37
Total Wellbores	333	42	349

2001

Annual Production Volumes

	OIL	GAS
Dakota	18,230	4,673,781
Fruitland Coal	-	380,005
Mesaverde	13,944	3,034,378
Pictured Cliffs	-	1,305,739
Gallup/Tocito	7,735	556,330
Chacra	-	68,253
Rincon Total	39,909	10,018,486

Pure Resources
 Rincon Unit - Total Unit Production
 Rio Arriba Co., New Mexico

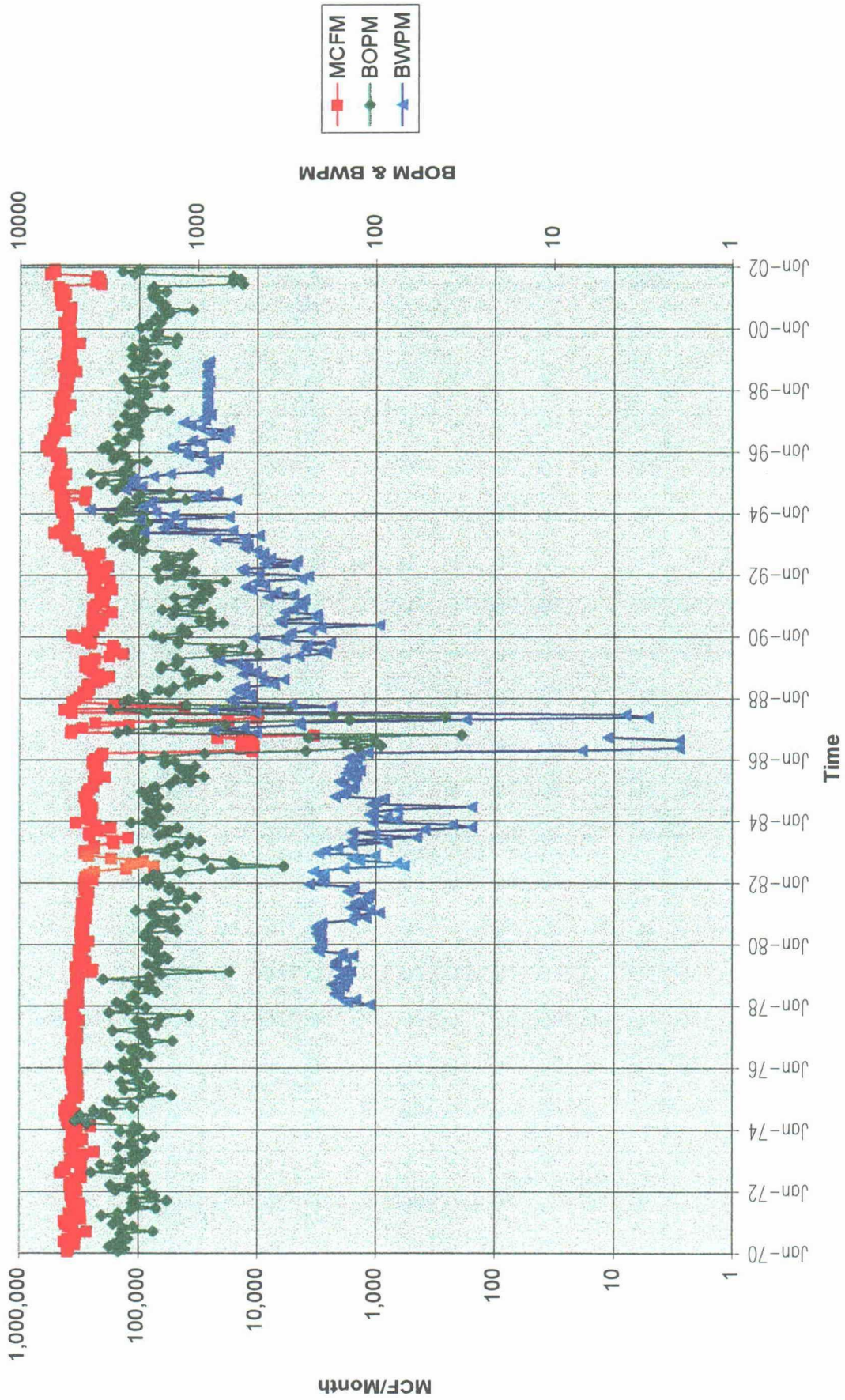


2002 Plan of Development

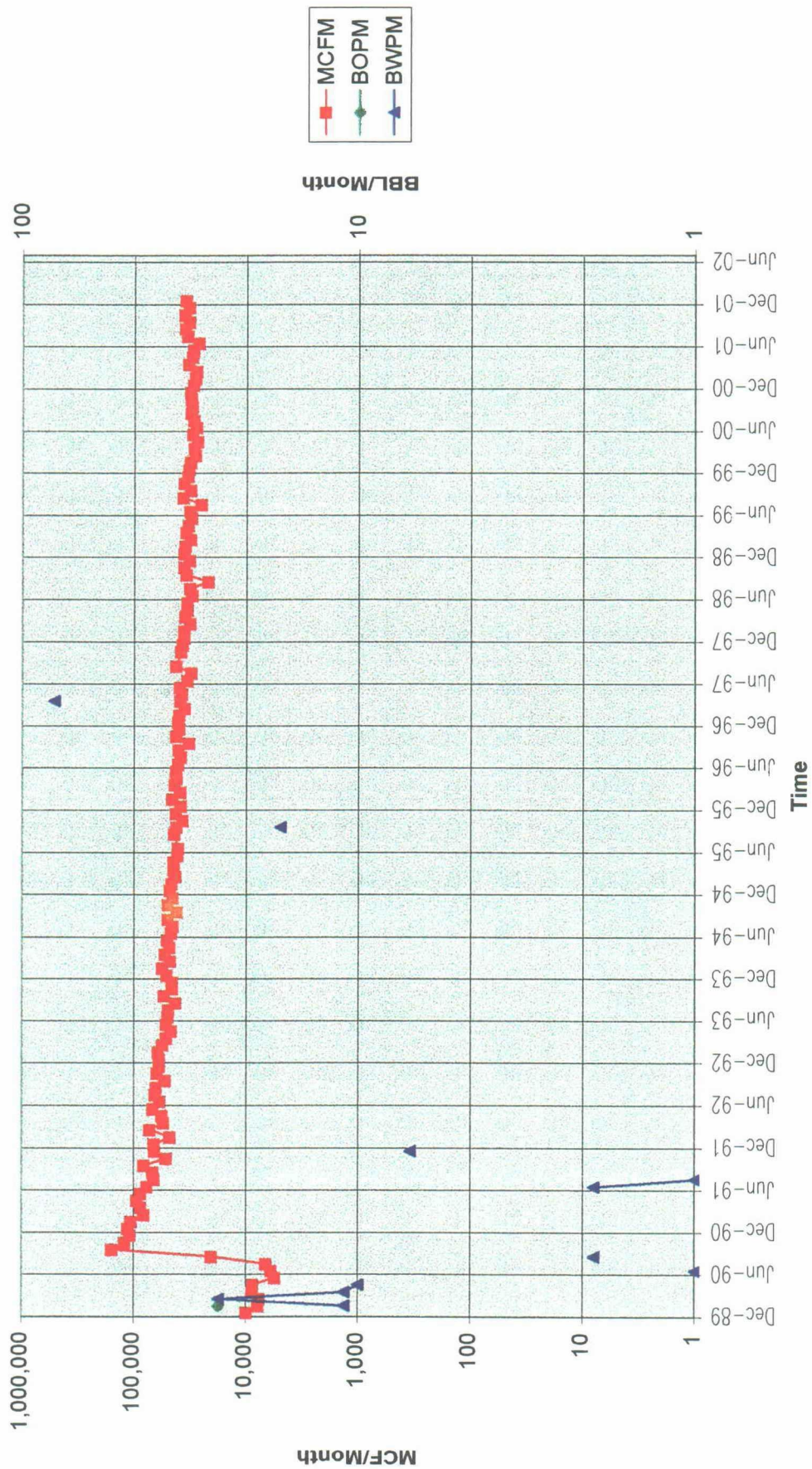
Well New Pool Location
Pure plans to drill 18 wells

RINCON UNIT #127R	Basin DK/Blanco MV	NE Sec 28-T27N-R6W
RINCON UNIT #180R	Basin DK/Blanco MV	NW Sec 21-T27N-R6W
RINCON UNIT #182R	Basin DK/Blanco MV	NE Sec 26-T27N-R6W
RINCON UNIT #203R	Basin DK/Blanco MV	SW Sec 27-T27N-R7W
RINCON UNIT #201R	Basin DK/Blanco MV	NE Sec 2-T26N-R7W
RINCON UNIT #174R	Basin DK/Blanco MV	NW Sec 17-T27N-R6W
RINCON UNIT #161R	Basin DK/Blanco MV	NE Sec 17-T27N-R6W
RINCON UNIT #186R	Basin DK/Blanco MV	SW Sec 33-T27N-R7W
RINCON UNIT #164R	Basin DK/Blanco MV	SW Sec 2-T26N-R7W
RINCON UNIT #133R	Basin DK/Blanco MV	NW Sec 14-T27N-R7W
RINCON UNIT #183R	Basin DK/Blanco MV	SW Sec 31-T27N-R6W
RINCON UNIT #134R	Basin DK/Blanco MV	NE Sec 12-T26N-R7W
RINCON UNIT #177R	Basin DK/Blanco MV	SW Sec 13-T27N-R7W
RINCON UNIT #159R	Basin DK/Blanco MV	NE Sec 18-T27N-R6W
RINCON UNIT #156R	Basin DK/Blanco MV	SW Sec 16-T27N-R6W
RINCON UNIT #168R	Basin DK/Blanco MV	SE Sec 36-T27N-R7W
RINCON UNIT #125R	Basin DK/Blanco MV	SW Sec 26-T27N-R6W
RINCON UNIT #125MR	Basin DK/Blanco MV	NW Sec 26-T27N-R6W

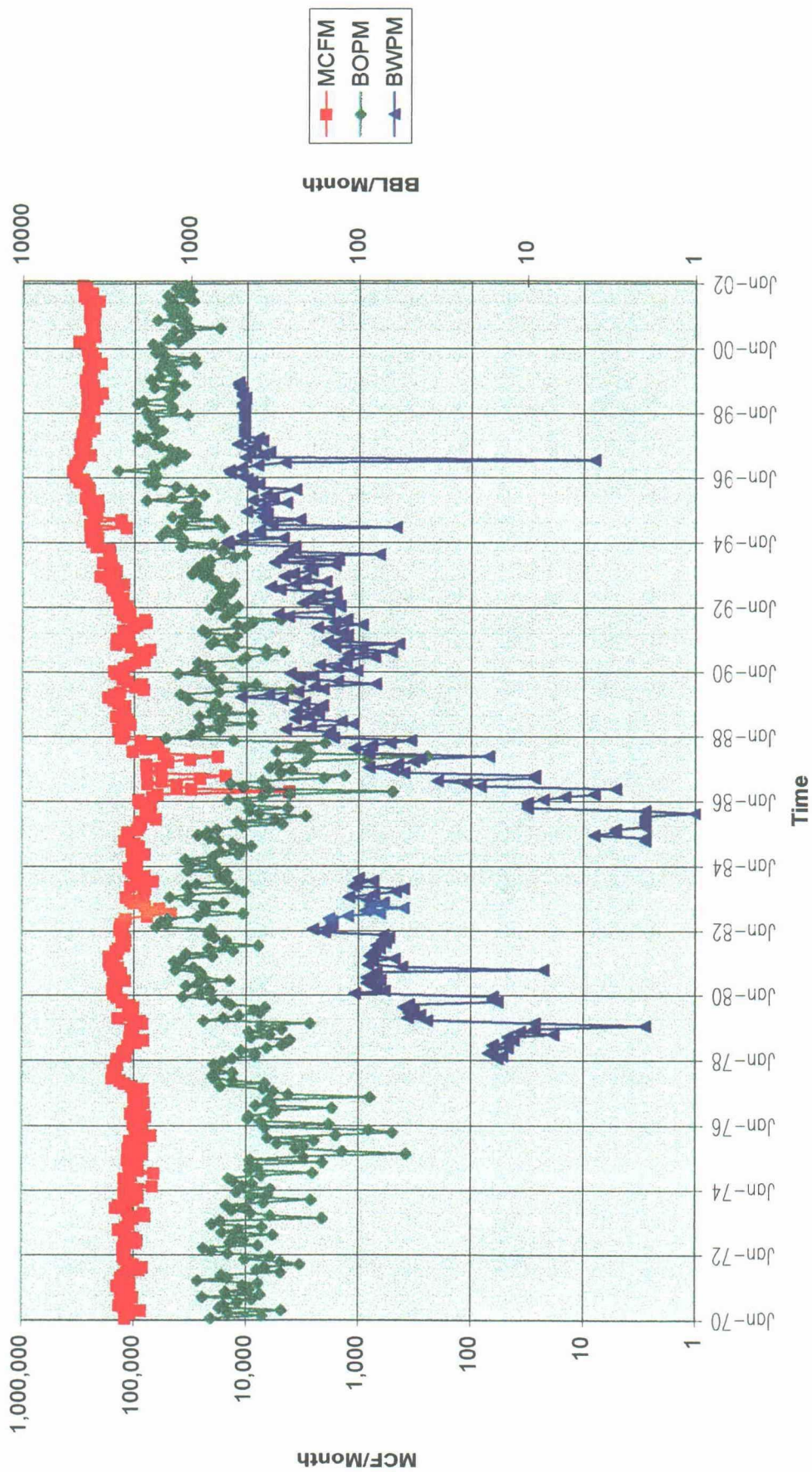
Pure Resources
Rincon Unit - Dakota Production
Rio Arriba Co., New Mexico



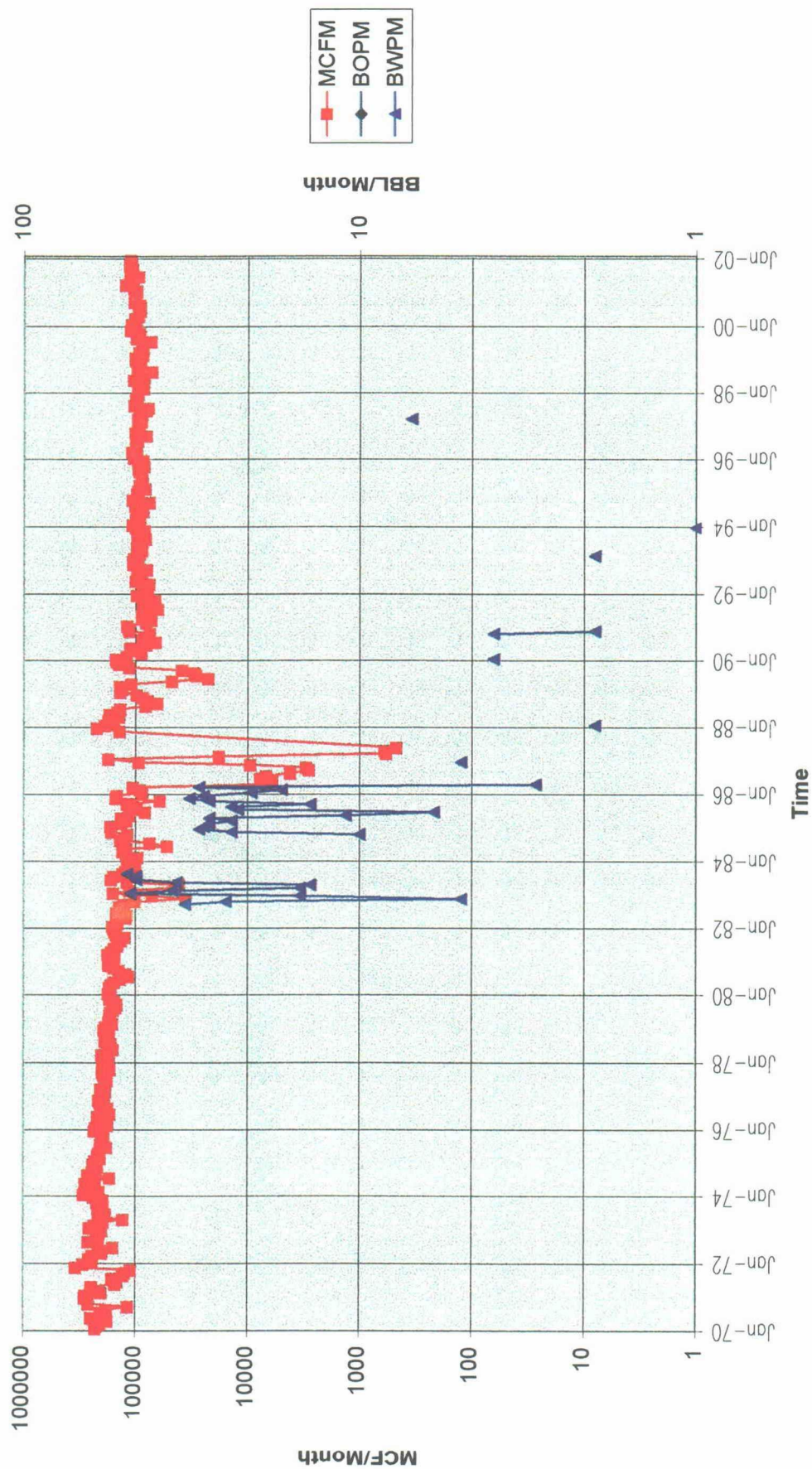
Pure Resources
 Rincon Unit - Fruitland Coal Production
 Rio Arriba Co., New Mexico



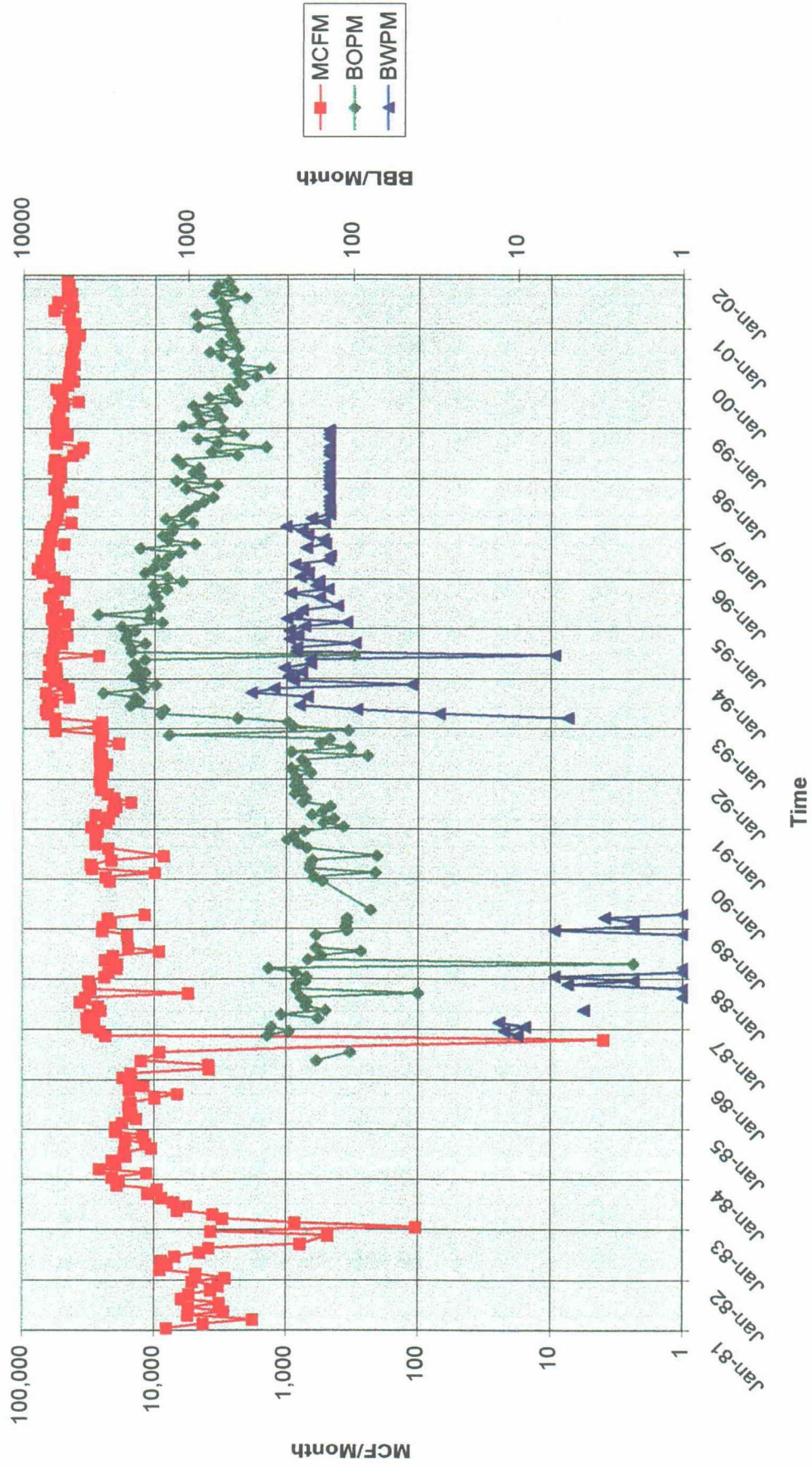
Pure Resources
Rincon Unit - Mesaverde Production
Rio Arriba Co., New Mexico



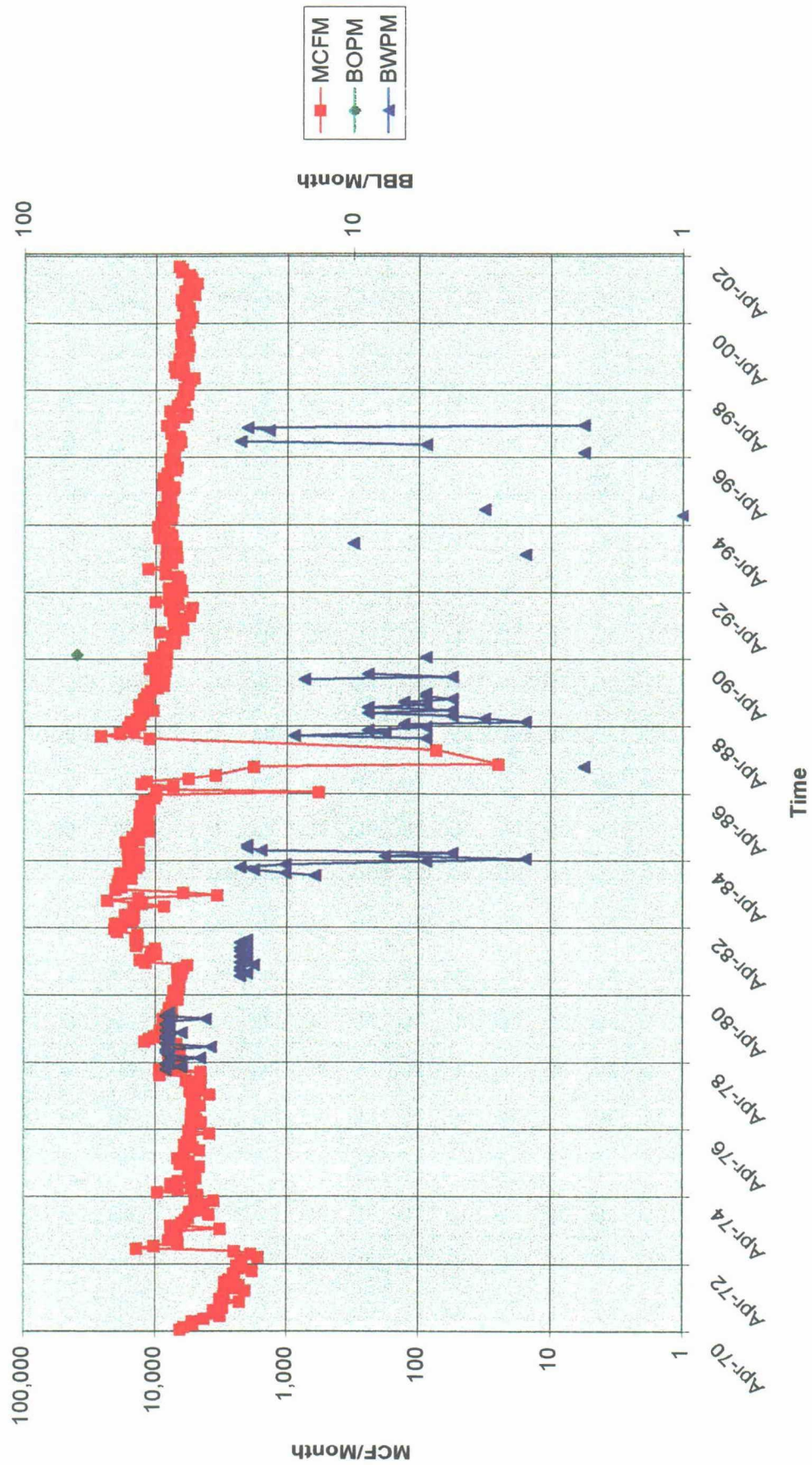
Pure Resources
 Rincon Unit - Pictured Cliffs Production
 Rio Arriba Co., New Mexico



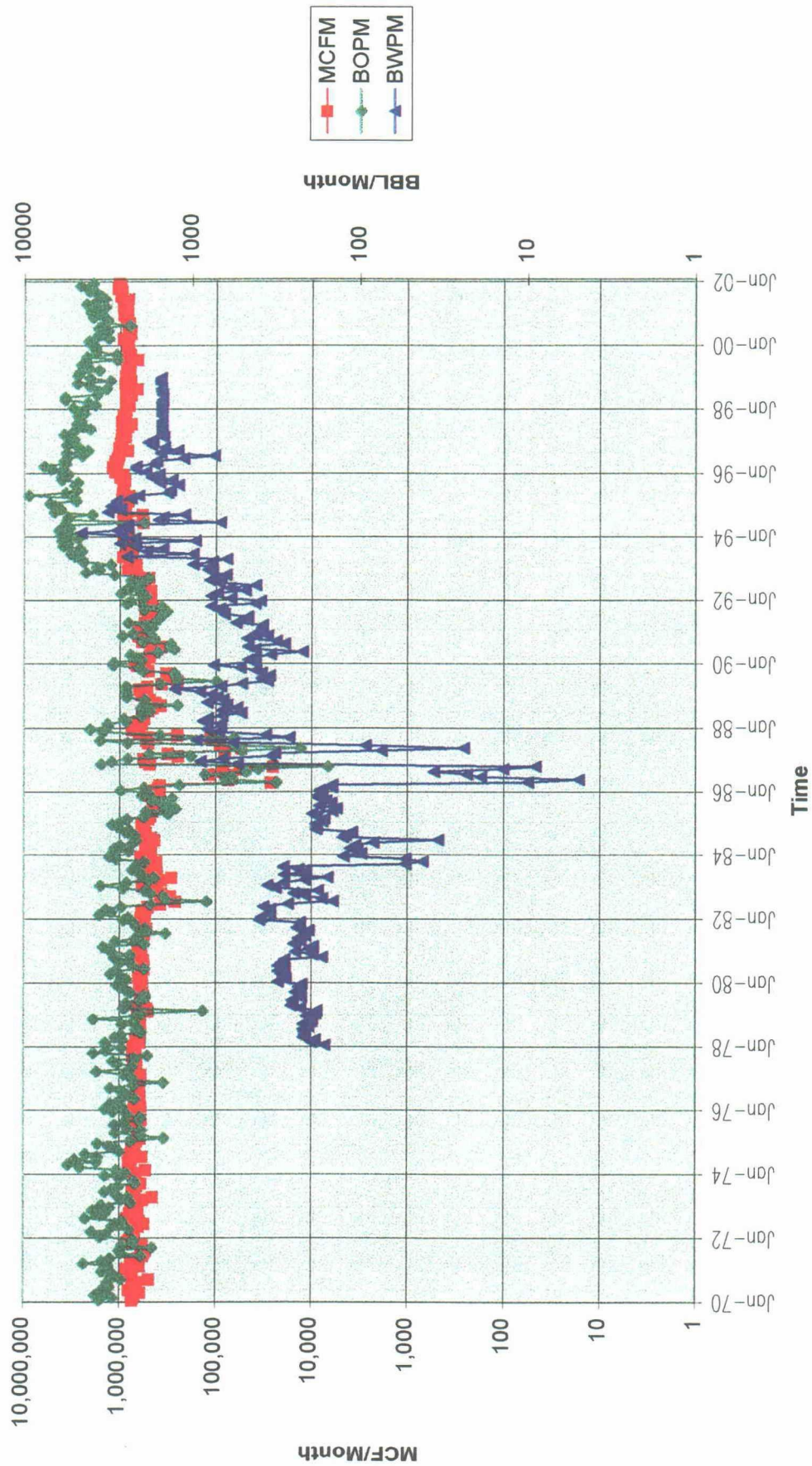
Pure Resources
 Rincon Unit - Gallup/Tocito Production
 Rio Arriba Co., New Mexico



Pure Resources
 Rincon Unit - Chacra Production
 Rio Arriba Co., New Mexico



Pure Resources
 Rincon Unit - Total Unit Production
 Rio Arriba Co., New Mexico



2002 Plan of Development

Well **New Pool** **Location**
Pure plans to drill 18 wells

RINCON UNIT #127R	Basin DK/Blanco MV	NE Sec 28-T27N-R6W
RINCON UNIT #180R	Basin DK/Blanco MV	NW Sec 21-T27N-R6W
RINCON UNIT #182R	Basin DK/Blanco MV	NE Sec 26-T27N-R6W
RINCON UNIT #203R	Basin DK/Blanco MV	SW Sec 27-T27N-R7W
RINCON UNIT #201R	Basin DK/Blanco MV	NE Sec 2-26N-R7W
RINCON UNIT #174R	Basin DK/Blanco MV	NW Sec 17-T27N-R6W
RINCON UNIT #161R	Basin DK/Blanco MV	NE Sec 17-T27N-R6W
RINCON UNIT #186R	Basin DK/Blanco MV	SW Sec 33-T27N-R7W
RINCON UNIT #164R	Basin DK/Blanco MV	SW Sec 2-T26N-R7W
RINCON UNIT #133R	Basin DK/Blanco MV	NW Sec 14-T27N-R7W
RINCON UNIT #183R	Basin DK/Blanco MV	SW Sec 31-T27N-R6W
RINCON UNIT #134R	Basin DK/Blanco MV	NE Sec 12-T26N-R7W
RINCON UNIT #177R	Basin DK/Blanco MV	SW Sec 13-T27N-R7W
RINCON UNIT #159R	Basin DK/Blanco MV	NE Sec 18-T27N-R6W
RINCON UNIT #156R	Basin DK/Blanco MV	SW Sec 16-T27N-R6W
RINCON UNIT #168R	Basin DK/Blanco MV	SE Sec 36-T27N-R7W
RINCON UNIT #125R	Basin DK/Blanco MV	SW Sec 26-T27N-R6W
RINCON UNIT #125MR	Basin DK/Blanco MV	NW Sec 26-T27N-R6W

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Spirit Energy 76
A Unocal Business Unit
1004 North Big Spring (79701)
P.O. Box 3100
Midland, Texas 79702



March 13, 2000

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

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504-2088

Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

RE: 1999 Review of Operations
2000 Plan of Development
Rincon Unit, Rio Arriba County, New Mexico

Dear Gentlemen:

Union Oil Company of California (UNOCAL) as the operator of the Rincon Unit located in Rio Arriba County, New Mexico submits the following 1999 Review of Operations and the 2000 Plan of Development for your approval.

1999 REVIEW OF OPERATIONS

<u>Well</u>	<u>New Pool</u>	<u>Location</u>
<u>New Drill:</u>		
Rincon Unit No. 158R	Basin Dakota, Blanco Mesaverde	SW Sec. 22, 27N-6W
Rincon Unit No. 172M	Basin Dakota, Blanco Mesaverde	NW Sec. 26, 27N-7W
Rincon Unit No. 169M	Basin Dakota, Blanco Mesaverde	SE Sec. 26, 27N-7W
<u>Add Completion:</u>		
Rincon Unit No. 202 Dakota	Blanco Mesaverde	NE Sec. 27, 27N-7W
Rincon Unit No. 201 Dakota	Blanco Mesaverde	NE Sec. 02, 26N-7W
Rincon Unit No. 176 Dakota	Blanco Mesaverde	NE Sec. 31, 27N-6W
Rincon Unit No. 231E DK/MV	Blanco Pictured Cliffs So.	NW Sec. 12, 26N-7W
Rincon Unit No. 127M DK/MV	Blanco Pictured Cliffs So.	NW Sec. 28, 27N-6W
Rincon Unit No. 133E Dakota	Blanco Pictured Cliffs So.	NW Sec. 14, 27N-7W
<u>Recompletion:</u>		
Rincon Unit No. 23 P&A MV	Blanco Pictured Cliffs So.	SW Sec. 35, 27N-7W
Rincon Unit No. 227 P&A DK	Blanco Mesaverde	SE Sec. 28, 27N-7W

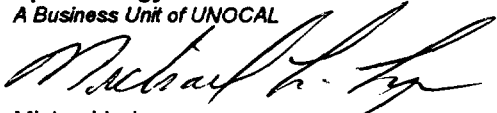
2000 PLAN OF DEVELOPMENT

<u>Well</u>	<u>New Pool</u>	<u>Location</u>
<u>Unocal plans to drill 9 wells:</u>		
Rincon Unit No. 155M	Basin Dakota, Blanco Mesaverde	Sec. 17, 27N-6W
Rincon Unit No. 161M	Basin Dakota, Blanco Mesaverde	Sec. 17, 27N-6W
Rincon Unit No. 179M	Basin Dakota, Blanco Mesaverde	Sec. 16, 27N-6W
Rincon Unit No. 156M	Basin Dakota, Blanco Mesaverde	Sec. 16, 27N-6W
Rincon Unit No. 181M	Basin Dakota, Blanco Mesaverde	Sec. 22, 27N-6W
Rincon Unit No. 173M	Basin Dakota, Blanco Mesaverde	Sec. 23, 27N-6W
Rincon Unit No. 146M	Basin Dakota, Blanco Mesaverde	Sec. 23, 27N-6W
Rincon Unit No. 202M	Basin Dakota, Blanco Mesaverde	Sec. 27, 27N-7W
Rincon Unit No. 100B	Blanco Mesaverde, Blanco PC So.	Sec. 26, 27N-6W
<u>Unocal plans to add completions to 9 wells:</u>		
Rincon Unit No. 178	Blanco Mesaverde	SW Sec. 23, 27N-7W
Rincon Unit No. 138	Blanco Mesaverde	NE Sec. 25, 27N-7W
Rincon Unit No. 192	Largo Gallup	SW Sec. 01, 26N-7W
Rincon Unit No. 201E	Blanco Mesaverde	SE Sec. 02, 26N-7W
Rincon Unit No. 134E	Blanco Pictured Cliffs So.	SE Sec. 12, 26N-7W
Rincon Unit No. 100A	Blanco Pictured Cliffs So.	SE Sec. 26, 27N-6W
Rincon Unit No. 57	Blanco Pictured Cliffs So.	NE Sec. 01, 26N-7W
Rincon Unit No. 129M	Blanco Pictured Cliffs So.	SE Sec. 29, 27N-6W
Rincon Unit No. 57E	Blanco Mesaverde	SE Sec. 01, 26N-7W

1999 Rincon Unit production and well status summaries are attached along with updated production curves.

Sincerely,

Spirit Energy 76
A Business Unit of UNOCAL



Michael L. Lyon
Advanced Petroleum Engineer

MLL/Ss
Att.

RINCON UNIT
REVIEW OF OPERATIONS - 1999

<u>No. Completions as of 12/31/99</u>	<u>ALL FORMATIONS</u>
Producing	375
Shut-In	1
Abandoned	44
Injection	0
<u>December 1999 Production</u>	
Oil - Barrels	3,742
Gas - MCF @ 14.73	851,263
Water - Barrels	1,347
Gas Injection - MCF	0
<u>Production for Year 1999</u>	
Oil - Barrels	46,925
Gas - MCF @ 14.73	9,767,781
Water - Barrels	16,893
Gas Injection - MCF	0
<u>Cumulative Production thru 12/31/99</u>	
Oil - Barrels	1,550,303
Gas - MCF	344,686,336
Water - Barrels	177,977
Gas Injection, MCF	0

RINCON UNIT WELL SUMMARY

BASIN DAKOTA		Prod	Not Prod
Total Completions	Single	107	6
	Dual	34	
Down Hole Commingle		16	
		47	
	Surface Commingle	10	
	Triple	0	
	TA		1
	P&A		5
BASIN FRUITLAND COAL		Prod	Not Prod
Total Completions	Single	39	6
	Dual	39	
Down Hole Commingle		0	
		0	
	Surface Commingle	0	
	Triple	0	
	TA		0
	P&A		6
BLANCO MESAVERDE		Prod	Not Prod
Total Completions	Single	107	3
	Dual	31	
Down Hole Commingle		20	
		43	
	Surface Commingle	10	
	Triple	3	
	TA		0
	P&A		3
BLANCO PICTURED CLIFFS		Prod	Not Prod
Total Completions	Single	101	23
	Dual	84	
Down Hole Commingle		12	
		0	
	Surface Commingle	0	
	Triple	5	
	TA		0
	P&A		23
LARGO GALLUP/TOCITO		Prod	Not Prod
Total Completions	Single	10	3
	Dual	1	
Down Hole Commingle		1	
		8	
	Surface Commingle	0	
	Triple	0	
	TA		0
	P&A		3
OTERO CHACRA		Prod	Not Prod
Total Completions	Single	11	4
	Dual	4	
Down Hole Commingle		3	
		4	
	Surface Commingle	0	
	Triple	0	
	TA		0
	P&A		4

Multiple Completions

Well Description

DUALS

DK/GL 1

DK/MV 11

DK/CH 2

DK/PC 2

MV/CH 0

MV/PC 9

CH/PC 1

TOTAL 26

DOWN HOLE COMMINGLE

DK/GL 6

DK/MV 39

DK/CH 0

DK/PC 0

MV/CH 4

MV/PC 0

CH/PC 0

DK/GL/MV 2

TOTAL 51

SURFACE COMMINGLE

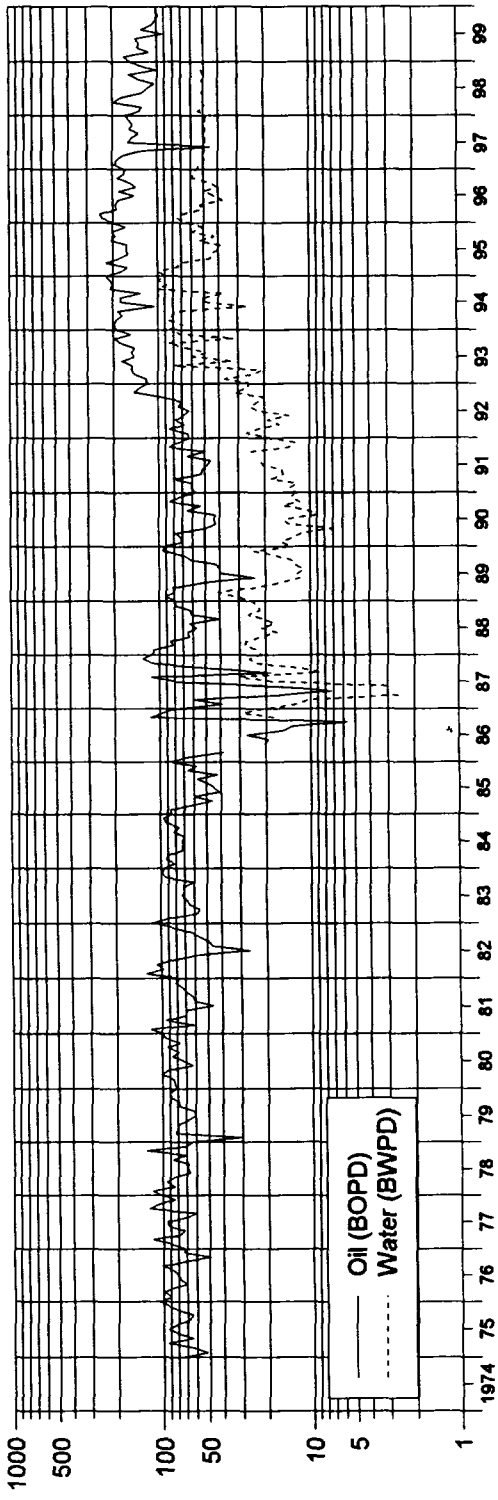
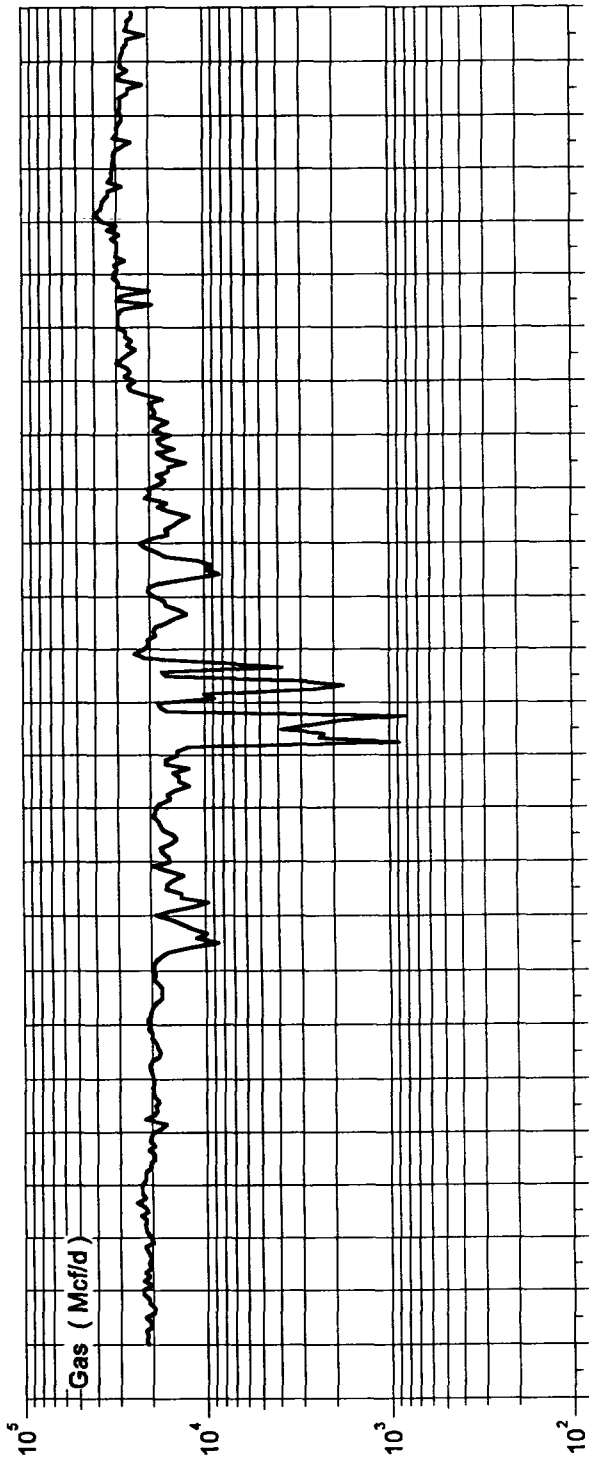
DK/MV 10

TOTAL 10

RINCON UNIT TOTALS		Prod	Not Prod
Total Completions	Single	375	45
	Dual	193	
Down Hole Commingle		52	
		102	
	Surface Commingle	20	
	Triple	8	
	TA		1
	P&A		44
Total Wellbores		280	34

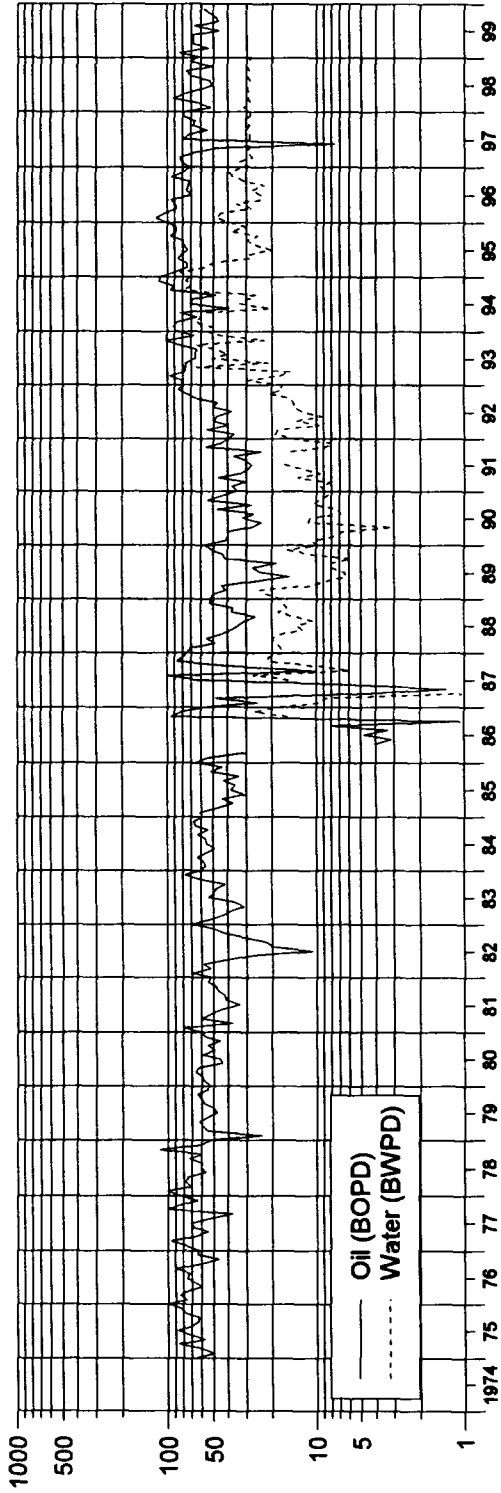
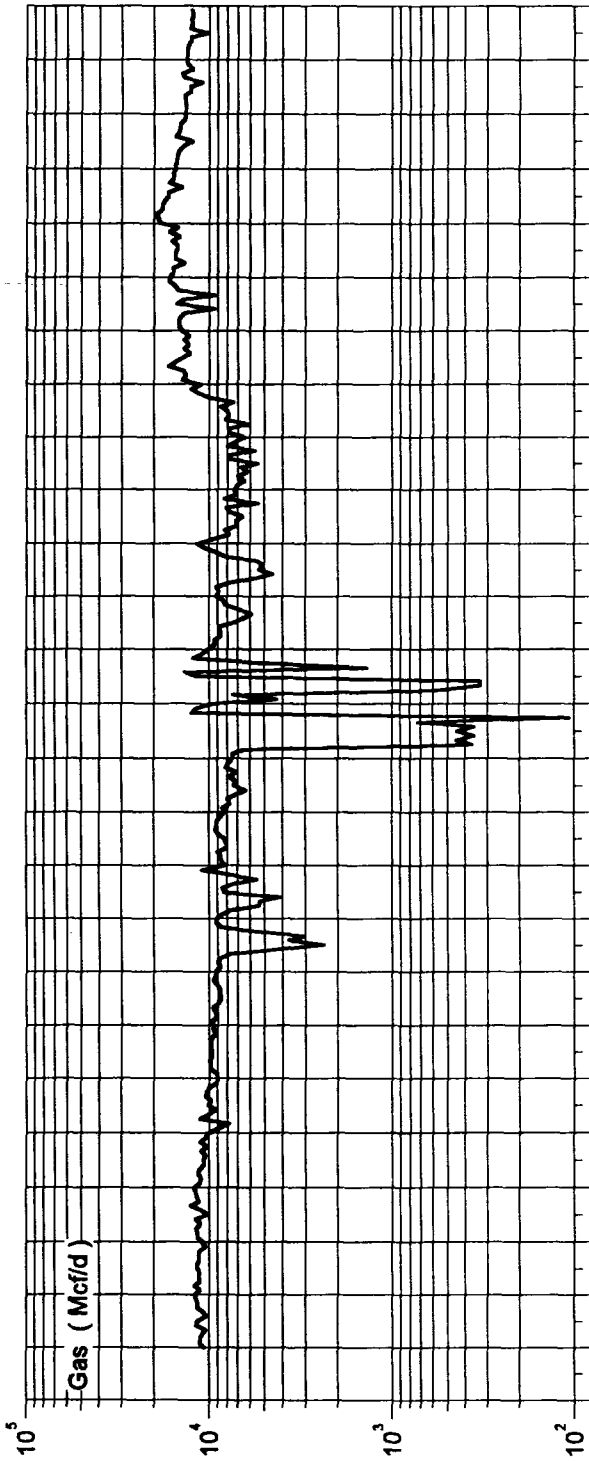
Union Oil Company of California
Rincon Unit - Total Production

Rio Arriba Co., New Mexico

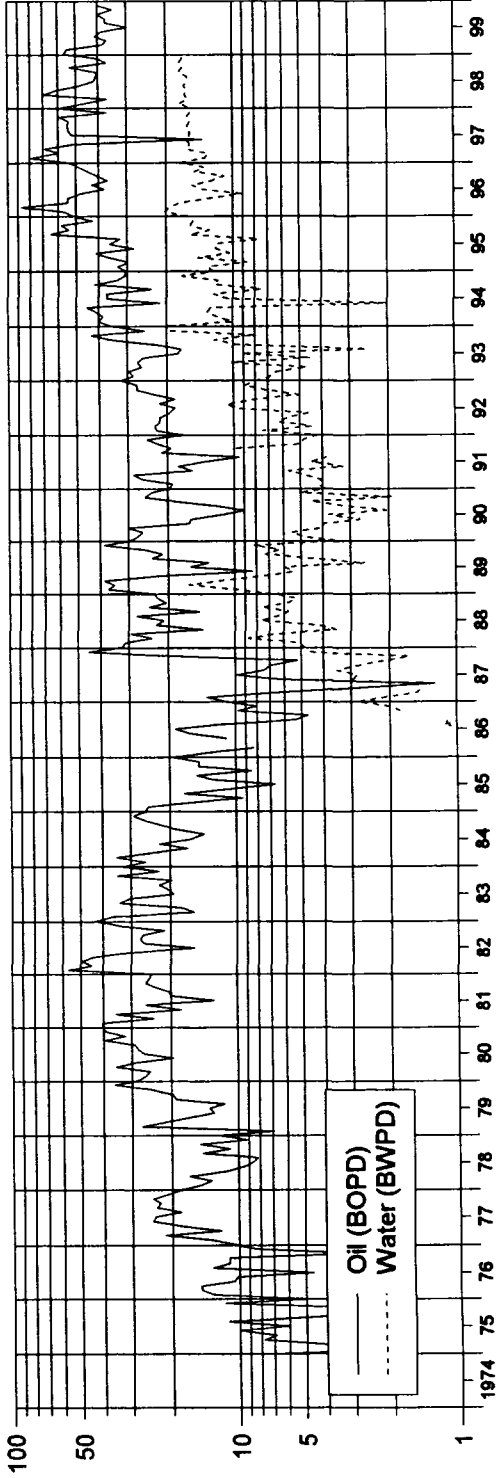
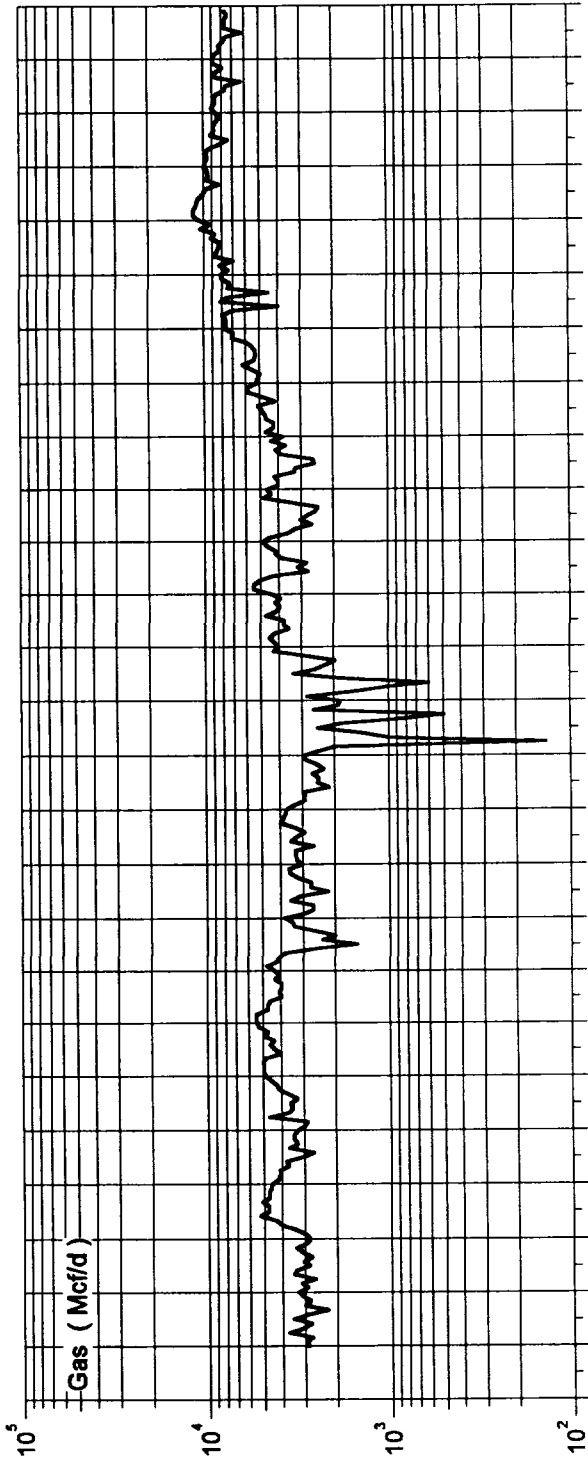


Union Oil Company of California
Rincon Unit - Basin Dakota Production

Rio Arriba Co., New Mexico



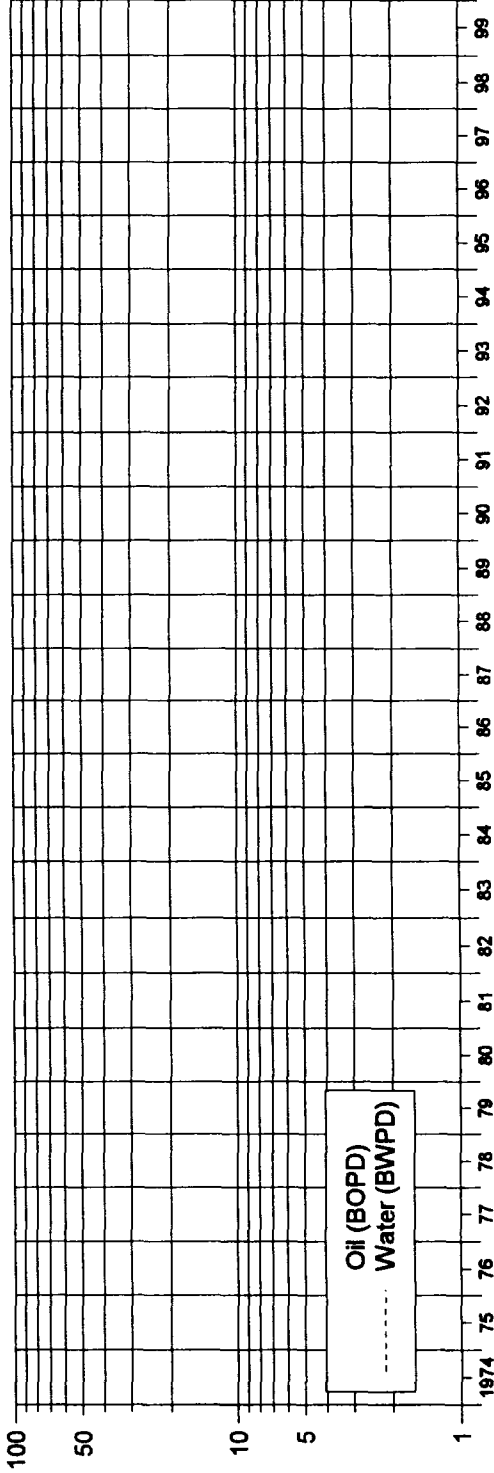
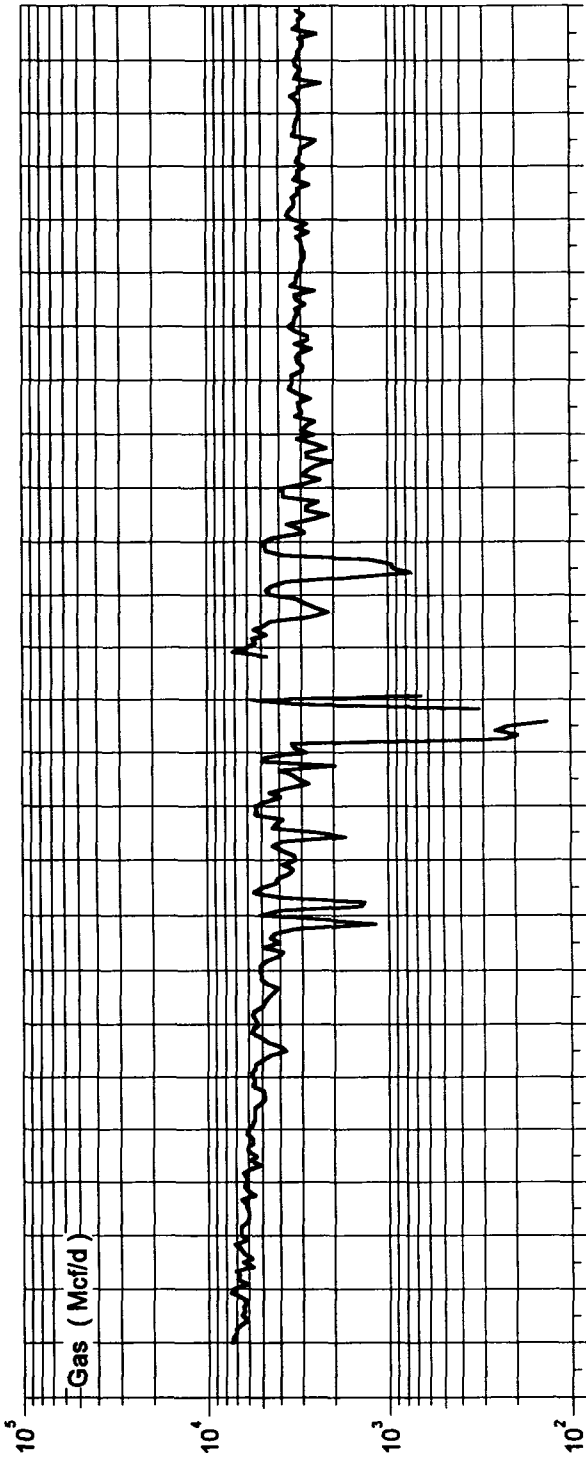
Union Oil Company of California
Rincon Unit - Blanco Mesaverde Production
Rio Arriba Co., New Mexico



Union Oil Company of California

Rincon Unit - Blanco Pictured Cliffs So. Production

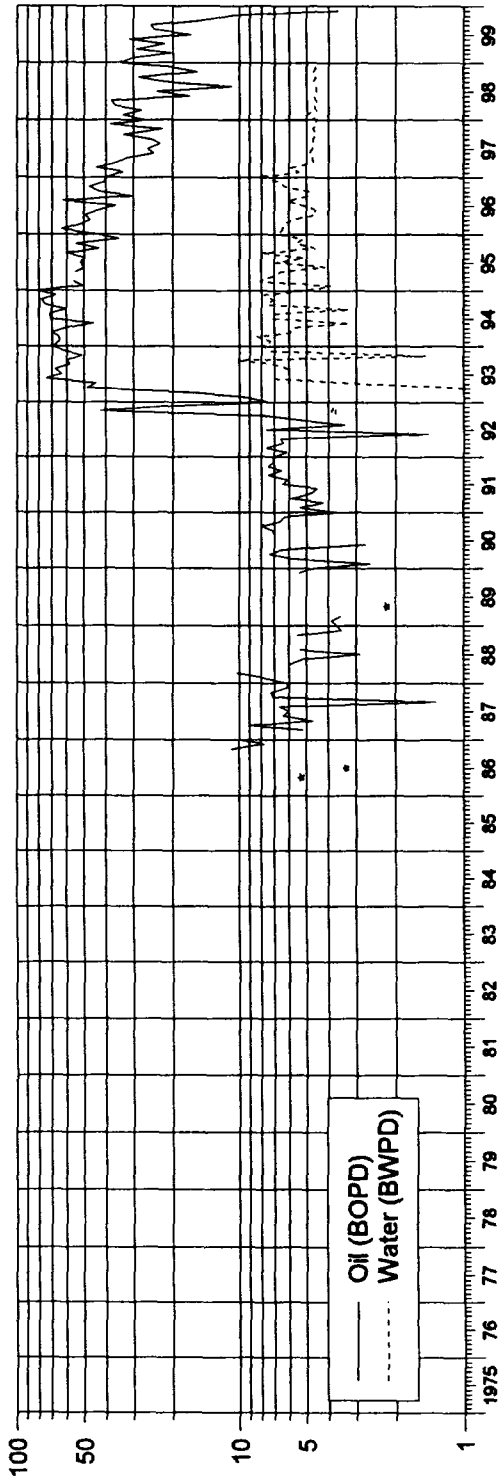
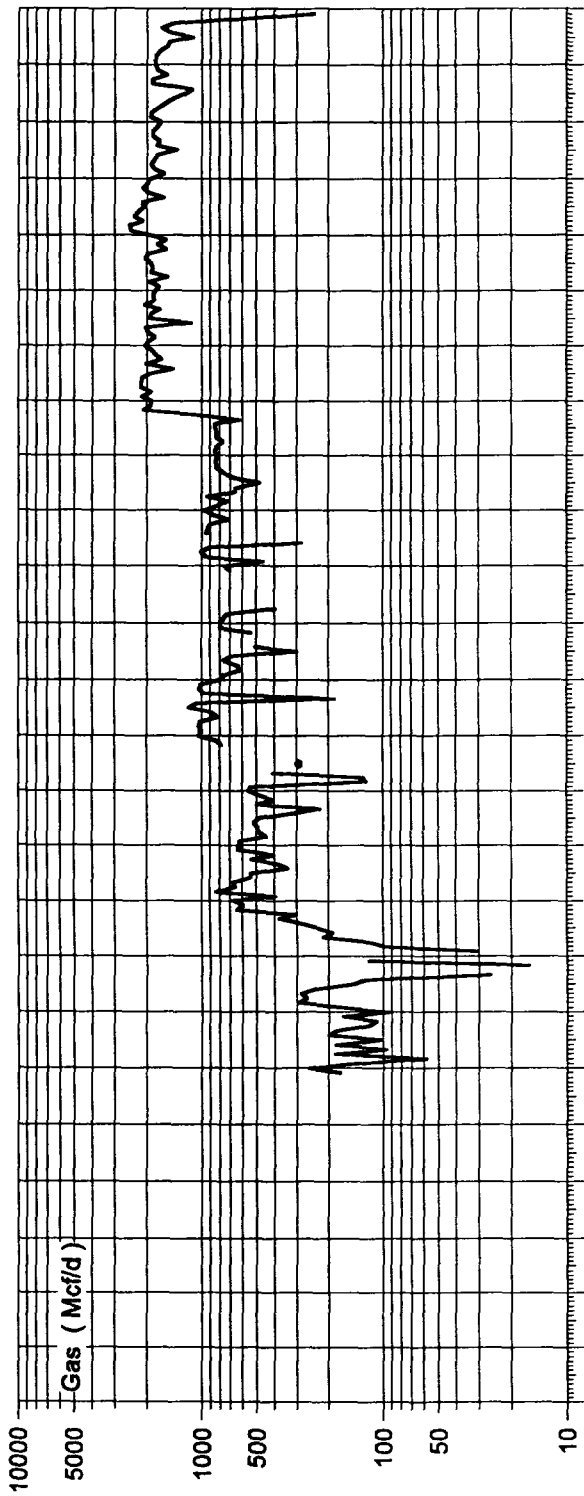
Rio Arriba Co., New Mexico



Union Oil Company of California

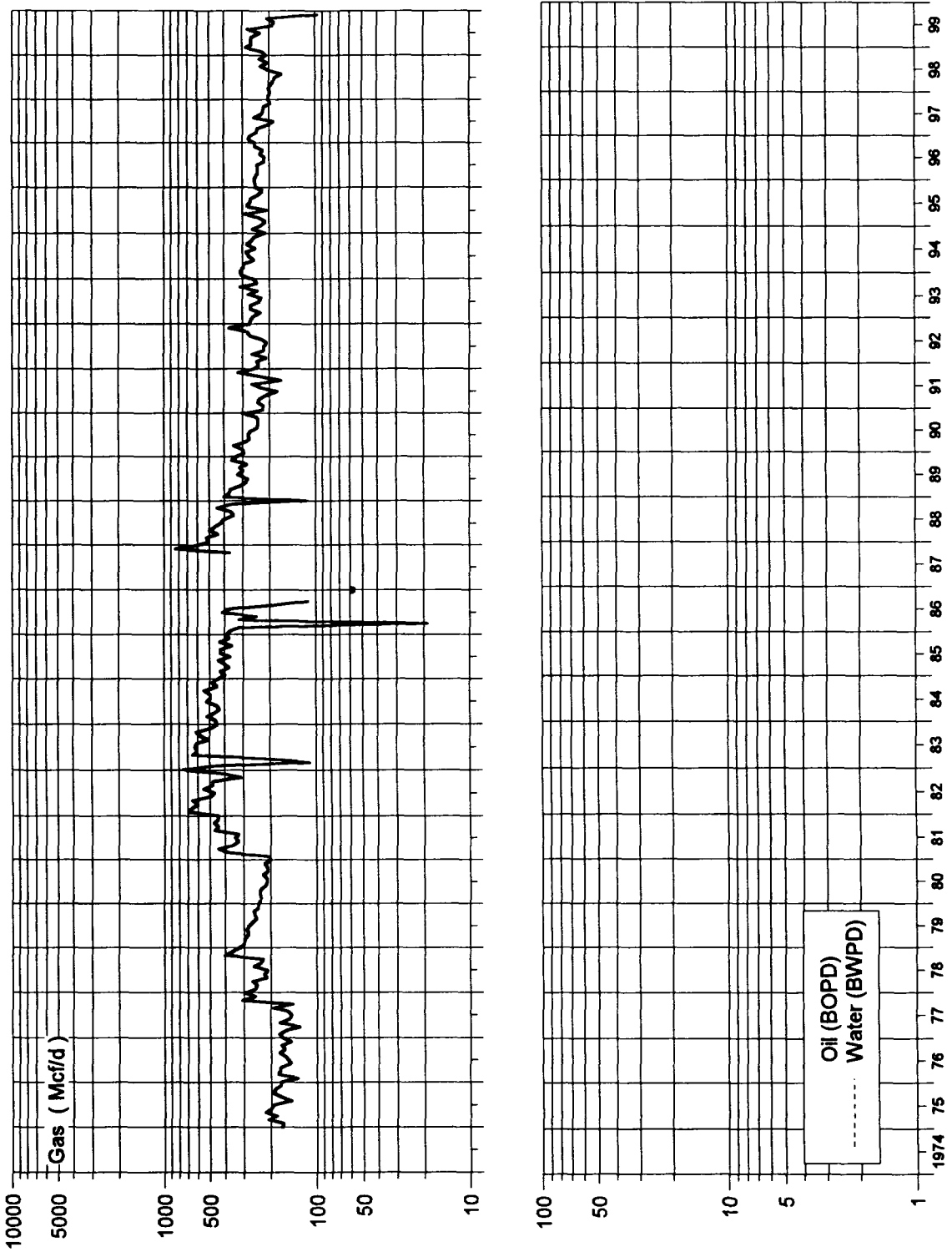
Rincon Unit - Gallup Production

Rio Arriba Co., New Mexico

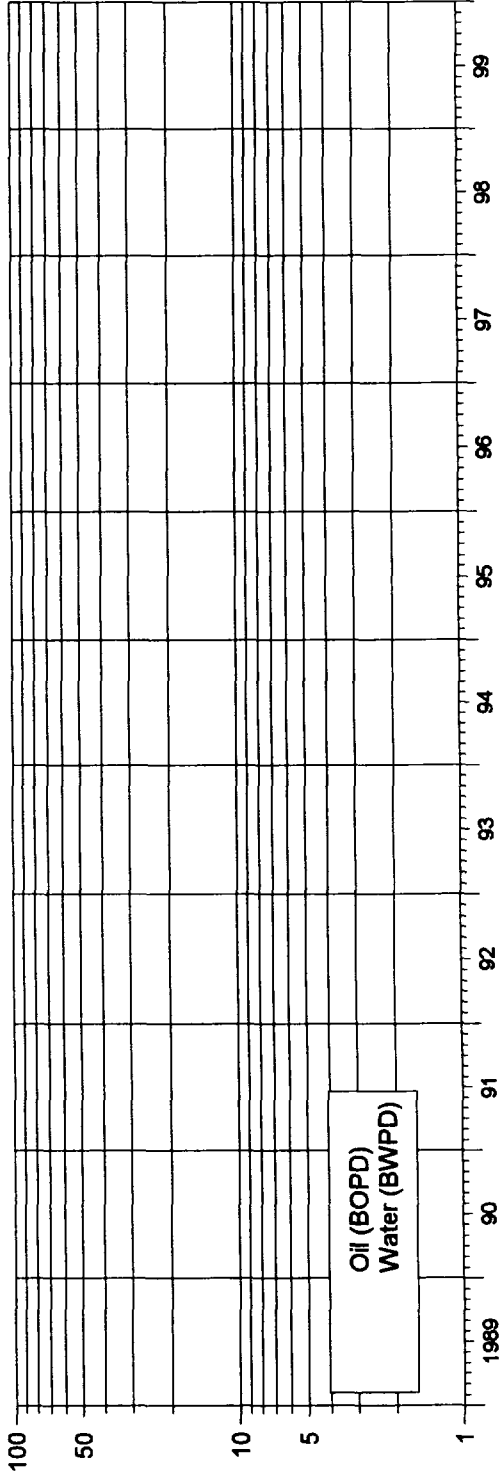
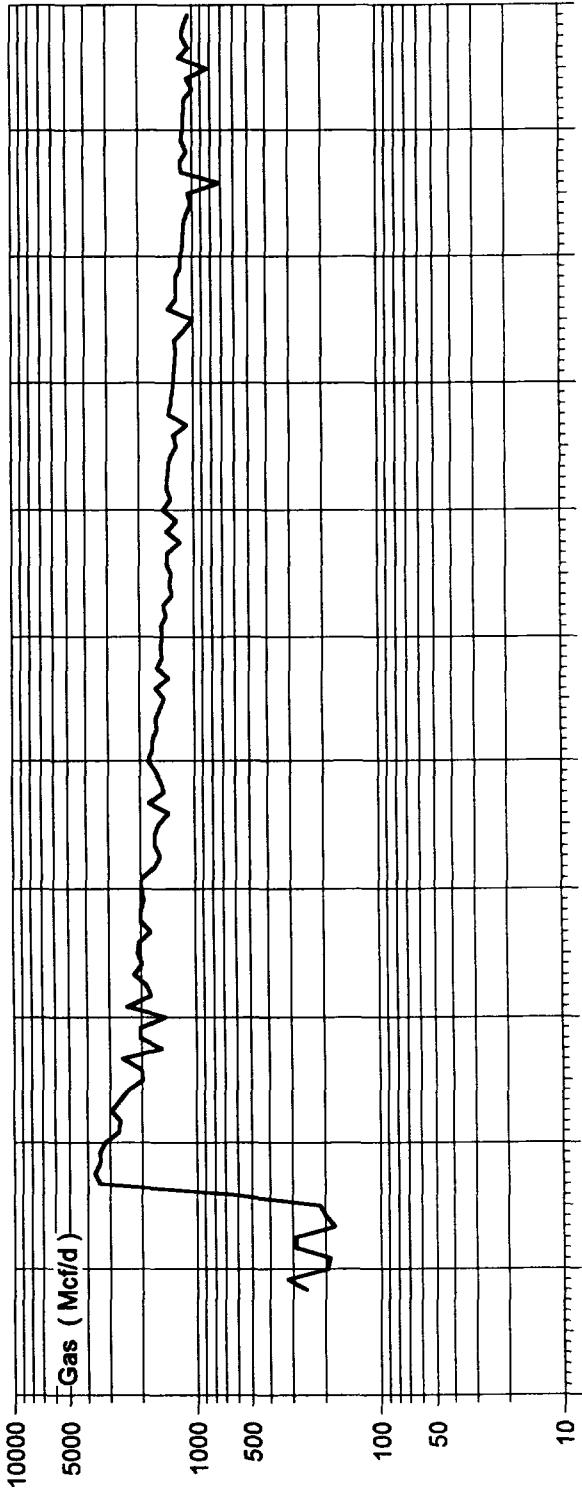


Union Oil Company of California
Rincon Unit - Otero Chacra Production

Rio Arriba Co., New Mexico



Union Oil Company of California
Rincon Unit - Basin Fruitland Coal Production
Rio Arriba Co., New Mexico





June 15, 1999

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

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504-2088

Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

RE: Revised 1999 Plan of Development
Rincon Unit, Rio Arriba County, New Mexico

Dear Gentlemen:

Union Oil Company of California (UNOCAL) as the operator of the Rincon Unit located in Rio Arriba County, New Mexico submits the following Revised 1999 Plan of Development for your approval.

REVISED 1999 PLAN OF DEVELOPMENT

Currently Unocal is planning on drilling 3 wells within the Rincon Unit for the Mesaverde/Dakota formations:

- 1) #169M located in the NW of section 26, T27N-R7W
- 2) #172M located in the SE of section 26, T27N-R7W
- 3) #181M located in the NW of section 22, T27N-R6W

Unocal is planning on adding Pictured Cliffs pay to the following wells: #231E, #127M, #159M, #133E, #23

Unocal is also planning on adding Mesaverde pay to the following wells: #227, #201, #202, #176

No major facility projects are planned for 1999 at this time.

Sincerely,

Spirit Energy 76
A Business Unit of UNOCAL

Michael L. Lyon
Advanced Petroleum Engineer

MLL



New Name. Same Spirit.
A Business Unit of Unocal

OK'd 3/30/99

March 12, 1999

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

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504-2088

Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

MAR 26 1999

RE: 1998 Review of Operations
1999 Plan of Development
Rincon Unit, Rio Arriba County, New Mexico

Dear Gentlemen:

Union Oil Company of California (UNOCAL) as the operator of the Rincon Unit located in Rio Arriba County, New Mexico submits the following 1998 Review of Operations and the 1999 Plan of Development for your approval.

1998 REVIEW OF OPERATIONS

During 1998, the following wells were completed into a new formation within the unit as follows:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 57	Blanco Mesaverde	NE Sec 1-26N-7W
Rincon Unit No. 131	Blanco Mesaverde	SW Sec 36-27N-7W
Rincon Unit No. 137E	Blanco Mesaverde	SE Sec 24-27N-7W
Rincon Unit No. 169	Blanco Mesaverde	SW Sec 26-27N-7W
Rincon Unit No. 192E	Blanco Mesaverde	NW Sec 1-26N-7W

1999 PLAN OF DEVELOPMENT

No drilling is planned during 1999.

Unocal plans to add five recompletions and one deeping.

No major facility projects are planned for 1999 at this time.

The 1998 Review of Operations is attached along with updated production curves and a list showing the status of unit wells.

Sincerely,

Spirit Energy 76
A Business Unit of UNOCAL

Michael L. Lyon
Advanced Petroleum Engineer

MLL/Ss
Att.

1004 North Big Spring • Post Office Box 3100 • Midland, Texas 79702

RINCON UNIT
REVIEW OF OPERATIONS - 1998

<u>No. Completions as of 12/31/98</u>	<u>ALL FORMATIONS</u>
Producing	364
Shut-In	2
Abandoned	38
Injection	0
<u>December 1998 Production</u>	
Oil - Barrels	4,069
Gas - MCF @ 14.73	874,831
Water - Barrels	1,548
Gas Injection - MCF @ 14.73	0
<u>Production for Year 1998</u>	
Oil - Barrels	50,698
Gas - MCF	9,923,093
Water - Barrels	18,300
Gas Injection, MCF	0
<u>Cumulative Production thru 12/31/98</u>	
Oil - Barrels	1,503,378
Gas - MCF	334,918,555
Water - Barrels	161,084
Gas Injection, MCF	0

RINCON UNIT WELL SUMMARY

31-Dec-98

BASIN DAKOTA		Prod	Not Prod
Total Completions		105	5
Single		39	
Dual		16	
Down Hole Commingle		39	
Surface Commingle		11	
Triple		0	
TA			1
P&A			4
BASIN FRUITLAND COAL		Prod	Not Prod
Total Completions		40	5
Single		40	
Dual		0	
Down Hole Commingle		0	
Surface Commingle		0	
Triple		0	
TA			1
P&A			4
BLANCO MESAVERDE		Prod	Not Prod
Total Completions		101	2
Single		31	
Dual		21	
Down Hole Commingle		35	
Surface Commingle		11	
Triple		3	
TA			0
P&A			2

BLANCO PICTURED CLIFFS		Prod	Not Prod
Total Completions		97	22
Single		83	
Dual		11	
Down Hole Commingle		0	
Surface Commingle		0	
Triple		3	
TA			0
P&A			22
LARGO GALLUP/TOCITO		Prod	Not Prod
Total Completions		10	2
Single		1	
Dual		1	
Down Hole Commingle		8	
Surface Commingle		0	
Triple		0	
TA			0
P&A			2
OTERO CHACRA		Prod	Not Prod
Total Completions		11	4
Single		4	
Dual		3	
Down Hole Commingle		4	
Surface Commingle		0	
Triple		0	
TA			0
P&A			4

Multiple Completions	
Well Description	
DUALS	
DK/GL	1
DK/MV	12
DK/CH	2
DK/PC	1
MV/CH	0
MV/PC	9
CH/PC	1
TOTAL	26
DOWN HOLE COMMINGLED	
DK/GL	8
DK/MV	31
DK/CH	0
DK/PC	0
MV/CH	4
MV/PC	0
CH/PC	0
TOTAL	43
SURFACE COMMINGLED	
DK/MV	11
TOTAL	11

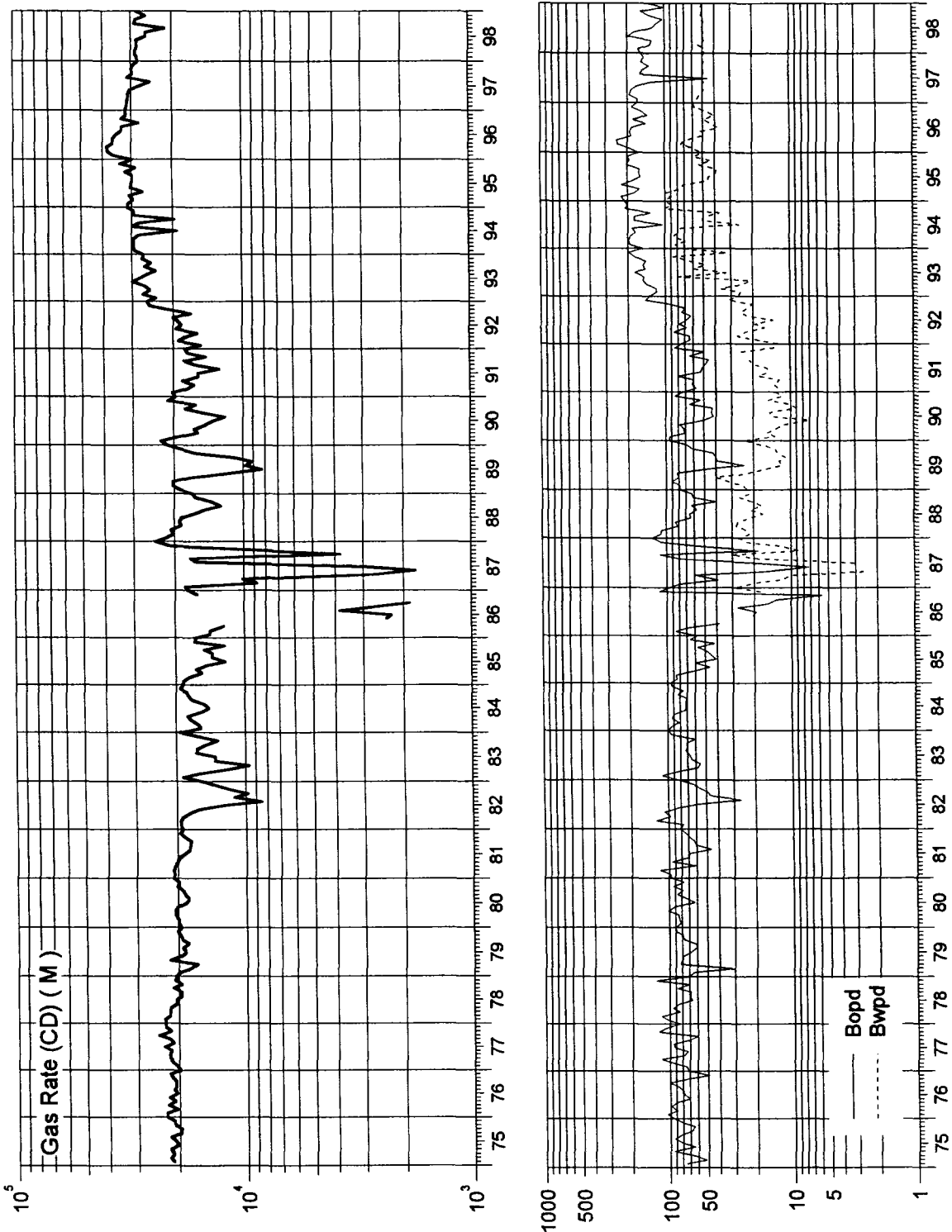
RINCON UNIT TOTALS		Prod	Not Prod
Total Completions		364	40
Single		198	
Dual		52	
Down Hole Commingle		86	
Surface Commingle		22	
Triple		6	
TA			2
P&A			38
Total Wellbores		278	1

1998 GROSS PRODUCED VOLUMES		MCE	BBL
Dakota		4,754,931	24,197
Mesaverde		2,995,761	17,431
Pictured Cliffs		1,114,906	0
Gallup		591,850	9,070
Chacra		73,077	0
Fruitland Coal		392,568	0
TOTAL RINCON UNIT		9,923,093	50,698

UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT - TOTAL PRODUCTION

RIO ARriba CO., NEW MEXICO

Annual Production - 1998
Gas: 9923093 Mscf
Oil: 50698 bbls
Water: 18300 bbls



UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT - BASIN DAKOTA PRODUCTION

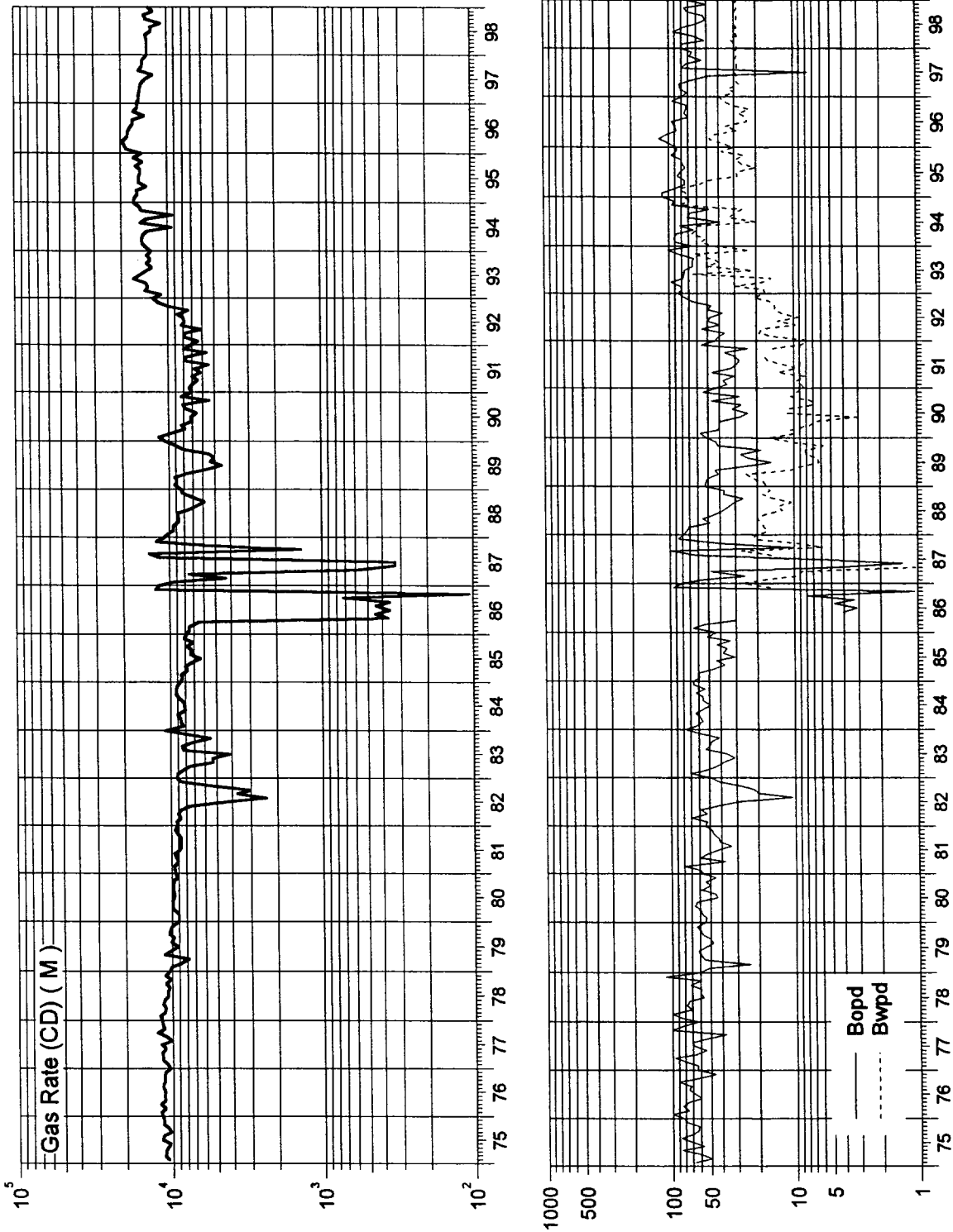
Annual Production - 1998

Gas: 4754931 Mscf

Oil: 24197 bbls

Water: 10572 bbls

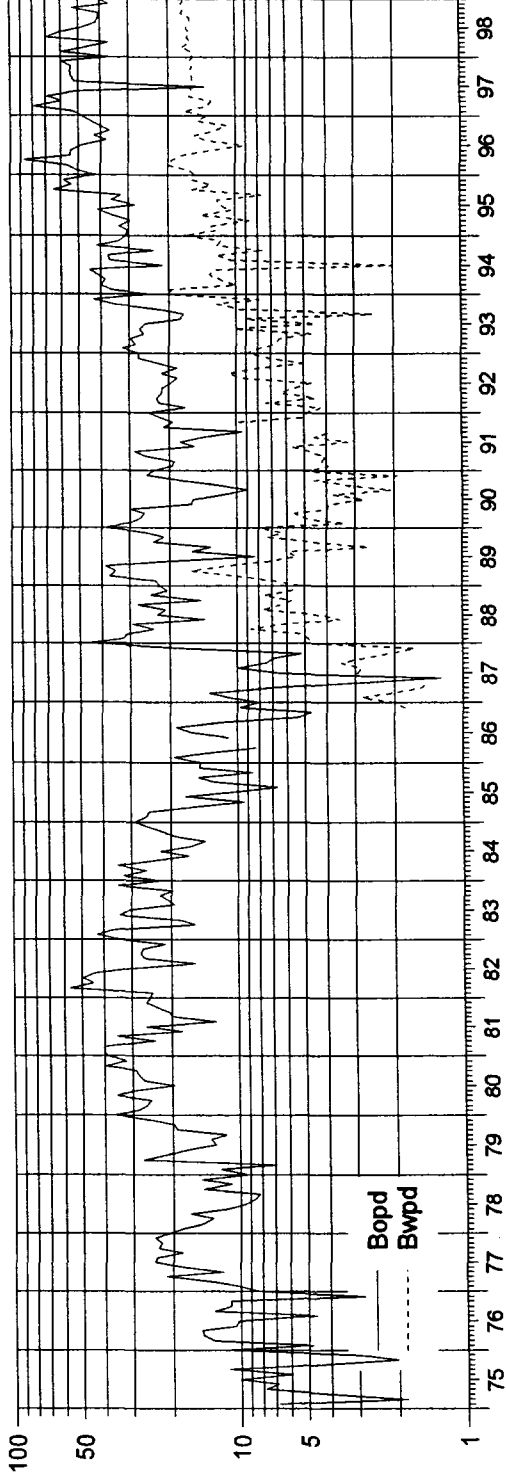
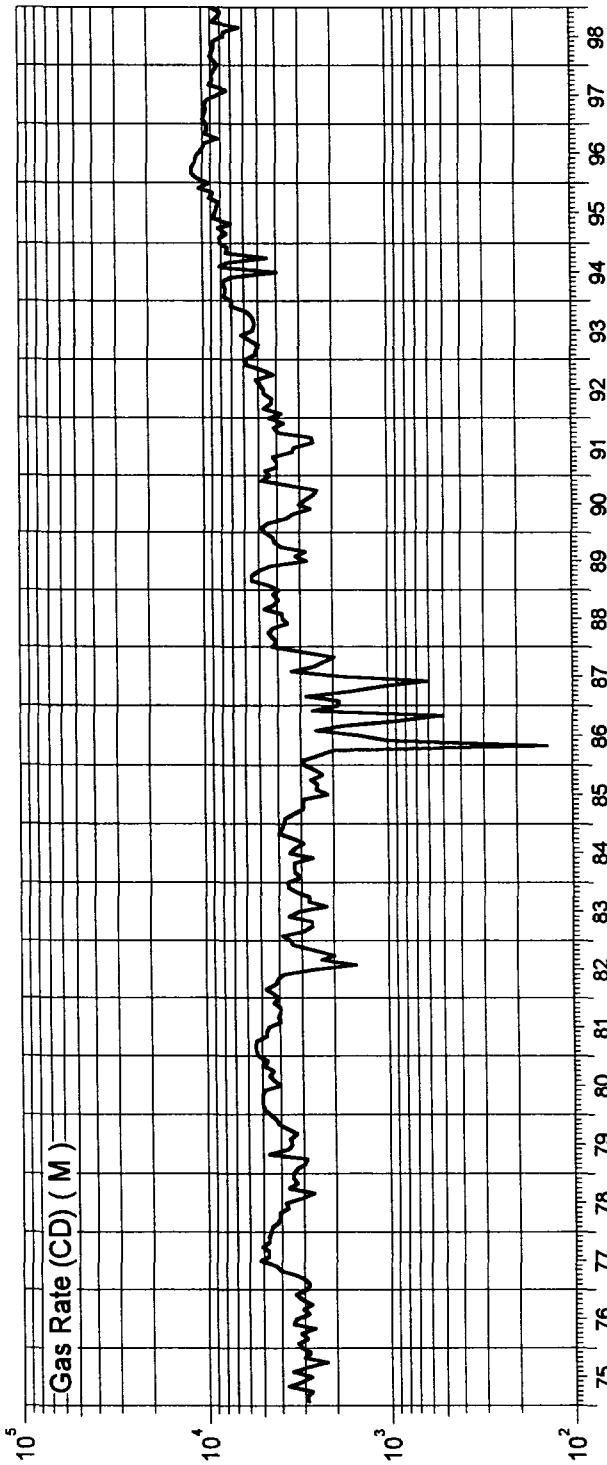
RIO ARriba CO., NEW MEXICO



UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT - BLANCO MESAVERDE PRODUCTION

Annual Production - 1998
Gas: 2995761 Mscf
Oil: 17431 bbls
Water: 6024 bbls

RIO ARRIBA CO., NEW MEXICO



UNION OIL COMPANY OF CALIFORNIA

RINCON UNIT - BLANCO SOUTH PICTURED CLIFFS PRODUCTION

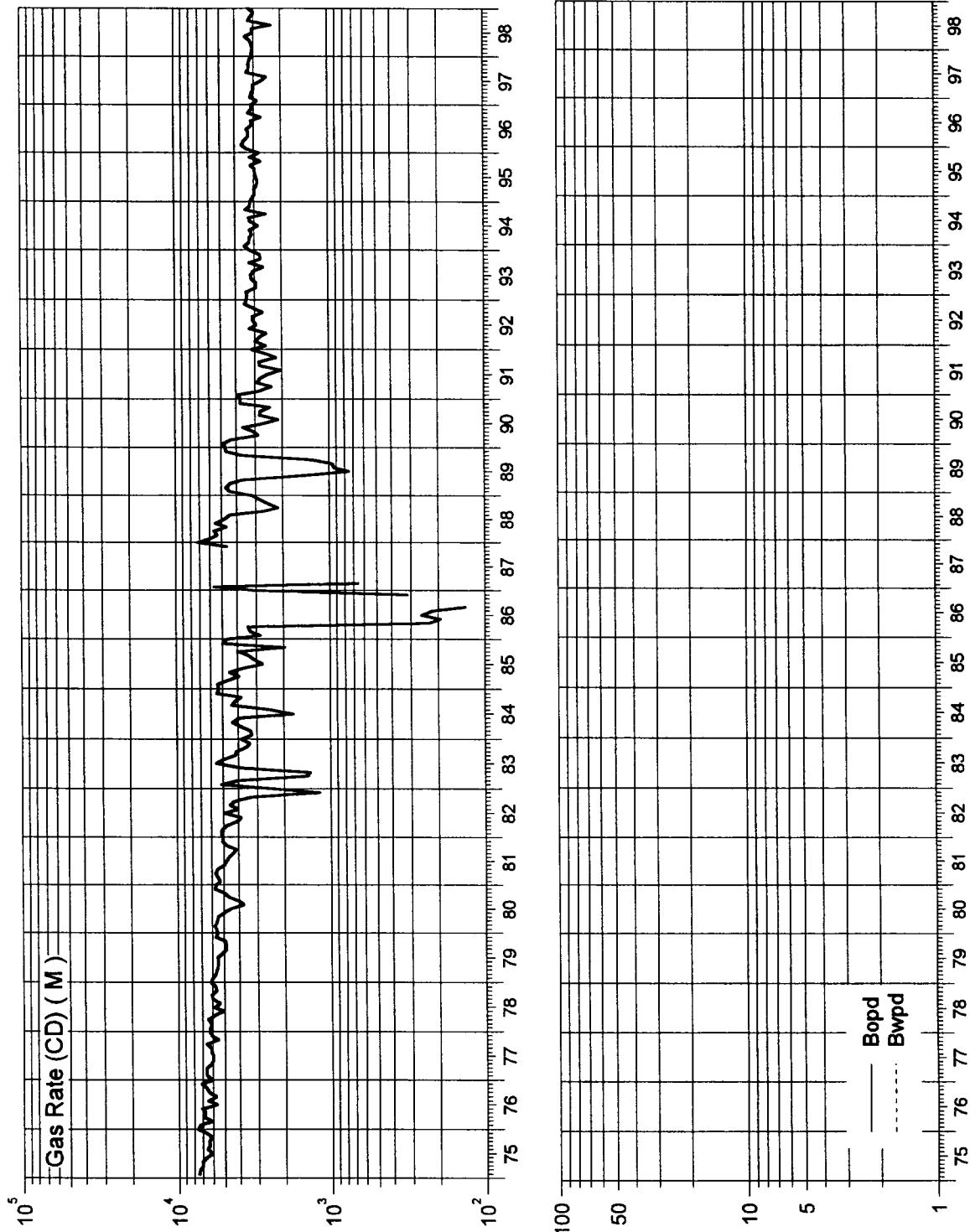
RIO ARRIBA CO., NEW MEXICO

Annual Production - 1998

Gas: 1114906 Mscf

Oil: 0 bbls

Water: 24 bbls

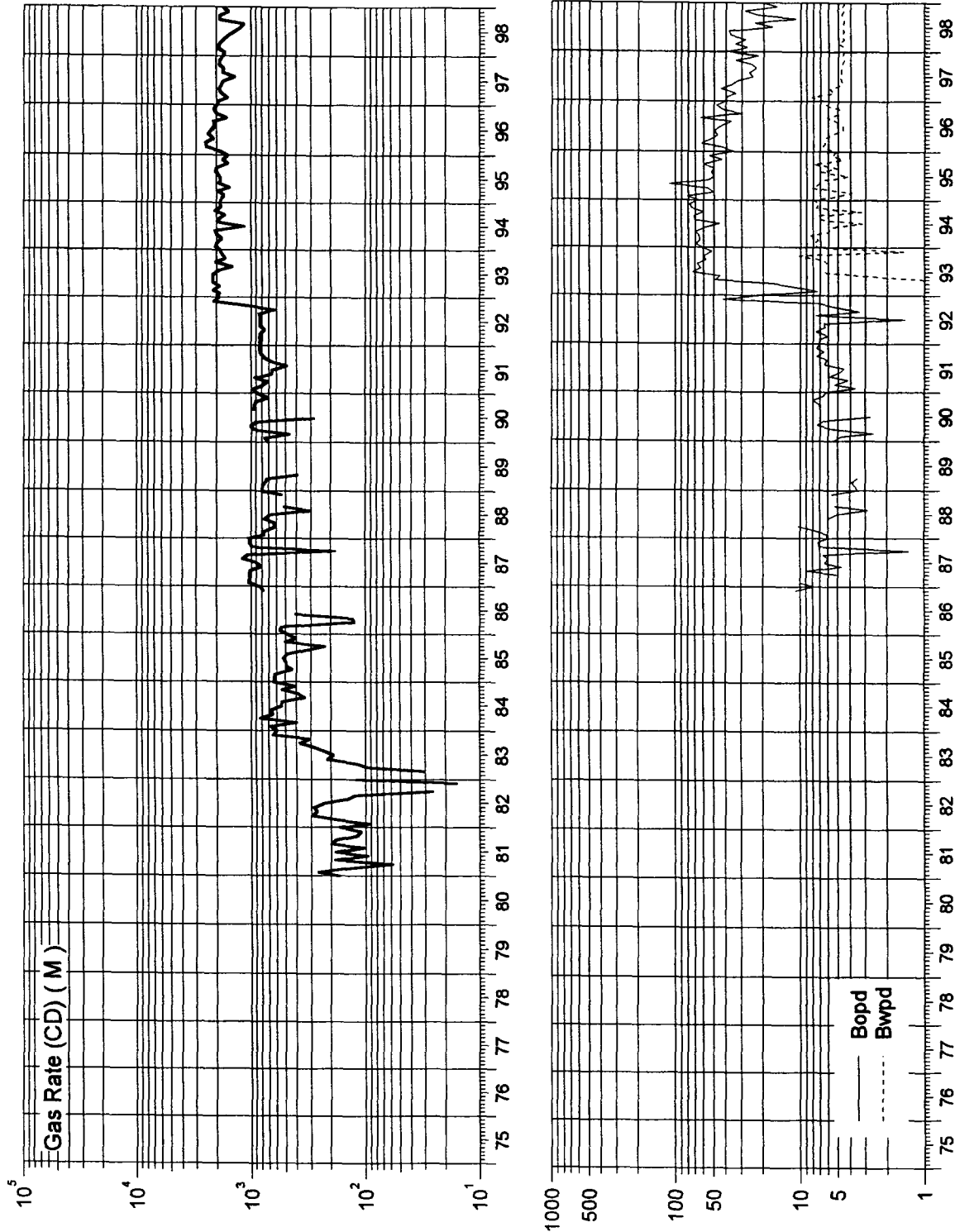


UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT - GALLUP PRODUCTION

RIO ARRIBA CO., NEW MEXICO

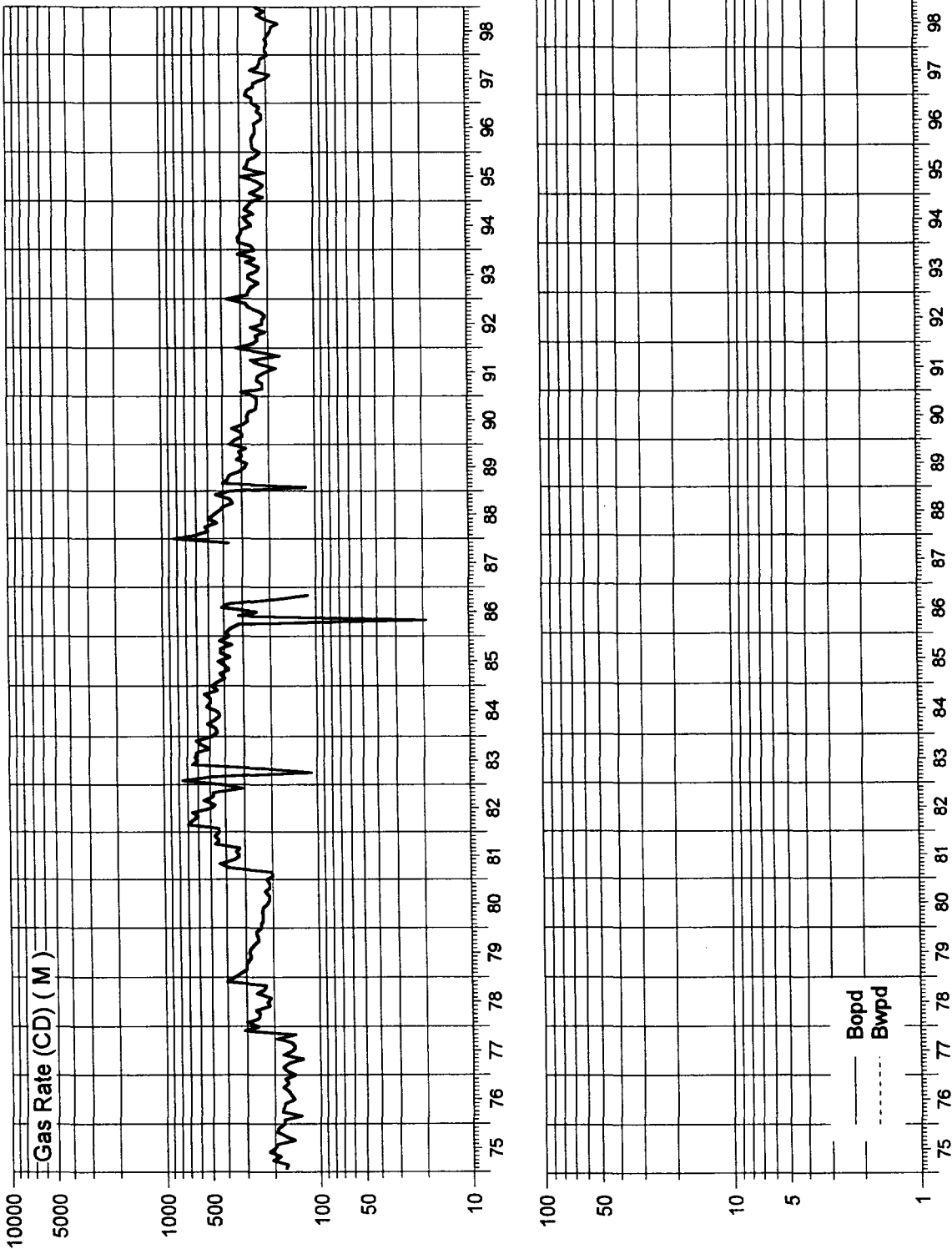
Annual Production - 1998

Gas: 591850 Mscf
Oil: 9070 bbls
Water: 1680 bbls



UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT - OTERO CHACRA PRODUCTION
RIO ARRIBA CO., NEW MEXICO

Annual Production - 1998
Gas: 73077 Mscf
Oil: 0 bbls
Water: 0 bbls



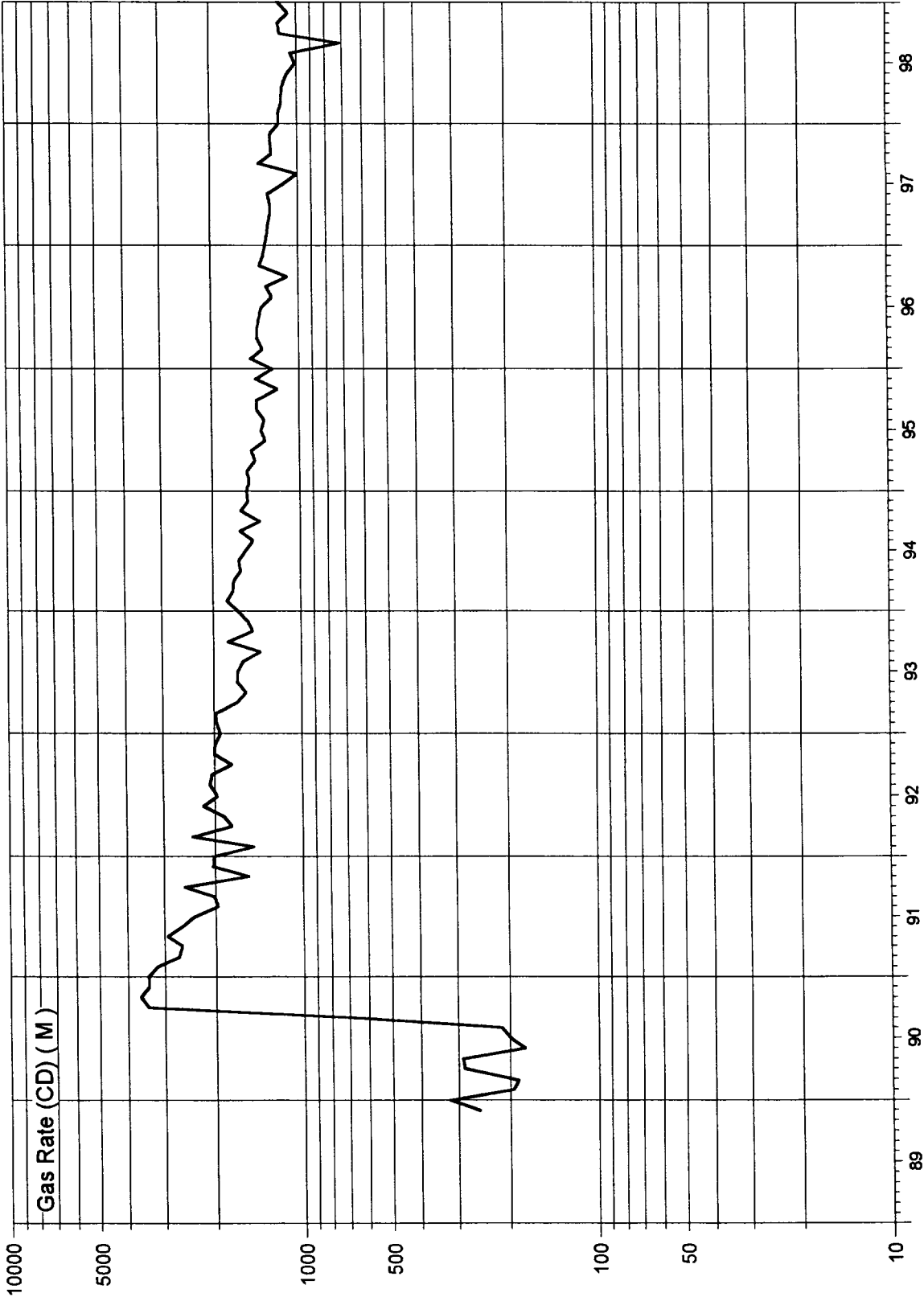
UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT - BASIN FRUITLAND COAL PRODUCTION
RIO ARriba CO., NEW MEXICO

Annual Production - 1998

Gas: 392568 Mscf

Oil: 0 bbls

Water: 0 bbls



#299



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

August 18, 1998

Spirit Energy 76
P.O. Box 3100
Midland, Texas 79702

Attn: Mr. Tom E. Baiar

Re: 1998 Plan of Development
Rincon Unit
Rio Arriba County, New Mexico

Dear Mr. Baiar:

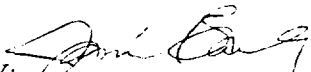
The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
pc: Reader File

OCD

BLM

"WE WORK FOR EDUCATION"

299



State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

January 30, 1998

Spirit Energy 76
P.O. Box 3100
Midland, Texas 79702

Attn: Mr. Thomas E. Baiar

Re: Revised 1997 Plan of Development
Rincon Unit
Rio Arriba County, New Mexico

Dear Mr. Baiar:

The Commissioner of Public Lands has, of this date, approved the above-captioned revised Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

A handwritten signature in cursive script, reading "Jami Bailey".

BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
xc: Reader File

OCD

BLM

RESOURCE MANAGEMENT: COMMERCIAL (505)-827-5724, MINERALS (505)-827-5744, SURFACE (505)-827-5793, ROYALTY (505)-827-5772, ADMINISTRATIVE MANAGEMENT (505)-827-5700, COMMUNICATION & PUBLIC AFFAIRS (505)-827-5764 and GENERAL COUNSEL (505)-827-5713

299



New Name. Same Spirit.
A Business Unit of Unocal

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

November 11, 1997

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

RE: *Revised 1997 Plan of Development
Rincon Unit
Rio Arriba County, New Mexico*

Gentlemen:

Union Oil Company of California (Unocal) as operator of the Rincon Unit located in Rio Arriba County, New Mexico, submits the following REVISED 1997 Plan of Development for your approval and information.

REVISED 1997 PLAN OF DEVELOPMENT

The following wells will be plugged and abandoned in 1997:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 29	Blanco Mesaverde	NE Sec 22-27N-6W
Rincon Unit No. 111	Blanco Pictured Cliffs So.	NW Sec 20-27N-6W
Rincon Unit No. 166	South Blanco Tocito	SW Sec 32-27N-6W
Rincon Unit No. 198	Blanco Pictured Cliffs So.	NE Sec 32-27N-6W
Rincon Unit No. 117	Basin Fruitland Coal	SE Sec 21-27N-6W
Rincon Unit No. 162	Blanco Pictured Cliffs So.	SW Sec 27-27N-6W

The following zones will be completed in 1997:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 134	Blanco Mesaverde	NE Sec 12-26N-7W
Rincon Unit No. 139	Blanco Mesaverde	SW Sec 25-27N-7W
Rincon Unit No. 166E	Blanco Pictured Cliffs So.	NW Sec 32-27N-6W
Rincon Unit No. 168	Blanco Mesaverde	NE Sec 36-27N-7W
Rincon Unit No. 170	Blanco Mesaverde	SW Sec 20-27N-6W
Rincon Unit No. 181	Blanco Mesaverde	NE Sec 22-27N-6W
Rincon Unit No. 203	Blanco Mesaverde	SW Sec 27-27N-7W

It is anticipated, at this time, that no additional work will be performed during 1997. Sundry notices will be filed as necessary. If any additional information is required, I may be contacted at 915/685-6836.

Sincerely,

Spirit Energy 76
A Business Unit of UNOCAL

Thomas E. Baier
Petroleum Engineer

TEB/had/ss

1004 North Big Spring • Post Office Box 3100 • Midland, Texas 79702



299

COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5795

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

March 12, 1997

Spirit Energy 76
P.O. Box 3100
Midland, Texas 79702

Attn: Mr. Tom E. Baiar

Re: 1997 Plan of Development
Rincon Unit
Rio Arriba County, New Mexico

Dear Mr. Baiar:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

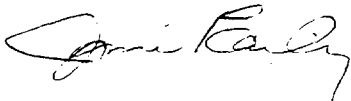
The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

cc: Reader File

OCD

BLM

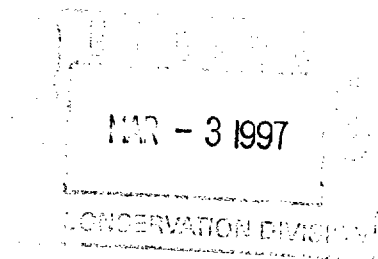
February 21, 1997

3/10/97 299
D-Unit letter
Tx Ry

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

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504-2088

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088



RE: 1996 Review of Operations
1997 Plan of Development
Rincon Unit
Rio Arriba County, New Mexico

Dear Gentlemen:

Union Oil Company of California (UNOCAL) as the operator of the Rincon Unit located in Rio Arriba County, New Mexico submits the following 1997 Review of Operations and the 1997 Plan of Development for your approval.

1996 REVIEW OF OPERATIONS

During 1996, the following wells were completed into a new formation within the unit as follows:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 11E	Blanco Mesaverde	SE Sec 6-26N-6W
Rincon Unit No. 186	Blanco Mesaverde	SE Sec 33-27N-7W
Rincon Unit No. 231	Blanco Mesaverde	SW Sec 12-26N-7W
Rincon Unit No. 183	Blanco Mesaverde	SW Sec 31-27N-6W
Rincon Unit No. 168E	Blanco Mesaverde	SE Sec 36-27N-7W
Rincon Unit No. 223A	South Blanco PC	SE Sec 34-27N-7W

The following zones were abandoned in 1996 as follows:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 164E	Largo Gallup	NW Sec 2-26N-7W
Rincon Unit No. 11E	South Blanco Tocito	SE Sec 6-26N-6W
Rincon Unit No. 186	Basin Dakota	SE Sec 33-27N-7W
Rincon Unit No. 231	Basin Dakota	SW Sec 12-26N-7W

1997 PLAN OF DEVELOPMENT

No drilling is planned during 1997.

The following zones will be completed in 1997:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 166E	South Blanco PC	NW Sec 32-27N-6W

Numerous additional workovers are planned to be completed during 1997. The individual wellbores and formations have not been identified at this time. Sundry notices and a revised POD will be filed as necessary.

No major facility projects are planned for 1997 at this time.

The 1996 Review of Operations is attached along with updated production curves and a list showing the status of unit wells.

Sincerely,

Spirit Energy 76
A Business Unit of UNOCAL

Tom E. Baier

Tom E. Baier
Petroleum Engineer

Heather Badgier

TEB/Ss
Att.

RINCON UNIT

REVIEW OF OPERATIONS - 1996

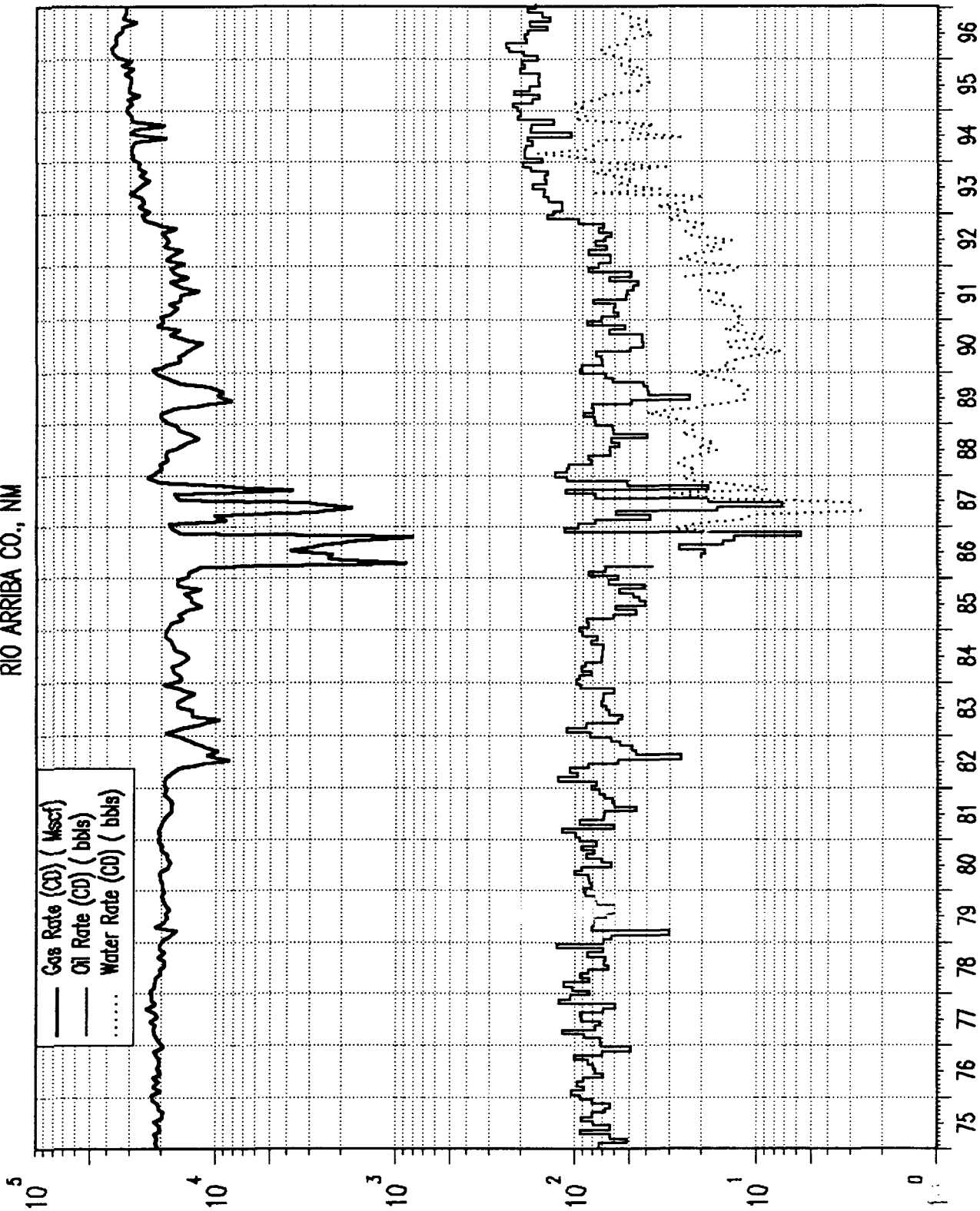
<u>No. Wells as of 12/31/96</u>	<u>ALL FORMATIONS</u>
Drilling	0
Producing	363
Shut-In	3
Abandoned	32
Injection	0
<u>December 1996 Production</u>	
Oil - Barrels	5,192
Gas - MCF @ 14.73	985,535
Water - Barrels	1,824
Gas Injection - MCF @ 14.73	0
<u>Production for Year 1996</u>	
Oil - Barrels	67,526
Gas - MCF	12,512,545
Water - Barrels	19,559
Gas Injection, MCF	0
<u>Cumulative Production thru 12/31/96</u>	
Oil - Barrels	1,398,238
Gas - MCF	314,211,584
Water - Barrels	127,189
Gas Injection, MCF	0

RINCON UNIT WELL SUMMARY

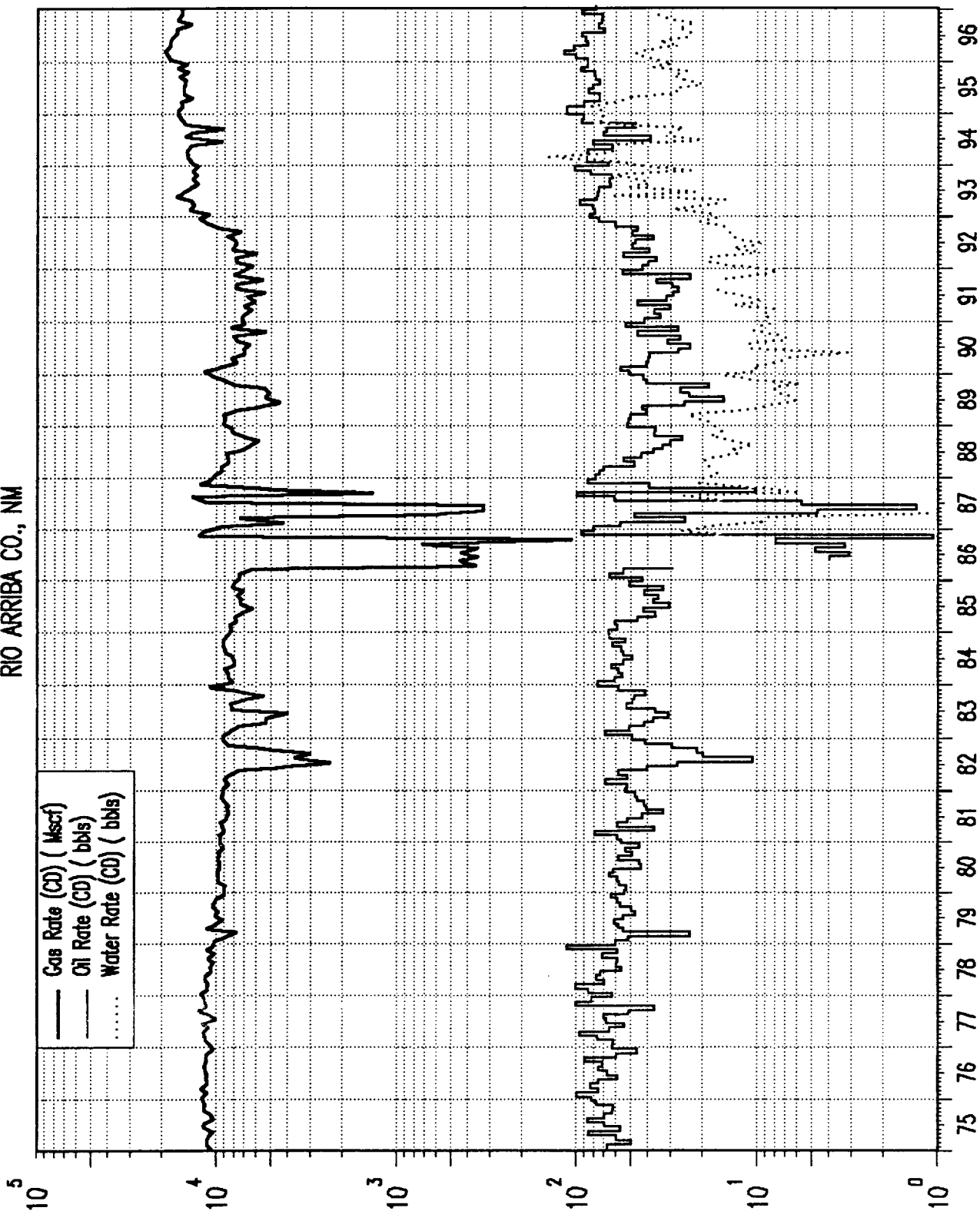
12-Dec-96

BASIN DAKOTA		Prod Wells	Not Prod
Grand Count		107	5
Duals		20	
DH Commingle		29	
Surf Commingle		13	
Triple		0	
Stand Alone		45	
TA			2
P&A			3
BASIN FRUITLAND COAL		Prod Wells	Not Prod
Grand Count		42	3
Duals		0	
DH Commingle		0	
Surf Commingle		0	
Triple		0	
Stand Alone		42	
TA			0
P&A			3
BLANCO MESAVERDE		Prod Wells	Not Prod
Grand Count		93	2
Duals		20	
DH Commingle		28	
Surf Commingle		13	
Triple		1	
Stand Alone		31	
TA			0
P&A			2
BLANCO PICTURED CLIFFS		Prod Wells	Not Prod
Grand Count		99	19
Duals		11	
DH Commingle		0	
Surf Commingle		0	
Triple		2	
Stand Alone		86	
TA			0
P&A			19
LARGO GALLUP/TOCITO		Prod Wells	Not Prod
Grand Count		11	2
Duals		6	
DH Commingle		5	
Surf Commingle		0	
Triple		0	
Stand Alone		0	
TA			1
P&A			1
OTERO CHACRA		Prod Wells	Not Prod
Grand Count		11	4
Duals		3	
DH Commingle		4	
Surf Commingle		0	
Triple		0	
Stand Alone		4	
TA			0
P&A			4
RINCON UNIT TOTALS		Prod Wells	Not Prod
Grand Count		363	35
Duals		60	
DH Commingle		66	
Surf Commingle		26	
Triple		3	
Stand Alone		208	
TA			3
P&A			32
Total Wellbores		284	

UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT -- TOTAL PRODUCTION
RIO ARRIBA CO., NM



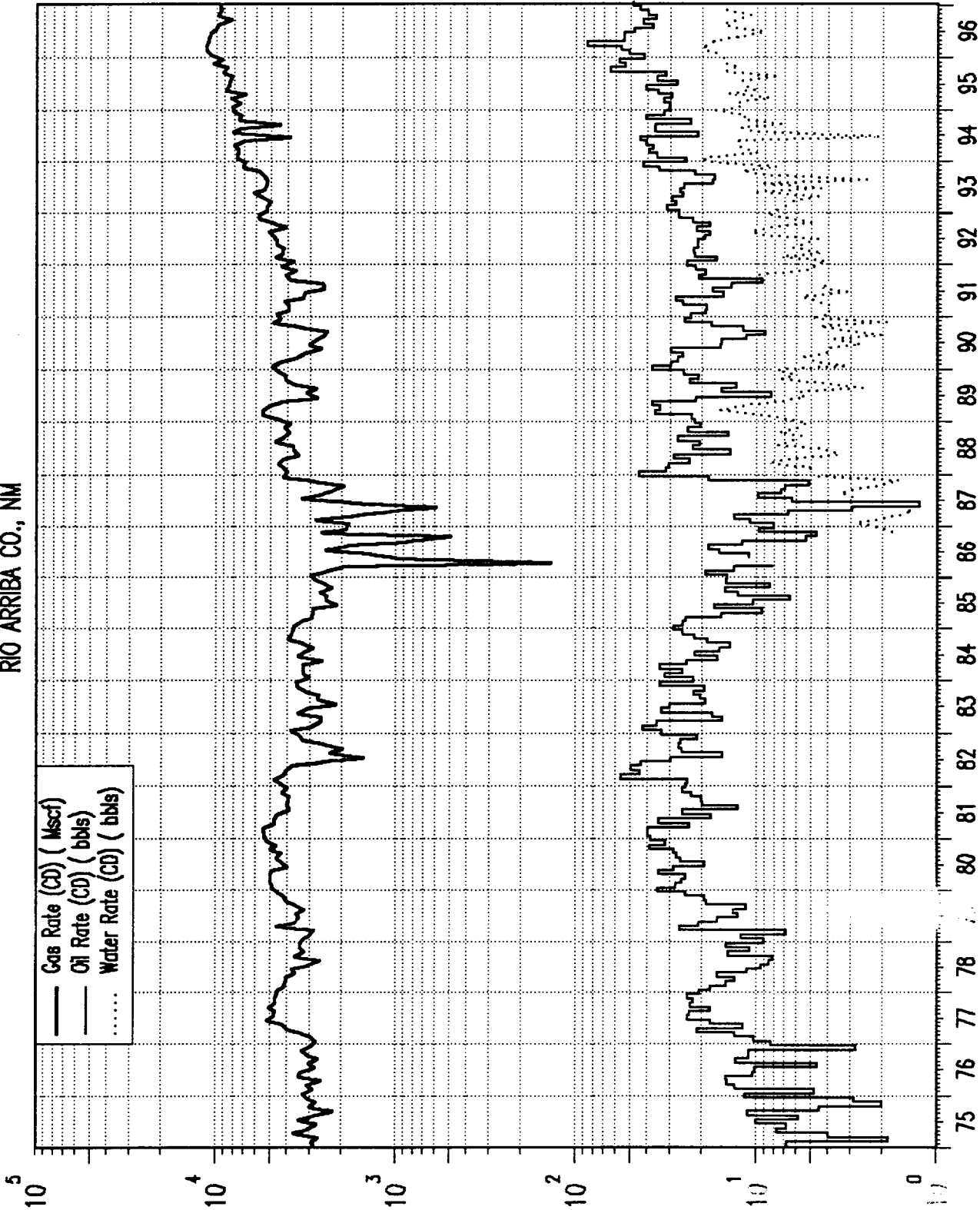
UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT - BASIN DAKOTA PRODUCTION
RIO ARRIBA CO., NM



UNION OIL COMPANY OF CALIFORNIA

RINCON UNIT - BLANCO MESAVERDE PRODUCTION

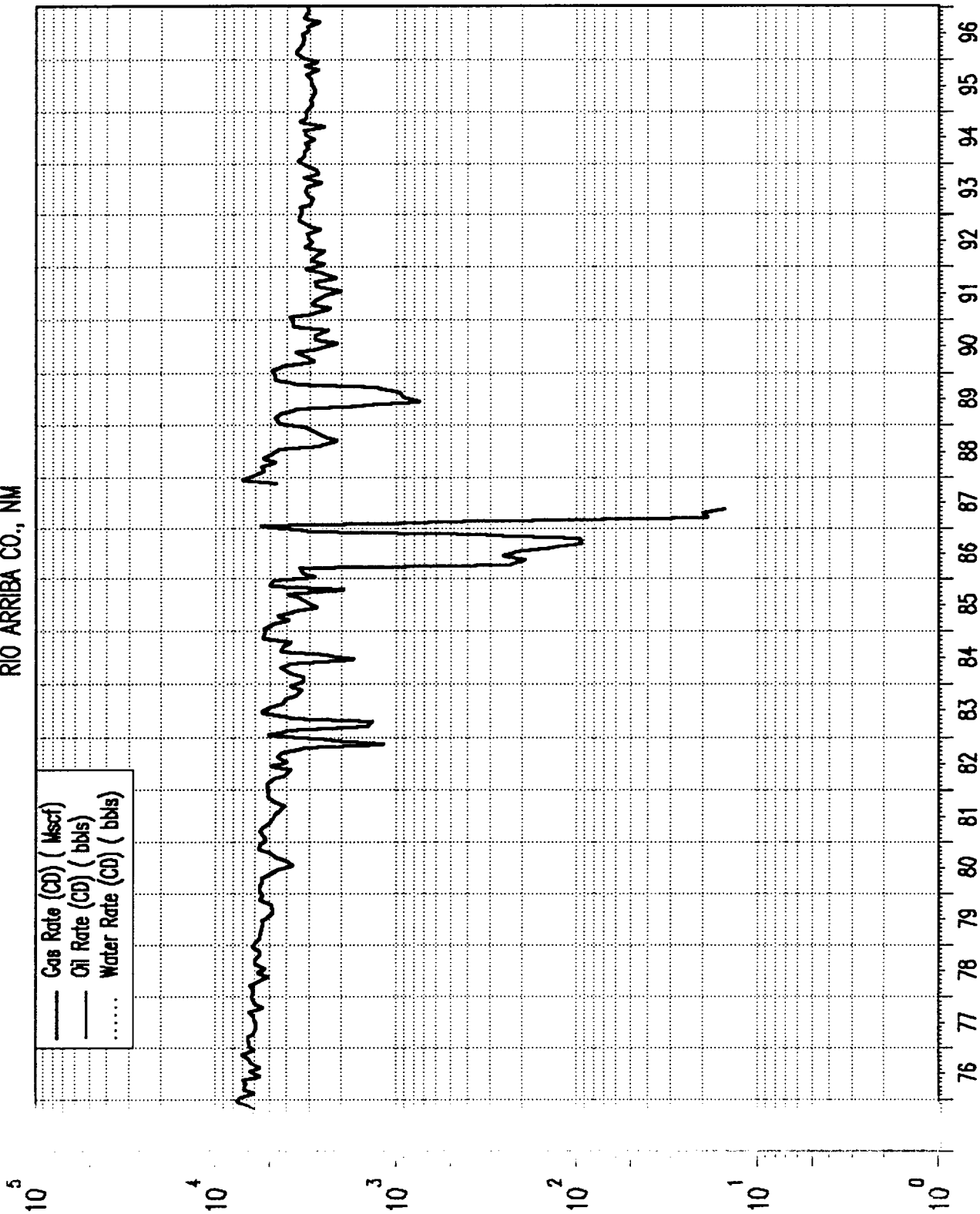
RIO ARRIBA CO., NM



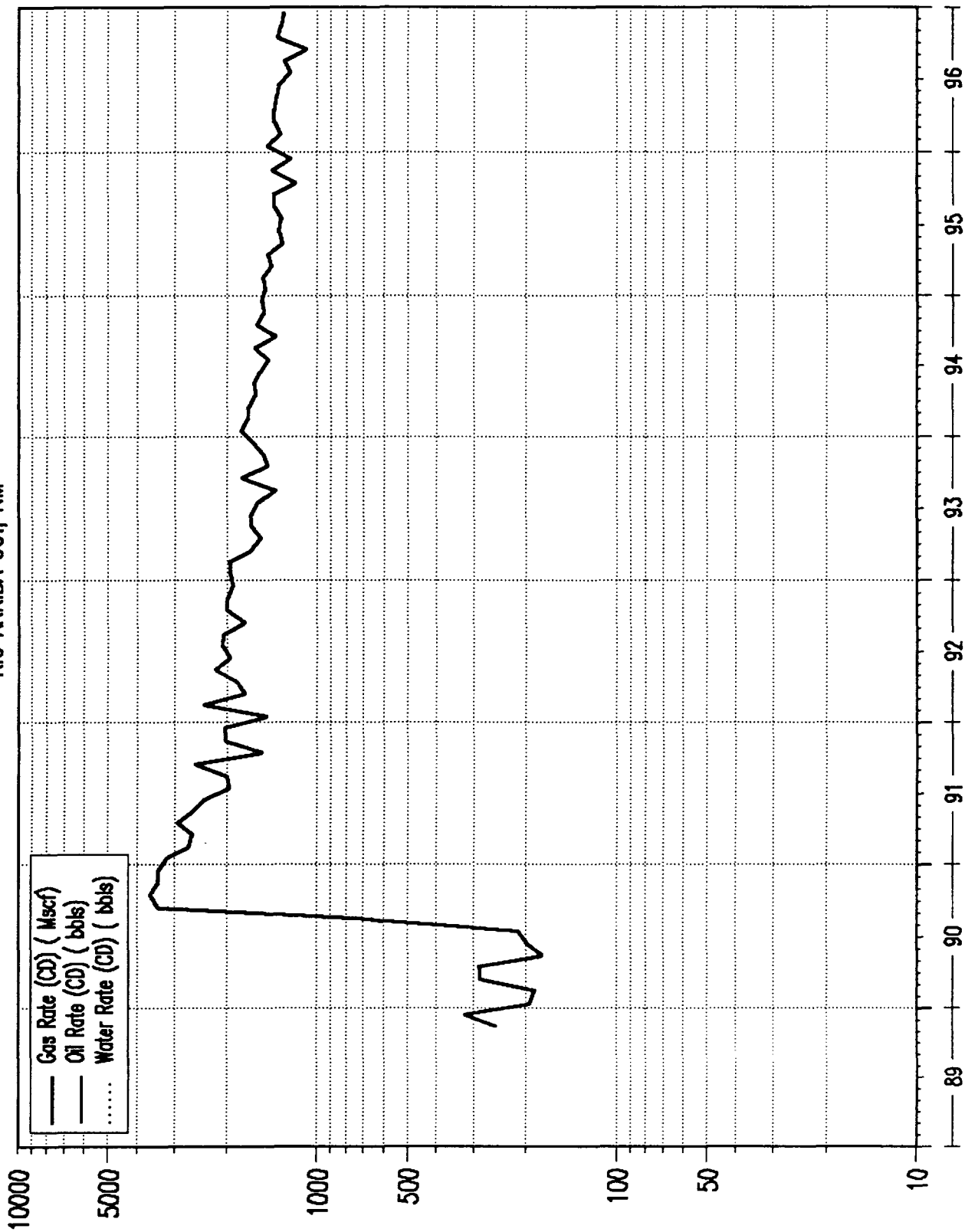
UNION OIL COMPANY OF CALIFORNIA

RINCON UNIT – SO. BLANCO PICTURED CLIFFS PRODUCTION

RIO ARriba CO., NM



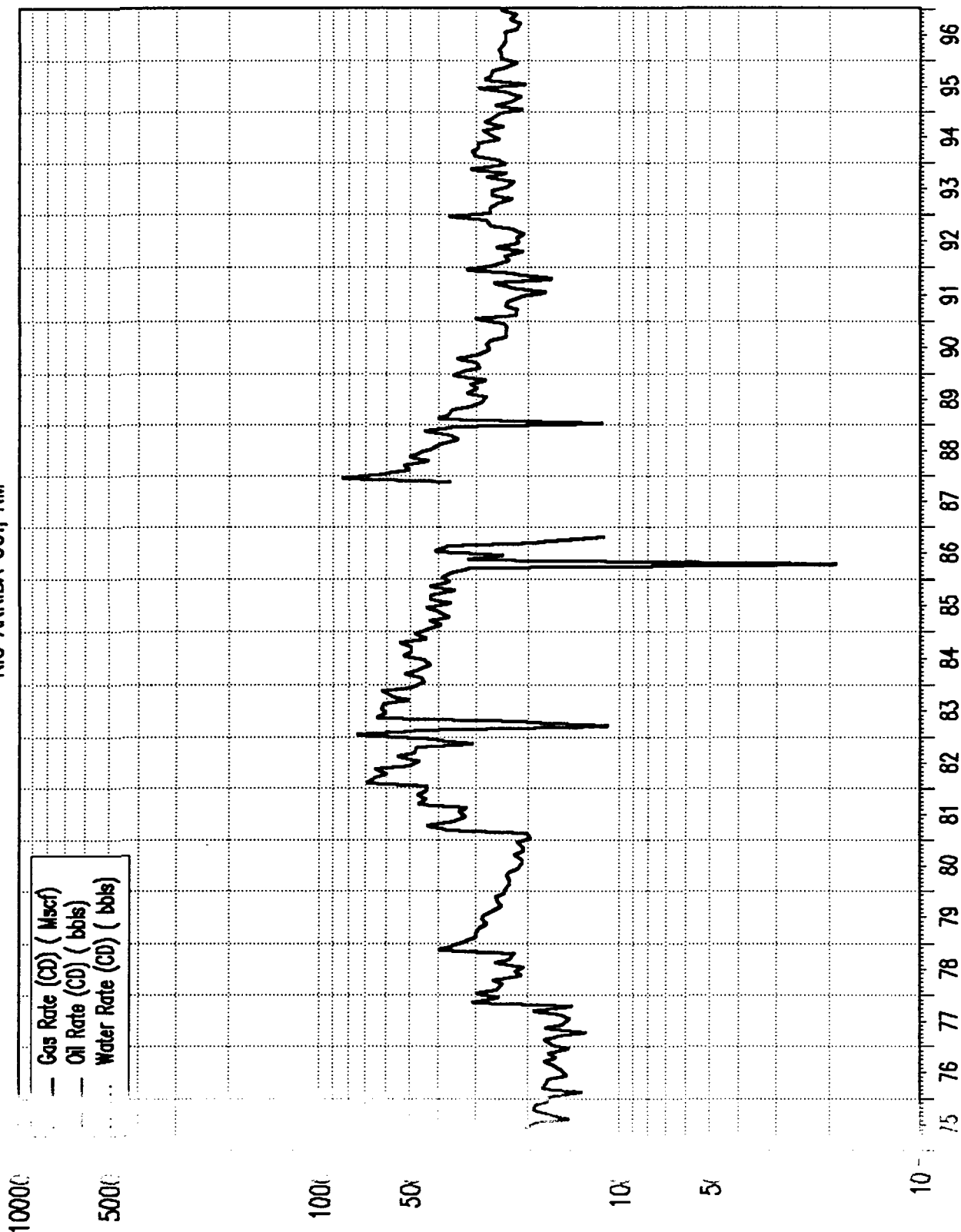
UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT - BASIN FRUITLAND COAL PRODUCTION
RIO ARRIBA CO., NM



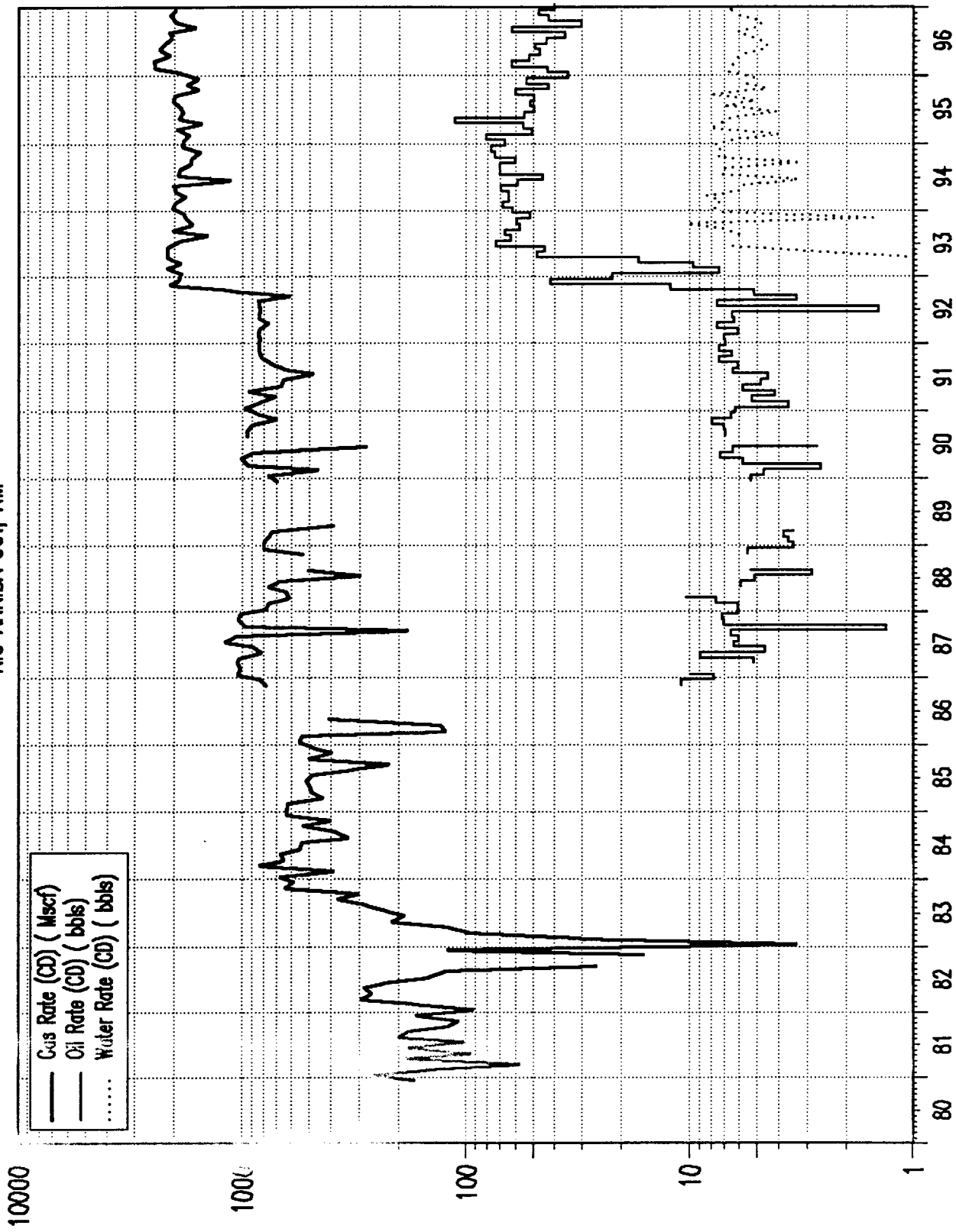
UNION OIL COMPANY OF CALIFORNIA

RINCON UNIT - OTERO CHACRA PRODUCTION

RIO ARRIBA CO., NM



UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT - GALLUP PRODUCTION
RIO ARRIBA CO., NM





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RAY POWELL, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

September 10, 1996

UNOCAL
P.O. Box 4551
Houston, Texas 77210-4551

Attn: Mr. Keith Shepstone

Re: Revised 1996 Plan of Development
Rincon Unit
Rio Arriba County, New Mexico

Dear Mr. Shepstone:

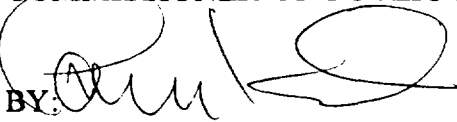
The Commissioner of Public Lands has this date approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 

LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm
cc: Reader File

OCD

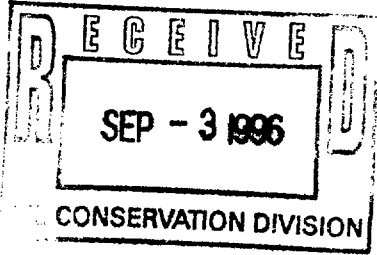
BLM

Unocal Corporation
14141 Southwest Freeway
Sugar Land, Texas 77478
P.O. Box 4551
Houston, Texas 77210-4551
Telephone (713) 491-7600

9-5-96
D-Unit letter
Thx 127



August 26, 1996



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

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504-1148

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Rincon Unit Working Interest Owners

RE: REVISED 1996 Plan of Development
Rincon Unit
Rio Arriba County, New Mexico

Gentlemen:

Union Oil Company of California (UNOCAL) as the operator of the Rincon Unit in Rio Arriba County, New Mexico, submits the following **REVISED** 1996 Plan of Development for your approval and information.

REVISED 1996 PLAN OF DEVELOPMENT

The following zones will be abandoned in 1996:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 164E	Largo Gallup	NW Sec 2-26N-7W
Rincon Unit No. 11E	South Blanco Tocito	SE Sec 6-26N-6W
Rincon Unit No. 186	Basin Dakota	SE Sec 33-27N-7W
Rincon Unit No. 231	Basin Dakota	SW Sec 12-26N-7W

The following zones will be completed in 1996:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 11E	Blanco Mesaverde	SE Sec 6-26N-6W
Rincon Unit No. 186	Blanco Mesaverde	SE Sec 33-27N-7W
Rincon Unit No. 231	Blanco Mesaverde	SW Sec 12-26N-7W
Rincon Unit No. 183	Blanco Mesaverde	SW Sec 31-27N-6W
Rincon Unit No. 168E	Blanco Mesaverde	SE Sec 36-27N-7W
Rincon Unit No. 223A	South Blanco PC	SW Sec 34-27N-7W

It is anticipated, at this time, that no additional work will be performed during 1996. Sundry notices will be filed as necessary. If additional information is required, I may be reached at 713-287-7478.

Very truly yours,

Union Oil Company of California
dba UNOCAL



Keith Shepstone
Senior Petroleum Engineer

KSS/kss

Unocal Corporation
14141 Southwest Freeway
Sugar Land, Texas 77478
P.O. Box 4551
Houston, Texas 77210-4551
Telephone (713) 491-7600



August 26, 1996

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

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Sante Fe, NM 87504-1148

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Rincon Unit Working Interest Owners

RE: REVISED 1996 Plan of Development
Rincon Unit
Rio Arriba County, New Mexico

Gentlemen:

Union Oil Company of California (UNOCAL) as the operator of the Rincon Unit in Rio Arriba County, New Mexico, submits the following **REVISED** 1996 Plan of Development for your approval and information.

REVISED 1996 PLAN OF DEVELOPMENT

The following zones will be abandoned in 1996:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 164E	Largo Gallup	NW Sec 2-26N-7W
Rincon Unit No. 11E	South Blanco Tocito	SE Sec 6-26N-6W
Rincon Unit No. 186	Basin Dakota	SE Sec 33-27N-7W
Rincon Unit No. 231	Basin Dakota	SW Sec 12-26N-7W

The following zones will be completed in 1996:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 11E	Blanco Mesaverde	SE Sec 6-26N-6W
Rincon Unit No. 186	Blanco Mesaverde	SE Sec 33-27N-7W
Rincon Unit No. 231	Blanco Mesaverde	SW Sec 12-26N-7W
Rincon Unit No. 183	Blanco Mesaverde	SW Sec 31-27N-6W
Rincon Unit No. 168E	Blanco Mesaverde	SE Sec 36-27N-7W
Rincon Unit No. 223A	South Blanco PC	SW Sec 34-27N-7W

It is anticipated, at this time, that no additional work will be performed during 1996. Sundry notices will be filed as necessary. If additional information is required, I may be reached at 713-287-7478.

Very truly yours,

Union Oil Company of California
dba UNOCAL



Keith Shepstone
Senior Petroleum Engineer

KSS/kss

c:\rm\96revpbd.doc



State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

June 18, 1996

Union Oil Company of California
Post Office Box 4551
Houston, Texas 77210-4551

Attn: Mr. David Johnson

Re: Rincon Unit
Inclusion of 1994 Infill Wells
Dakota and Mesaverde Participating Areas
Rio Arriba County, New Mexico

Dear Mr. Johnson:

We have received your two letters dated May 24, 1995 advising this office that additional wells have been drilled inside the Rincon Unit Mesaverde and Dakota Participating Areas.

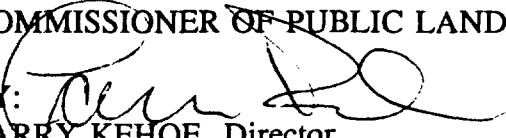
We concur with the Bureau of Land Management's letters of May 24, 1995 that the following wells are included within the existing Dakota Participating Area: Rincon Unit Well Nos. 128M, 133E, 138E, 139E, 183E, 187E, and the Well No. 302.

The following well was completed within the existing Mesaverde Participating Area: Rincon Unit Well No. 302.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/pm

cc: Reader File, Commissioner's File, BLM-Farmington, OCD, TRD



RAY POWELL, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

May 22, 1996

Williams Production Company
Post Office 3102
Tulsa, Oklahoma 74101

Attn: Mr. M. Vern Hansen

Re: First Supplemental
1996 Plan of Development
Rosa Unit
San Juan and Rio Arriba Counties, New Mexico

Dear Mr. Hansen:

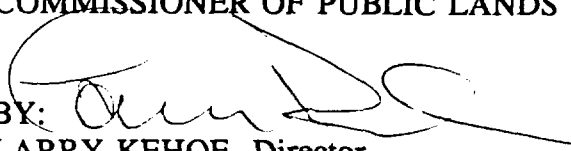
The Commissioner of Public Lands has this date approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

cc: Reader File

OCD

TRD

BLM

RESOURCE MANAGEMENT: COMMERCIAL (505)-827-5724, MINERALS (505)-827-5744, SURFACE (505)-827-5793, ROYALTY (505)-827-5772, ADMINISTRATIVE MANAGEMENT (505)-827-5700, COMMUNICATION & PUBLIC AFFAIRS (505)-827-5764, and GENERAL COUNSEL (505)-827-5713



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY RE

May 15, 1996

Rincon Unit (Gallup B PA)
3180 (07327)

Mr. Keith S. Shepstone
Union Oil Company of California
14141 Southwest Freeway
Sugar Land, Tx. 77478

RE: RINCON UNIT
Gallup "B" Participating Area
Rio Arriba County, New Mexico

Dear Mr. Shepstone:

We have reviewed your application for the establishment of the initial Gallup "B" Participating Area (PA) in the Rincon Unit. The initial Gallup "B" PA is hereby approved as follows:

<u>Gallup "B" Participating Area</u>							
#Revision	Well#	Dedication	Acres	Sec.	Twn.	Rng.	Effective Date
Initial	#130E	W/2 SE/4	80	32	27N	6W	03-18-93

The initial Gallup "B" PA will be reported under the number 892000916L to the Minerals Management Service.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

If you have any questions regarding this correspondence, please contact Joe Hewitt at (505) 599-6365.

Sincerely,

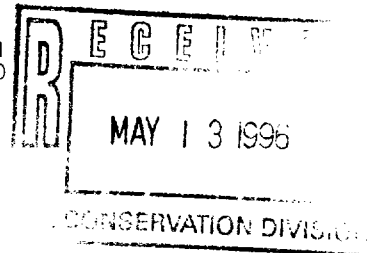
Duane Spencer

Duane Spencer
Team Leader - Petroleum Management

bcc:

MMS, RMP, MS-3240, Denver, CO w/ exhibit B
NMOCD, Santa Fe, NM
Commissioner of Public Lands, Santa Fe, NM

Unocal Corporation
14141 Southwest Freeway
Sugar Land, Texas 77478
P.O. Box 4551
Houston, Texas 77210-4551
Telephone (713) 491-7600



UNOCAL 

May 10, 1996

Bureau of Land Management
Farmington District Office
1235 La Plata Hwy.
Farmington, New Mexico 87401
Attn.: Duane Spencer
Team Leader, Petroleum Management Team

*D -
wait letter
Thx R*

Re: Application for the Gallup "B"
Participating Area, Rincon Unit Well No. 130E
Rio Arriba County, New Mexico

Gentlemen:

Enclosed please find two copies of the Application for Approval for the Gallup "B" Participating Area on the Rincon Unit, Rio Arriba County, New Mexico. Enclosed also are geologic and engineering data in support of this application.

Union Oil Company of California, as operator of the Rincon Unit, respectfully requests your approval of this application.

Very Truly Yours,
Union Oil Company of California
DBA UNOCAL

A handwritten signature in dark ink, appearing to read "Keith S. Shepstone".

Keith S. Shepstone
Senior Petroleum Engineer

xc: Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

✓ Oil Conservation Division
New Mexico Department of Energy & Minerals
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

APPLICATION FOR THE GALLUP "B" PARTICIPATING AREA - RINCON UNIT - RIO
ARRIBA COUNTY, NEW MEXICO

Duane Spencer
Team Leader, Petroleum Management Team
Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

Union Oil Company of California, as operator of the Rincon Unit,
submits for your approval the following described lands to constitute
the Gallup "B" participating area for the Tocito Oil producing
formation, to wit:

TOWNSHIP 27 NORTH, RANGE 6 WEST, N.M.P.M.

Section 32: W/2 SE/4

Containing 80 acres

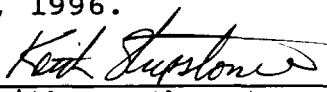
In support of this application, and in addition to the geologic and
engineering reports, the following are attached:

- 1) Structure Map - Top of Gallup Gas Formation
- 2) Isopach Map - Gallup Gas Sand Formation
- 3) Type Log
- 4) Land Map - Rincon Unit
- 5) Exhibit "B" for the Rincon Unit Gallup "B" participating area
- 6) Rincon Unit #130E Gallup Production Decline Curve
- 7) Rincon Unit #130E Gallup Economics
- 8) Applicant's Statement and Affidavit

This application is predicated on thirty three months of actual
production history from the Rincon Unit #130E well which first
delivered on March 18, 1993.

Applicant respectfully requests your approval of the hereinabove
selection of lands to constitute the Gallup "B" Participating Area, to
be effective March 18, 1993.

Dated this 10th day of May, 1996.



Keith S. Shepstone
Senior Petroleum Engineer
Union Oil Company of California

Well Summary

Well Name: Rincon Unit #130E
Location: 2040'FSL, 2060'FEL, Sec 32, T27N, R6W
Elevation: 6627' GL
Total Depth: 7625'
Lease Number: E-290-28
API Number: 30-039-25183
Pool/Formation: South Blanco Tocito Oil Pool
Spud Date: 9-21-92
Completion Date: 10-8-92
1st Delivery Date: 3-18-93
Perf'd Interval: 6526-70, 6654-90, 6694-6708, 6708-28, 6748-84,
6846-80.

Geologic Summary

The Gallup Interval, situated just below the Mancos Shale Formation, consists of dark, calcareous marine shales occasionally interbedded with sandstones and averaging 920 feet thick within the Rincon Unit. Towards the middle of this formation there is a highly resistive section (Middle Gallup) which can be successfully correlated throughout the unit. Located just below this resistive interval the Gallup develops as narrow, lenticular sandstones trending NW to SE and occurring in the southern portion of the Rincon Unit as a linear bar (Tocito or Gallup Sand). The depositional environment is believed to be offshore marine bars deposited by currents running parallel to the paleo shoreline. The limits of this particular sandstone are well defined in the Rincon Unit.

Completion Summary

The Rincon Unit #130E was drilled and completed by Union Oil Company of California as a dual Basin Dakota and Tocito Gallup oil producer in 1992. Surface pipe measuring 8-5/8" was set at 457 feet and cemented with 310 sacks to surface. Production casing measuring 5-1/2" was then set at 7622 feet and cemented in three stages with 1030 sacks. The Gallup was perforated from 6526' to 6880' with 2 shots per foot. The Gallup was fracture stimulated with 257,200# 20/40 sand, and 80,220 gallons cross-linked gel water. The recorded initial potential was 584 MCFD / 108 BOPD / 8 BWPD. The well was first delivered to the El Paso Natural Gas pipeline system March 18, 1993. Current deliverability into the Rincon Lateral #4 against 80# line pressure is 240 MCFD and 40 BOPD.

Reserves calculated through decline curve analysis yields an expected recoverable gas volume of .6 Bcf and 130 Mbbls.

Economics

Gross Investment: \$510,000

Gas Price: \$1.17/MCF Constant, \$16.50/BBL Constant

Operating Cost: \$3380/month

Actual Production Rate: First Month 160 MCFD, 22 BOPD; Current Est.
Month 260 MCFD, 54 BOPD

Annual Decline Rate: Initial Month 50 BOPD; Exp. 20%

Yeild: 6 mcf/bbl constant

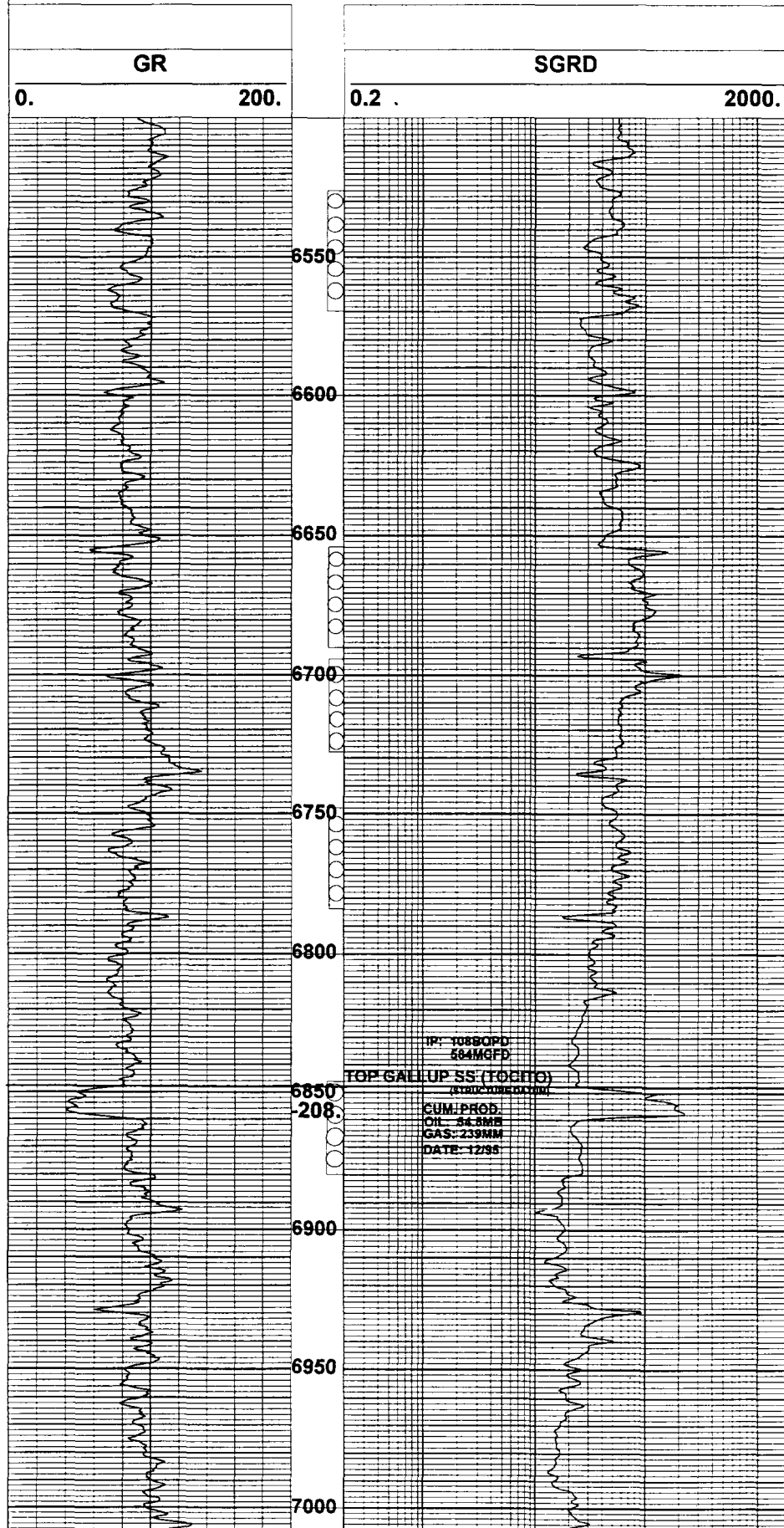
Economics based on the above are attached. Reasonable completed well costs of \$75 per foot were used to extrapolate the cost for a stand alone completion. Current product prices were used with no escalation. Lease operating expenses are based on current actuals. Given the investment cost to complete this well payout should occur in 2.8 years ATAX.

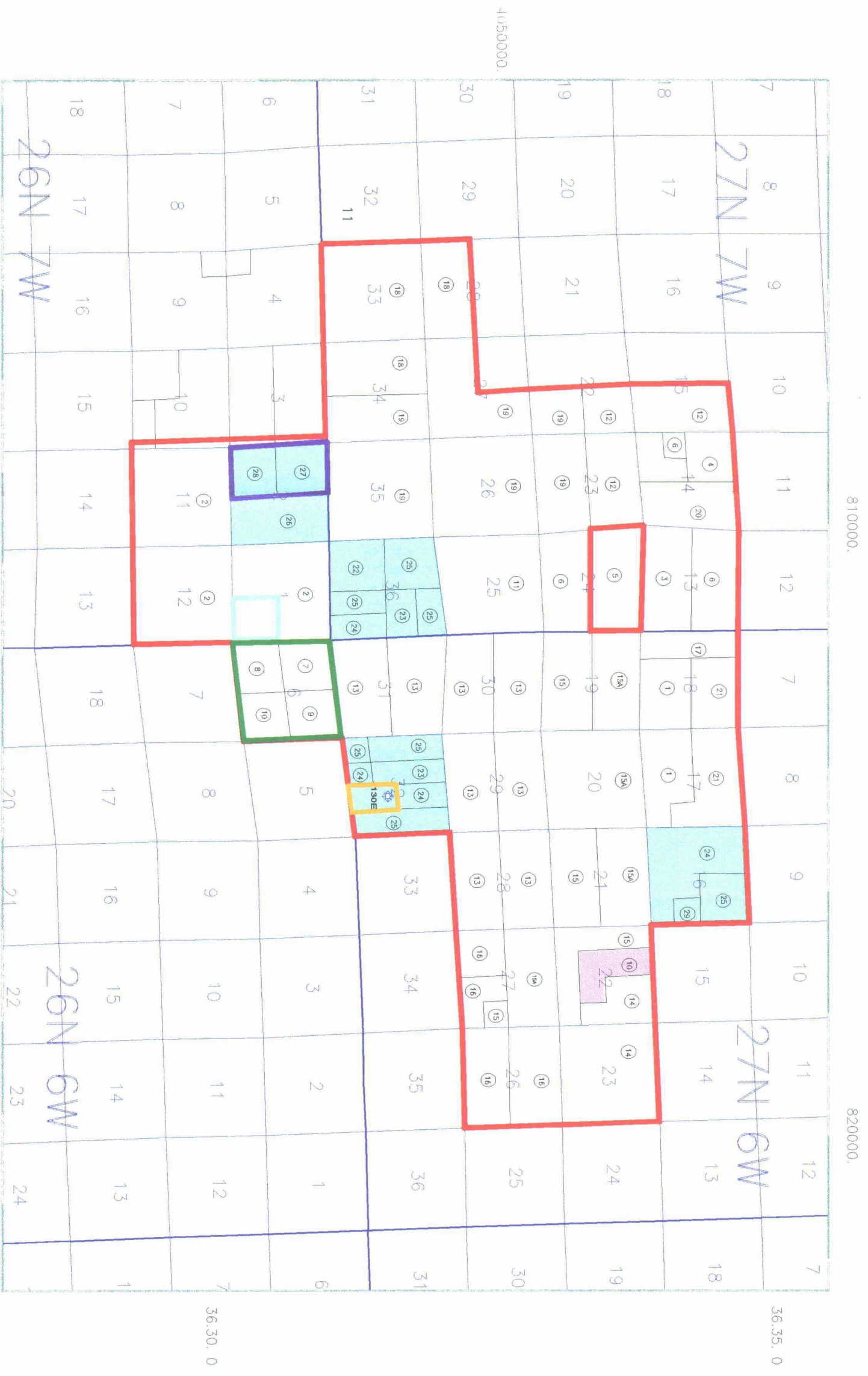
UNION OIL OF CALIF

RINCON UNIT

130E

SEC 32 T27N - R6W





LEGEND

- STATE MINERALS
- FEE MINERALS
- U.S. MINERALS
- TRACT NUMBER
- RINCON UNIT OUTLINE
- INITIAL GALLIP
- TIOCTO
- GALLIP "A"
- PROPOSED GALLIP "B"



UNOCAL 76

Proposed Gallip "B" Participating Area
Rio Arriba County, New Mexico

Jesse Hernandez Jr.	SAN JUAN BASIN	5/6/96
Keith McKel	Scale 1:74181.82	drftgallip

EXHIBIT "B"
RINCON UNIT GALLUP
GALLUP "B" PARTICIPATING AREA FOR THE GALLUP FORMATION

Unit Tract 25
(Acreage in Unit Tract: 880.00)

Serial No.: E-290-28 New Mexico State Lease
Acreage Included in Gallup "B": 80.00

Description: Sec. 32: W/2 SE/4 80.00
T27N - R6W

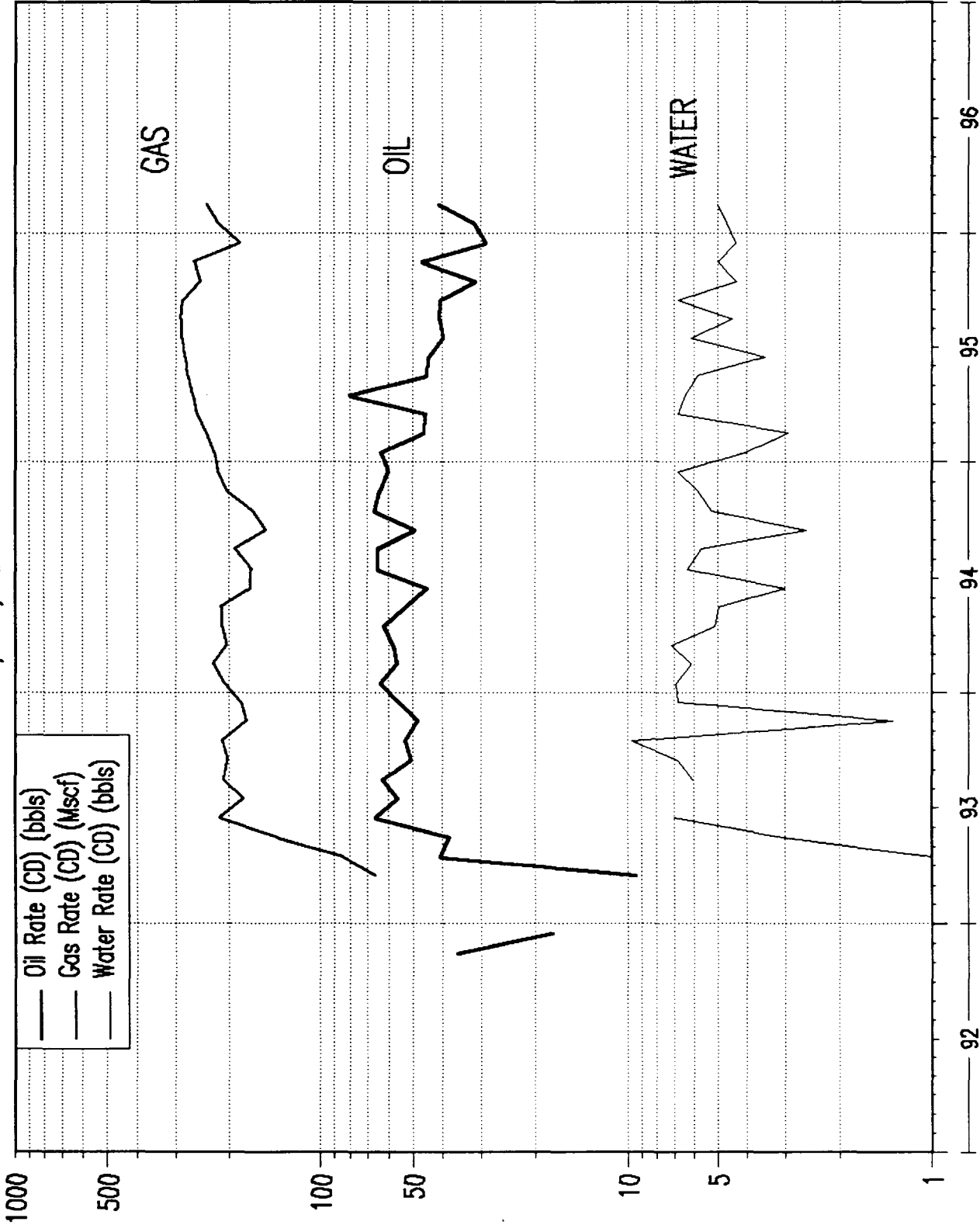
Production Allocated to Gallup "B": 100.00%

Effective Date: March 18, 1996
Well: Rincon Unit 130E Gallup

UNION OIL COMPANY OF CALIFORNIA

RINCON UNIT 130E GALLUP

T27N, R6W, SEC 32 NW SE



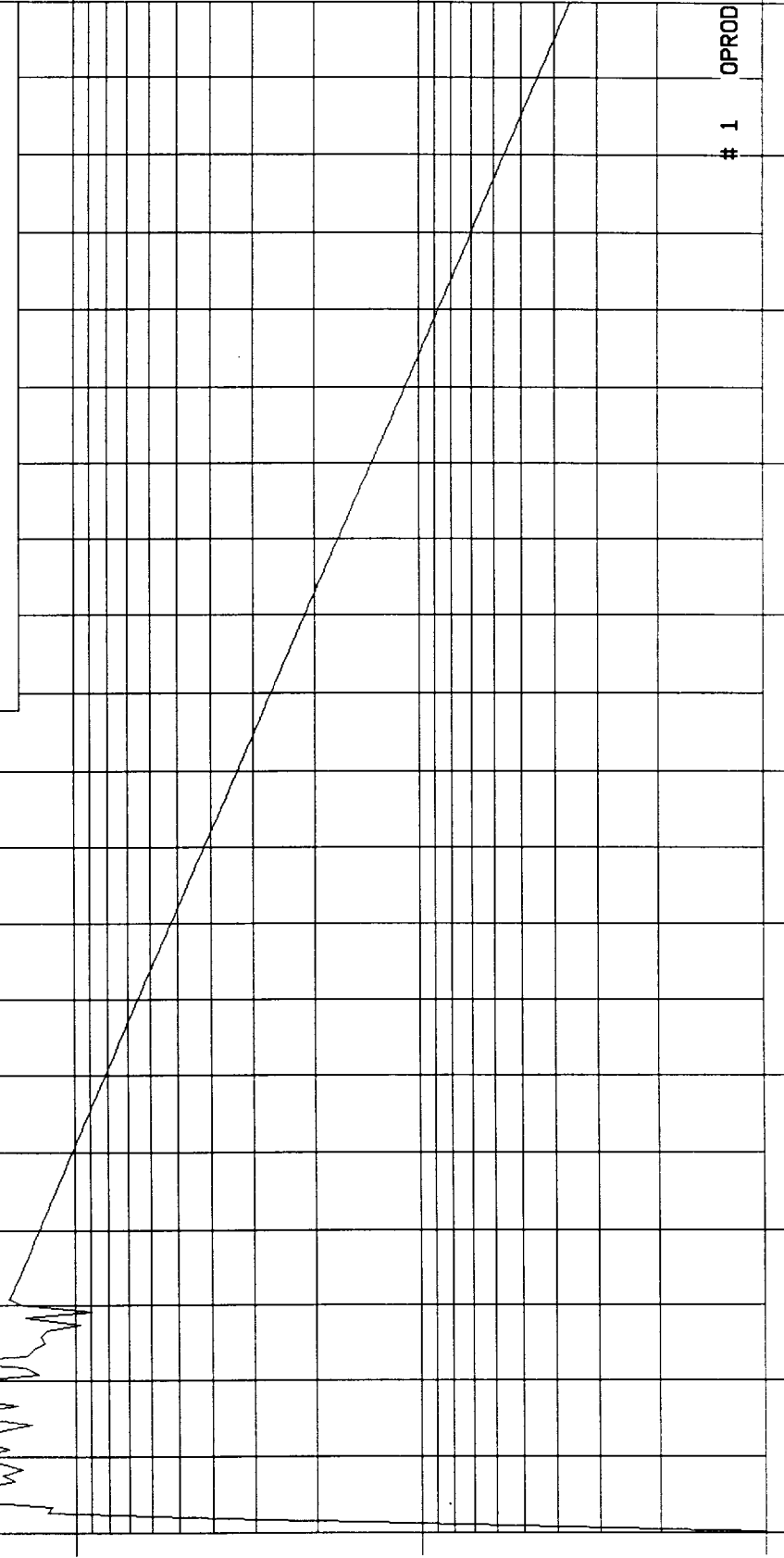
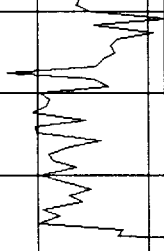
10⁻⁴

10⁻³

100.

10.

RINCON UNIT 130E PAYING WELL
SOUTH BLANCO TOCITO
TOCITO
US30 54060UMERD42480 G PDP



1 OPROD

13

11

09

07

05

03

01

99

97

95

93

TIME (YEARS)

10 IDENT	"US30 54060UMERD42480	G PDP A	603GLLP KSS 6PIE	93R02	Y	"
20 DATES	JUN 1992	* NOV 1992				
30 NAME	"RINCON UNIT 130E PAYING WELL	"				
40 FIELD	"SOUTH BLANCO TOCITO	"				
50 FORMATION	"TOCITO	"				
60 OPERATOR	"UNOCAL	"				
70 CNTYSTATE	"RIO ARriba CO, NM	"				
80 TITLE1	"PAYING WELL DETERMINATION	"				
90 OWNERSHIP	0.922571 0.747455					
100 PROIL	NOV 1992	CON 16.5				
110 PRGAS	NOV 1992	CON 1.17				
120 LOETOT	NOV 1992	CON 3380.				
130 OPROD	NOV 1992	MON 1071. 546.				
140 OPROD	JAN 1993	MON 0. 0. 290. 1215. 1179. 1986. 1736. 1934. 1518. 1643. 1439. 1713.				
150 OPROD	*	MON 1965. 1573. 1806. 1869. 1636. 1342. 2014. 2022. 1478. 2067. 1906. 1854.				
160 OPROD	*	MON 1965. 1284. 1405. 2395. 1395. 1322. 1229. 1265. 1214. 967. 1397. 897.				
170 COMMENT	"1996 DATA IS ESTIMATED	"				
180 OPROD	*	MON 1440. 1567.				
190 OPROD	MAR 1996	EXP 1550. * * 20.				
200 GPROD	NOV 1992	MON 7.831 0.				
210 GPROD	JAN 1993	MON 0. 0. 2.066 2.543 4.303 6.468 5.568 6.473 6.112 6.582 5.294 5.686				
220 GPROD	*	MON 6.45 6.375 6.332 6.389 6.638 5.103 5.267 5.965 4.564 5.214 6.15 6.795				
230 GPROD	*	MON 7.014 6.727 7.985 7.94 8.534 8.418 8.907 9.023 8.542 7.756 7.874 5.748				
240 COMMENT	"1996 DATA IS ESTIMATED	"				
250 GPROD	*	MON 7.367 7.538				
260 GOR	MAR 1996	CON 6.				
270 IDRILL	JUN 1992	MON 220000.				
280 ICOMPL	JUN 1992	MON 190000.				
290 TFACIL	JUN 1992	MON 100000.				

ID CODE : US30 54060UMERD42480				G PDP A	603GLLP KSS 6PIE	PROFITABILITY INDICATORS			
NAME : RINCON UNIT 130E PAYING WELL		PAYING WELL DETERMINATION				9 PAYOUT :	2.7 YRS	BTAX	2.8 YRS ATAX
FIELD : SOUTH BLANCO TOCITO						DCFROR :	40.4%	BTAX	34.3% ATAX
CNTY, STATE: RIO ARriba CO, NM						PI-ATAX:	1.4 TO 1	UNDISC	0.8 TO 1 DISC
FORMATION : TOCITO						PW 6.0%	724.0	BTAX	437.5 ATAX
OPERATOR : UNOCAL						PW 7.0%	680.0	BTAX	408.6 ATAX
						PW 8.0%	638.5	BTAX	381.3 ATAX
						PW 9.0%	599.4	BTAX	355.6 ATAX
						PW 10.0%	562.5	BTAX	331.4 ATAX

WI	ORI	GRI	DATE	WELL COUNT		BEG-PRICES		END-PRICES	AVG-PRICES	GROSS RESERVES	
92.25710	74.74550	74.74550	JUN 1992	GROSS	NET	OIL	16.50	16.50	16.50	CUMULATIVE	REMAINING
				O	0.0	0.0	GAS	1.17	1.17	OIL (MBBLS)	130.3
				G	0.0	0.0				GAS (MMCF)	676.2

	NUMBER	GROSS PROD	GROSS GAS	NET VOLUME	NET GAS	EFFECTIVE	EFFECTIVE	NET REV	NET GAS	NET TOTAL
	GROSS WELLS	OIL + COND	PRODUCTION	OIL + COND	VOLUME	O+C PRICE	GAS PRICE	OIL + COND	REVENUE	REVENUE
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(7MO)1992	1.0	1.6	7.8	1.2	5.9	16.50	1.17	19.9	6.8	26.8
1993	1.0	14.7	51.1	11.0	38.2	16.50	1.17	180.7	44.7	225.4
1994	1.0	21.5	71.2	16.1	53.3	16.50	1.17	265.6	62.3	327.9
1995	1.0	16.7	94.5	12.5	70.6	16.50	1.17	206.4	82.6	289.0
1996	1.0	17.2	99.8	12.8	74.6	16.50	1.17	211.5	87.3	298.8
1997	1.0	13.8	83.1	10.3	62.1	16.50	1.17	170.7	72.6	243.3
1998	1.0	11.1	66.4	8.3	49.7	16.50	1.17	136.6	58.1	194.7
1999	1.0	8.9	53.2	6.6	39.7	16.50	1.17	109.3	46.5	155.7
2000	1.0	7.1	42.5	5.3	31.8	16.50	1.17	87.4	37.2	124.6
2001	1.0	5.7	34.0	4.2	25.4	16.50	1.17	69.9	29.7	99.7
2002	1.0	4.5	27.2	3.4	20.3	16.50	1.17	55.9	23.8	79.7
2003	1.0	3.6	21.8	2.7	16.3	16.50	1.17	44.8	19.0	63.8
2004	1.0	2.9	17.4	2.2	13.0	16.50	1.17	35.8	15.2	51.0
(5MO)2005	1.0	1.0	6.2	0.8	4.6	16.50	1.17	12.7	5.4	18.1
2006										
SUB TOTAL	1.0	130.3	676.2	97.4	505.4	16.50	1.17	1607.2	591.3	2198.5
REMAINDER	0.0	0.0	0.0	0.0	0.0	0.00	0.00	0.0	0.0	0.0
TOT 13.0	1.0	130.3	676.2	97.4	505.4	16.50	1.17	1607.2	591.3	2198.5

	NET ADVAL +	NET LOE	NET OPER	NET ADMIN	NET TOTAL	BTAX	BTAX CF	ATAX	ATAX CF	CUM ATAX CF
	SEV TAXES	(FIX + VAR)	REVENUE	EXPENSE	INVESTMENT	CASHFLOW	DISC 8.00%	CASHFLOW	DISC 8.00%	DISC 8.00%
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
(7MO)1992	2.4	6.2	18.1	0.0	470.5	-452.4	-450.1	-352.2	-350.6	-350.6
1993	20.6	37.4	167.4	0.0	0.0	167.4	151.7	121.0	109.8	-240.7
1994	29.9	37.4	260.5	0.0	0.0	260.5	221.2	176.3	149.7	-91.1
1995	26.4	37.4	225.2	0.0	0.0	225.2	177.7	152.6	120.4	29.3
1996	27.3	37.4	234.1	0.0	0.0	234.1	170.6	156.9	114.3	143.7
1997	22.2	37.4	183.7	0.0	0.0	183.7	124.1	124.2	83.9	227.6
1998	17.8	37.4	139.5	0.0	0.0	139.5	87.2	89.6	56.0	283.6
1999	14.2	37.4	104.1	0.0	0.0	104.1	60.3	66.1	38.3	321.9
2000	11.4	37.4	75.8	0.0	0.0	75.8	40.7	47.0	25.2	347.1
2001	9.1	37.4	53.2	0.0	0.0	53.2	26.4	33.0	16.4	363.5
2002	7.3	37.4	35.0	0.0	0.0	35.0	16.1	21.7	10.0	373.5
2003	5.8	37.4	20.5	0.0	0.0	20.5	8.8	12.7	5.4	378.9
2004	4.7	37.4	9.0	0.0	0.0	9.0	3.5	5.6	2.2	381.1
(5MO)2005	1.7	15.6	0.9	0.0	0.0	0.9	0.3	0.5	0.2	381.3
2006										
SUB TOTAL	200.7	470.9	1527.0	0.0	470.5	1056.4	638.5	655.0	381.3	381.3
REMAINDER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	381.3
TOT 13.0	200.7	470.9	1527.0	0.0	470.5	1056.4	638.5	655.0	381.3	381.3

STATE OF TEXAS

COUNTY OF FORT BEND

APPLICANT'S STATEMENT AND AFFIDAVIT

BEFORE ME, the undersigned authority on this day personally appeared Keith S. Shepstone, Senior 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 the Gallup "B" participating area in the Rincon Unit, in the W/2 SE/4 Section 32, T27N-R6W, comprising 80 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 (Unocal).
- 5) That he is of lawful age, that he is a responsible official of Unocal, that he is duly authorized to make this Statement and Affidavit on behalf of Unocal, 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.

Keith Shepstone

SUBSCRIBED AND SWORN TO before me, this undersigned

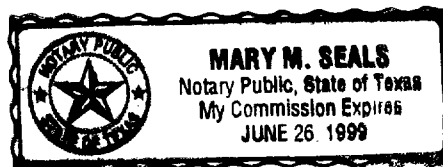
authority, on this day of May 10, 1996.

Mary M. Seals

Notary Public in and for
Fort Bend County, State of Texas

My Commission Expires:

June 26, 1999





#299

RECEIVED
DIVISION

APR 4 1996

State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

April 4, 1996

Union Oil Company of California
Post Office Box 4551
Houston, Texas 77210-4551

Attn: Ms. Heather Dahlgren

Re: Production Test Summary
Rincon Unit
Rio Arriba County, New Mexico

Dear Ms. Dahlgren:

We received your letter of February 22, 1996, together with production data for the Rincon Unit Well Nos. 150 and 130E.

By their letter of February 2, 1996, the Bureau of Land Management advised this office that, on June 20, 1995, the Rincon Unit No. 130E well was determined to be capable of producing in paying quantities, and should be submitted as the "B" expansion of the Gallup PA. All Gallup production from the well should be reported to the participating area.

The Rincon Unit No. 50 well, located in Section 6, T26N, R6W, is in the Tocito Participating Area. This well was recompleted from the Mesaverde to the Tocito (6,714-6,728 feet), and the Gallup (6,515-6,576 feet). Production test data from the Gallup and Tocito indicates that 100% of the gas is from the Gallup, and 100% of the oil is from the Tocito interval. Since the well was determined to be non-paying, the Gallup gas production should be reported on a lease basis, and all of the Tocito oil production should be reported to the Tocito Participating Area.

The Commissioner of Public Lands concurs with the Bureau of Land Management's allocation for the above-mentioned wells. A copy of the Bureau of Land Management's letter is enclosed.


RESOURCE MANAGEMENT: COMMERCIAL (505)-827-5724, MINERALS (505)-827-5744, SURFACE (505)-827-5793, ROYALTY (505)-827-5772, ADMINISTRATIVE MANAGEMENT (505)-827-5700, COMMUNICATION & PUBLIC AFFAIRS (505)-827-5764, and GENERAL COUNSEL (505)-827-5713

Union Oil Company of California
April 4, 1996
Page 2

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 

LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File
TRD
OCD--Mr. Roy Johnson
BLM
Commissioner's File

OIL CONSERVATION DIVISION
RECEIVED

MAR 8 1996 8 52



RAY POWELL, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

March 5, 1996

(505) 827-5760
FAX (505) 827-5766

UNOCAL
Post Office Box 4551
Houston, New Mexico 77210-4551

Attn: Mr. Keith Shepstone

Re: 1996 Plan of Development
Rincon Unit
Rio Arriba County, New Mexico

Dear Mr. Shepstone:

The Commissioner of Public Lands has this date approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.


The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:


LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File

OCD

TRD

BLM

Commissioner's File

Unocal Corporation
14141 Southwest Freeway
Sugar Land, Texas 77478
P.O. Box 4551
Houston, Texas 77210-4551
Telephone (713) 491-7600

D-unit letter
THX R9



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February 22, 1996

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

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Sante Fe, NM 87504-1148

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

RE: 1995 Review of Operations
1996 Plan of Development
Rincon Unit
Rio Arriba County, New Mexico

Gentlemen:

Union Oil Company of California (UNOCAL) as the operator of the Rincon Unit in Rio Arriba County, New Mexico, submits the following 1995 Review of Operations and 1996 Plan of Development for your approval.

1995 REVIEW OF OPERATIONS

During 1995, the following wells were drilled and completed within the unit as follows:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 150E	Basin Dakota/Blanco Mesaverde	NW Sec 6-26N-6W
Rincon Unit No. 11E	Basin Dakota/S. Blanco Tocito	SE Sec 6-26N-6W
Rincon Unit No. 231E	Basin Dakota/Blanco Mesaverde	NW Sec 12-26N-7W
Rincon Unit No. 134E	Basin Dakota/Blanco Mesaverde	SE Sec 12-26N-7W
Rincon Unit No. 304	Basin Dakota/Blanco Mesaverde	NE Sec 11-26N-7W
Rincon Unit No. 304M	Basin Dakota/Blanco Mesaverde	SE Sec 11-26N-7W
Rincon Unit No. 164E	Basin Dakota/Largo Gallup	NW Sec 2-26N-7W
Rincon Unit No. 177E	Basin Dakota/S. Blanco Pict. Clfs.	SE Sec 13-27N-7W
Rincon Unit No. 185E	Basin Dakota/Blanco Mesaverde	SE Sec 22-27N-7W

Rincon Unit No. 178E	Basin Dakota/Blanco Mesaverde	SE Sec 23-27N-7W
Rincon Unit No. 193M	Basin Dakota/Blanco Mesaverde	NW Sec 35-27N-7W
Rincon Unit No. 131E	Basin Dakota/Blanco Mesaverde/ South Blanco Pictured Cliffs	NW Sec 36-27N-7W
Rincon Unit No. 149M	Basin Dakota/Blanco Mesaverde	NW Sec 30-27N-6W
Rincon Unit No. 176E	Basin Dakota/Blanco Mesaverde	NW Sec 31-27N-6W
Rincon Unit No. 166E	Basin Dakota/Blanco Mesaverde	NW Sec 32-27N-6W

The following wells (drilled in 1994) had second completions added during 1995 as follows:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 303	Blanco Mesaverde	NW Sec 33-27N-7W
Rincon Unit No. 186M	Blanco Mesaverde	SW Sec 33-27N-7W
Rincon Unit No. 229E	Largo Gallup	SW Sec 34-27N-7W
Rincon Unit No. 187E	Blanco Mesaverde	SE Sec 35-27N-7W
Rincon Unit No. 183E	Blanco Mesaverde	SE Sec 31-27N-6W

The following zones were abandoned in 1995 as follows:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 150E	South Blanco Tocito	NW Sec 6-26N-6W

The following wells were plugged and abandoned during 1995:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 10	South Blanco Pictured Cliffs	NW Sec 36-27N-7W
Rincon Unit No. 13	South Blanco Pictured Cliffs	NW Sec 6-26N-6W
Rincon Unit No. 53	South Blanco Pictured Cliffs	SE Sec 22-27N-6W
Rincon Unit No. 121	South Blanco Pictured Cliffs	SE Sec 23-27N-6W
Rincon Unit No. 158	Basin Dakota	SW Sec 22-27N-6W
Rincon Unit No. 254	Basin Fruitland Coal	NE Sec 20-27N-6W
Rincon Unit No. 280	Basin Fruitland Coal	NE Sec 15-27N-7W

The following facility modifications were completed in 1995:

Point of discharge of Lateral #4 compressors was changed from EPNG's high pressure system (500 psig MAOP) to low pressure system (250 psig MAOP). Compressors were restaged to allow additional throughput capacity.

1996 PLAN OF DEVELOPMENT

Drilling and completion of the following seven wells is proposed in 1996:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 305	South Blanco Pictured Cliffs	SE Sec 21-27N-6W
Rincon Unit No. 306	South Blanco Pictured Cliffs	NW Sec 26-27N-6W
Rincon Unit No. 307	South Blanco Pictured Cliffs	SE Sec 26-27N-6W
Rincon Unit No. 308	South Blanco Pictured Cliffs	NW Sec 6-26N-6W
Rincon Unit No. 309	South Blanco Pictured Cliffs	NW Sec 12-26N-7W
Rincon Unit No. 310	South Blanco Pictured Cliffs	SE Sec 12-26N-7W
Rincon Unit No. 311	South Blanco Pictured Cliffs	NW Sec 32-27N-6W

The following zones will be abandoned in 1996:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 164E	Largo Gallup	NW Sec 2-26N-7W
Rincon Unit No. 11E	South Blanco Tocito	SE Sec 6-26N-6W

The following zones will be completed in 1996:

<u>Well Name</u>	<u>Pool</u>	<u>Location</u>
Rincon Unit No. 11E	Blanco Mesaverde	SE Sec 6-26N-6W

Numerous additional workovers are planned to be completed during 1996. The individual wellbores and formations have not been identified at this time. Sundry notices will be filed as necessary.

No major facility projects are planned for 1996 at this time.

Very truly yours,

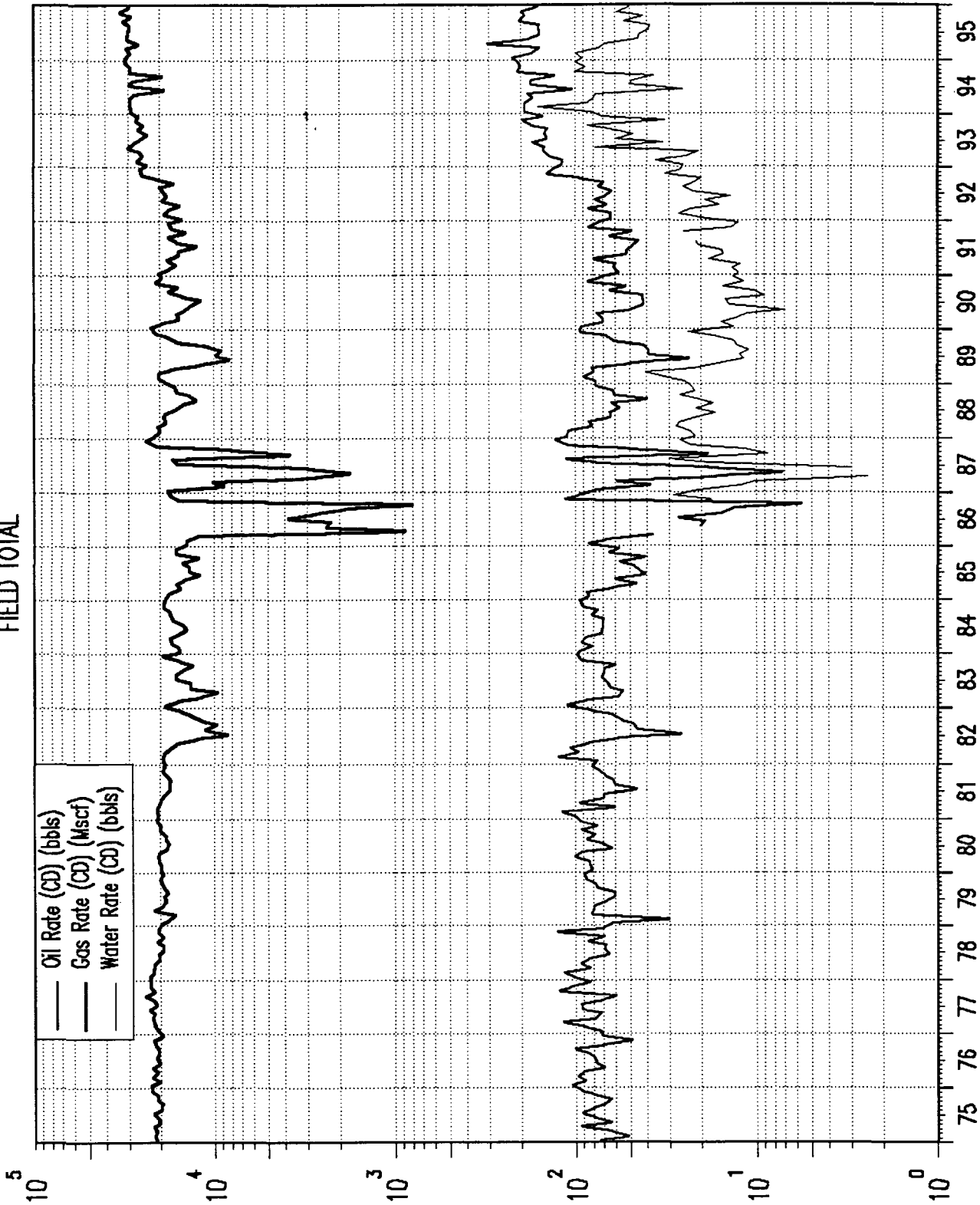
Union Oil Company of California
dba UNOCAL



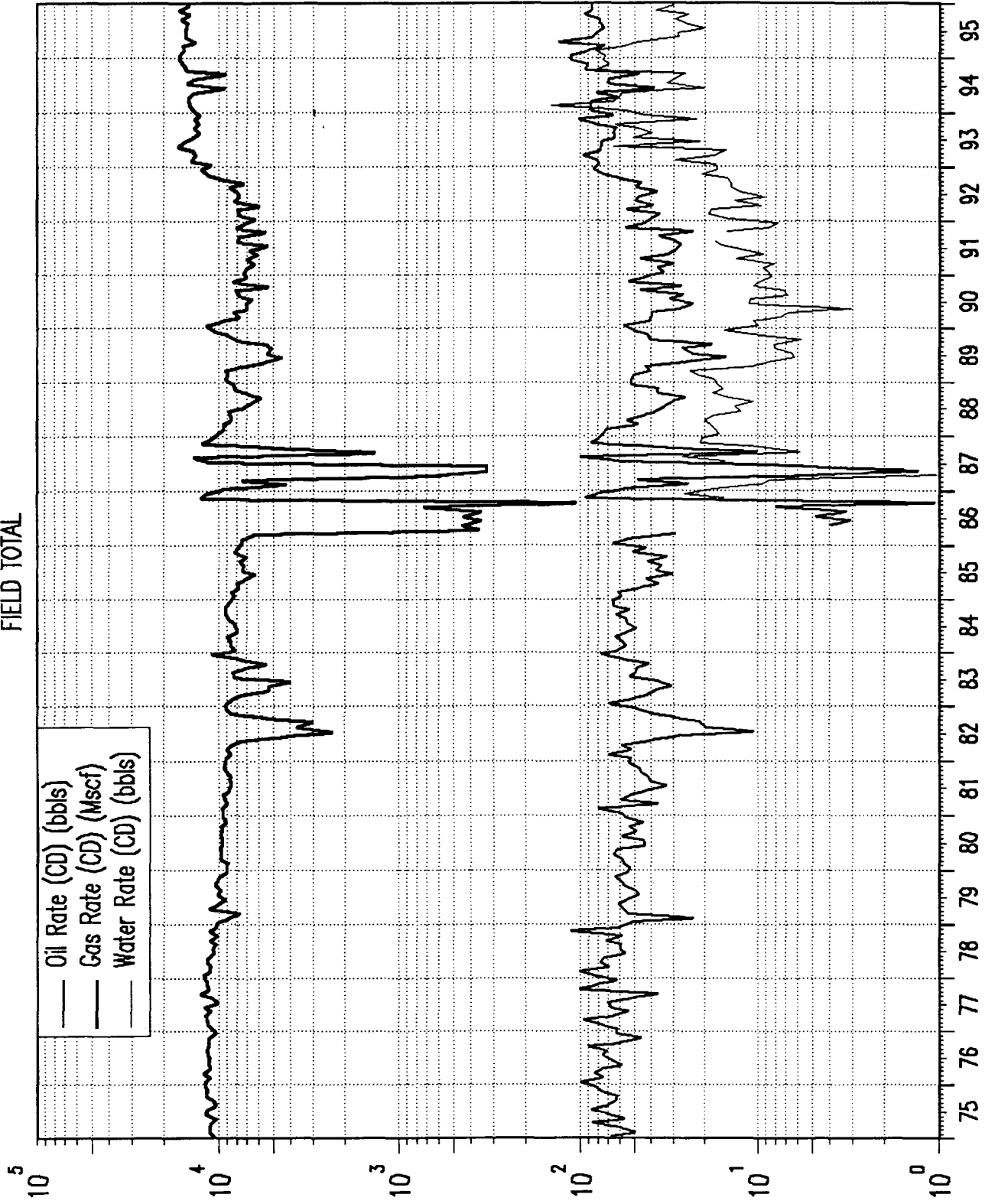
Keith Shepstone
Advanced Petroleum Engineer

KSS/kss
Attachments
c:\rm\96rinpod.doc

UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT ALL FORMATIONS
FIELD TOTAL

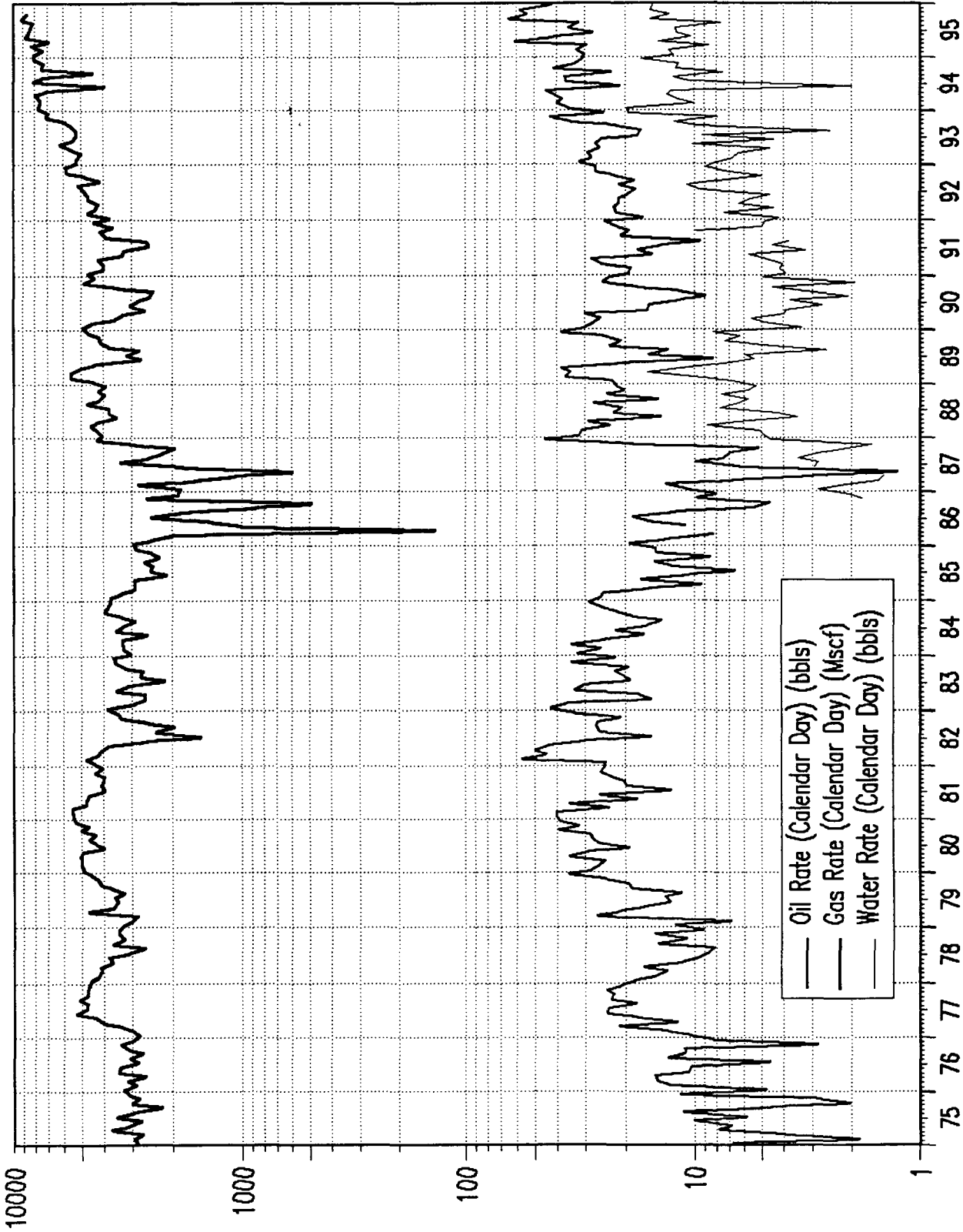


UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT BASIN DAKOTA
FIELD TOTAL

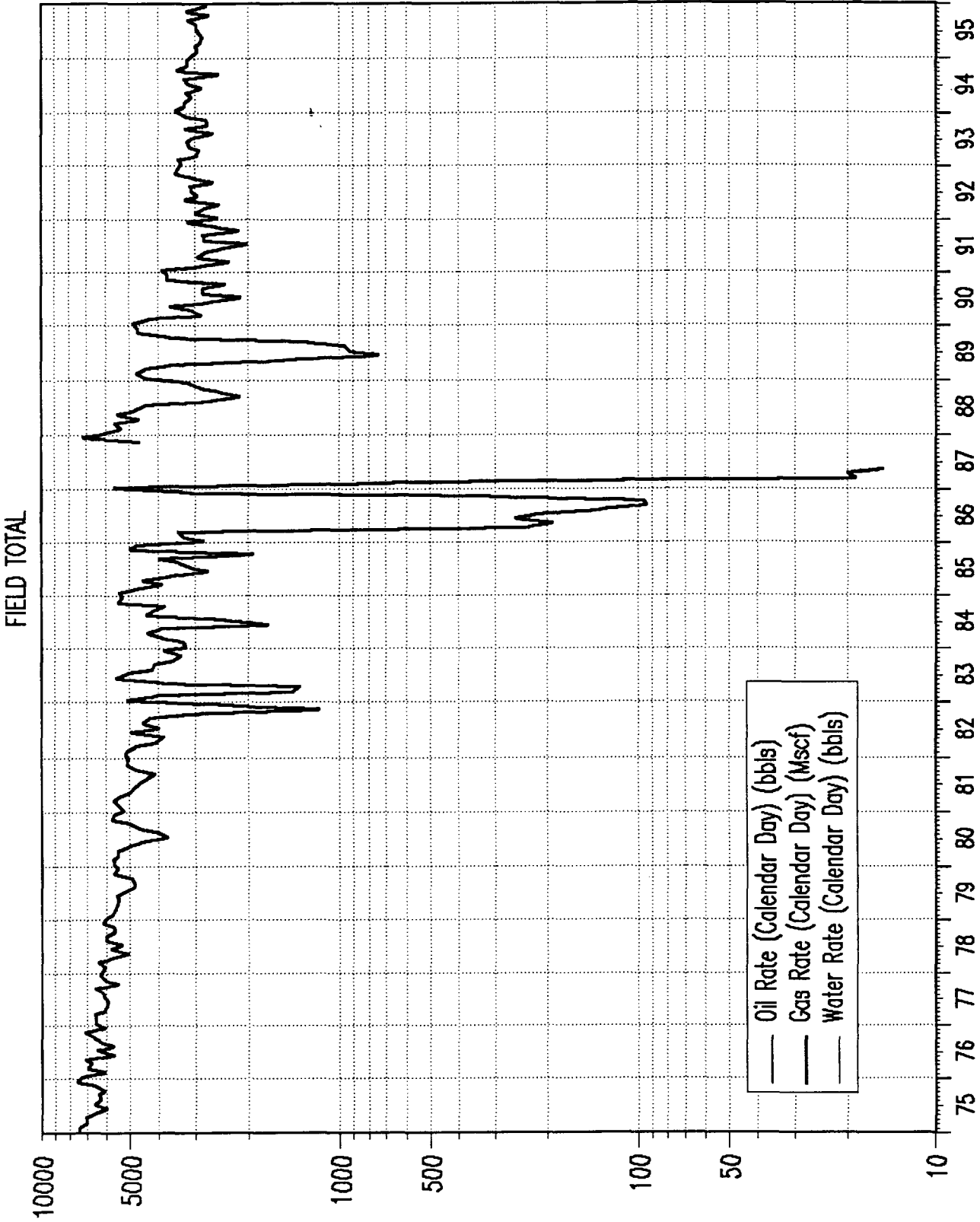


UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT BLANCO MESAVERDE

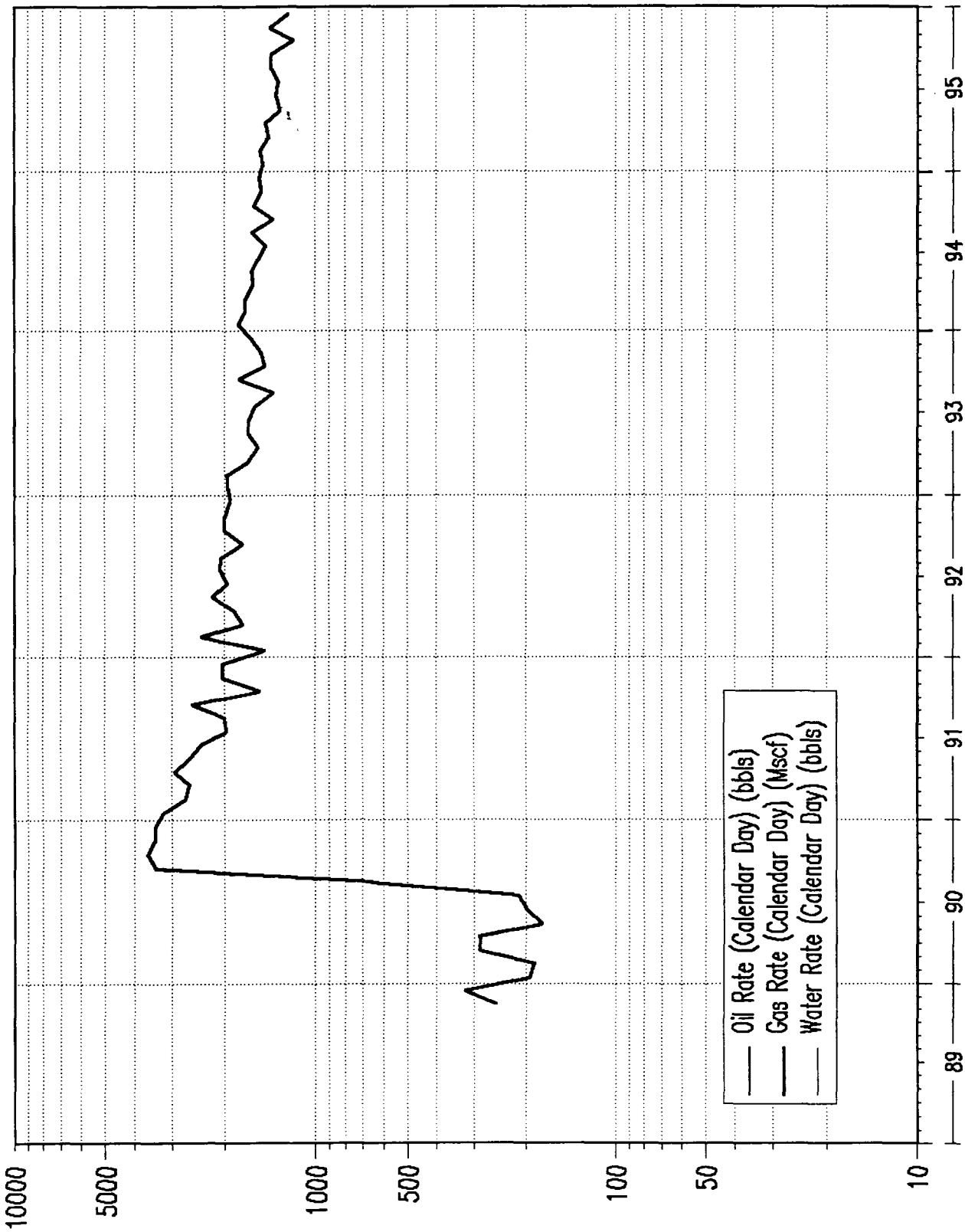
FIELD TOTAL



UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT SO. BLANCO PICTURED CLIFFS

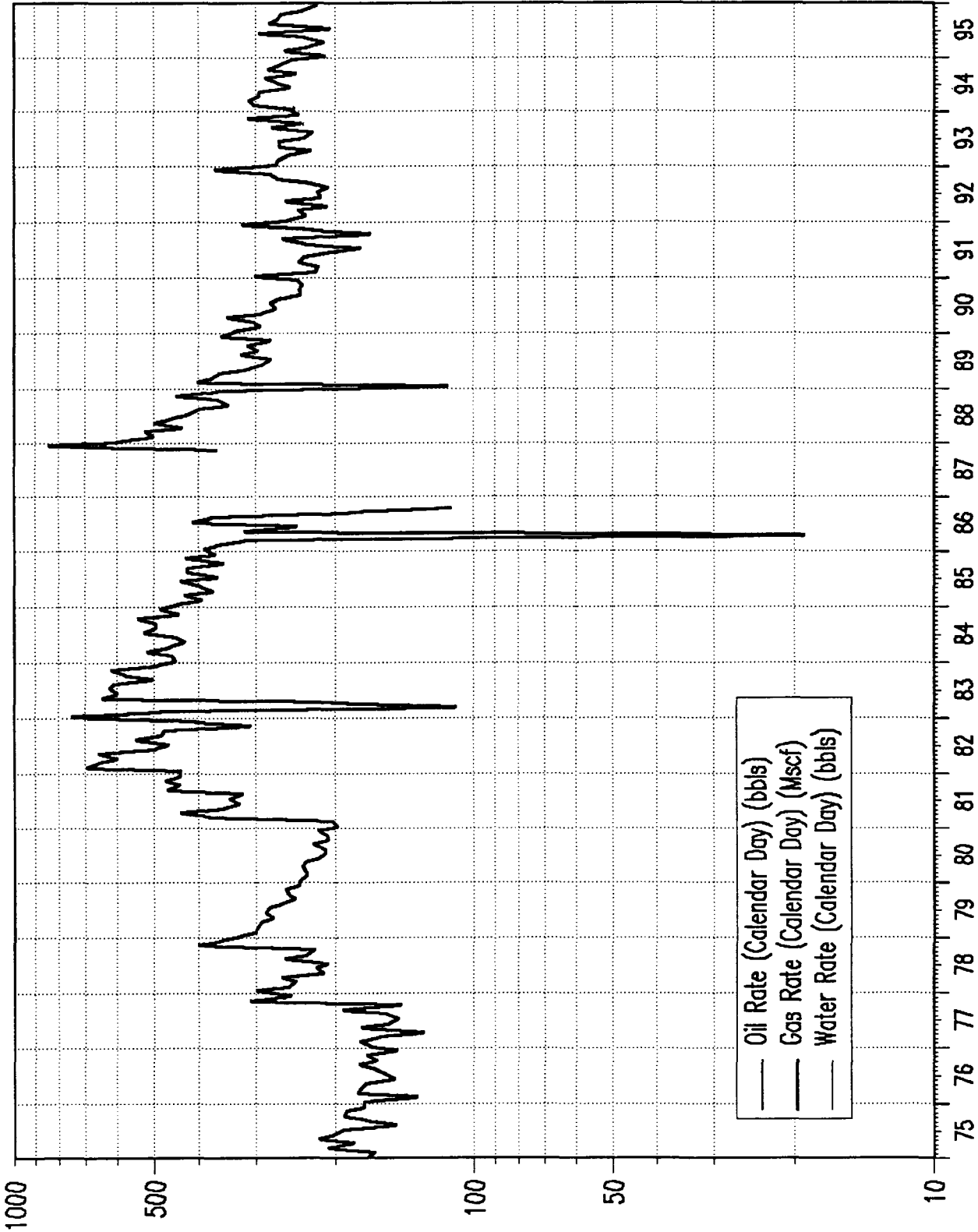


UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT BASIN FRUITLAND COAL
FIELD TOTAL

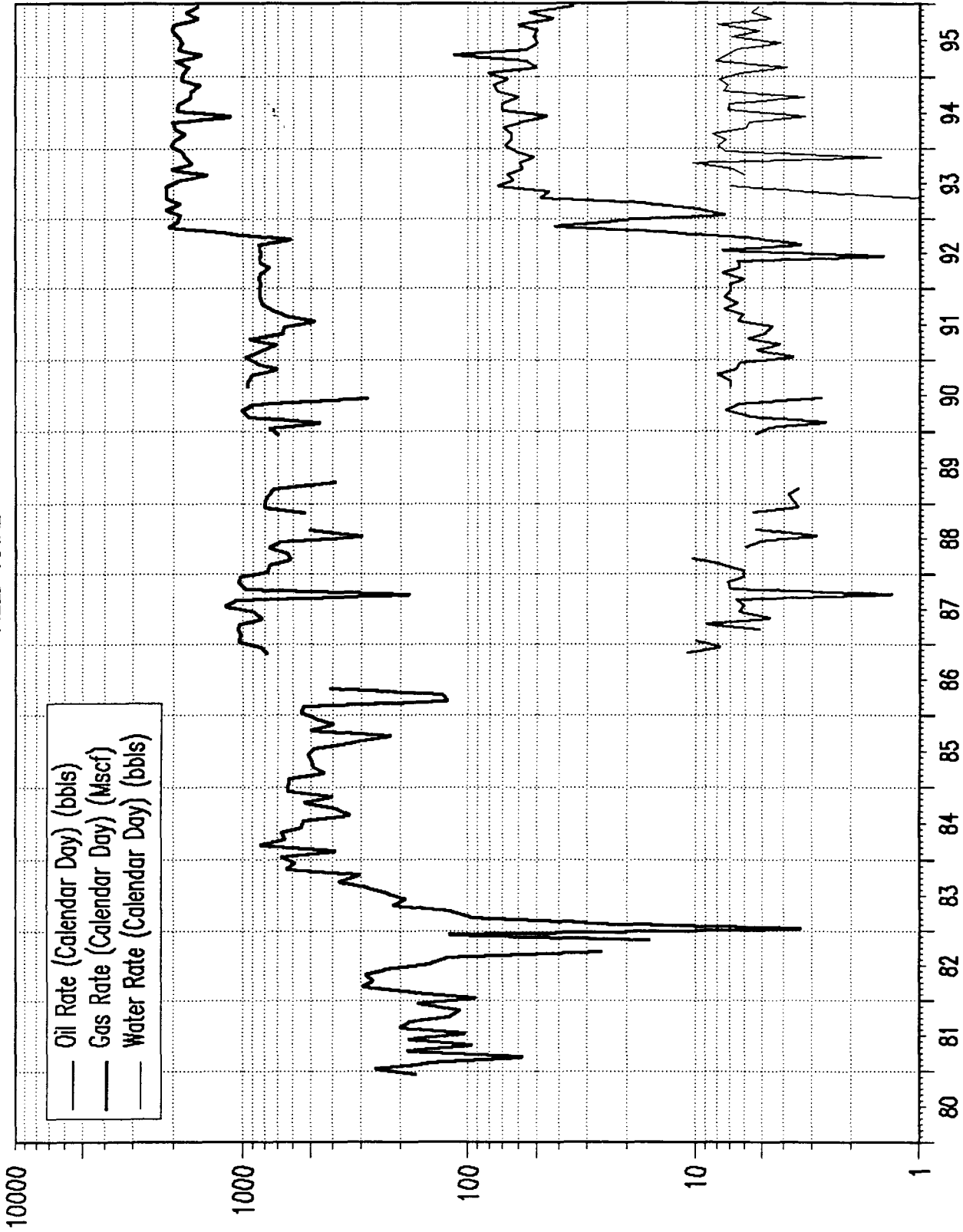


UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT OTERO CHACRA

FIELD TOTAL



UNION OIL COMPANY OF CALIFORNIA
RINCON UNIT GALLUP
FIELD TOTAL





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

105 FEB 13 1996

IN REPLY RE

February 2, 1996

Rincon(Tocito, Gallup "B" PA)
3180 (07327)

Ms. Heather Dahlgren
Union Oil Company of California
14141 Southwest Freeway
Sugar Land, Texas 77478

RE: RINCON UNIT
Production test summary
Rio Arriba County, New Mexico

Dear Ms. Heather Dahlgren:

In response to your letter dated December 22, 1995, the Farmington District Office (FDO) has reviewed the production data you submitted for Rincon Unit No.150 and Rincon Unit No.130E wells.

The Rincon Unit No.130E well was determined to be capable of producing in paying quantities on June 20, 1995 and should be submitted as the "B" expansion of the Gallup PA. All Gallup production from the well should be reported to the participating area.

The Rincon Unit No.50 well, located in section 6, T26N, R6W is in the Tocito Participating Area. This well was re-completed from the Mesaverde to the Tocito (6714-6728) feet and the Gallup (6515-6576) feet. Production test data from the Gallup and Tocito indicates that 100% of the gas is from the Gallup and 100% of the oil is from the Tocito interval. Since the well was determined to be non-paying, the Gallup gas production should be reported on a lease basis to SF-079301, and all of the Tocito oil production should be reported to the Tocito Participating Area AFS# 892000916 O.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

If you have any questions regarding this correspondence, please contact Joe Hewitt at (505) 599-6365.

Sincerely,

Duane Spencer
Team Leader, Petroleum Management Team

bcc:

MMS, RMP, MS-3240, Denver, CO

MNOCD, Santa Fe, NM

Commissioner of Public Lands, Santa Fe, NM



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY RE

February 2, 1996

Rincon(DK, MV, Gallup, Tocito, PC, PA)
3180 (07327)

Ms. Heather Dahlgren
Union Oil Company of California
14141 Southwest Freeway
Sugar Land, Texas 77478

RE: RINCON UNIT
Inclusion of 1995 Infill Wells in Participating Areas,
Rio Arriba County, New Mexico

Dear Ms. Heather Dahlgren:

In response to your letter dated December 15, 1995, the Farmington District Office has reviewed the wells that you submitted for inclusion in the Dakota, Mesaverde, Tocito, Gallup, and Pictured Cliffs Participating Areas (PA).

WELL	LOCATION	Participating Area	LEASE
11E RINCON	6J-T26N-R6W	Dakota 892000916 A Tocito 892000916 O	SF-079302B
131E RINCON	36E-T27N-R7W	Dakota 892000916 A Pictured Cliffs 892000916 C	STATE
134E RINCON	12P-T26N-R7W	Dakota 892000916 A	SF-079160
149M RINCON	30F-T27N-R6W	Dakota 892000916 A Mesaverde 892000916 B	SF-079364
150E RINCON	6D-T26N-R6W	Dakota 892000916 A	SF-079301
164E RINCON	2D-T26N-R7W	Dakota 892000916 A Initial Gallup 892000916 J	STATE
166E RINCON	32F-T27N-R6W	Dakota 892000916 A	STATE
176E RINCON	31F-T27N-R6W	Dakota 892000916 A	SF-079364
177E RINCON	13J-T27N-R7W	Dakota 892000916 A Pictured Cliffs 892000916 C	SF-079298
178E RINCON	23J-T27N-R7W	Dakota 892000916 A	SF-080385
185E RINCON	22J-T27N-R7W	Dakota 892000916 A	SF-080385
193M RINCON	35D-T27N-R7W	Dakota 892000916 A	SF-080385
231E RINCON	12D-T26N-R7W	Dakota 892000916 A	SF-079160
304 RINCON	11G-T26N-R7W	Dakota 892000916 A Mesaverde 892000916 B	SF-070160
304M RINCON	11P-T26N-R7W	Dakota 892000916 A Mesaverde 892000916 B	SF-079160

The fifteen wells listed above are 1995 developmental infill wells drilled within the existing PA boundaries. These wells with dual completions should report their production to the appropriate PA Automated Financial System Number (AFS#) also listed above.

If you have any questions regarding this correspondence, please contact Joe Hewitt at (505) 599-6365.

Sincerely,

/s/ Duane Spencer

Duane Spencer
Team Leader, Petroleum Management Team

bcc:

MMS, RMP, MS-3240, Denver, CO
MNOCD, Santa Fe, NM
Commissioner of Public Lands, Santa Fe, NM



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

BLM CONSERVATION DIVISION
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OCT 25 1995 6 52 PM

IN REPLY RE

Rincon Unit (Mesa Verde PA)
3180 (07327)

October 25, 1995

Mr. Jack Howell
Union Oil Company of California
14141 Southwest Freeway
Sugar Land, Tx. 77478

RE: RINCON UNIT
Revised Exhibit "B" for the 15th Expansion Mesa Verde Participating Area
Rio Arriba County, New Mexico

Dear Mr. Howell:

Your revised Exhibit "B" for the 15th expansion of the Rincon Unit, Mesa Verde Participating Area, submitted October 13, 1995, has been reviewed, and accepted for the record, effective October 8, 1993. We have enclosed a copy for your records.

If you have any questions regarding this correspondence, please contact Joe Hewitt at (505) 599-6365.

Sincerely,

/s/ Duane Spencer

Duane Spencer
Chief, Branch of Reservoir Management

Enclosure
1-Exh. B

bcc:
MMS, RMP, MS-3240, Denver, CO w/encl.
NMOCD, Santa Fe, NM
Commissioner of Public Lands, Santa Fe, NM



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

SOIL CONSERVATION DIVISION

REC-100

'95 SEP 13 PM 8 52

IN REPLY RE

September 13, 1995

Rincon Unit (Gallup PA, Mesa Verde PA)
3180 (07327)

Mr. Keith S. Shepstone
Union Oil Company of California
14141 Southwest Freeway
Sugar Land, Tx. 77478

RE: RINCON UNIT
15th Expansion MV Participating Area
Gallup "A" Participating Area
Rio Arriba County, New Mexico

Dear Mr. Shepstone:

We have reviewed your application for revision of the Mesa Verde Participating Area and the establishment of the Gallup "A" Participating Area in the Rincon Unit. The expansions are approved as summarized in the following tables.

Mesa Verde Participating Area

#Revision	Well#	Dedication	Acres	Sec.	Twn.	Rng.	Effective Date
15th	#126M	S/2	315.5	27	27N	6W	10-8-93

Gallup "A" Participating Area

#Revision	Well#	Dedication	Acres	Sec.	Twn.	Rng.	Effective Date
Initial	#57E	SE/4	160	1	26N	7W	10-5-92

Each of these wells has been determined to be capable of producing in paying quantities. Mesa Verde production from the #126M well will be reported under the Participating Area 892000916B and Gallup production from the #57E well will be reported under the Participating Area 892000916L.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

If you have any questions regarding this correspondence, please contact Joe Hewitt at (505) 599-6365.

Sincerely,

/s/ Brian W. Davis

Duane Spencer
Chief, Branch of Reservoir Management

bcc:

MMS, RMP, MS-3240, Denver, CO
NMOCD, Santa Fe, NM ✓
Commissioner of Public Lands, Santa Fe, NM

RECEIVED
DIVISION
85 AUG 24 AM 8 52



RAY POWELL, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

August 25, 1995

UNOCAL
14141 Southwest Freeway
Sugar Land, Texas 77478

Attention: Ms. Heather Dahlgren

Re: Paying Well Determinations
Rincon Unit
Rio Arriba County, New Mexico

Dear Ms. Dahlgren:

The Bureau of Land Management by their letter of June 22, 1995, has advised this office that the following wells have been reviewed for paying well determinations in the Rincon Unit.

Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management's determinations for the following wells:

NON-PAYING WELL DETERMINATIONS

<u>Well</u>	<u>Location</u>	<u>Formation</u>
186M Rincon	Section 33(M)-27N-07W	Dakota
303 Rincon	Section 33(E) -27N-07W	Dakota
229E Rincon	Section 34(E)-27N-07W	Dakota
150 Rincon	Section 6(A)-26N-06W	GL/Tocito
192E Rincon	Section 1(D)-26N-07W	Gallup
201E Rincon	Section 2(J)-26N-07W	Gallup
137E Rincon	Section 24(J)-27N-07W	Gallup
168E Rincon	Section 36(I)-27N-07W	Gallup
182E Rincon	Section 26(J)-27N-06W	Gallup
136E Rincon	Section 23(D)-27N-07W	Mesaverde
108E Rincon	Section 19(O)-27N-06W	Chacra

UNOCAL
Page 2
August 25, 1995

PAYING WELL DETERMINATIONS


<u>WELL</u>	<u>LOCATION</u>	<u>FORMATION</u>
57E Rincon	Section 1(O)-26N-07W	Gallup
130E Rincon	Section 32(J)-27N-06W	GL/Tocito
126M Rincon	Section 27(P)-27N-06W	Mesaverde

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY, Deputy Director
Oil/Gas and Minerals Division
(505) 827-5745

RP/JB/cpm

Enclosure

cc: Reader File

BLM-Farmington--Attention: Mr. Duane Spencer
OCD-Santa Fe--Attention: Mr. Roy Johnson
TRD-Santa Fe--Attention: Mr. Valdean Severson
Commissioner's File

Unocal Energy Resources Division

Unocal Corporation
14141 Southwest Freeway
Sugar Land, Texas 77478
P.O. Box 4551
Houston, Texas 77210-4551
Telephone (713) 491-7600



August 10, 1995

*4-17-95
P-unit letter
THX*

Bureau of Land Management
Minerals Division
1235 La Plata Hwy.
Farmington, New Mexico 87401
Attn.: Duane Spencer
Chief of Reservoir Management


Re: Application for the Fifteenth
Expansion to the Mesaverde
Participating Area, Rincon Unit
Rio Arriba County, New Mexico

Gentlemen:

Enclosed please find two copies of the Application for Approval for the fifteenth expansion to the Mesaverde Participating Area on the Rincon Unit, Rio Arriba County, New Mexico. Enclosed also are geologic and engineering data in support of this application.

Union Oil Company of California, as operator of the Rincon Unit, respectfully requests your approval of this application.

Very Truly Yours,
Union Oil Company of California
DBA UNOCAL


Keith S. Shepstone
Advanced Petroleum Engineer
Rocky Mountain Asset Group

xc: Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Oil Conservation Division
New Mexico Department of Energy & Minerals
P.O. Box 2088
Santa Fe, New Mexico 87504-2088



APPLICATION FOR THE FIFTEENTH EXPANSION TO THE MESAVERDE 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,
submits for your approval the following described lands to constitute
the fifteenth expansion to the participating area for the Blanco
Mesaverde Gas producing formation, to wit:

TOWNSHIP 27 NORTH, RANGE 6 WEST, N.M.P.M.

Section 27: South/2

Containing 315.5 acres

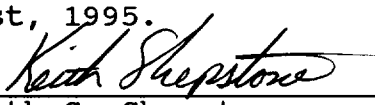
In support of this application, and in addition to the geologic and
engineering reports, the following are attached:

- 1) Structure Map - Top of Blanco Mesaverde Gas Formation
- 2) Isopach Map - Blanco Mesaverde Gas Formation
- 3) Type Log
- 4) Land Map - Rincon Unit
- 5) Rincon Unit #126M Mesaverde Production Decline Curve
- 6) Rincon Unit #126M Mesaverde Economics
- 7) Applicant's Statement and Affidavit

This application is predicated on thirteen months of actual production
history from the Rincon Unit #126M well which first delivered on
October 8, 1993.

Applicant respectfully requests your approval of the hereinabove
selection of lands to constitute the Fifteenth Expansion to the
Mesaverde Gas Formation Participating Area, to be effective October 8,
1993.

Dated this 10th day of August, 1995.



Keith S. Shepstone
Advanced Petroleum Engineer
Union Oil Company of California

Well Summary

Well Name: Rincon Unit #126M
Location: 810'FSL, 1175'FEL, Sec 27, T27N, R6W
Elevation: 6679' GL
Total Depth: 7810'
Lease Number: SF-076367A
API Number: 30-039-25220
Pool/Formation: Blanco Mesaverde Gas
Spud Date: 9-17-92
Completion Date: 10-23-92
1st Delivery Date: 10-8-93
Perf'd Interval: 4922-4974, 4988-5000, 5120-5134, 5346-5368,
5404-5414, 5436-5446, 5458-5525.

Geologic Summary

The Mesaverde group is represented by three major stratigraphic units. In descending order they are: 1) the transgressive marine Cliff House Sandstone containing interbedded shales and fine grained sandstones; 2) the nonmarine Menefee formation containing interbedded shales, silts and thin coal seams; 3) and the regressive marine Point Lookout Sandstone containing interbedded shales and fine to medium grained sands. Each stratigraphic member can be correlated throughout the Rincon Unit with net sandstone pay ranging from less than 20 feet in the southwest to greater than 110 feet in the northeast. Primary production is from the Cliff House and the Point Lookout with occasional contributions from the discontinuous sands located in the Menefee.

Completion Summary

The Rincon Unit #126M was drilled and completed by Union Oil Company of California as a commingled Basin Dakota and Blanco Mesaverde Gas producer in 1992. Surface pipe measuring 8-5/8" was set at 377 feet and cemented with 250 sacks to surface. Production casing measuring 5-1/2" was then set at 7810 feet and cemented in three stages to surface with 1800 sacks cement. The Cliff House and Point Lookout zones were perforated from 4922' to 5134' and 5346' to 5525' with 4 shots per foot. The two zones were fracture stimulated separately with 222,240# and 232,000# 20/40 sand, and 64,000 and 63,700 gallons cross-linked gel water. The recorded initial potential and 24 hour shut-in tubing pressure were 234 MCFD / 4 BWPD and 790 psi, respectively. The well was first delivered to the Rincon Lateral #1 compression system on October 8, 1993. The current deliverability for the well against a 100# line pressure is 300 MCFD.

Reserves calculated through decline curve analysis and using historic parent and infill reserve distribution models of Rincon Mesaverde wells yields an expected recoverable gas volume of ~1 Bcf.

Economics

Gross Investment: \$424,000

Gas Price: \$1.17/MCF Constant

Operating Cost: \$500/month

Production Rate: First Month 372 MCFD; Current Month 300 MCFD

Annual Decline Rate: Initial Month 258 MCFD; Exp. 8%

Economics based on the above are attached. Reasonable completed well costs of \$75 per foot were used to extrapolate the cost for a stand alone completion. Current product prices were used with no escalation. Lease operating expenses are based on the current actual averages for Rincon Mesaverde wells. Given the investment cost to complete this well payout should occur in 7.4 years.

STATE OF TEXAS

COUNTY OF FORT BEND

APPLICANT'S STATEMENT AND AFFIDAVIT

BEFORE ME, the undersigned authority on this day personally appeared Keith S. Shepstone, Advanced 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 the fifteen expansion to the Mesaverde participating area in the Rincon Unit, in the S/2 Section 27, T27N-R6W, comprising 315.5 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 (Unocal).
- 5) That he is of lawful age, that he is a responsible official of Unocal, that he is duly authorized to make this Statement and Affidavit on behalf of Unocal, 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.

Keith Shepstone

SUBSCRIBED AND SWORN TO before me, this undersigned

authority, on this day of August 10, 1995.

Gene Scott

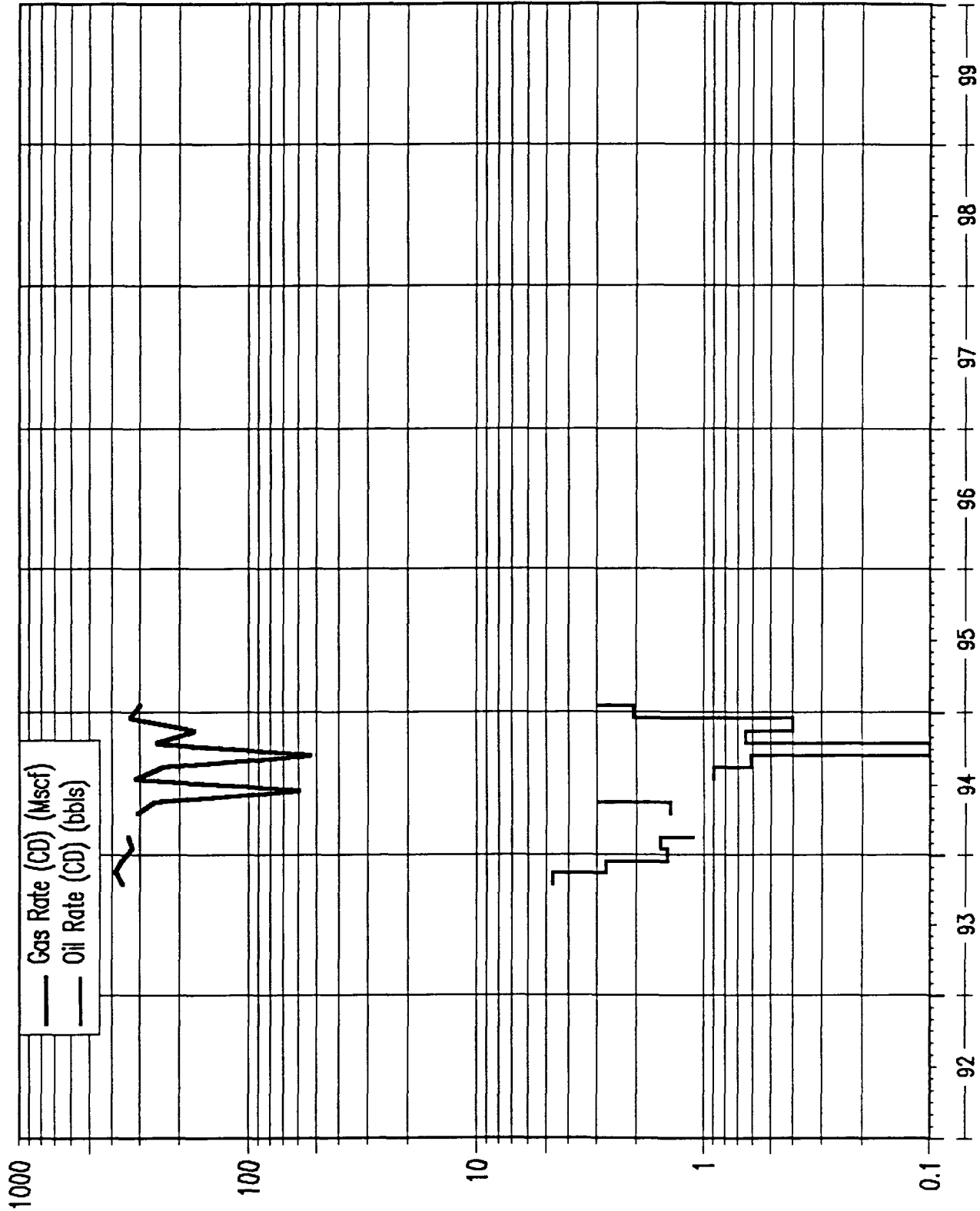
Notary Public in and for
Fort Bend County, State of Texas

My Commission Expires:

7-9-98

WELL: RINCON UNIT 126M:MV

SECTION : 27 TOWN : 27N RANGE : 06W



10 IDENT	"US30 54060U	42087	G PDP A	BLANCOMV	6PIE	93R01	Y	"
20 DATES	JUN 1992	*	NOV 1993	*				
30 ECONOMICS	ELIM 5.3	*	*	*				
40 PRODATA	1280. 53. 1.6	16.5						
50 NAME	"RINCON 126M			"				
60 FIELD	"RINCON UNIT			"				
70 CNTYSTATE	"RIO ARRIBA, NM			"				
80 FORMATION	"BLANCO MESAVERDE			"				
90 OPERATOR	"UNOCAL			"				
100 TITLE1	"Paying Well Determination			"				
110 OWNERSHIP	0.922571	0.7474551						
120 GPROD	NOV 1993	MON	11.17 11.6 11.252	10.055 9.493 9.304				
130 GPROD	*	MON	8.067 9.798 7.458	7.863 5.225 10.261				
140 GPROD	*	MON	9.299					
150 GPROD	JAN 1995	EXP	8. * * 8.					
160 YIELD	NOV 1993	CON	4.4					
170 PRGAS	NOV 1993	CON	1.17					
180 PROIL	NOV 1993	CON	16.5					
190 LOETOT	NOV 1993	CON	500.					
200 IDRILL	JUN 1992	MON	160000. 0. 0. 0. 0. 0.					
210 ICOMPL	JUN 1992	MON	180000. 0. 0. 0. 0. 0.					
220 TFACIL	JUL 1992	MON	84000. 0. 0. 0. 0. 0.					
230 PCTIND	P	CON	0.					
240 PCTOH	P	CON	0.					
250 NETAVAL	N							
260 AVALPS	P	CON	4.					

ID CODE : US30 54060U 42087 G PDP A BLANCOMV 6PIE						PROFITABILITY INDICATORS			
						9 PAYOUT :	7.3 YRS	BTAX	7.4 YRS ATAX
						DCFROR :	10.1%	BTAX	8.9% ATAX
NAME : RINCON 126M						PI-ATAX:	0.7 TO 1	UNDISC	0.0 TO 1 DISC
FIELD : RINCON UNIT						PW 7.5%	67.488	BTAX	26.813 ATAX
CNTY, STATE: RIO ARRIBA, NM						PW 8.0%	53.116	BTAX	17.100 ATAX
FORMATION : BLANCO MESAVERDE						PW 10.0%	2.778	BTAX	-17.117 ATAX
OPERATOR : UNOCAL						PW 15.0%	-87.167	BTAX	-79.207 ATAX
						PW 20.0%	-145.741	BTAX	-120.503 ATAX

WI	ORI	GRI	DATE	WELL COUNT		BEG-PRICES		END-PRICES	AVG-PRICES	GROSS RESERVES	
92.25710	74.74551	74.74551	JUN 1992	GROSS	NET	OIL	16.50	16.50	16.50	CUMULATIVE	REMAINING
				O	0.0	0.0	GAS	1.17	1.17	1.17	OIL (MBBLS)
				G	0.0	0.0					GAS (MMCF)
											0.000
											5.253
											1193.951

	GROSS PROD	NET VOLUME	GROSS GAS	NET GAS	EFFECTIVE	EFFECTIVE	GROSS OIL	NET REV	GROSS GAS	NET GAS
	OIL + COND	OIL + COND	PRODUCTION	VOLUME	O+C PRICE	GAS PRICE	+COND REV	OIL + COND	REVENUE	REVENUE
	---MBBLS---	---MBBLS---	---MMCF---	---MMCF---	---\$/BBL---	---\$/MCF---	---M1.---	---M1.---	---M1.---	---M1.---
(7MO)1992	0.000	0.000	0.000	0.000	0.00	0.00	0.000	0.000	0.000	0.000
1993	0.100	0.075	22.770	17.020	16.50	1.17	1.653	1.236	26.641	19.913
1994	0.432	0.323	98.075	73.307	16.50	1.17	7.120	5.322	114.748	85.769
1995	0.405	0.303	92.107	68.846	16.50	1.17	6.687	4.998	107.765	80.549
1996	0.373	0.279	84.738	63.338	16.50	1.17	6.152	4.598	99.144	74.105
1997	0.343	0.256	77.959	58.271	16.50	1.17	5.660	4.230	91.212	68.177
1998	0.316	0.236	71.722	53.609	16.50	1.17	5.207	3.892	83.915	62.723
1999	0.290	0.217	65.985	49.320	16.50	1.17	4.790	3.581	77.202	57.705
2000	0.267	0.200	60.706	45.375	16.50	1.17	4.407	3.294	71.026	53.089
2001	0.246	0.184	55.849	41.745	16.50	1.17	4.055	3.031	65.344	48.842
2002	0.226	0.169	51.381	38.405	16.50	1.17	3.730	2.788	60.116	44.934
2003	0.208	0.155	47.271	35.333	16.50	1.17	3.432	2.565	55.307	41.339
2004	0.191	0.143	43.489	32.506	16.50	1.17	3.157	2.360	50.882	38.032
2005	0.176	0.132	40.010	29.906	16.50	1.17	2.905	2.171	46.812	34.990
2006	0.162	0.121	36.809	27.513	16.50	1.17	2.672	1.997	43.067	32.191
SUB TOTAL	3.735	2.792	848.872	634.494	16.50	1.17	61.628	46.064	993.180	742.357
REMAINDER	1.518	1.135	345.079	257.931	16.50	1.17	25.053	18.726	403.743	301.780
TOT 34.8	5.253	3.927	1193.951	892.425	16.50	1.17	86.681	64.790	1396.923	1044.137

	NET LOE	GROSS TOTAL	NET ADVAL +	BTAX	ATAX	CUM ATAX CF
	(FIX + VAR)	INVESTMENT	SEV TAXES	CASHFLOW	CASHFLOW	DISC 8.00%
	---M1.---	---M1.---	---M1.---	---M1.---	---M1.---	---M1.---
(7MO)1992	0.000	424.000	0.000	-391.170	-307.733	-305.273
1993	0.923	0.000	1.837	18.389	16.800	-290.354
1994	5.535	0.000	7.913	77.642	62.502	-237.056
1995	5.535	0.000	7.432	72.580	57.303	-191.971
1996	5.535	0.000	6.837	66.331	51.957	-154.121
1997	5.535	0.000	6.290	60.582	47.341	-122.188
1998	5.535	0.000	5.787	55.292	42.869	-95.388
1999	5.535	0.000	5.324	50.426	33.893	-75.786
2000	5.535	0.000	4.898	45.949	29.803	-59.813
2001	5.535	0.000	4.506	41.831	25.935	-46.952
2002	5.535	0.000	4.146	38.041	23.586	-36.123
2003	5.535	0.000	3.814	34.555	21.424	-27.014
2004	5.535	0.000	3.509	31.348	19.436	-19.363
2005	5.535	0.000	3.228	28.397	17.606	-12.946
2006	5.535	0.000	2.970	25.683	15.923	-7.572
SUB TOTAL	72.883	424.000	68.491	255.877	158.644	-7.572
REMAINDER	112.092	0.000	27.843	180.570	111.954	17.100

TOT 34.8	184.976	424.000	96.334	436.448	270.597	17.100
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