

Development of Other Irregular Sections in HPA Fruitland Coal

- Out of 400 possible infill locations, 24 infill wells have been drilled in irregular sections containing less than 640 acres (>5.5% of total)
- Of these infill wells, 18 wells were drilled in spacing units located near a unit boundary or in spacing units adjacent to uncommitted acreage within a unit
- All 18 development wells drilled in irregular sections resulted in a drilling pattern with four wells per section
- None of these locations required a special hearing. Correlative rights were not an issue in the approval of these locations
- The only difference between these locations and KEC's proposal is the originally defined spacing units