

R-8-W

COLORADO
NEW MEXICO



MESAVERDE FORMATION

	INITIAL		CURRENT		PROJECTED	PROJECTED
	WHSIP (PSI)	BHSIP (PSI)	WHSIP (PSI)	BHSIP (PSI)	Qi (MCFD)	EUR (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 (PSI)	BHSIP (PSI)	WHSIP (PSI)	BHSIP (PSI)	Qi (MCFD)	EUR (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
SAN JUAN 29-6 UNIT	7350	6620	5510
SAN JUAN 31-6 UNIT	5540	4990	4160
SAN JUAN 32-7 UNIT	6900	6210	5180
SAN JUAN 32-8 UNIT	6220	5600	4670

DAKOTA OPERATING COSTS (\$/YR)

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

SAN JUAN 32-8 UNIT

DAKOTA MARGINAL ECONOMICS

