



EMSU Development Plan

- Infill Drilling Program
 - 100 infill wells over the next 4 to 5 yrs
 - 40-acre well spacing down to 20-acre well spacing
- Conversion Program
 - 80 conversions to injection over the next 4 to 5 yrs
 - Reduce 80-acre five spot patterns to 40-acre five spot patterns



EMSU Development Plan Cont.

- Reasons for Conversions
 - EMSU is one the few Grayburg floods currently on 40-acre well spacing (Majority on 20-acre well spacing)
 - Highly heterogeneous - variability in porosity and permeability results in bypassed reserves
 - Patterning tightening and realignment will augment recovery of bypassed reserves and increase sweep efficiency
 - Maintain desirable fluid-in/fluid-out ratios (FI/FO) to reduce fill-up time to increase reservoir pressure