

Economics for Estimated Ultimate Recovery

State Bancos # 100 & # 100S
320 acres
Township 32 North, Range 5 West, Section 32

Assumptions

Effective Pricing (\$/mcf)	4.38		
	Initial	Proposed	Difference
	W/ 2 ST	W/1 ST	
Lateral Length	2,900	2,200	(700)
Capital (M\$)	1,600	880	(720)
Original Gas in Place (bcf)	13.7	13.7	0
Estimated Ultimate Recovery (bcf)	3.2	3.1	(.1)
Rate of Return (%)	38.1	67.3	29.2
Net Present Value @ 10% (M\$)	1,189	1,880	691
Discounted Payout (yrs)	3.9	2.8	(1.1)