

Economics for Estimated Ultimate Recovery

San Juan 32-5 Unit # 105 & #105S
 320 acres
 Township 32 North, Range 6 West, Section 25

Assumptions

Effective Pricing (\$/mcf)	4.38		
	Initial	Proposed	Difference
	W/ 2 ST	W/1 ST	
Lateral Length	2,900	2,900	0
Capital (M\$)	1,600	879	(721)
Original Gas in Place (bcf)	13.1	13.1	0
Estimated Ultimate Recovery (bcf)	3.3	3.3	0
Rate of Return (%)	40.6	83.7	43.1
Net Present Value @ 10% (M\$)	1,151	2,158	1,007
Discounted Payout (yrs)	3.6	2.4	(1.2)