



## MESAVERDE FORMATION

|                    | INITIAL        |                | CURRENT        |                | PROJECTED    | PROJECTED    |
|--------------------|----------------|----------------|----------------|----------------|--------------|--------------|
|                    | WHSIP<br>(PSI) | BHSIP<br>(PSI) | WHSIP<br>(PSI) | BHSIP<br>(PSI) | Qi<br>(MCFD) | EUR<br>(BCF) |
| SAN JUAN 29-6 UNIT | 1067           | 1280           | 417            | 500            | 363          | 0.74         |
| SAN JUAN 31-6 UNIT | 1083           | 1300           | 446            | 536            | 315          | 0.69         |
| SAN JUAN 32-7 UNIT | 1133           | 1360           | 482            | 578            | 204          | 0.61         |
| SAN JUAN 32-8 UNIT | 1125           | 1350           | 538            | 646            | 345          | 0.69         |

## DAKOTA FORMATION

|                    | INITIAL        |                | CURRENT        |                | PROJECTED    | PROJECTED    |
|--------------------|----------------|----------------|----------------|----------------|--------------|--------------|
|                    | WHSIP<br>(PSI) | BHSIP<br>(PSI) | WHSIP<br>(PSI) | BHSIP<br>(PSI) | Qi<br>(MCFD) | EUR<br>(BCF) |
| SAN JUAN 29-6 UNIT | 2608           | 3130           | 703            | 844            | 277          | 1.23         |
| SAN JUAN 31-6 UNIT | 2761           | 3313           | 1050           | 1260           | 335          | 1.69         |
| SAN JUAN 32-7 UNIT | 2658           | 3190           | 755            | 906            | 243          | 0.83         |
| SAN JUAN 32-8 UNIT | 2658           | 3190           | 876            | 1051           | 145          | 0.76         |



# **DRILLING AND COMPLETION COSTS** **CAPITAL EXPENSES (M\$)**

## **MESAVERDE**

## **DAKOTA**

### **SINGLE COMPLETION**

|                  | TANGIBLE | INTANGIBLE | TOTAL |                  | TANGIBLE | INTANGIBLE | TOTAL |
|------------------|----------|------------|-------|------------------|----------|------------|-------|
| DRILL & COMPLETE | 105.2    | 339.4      | 444.6 | DRILL & COMPLETE | 119.1    | 362.2      | 481.3 |
| FACILITIES       | 22.6     | 16.4       | 39.0  | FACILITIES       | 22.6     | 16.4       | 39.0  |
| TOTAL            | 127.8    | 355.8      | 483.6 | TOTAL            | 141.7    | 378.6      | 520.3 |

Two Singles (Dakota + Mesaverde) 1003.9

### **DUAL COMPLETION**

|                  | TANGIBLE | INTANGIBLE | TOTAL |                  | TANGIBLE | INTANGIBLE | TOTAL |
|------------------|----------|------------|-------|------------------|----------|------------|-------|
| DRILL & COMPLETE | 74.5     | 330.3      | 404.8 | DRILL & COMPLETE | 80.6     | 362.0      | 442.6 |
| FACILITIES       | 22.6     | 16.4       | 39.0  | FACILITIES       | 22.6     | 16.4       | 39.0  |
| TOTAL            | 97.1     | 346.7      | 443.8 | TOTAL            | 103.2    | 378.4      | 481.6 |

Dually Completed (Dakota + Mesaverde) 925.4

### **COMMINGLE COMPLETION**

|                  | TANGIBLE | INTANGIBLE | TOTAL |                  | TANGIBLE | INTANGIBLE | TOTAL |
|------------------|----------|------------|-------|------------------|----------|------------|-------|
| DRILL & COMPLETE | 51.7     | 284.5      | 336.2 | DRILL & COMPLETE | 69.7     | 280.3      | 350.0 |
| FACILITIES       | 11.3     | 8.2        | 19.5  | FACILITIES       | 11.3     | 8.2        | 19.5  |
| TOTAL            | 63.0     | 292.7      | 355.7 | TOTAL            | 81.0     | 288.5      | 369.5 |

Commingled Completion (Dakota + Mesaverde) 725.2

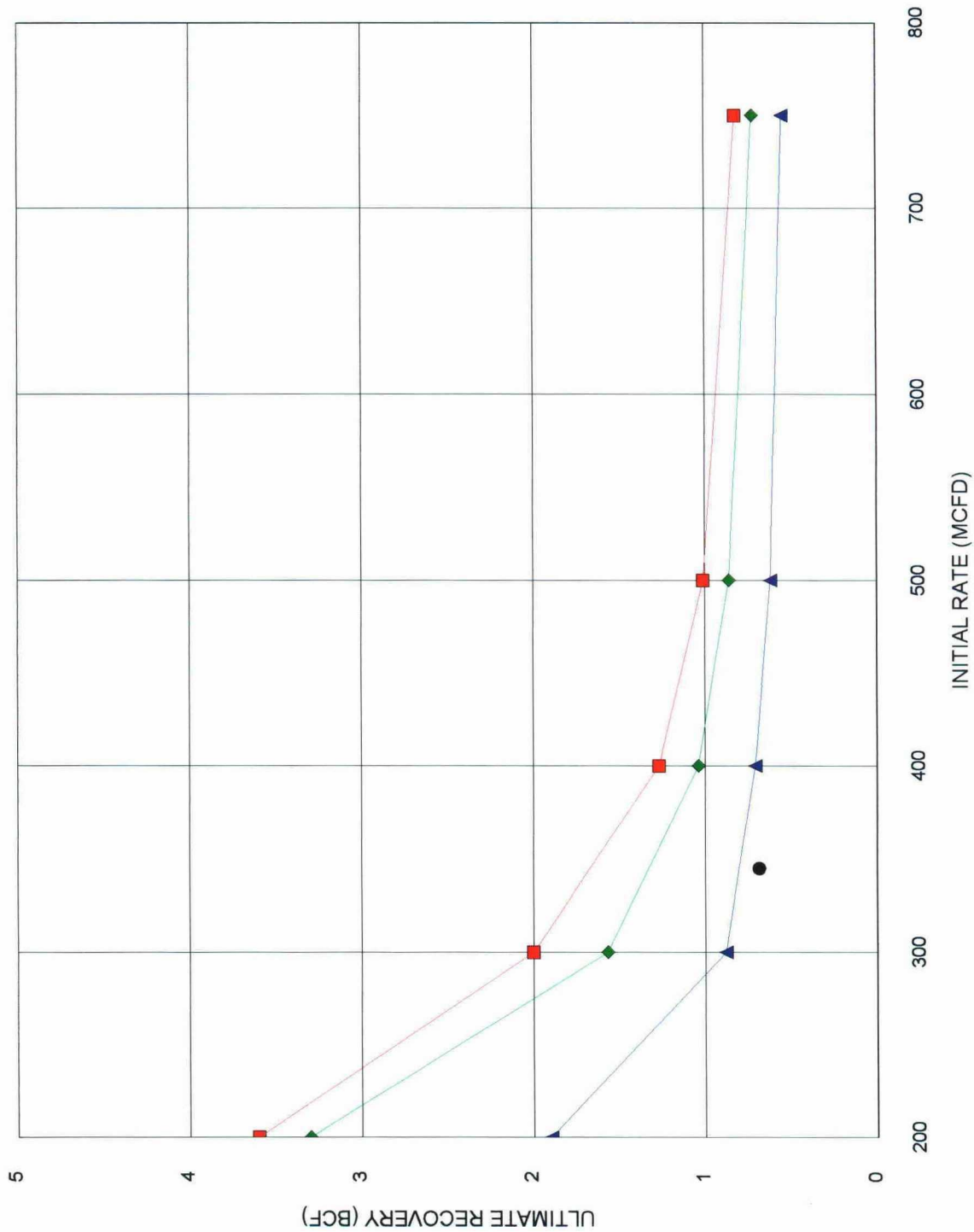
## MESAVERDE OPERATING COSTS (\$/YR)

|                           | SINGLE COMPLETION | DUAL COMPLETION | COMMINGLE COMPLETION |
|---------------------------|-------------------|-----------------|----------------------|
| <b>SAN JUAN 29-6 UNIT</b> | 7350              | 6620            | 5510                 |
| <b>SAN JUAN 31-6 UNIT</b> | 5540              | 4990            | 4160                 |
| <b>SAN JUAN 32-7 UNIT</b> | 6900              | 6210            | 5180                 |
| <b>SAN JUAN 32-8 UNIT</b> | 6220              | 5600            | 4670                 |

## DAKOTA OPERATING COSTS (\$/YR)

|                           | SINGLE COMPLETION | DUAL COMPLETION | COMMINGLE COMPLETION |
|---------------------------|-------------------|-----------------|----------------------|
| <b>SAN JUAN 29-6 UNIT</b> | 5560              | 5000            | 4170                 |
| <b>SAN JUAN 31-6 UNIT</b> | 5560              | 5000            | 4170                 |
| <b>SAN JUAN 32-7 UNIT</b> | 5500              | 4950            | 4130                 |
| <b>SAN JUAN 32-8 UNIT</b> | 5025              | 4525            | 3770                 |

**SAN JUAN 32-8 UNIT**  
MESAVERDE MARGINAL ECONOMICS



■ Single 20% AARR  
◆ Dual 20% AARR  
▲ Commingle 20% AARR  
● Projected 32-8 MV Well