

**Red Hills Proposed Unit
Status and Planned Activity
As of 5/2000**

Status

- 39 Producers
- Cum Production 5.5 MMBO + 8.0 BCF
- Current Rate 1,590 BOPD + 2.7 MMCFD
- Primary EUR 12.7 MMBO + 36 BCFG (Primary Recovery)
- Current Avg. BHP 5,100 PSIA

Reservoir Parameters

- 3,478 Acres
- Avg. Porosity 13.2%
- Avg. Pay H 94'
- Avg. Kmd 0.20
- Initial BHP 9,500 PSIG
- Bubble PT. 3844 PSIG
- OOIP 86 MMSTB

Horizontal Program

- Five to Seven Well Program
- 4,000' Laterals will be produced and then most likely converted to Injectors
- Incremental Primary EUR 550 MBO + 15.7 BCFG

Secondary Recovery (Water Injection)

- Incremental Recovery 10 MMBO as predicted from Eclipse Reservoir Simulation Model
- Must be initiated within three years to maintain reservoir pressure above bubble point
- Will commence Pilot Injection Test in Vaca 13.2 within 3 months

Enhanced Oil Recovery

- Study in Progress
- Gas Injection may yield 5 MMBO incremental