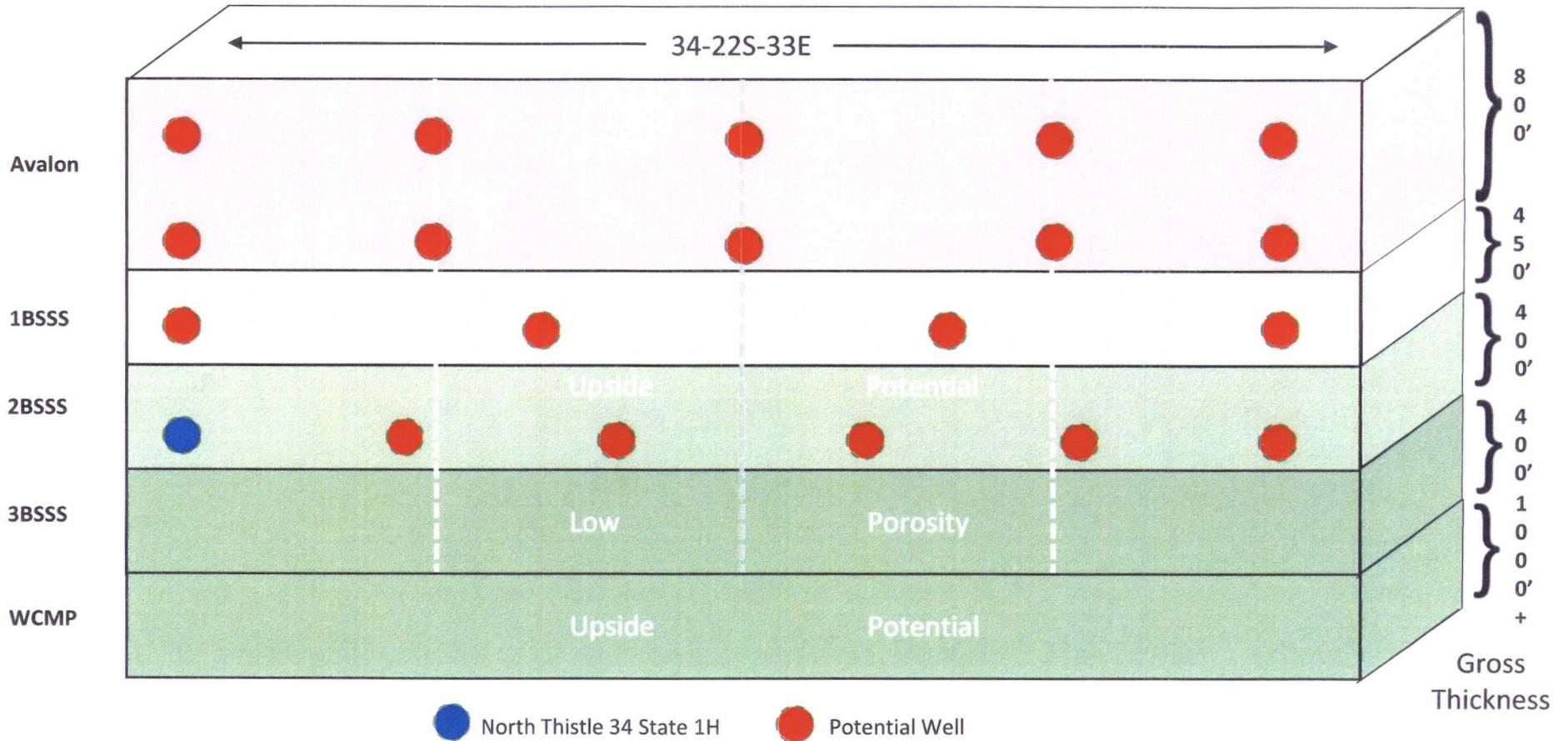


34-22S-33E Block Diagram

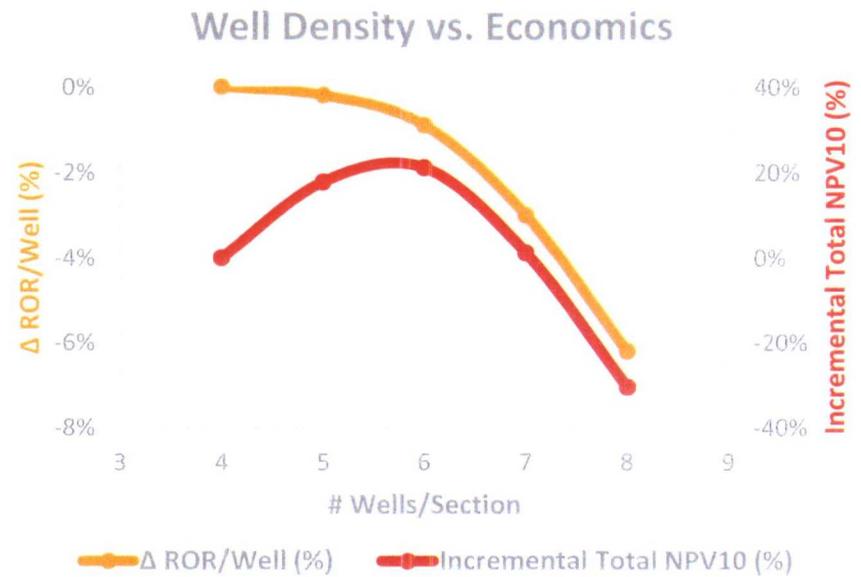
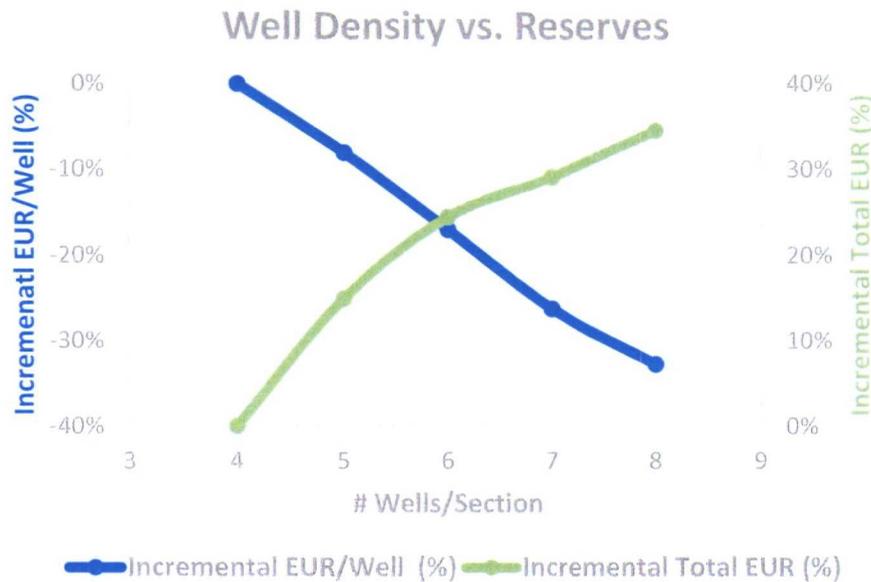
Oil Conservation Division
Case No. H
Exhibit No. H



- Twenty potential wells in section, recovering ~8.7 mmboc in reserves
- Upside Potential
 - Upper 2nd Bone Spring and Wolfcamp intervals
 - Increased well density pending improved commodity price environment

2nd Bone Spring Well Density

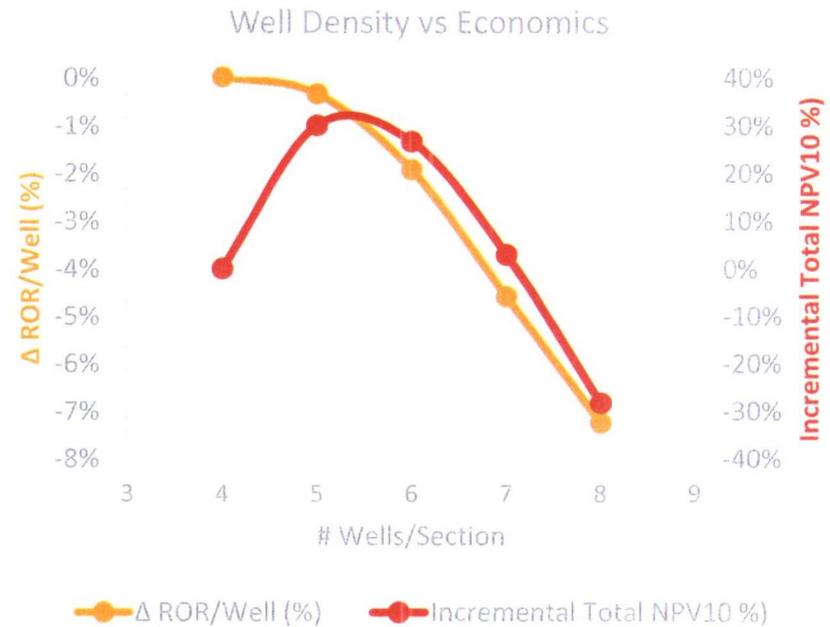
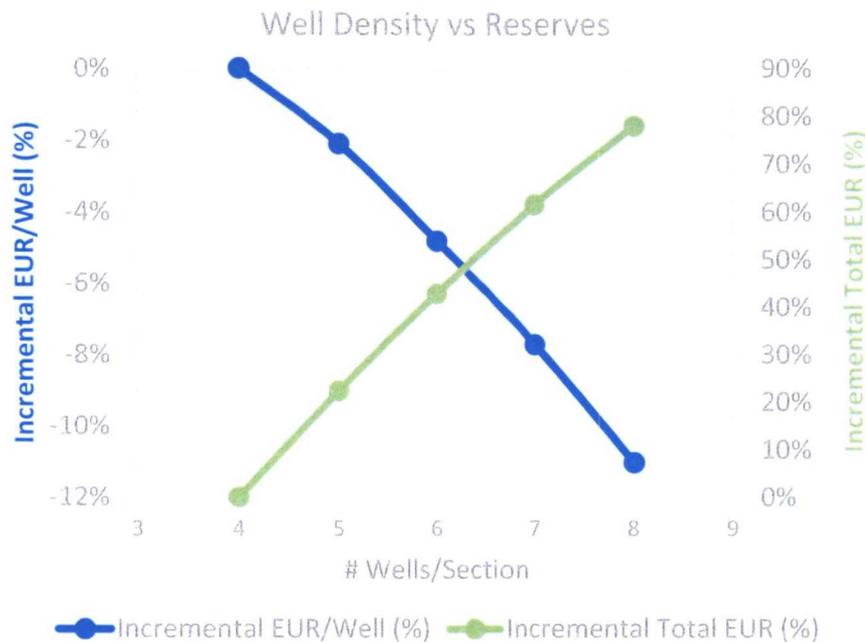
Economic Sensitivities



- Incremental reserves recovery and acceleration with increased well density
- ROR per well degrades with tighter well spacing
- 6 wells/section is optimal well density based on NPV
- Development above 6 wells/section is still profitable, but will require higher commodity prices to become optimal

Avalon Well Density

Economic Sensitivities



- Acceleration and incremental reserves recovery seen with increased well density
- ROR per well degrades with tighter well spacing
- 5 wells/section is optimal well density based on NPV
- Development above 5 wells/section is still profitable, but will require higher commodity prices to become optimal

1st Bone Spring Type Curve

Based on well one township south



Company:
On Stream: 07/01/2015
Field: TRIPLE X
Current Status: Completing

Gp: 78 MMscf
Np: 46.811 Mstb
Wp: 124.997 Mstb
Qcond: 0.000 Mstb

