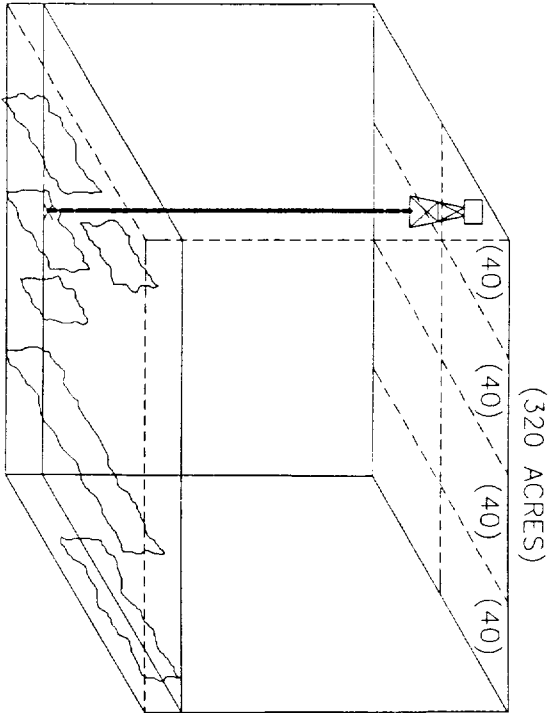


# BLACK DIAMOND COM 20 #1

HORIZONTAL GALLUP  
SE/SW Sec. 20, T30N-R15W  
San Juan Co., N.M.

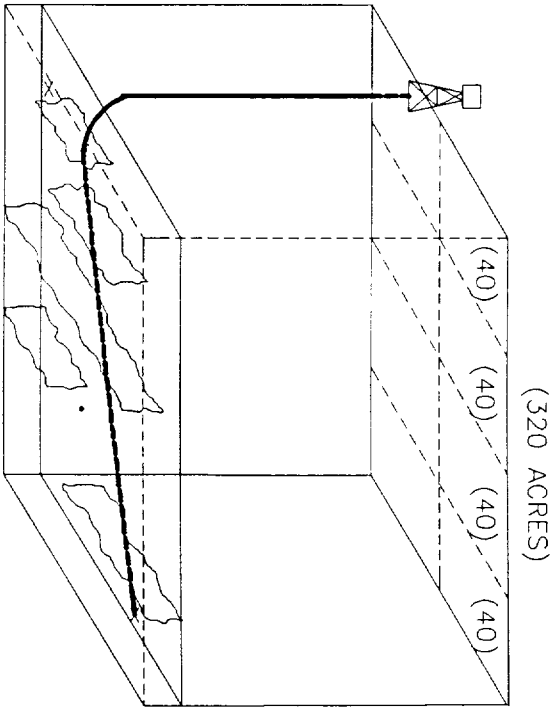
TYPICAL VERTICAL WELL



ESTIMATED COST - \$ 500,000 - 600,000

HORIZONTAL WELL

IN MARGINAL AREAS THE HORIZONTAL TECHNOLOGY IS NEEDED TO RECOVER RESERVES THAT WOULD NOT BE RECOVERED BY A VERTICAL WELLBORE.



ESTIMATED COST - \$ 850,000 - 1,400,000