

PICTURED CLIFFS

Original SIBHP = 914 psi, $Z_i = 0.878$, $P/Z = 1,041$

Current SIBHP = 285 psi, $Z_c = 0.960$, $P/Z = 297$

31% of Original SIBHP Remaining

Average CUM = 947 mmcf *per drill block*
314 mm left to recover in av drill block

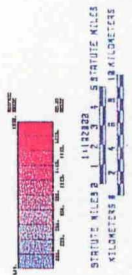
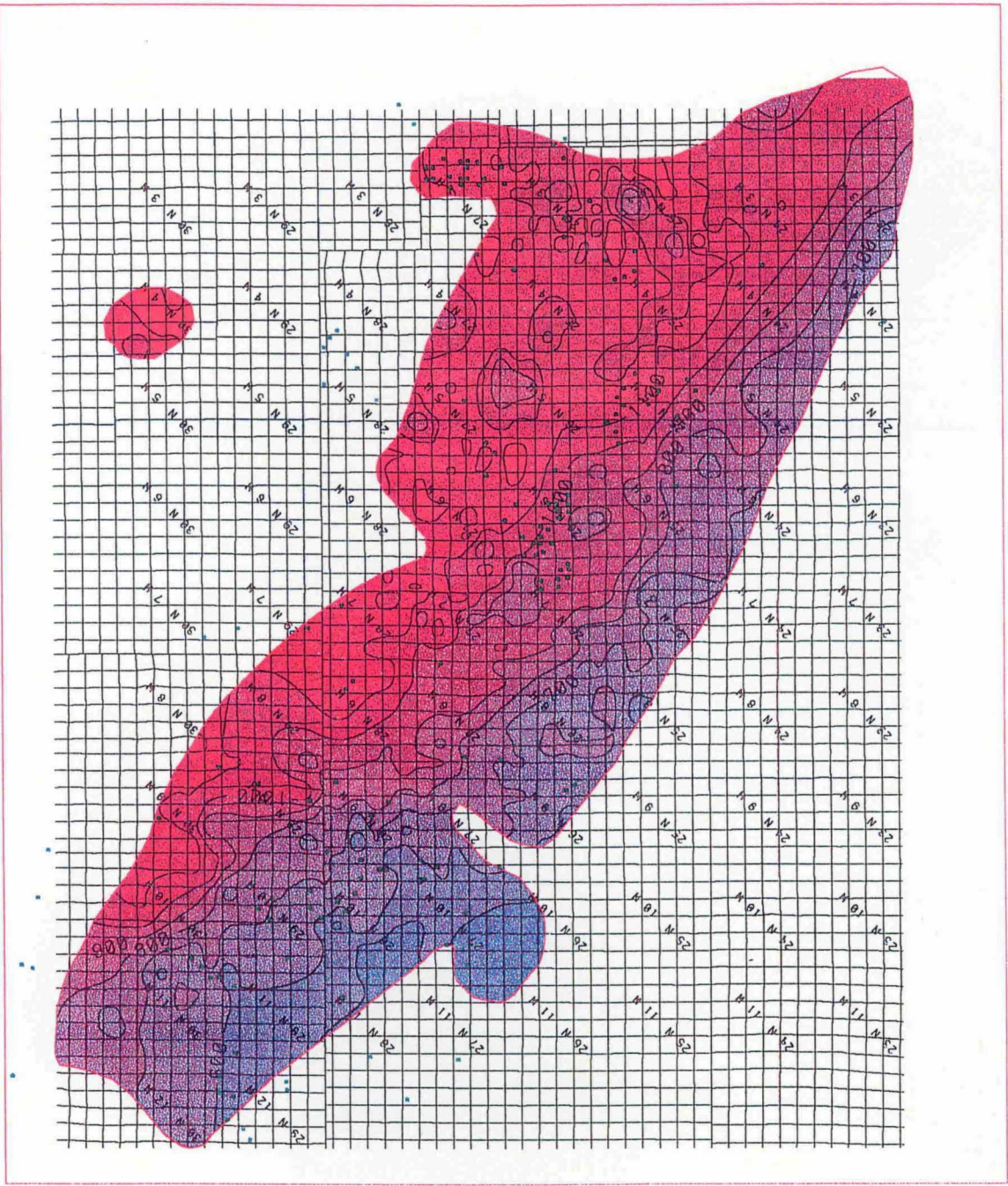
CUM vs P/Z SLOPE = $947 / (1,041 - 297) = 1.27 \text{ mmcf / psi}$

$P_{abd} = 50 \text{ psi}$, $Z_{abd} \sim 1.0$

Rem Reserves = $1.27 \text{ mmcf/psi} * (297 - 50) = 314 \text{ mmcf}$

25% of EUR Remaining

Current Average Production = 45 mcf/d



PICTURED CLIPS FIRST SHIP

DATE	TIME	LOCATION	REMARKS
10/10/88	10:00	1000	1000

PICTURED CLIFFS

OPERATING EXPENSES =\$480/MONTH

CAPITAL EXPENSES (M\$)

1. SINGLE COMPLETION:

	<u>TANGIBLE</u>	<u>INTANGIBLE</u>	<u>TOTAL</u>
DRILLING	\$19.80	\$99.10	\$118.90
COMPLETION	\$ 8.50	\$ 85.70	\$ 94.20
FACILITIES	\$85.10	\$ 0.00	\$ 85.10
TOTAL	\$113.40	\$184.80	\$298.20

2. DUAL COMPLETION:

	<u>TANGIBLE</u>	<u>INTANGIBLE</u>	<u>TOTAL</u>
DRILLING	\$17.70	\$51.60	\$69.30
COMPLETION	\$ 8.40	\$85.70	\$94.10
FACILITIES	\$87.40	\$ 0.00	\$87.40
TOTAL	\$113.50	\$137.30	\$250.80

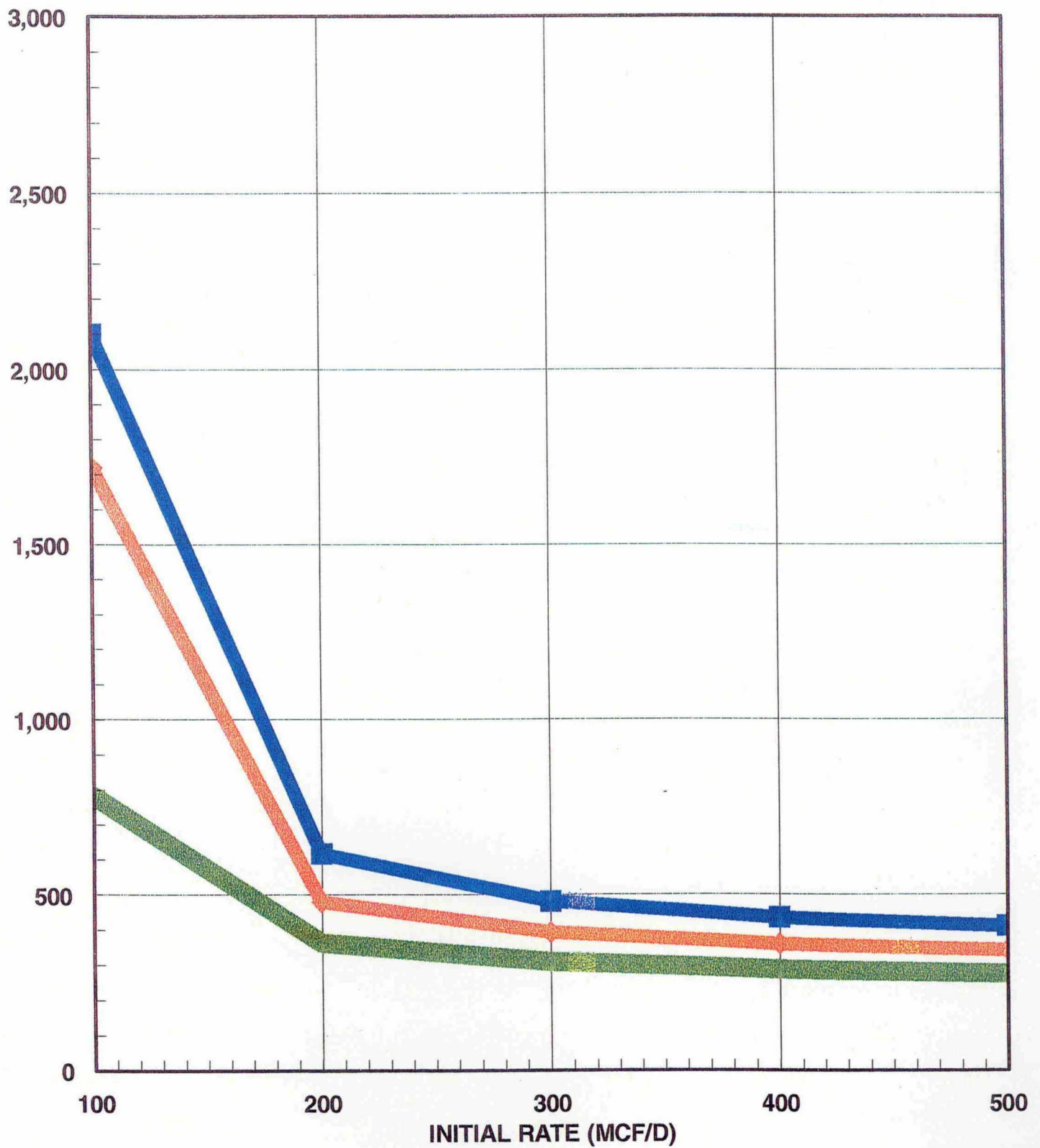
3. COMMINGLED COMPLETION:

	<u>TANGIBLE</u>	<u>INTANGIBLE</u>	<u>TOTAL</u>
DRILLING	\$ 9.90	\$49.60	\$59.50
COMPLETION	\$ 8.40	\$85.70	\$94.10
FACILITIES	\$55.10	\$ 0.00	\$75.80
TOTAL	\$73.40	\$135.30	\$208.70

PICTURED CLIFFS



EUR (MMCF)



PICTURED CLIFFS



TESTED & ABANDONED



COMMINGLE

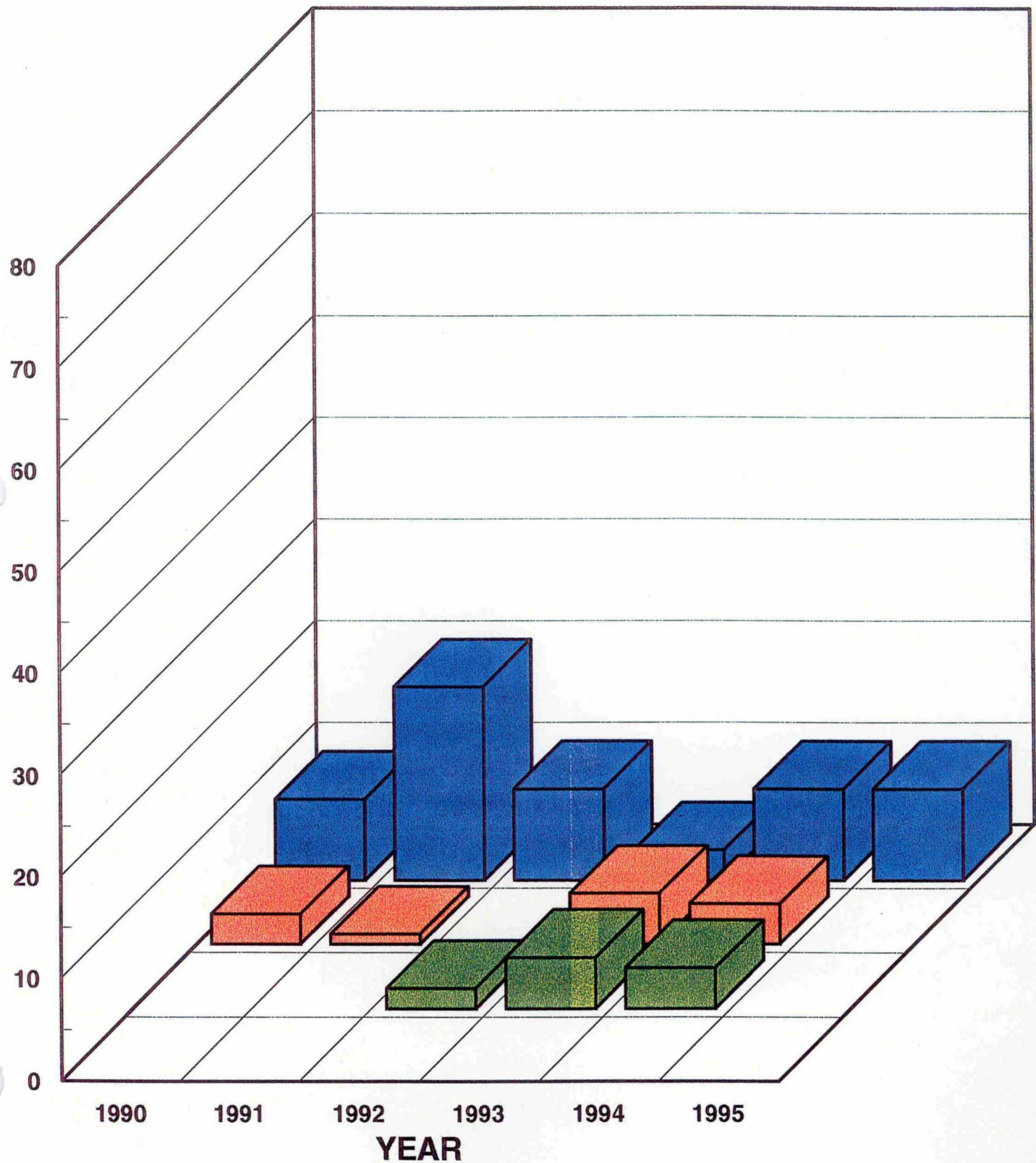


DUAL



SINGLE

OF COMPLETIONS



PICTURED CLIFFS

# OF COMPLETIONS (1990 - 1995)	81
# OF UNDEVELOPED DRILL BLOCKS (UDDB's)	2,364
PERCENTAGE OF UDDB's DEVELOPED PER YEAR	0.6%
YEARS REQUIRED TO DEVELOP UDDB'S	175
CAPITAL REQ'D PER UDDB (COMMINGLED) M\$	209
TOTAL CAPITAL REQ'D MM\$	494
EUR PER UDDB MMCF	314
RESERVES DEVELOPED BCF	742
ROYALTIES @12.5% MM\$	169
ADVELORUM & SEVERANCE TAX @8% MM\$	90
OPERATING EXPENSES MM\$	430
INCOME TAX @38% MM\$	133