

RECEIVED WPXENERGY.

2012 MAR 13 A 11:49

February 29, 2012

Bureau of Land Management (3 copies)  
Farmington Resource Area  
Attn: Mr. Wayne Townsend  
1235 La Plata Highway  
Farmington, New Mexico 87401

State of New Mexico (2 copies)  
Commissioner of Public Lands  
Attn: Mr. Pete Martinez  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

State of New Mexico (2 copies)  
Oil Conservation Division  
Attn: Ed Martin  
1200 South St. Francis Drive  
P.O. Box 2308  
Santa Fe, NM 87504-2308

Re: Rosa Unit I, Sec. No.587  
San Juan and Rio Arriba Counties, New Mexico  
NOTICE OF COMPLETION OF COMMERCIAL WELLS  
Mesaverde formation

Gentlemen:

Pursuant to the provisions of Section 10 of the Rosa Unit Agreement I Sec. No. 587, WPX Energy Production, LLC, as Unit Operator, has determined that the Rosa Unit #189, is capable of producing unitized substances in paying quantities from the Mesaverde formation.

The well data is as follows:

#### WELL DATA

##### **Commercial Well**

The Rosa Unit #189 Well (commercial) is located 1455 feet from the North Line and 1780 feet from the East Line, Section 21, Township 31 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spud on May 20, 2009, and completed in the Mesaverde formation on August 1, 2009. The Mesaverde formation was completed with a pre-perforated liner between the following depths:

5460' to 6282'

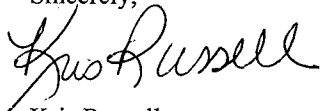
This well has a 2.375" tubing string. This well was shut in with a SICP of 0 psig. On October 4, 2007 the well was tested and after flowing for 1 hour through a 2" choke on the 2.375" tubing, the well gauged 138 MCFD.

If these determinations meet with your approval, please indicate such approval in the space provided and return an approved copy for our files.

The Well Data, Reserves and Economics are attached.

Copies of this letter are being sent to the Rosa Unit working interest owners on the attached sheet.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris Russell". The signature is fluid and cursive, with the first name "Kris" and last name "Russell" clearly distinguishable.

Kris Russell  
WPX Energy, LLC  
P.O. Box 3102  
Tulsa, OK 74101  
918/573-6181  
[kris.russell@wpxenergy.com](mailto:kris.russell@wpxenergy.com)

cc: Working Interest Owners

APPROVED \_\_\_\_\_ DATE \_\_\_\_\_

Assistant District Manager, Minerals  
Bureau of Land Management  
Subject to like approval by the  
Commission of Public Lands  
and the Oil Conservation Commission

APPROVED \_\_\_\_\_ DATE \_\_\_\_\_

Commissioner of Public Lands  
Subject to like approval by the  
Bureau of Land Management  
and The Commissioner of Public Lands

APPROVED \_\_\_\_\_ DATE \_\_\_\_\_

Oil Conservation Commission  
Subject to like approval by the  
Bureau of Land Management  
and The Commissioner of Public Lands

The foregoing is the approval of Notice of Completion of Commercial well for the Rosa Unit #189.

**ROSA UNIT WORKING INTEREST OWNERS**

BP AMERICA  
ATTN: BRYAN ANDERSON  
501 WESTLAKE BOULEVARD  
HOUSTON, TX 77079-3092

SCHULTZ MANAGEMENT, LTD.  
500 N. AKARD, SUITE 2940  
DALLAS, TX 75201

MS. ELIZABETH T. CALLOWAY  
P.O. BOX 191767  
DALLAS, TX 75219-1967

MR. FRED E. TURNER LLC  
ONE ENERGY SQUARE, #852  
4925 GREENVILLE AVENUE  
DALLAS, TX 75206-4079

MR. J. GLENN TURNER, JR. LLC  
3838 OAK LAWN  
SUITE 1699  
DALLAS, TX 75219

XTO ENERGY, INC.  
ATTN: EDWIN S. RYAN, JR.  
810 HOUSTON ST, STE 2000  
FORT WORTH, TX 76102-6298

MARY FRANCES TURNER, JR TRUST  
ATTN: IRIS GLEISER  
P O BOX 660197  
DALLAS, TX 75266-0197

MR. JOHN TURNER  
PMB 285  
317 SIDNEY BAKER SOUTH #400  
KERRVILLE, TX 78028

PATRICIA P. SCHIEFFER, TRUST, BANK OF AMERICA, N.A. AGT  
ATTN: JEFF ANDERSON  
P.O. BOX 2546  
FORT WORTH, TX 76113-2546

THE WISER OIL COMPANY  
ATTN: KEN MCPHEE  
1600 BROADWAY, SUITE 2200  
DENVER, CO 80202

HENRIETTA E. SCHULTZ, TRUSTEE  
500 NORTH AKARD, SUITE 2940  
DALLAS, TX 75201

SACRAMENTO MUNICIPAL  
UTILITIES DISTRICT  
ATTN: THOMAS INGWERS  
P.O. BOX 15830  
SACRAMENTO, CA 95852-1830

CONOCOPHILLIPS COMPANY  
ATTN: CHIEF LANDMAN/SJ/ROCKIES  
P.O. BOX 2197  
HOUSTON, TX 77252

October 31, 2011

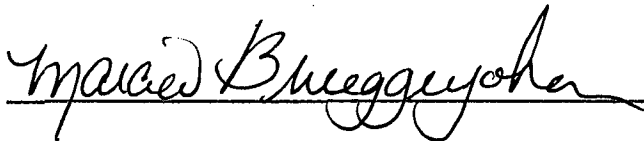
**The Rosa Unit #189 Mesaverde Formation Well (commercial)** is located 1455 feet from the North Line and 1780 feet from the East Line, Section 21 Township 31 North Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spud on May 20, 2009, and completed in the Mesaverde formation on August 1, 2009. The Mesaverde formation was completed with a pre-perforated liner between the following depths: 5460' to 6282'. This well has a 2.375" tubing string. This well was shut in with a SICP of 0 psig. On October 4, 2007 the well was tested and after flowing for 1 hour through a 2" choke on the 2.375" tubing, the well gauged 138 MCFD.

Based on the historic and projected production, the lease operating expenses, and the gas price, this well is expected to have a Before Tax Rate of Return (BTAXROR) of 10.84% and is therefore determined commercial.

Attached to this document are the following:

- ARIES economic model output including gas price assumptions
- Historic production plot with forecast
- Well-bore schematic
- State of NM Form C-104
- BLM Form 1004-0137 (Well Completion Report)

Evaluating Engineer

A handwritten signature in black ink, reading "Marcia Brueggjenjohann", is written over a horizontal line.

Marcia Brueggjenjohann  
Manager, Reservoir Engineering  
Williams Exploration and Production, San Juan Basin Unit

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-104  
Revised June 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office  
5 Copies

☒ AMENDED REPORT

**I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT** *Volume*

|                                                                                                                 |                                                   |                                                           |
|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------|
| <sup>1</sup> Operator name and Address<br><b>WILLIAMS PRODUCTION COMPANY</b><br>P.O. Box 640<br>Aztec, NM 87410 |                                                   | <sup>2</sup> OGRID Number<br><b>120782</b>                |
|                                                                                                                 |                                                   | <sup>3</sup> Reason for Filing Code/ Effective Date<br>NW |
| <sup>4</sup> API Number<br><b>30-039-30186</b>                                                                  | <sup>5</sup> Pool Name<br><b>BLANCO MESAVERDE</b> | <sup>6</sup> Pool Code<br><b>72319</b>                    |
| <sup>7</sup> Property Code<br><b>17033</b>                                                                      | <sup>8</sup> Property Name<br><b>ROSA UNIT</b>    | <sup>9</sup> Well Number<br><b>189</b>                    |

**II. <sup>10</sup> Surface Location**

|                           |                      |                        |                    |         |                              |                                  |                              |                               |                             |
|---------------------------|----------------------|------------------------|--------------------|---------|------------------------------|----------------------------------|------------------------------|-------------------------------|-----------------------------|
| UL or lot no.<br><b>G</b> | Section<br><b>21</b> | Township<br><b>31N</b> | Range<br><b>5W</b> | Lot Idn | Feet from the<br><b>1455</b> | North/South Line<br><b>NORTH</b> | Feet from the<br><b>1780</b> | East/West line<br><b>EAST</b> | County<br><b>Rio Arriba</b> |
|---------------------------|----------------------|------------------------|--------------------|---------|------------------------------|----------------------------------|------------------------------|-------------------------------|-----------------------------|

**<sup>11</sup> Bottom Hole Location**

|                        |                                     |                                   |                                   |                                    |                                     |                  |               |                |        |
|------------------------|-------------------------------------|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|------------------|---------------|----------------|--------|
| UL or lot no.          | Section                             | Township                          | Range                             | Lot Idn                            | Feet from the                       | North/South line | Feet from the | East/West line | County |
| <sup>12</sup> Lsc Code | <sup>13</sup> Producing Method Code | <sup>14</sup> Gas Connection Date | <sup>15</sup> C-129 Permit Number | <sup>16</sup> C-129 Effective Date | <sup>17</sup> C-129 Expiration Date |                  |               |                |        |

**III. Oil and Gas Transporters**

|                                 |                                                                        |                     |
|---------------------------------|------------------------------------------------------------------------|---------------------|
| <sup>18</sup> Transporter OGRID | <sup>19</sup> Transporter Name and Address                             | <sup>20</sup> O/G/W |
| <b>009018</b>                   | <b>GIANT REFINING</b><br>P O BOX 12999<br><b>SCOTTSDALE AZ 85267</b>   | <b>O</b>            |
| <b>025244</b>                   | <b>WILLIAMS FIELD SERVICES</b><br>P O BOX 645<br><b>TULSA OK 74102</b> | <b>G</b>            |

**IV. Well Completion Data**

|                                           |                                           |                                     |                                       |                                                    |                                          |
|-------------------------------------------|-------------------------------------------|-------------------------------------|---------------------------------------|----------------------------------------------------|------------------------------------------|
| <sup>21</sup> Spud Date<br><b>5-20-09</b> | <sup>22</sup> Ready Date<br><b>8-1-09</b> | <sup>23</sup> TD<br><b>8268' MD</b> | <sup>24</sup> PBDT<br><b>8259' MD</b> | <sup>25</sup> Perforations<br><b>5460' - 6282'</b> | <sup>26</sup> DHC, MC<br><b>AZT-3192</b> |
| <sup>27</sup> Hole Size                   | <sup>28</sup> Casing & Tubing Size        | <sup>29</sup> Depth Set             | <sup>30</sup> Sacks Cement            |                                                    |                                          |
| <b>14-3/4"</b>                            | <b>10-3/4", 40.5#, J<br/>J-55</b>         | <b>312'</b>                         | <b>290 sx - surface</b>               |                                                    |                                          |
| <b>9-7/8"</b>                             | <b>7-5/8", 26.4#, K-55</b>                | <b>3928'</b>                        | <b>630 sx - surface</b>               |                                                    |                                          |
| <b>6-3/4"</b>                             | <b>5 1/2", 17#, N-80</b>                  | <b>8264'</b>                        | <b>375 sx - 3550' (CBL)</b>           |                                                    |                                          |
|                                           | <b>2.375", 4.7#, J-55</b>                 | <b>8213'</b>                        | <b>NONE</b>                           |                                                    |                                          |

**VI. Well Test Data**

|                                       |                                 |                                           |                                           |                                           |                                         |
|---------------------------------------|---------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-----------------------------------------|
| <sup>31</sup> Date New Oil            | <sup>32</sup> Gas Delivery Date | <sup>33</sup> Test Date<br><b>7/21/09</b> | <sup>34</sup> Test Length<br><b>1 hrs</b> | <sup>35</sup> Tbg. Pressure<br><b>0</b>   | <sup>36</sup> Csg. Pressure<br><b>0</b> |
| <sup>37</sup> Choke Size<br><b>2"</b> | <sup>38</sup> Oil               | <sup>39</sup> Water                       | <sup>40</sup> Gas<br><b>138 mcf/d</b>     | <sup>41</sup> Test Method<br><b>Pitot</b> |                                         |

<sup>42</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Heather Riley*

Printed name:  
**Heather Riley**

Title:  
**Regulatory Specialist**

E-mail Address:  
**Heather.riley@williams.com**

Date:  
**8/25/09**

Phone:  
**505-634-4222**

OIL CONSERVATION DIVISION

Approved by: *Clark* **8-27-09**

Title:  
**SUPERVISOR DISTRICT # 3**

Approval Date:  
**AUG 27 2009**

RCVD AUG 26 '09  
OIL CONS. DIV.  
DIST. 3

**ROSA UNIT #189**  
**BLANCO MV / BASIN MANCOS / BASIN DK**

Spud Date 5-20-09  
 Completed 8-1-09  
 1<sup>st</sup> Delivered 00-00-00 MV  
 00-00-00 MC  
 00-00-00DK

**Location:** 1455' FNL & 1780' FEL  
 SW/4 NE/4 Section 21 (G), T31N, R05W  
 Rio Arriba Co., NM

**Elevation:** 6589' GR  
**API #:** 30-039-30186

| <u>Tops</u>     | <u>Depth</u> |
|-----------------|--------------|
| Kirtland        | 2836'        |
| Pictured Cliffs | 3432'        |
| Cliff House     | 5684'        |
| Menefee         | 5727'        |
| Point Lookout   | 5929'        |
| Mancos          | 6327'        |
| Dakota          | 8148'        |

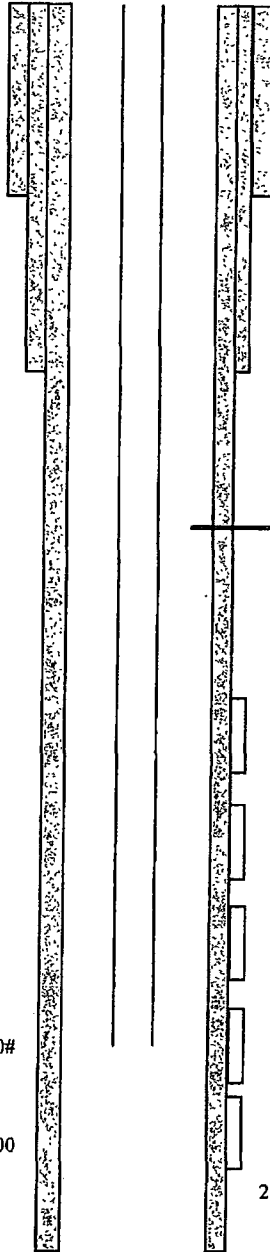
CH/MEN: 5460'-5777' (57, 0.34 holes) Frac w/5063#  
 20/40 BASF followed w/ 76,803# 20/40 BASF

PT/LO: 5898'-6282' (64, 0.34 holes) Frac w/5044#  
 20/40 BASF followed w/ 75,317# 20/40 BASF

Uppr Mancos: 7079'-7300' (69, 0.34 holes) Frac  
 w/4511# 100 mesh followed w/ 120,560# 40/70 BASF

Lwr Mancos: 7375'-7515' (45, 0.34 holes) Frac w/5590#  
 100 mesh followed w/ 78,870# 40/70 BASF

Dakota: 8148'-8244' (63, 0.34" holes) Frac w/ 6484# 100  
 mesh BASF followed with 73,279# 40/70 mesh BASF



7 jts of 10 3/4", 40.5#, J-55, ST&C csg. Set @ 312'.

94 jts of 7-5/8", 26.4#, K-55, LT&C csg. Set @ 3928'.

RCVD AUG 4 '09

OIL CONS. DIV.

DIST. 3

Tubing: 252 jts 2-3/8", J-55, 4.7#, EUE tbg,  
 one 1.78" F- Nipple, one jt 2-3/8"  
 J-55, 6.5#, EUE tbg, one 2.3/8" Exp Chk - 1/2  
 M/S. EOT - 8213'

5460' - 5777'

5898' - 6282'

7079' - 7300'

7375' - 7515'

8148' - 8244'

215 jts of 5-1/2", 17#, N-80, LT&C csg. Set @ 8264'.

TD @ 8268'  
 PBTD @ 8259'

| HOLE SIZE | CASING         | CEMENT  | CU. FT.     | CMT TOP     |
|-----------|----------------|---------|-------------|-------------|
| 14 3/4"   | 10 3/4", 40.5# | 290 sxs | 521 cu.ft.  | surface     |
| 9 7/8"    | 7 5/8", 26.4#  | 630 sxs | 1561 cu.ft. | surface     |
| 6 3/4"    | 5 1/2", 17#    | 375 sxs | 517 cu.ft.  | 3550' - CBL |

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 14 2009

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5 Lease Serial No.  
NMSF- 078769

6 If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

1 Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
WILLIAMS PRODUCTION CO., LLC

3a. Address  
P O BOX 640  
AZTEC, NM 87410

3b Phone No. (include area code)  
(505) 634-4208

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1455 FNL & 1780 FEL  
Sec 21, T31N, R5W

7 If Unit of CA/Agreement, Name and/or No  
ROSA UNIT

8 Well Name and No  
ROSA UNIT #189

9 API Well No.  
30-039-30186

10. Field and Pool or Exploratory Area  
BLANCO MV/BASIN MC/BASIN DK

11. Country or Parish, State  
RIO ARRIBA, NEW MEXICO

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                   |                                           |                                                    |                                         |
|------------------------------------------------------|--------------------------------------------------|-------------------------------------------|----------------------------------------------------|-----------------------------------------|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize                 | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report           | <input type="checkbox"/> Alter Casing            | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice    | <input type="checkbox"/> Casing Repair           | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input type="checkbox"/> Other          |
|                                                      | <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |                                         |
|                                                      | <input type="checkbox"/> Convert to Injection    | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |                                         |

13 Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Due to a change of plan, Williams Production intends to drill this as a vertical well. See attached C-102 and operations plan. ✓

RCVD MAY 13 '09

OIL CONS. DIV.  
DIST. 3

**CONDITIONS OF APPROVAL**  
Adhere to previously issued stipulations.

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed)

Larry Higgins

Title Drilling COM

Signature

*Larry Higgins*

Date 05/14/2009

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Troy L. Salyers

Title Petroleum Engineer

Date 5/15/2009

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

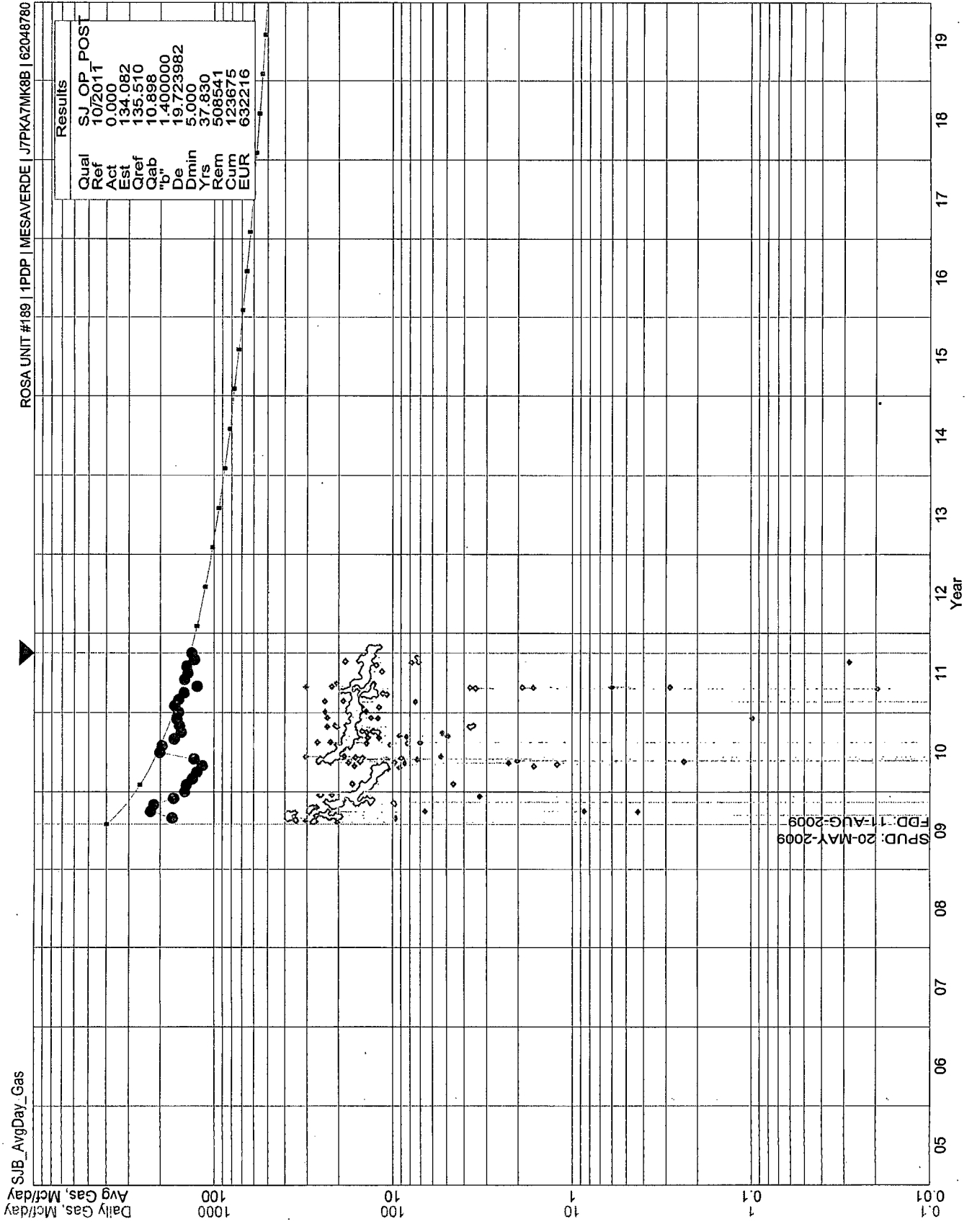
FFO

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOC





**ROSA UNIT #189 | 1PDP | MESAVERDE | J7PKA7MK8B | 62048780**  
**Filtered by Scenario: SJB-OP-PostAudit**

**Titles**

|                                                |      |
|------------------------------------------------|------|
| PROPID: @M.PROPID RSV CAT: @M.RESERVE_CATEGORY | BASE |
| WELL NAME: @M.WELL_NAME                        | BASE |
| FIELD: @M.FIELD                                | BASE |
| CNTY: @M.BHL_COUNTY ST: @M.STATE               | BASE |
| RESERVOIR: @M.RESERVOIR                        | BASE |
| OPERATOR: @M.OPERATOR                          | BASE |

**Miscellaneous**

|            |      |
|------------|------|
| BTU @M.BTU | BASE |
| WELLS 0 1  | BASE |

LOSS NO

**Production**

|                                 |            |
|---------------------------------|------------|
| CUMS 0 0                        | SJ_OP_POST |
| START 08/2009                   | SJ_OP_POST |
| GAS 400 X M/D 5 EXP B/1.4000 50 | SJ_OP_POST |
| " X X M/D 40 YRS EXP 5          | SJ_OP_POST |

**Prices**

|                            |            |
|----------------------------|------------|
| SIDFILE SJB_JCM_07ACT_COMR | SJ_OP_POST |
|----------------------------|------------|

**Expenses**

|                                              |            |
|----------------------------------------------|------------|
| OPC/T @M.LIFTING_COST X \$/M TO LIFE PC 0    | SJ_OP_POST |
| GTC/GAS @M.GATHERING_FEE X \$/M TO LIFE PC 0 | SJ_OP_POST |
| FLU/REV @M.FLU_SHRINK X FRAC TO LIFE PC 0    | SJ_OP_POST |
| ATX 5.3186 X % TO LIFE PC 0                  | SJ_OP_POST |
| STX/OIL 3.75 X % TO LIFE PC 0                | SJ_OP_POST |
| STX/GAS 3.75 X % TO LIFE PC 0                | SJ_OP_POST |

**Ownership**

|                                                            |      |
|------------------------------------------------------------|------|
| NET @M.BPO_WI @M.BPO_NRI @M.BPO_NRI FRAC @M.PO_BAL M\$/746 | BASE |
| " @M.WI @M.NRI @M.NRI FRAC                                 | BASE |

**Investments**

|                                                 |            |
|-------------------------------------------------|------------|
| CAPITAL 199.646 472.946 M\$G 08/2009 AD ESC INV | SJ_OP_POST |
|-------------------------------------------------|------------|

**Overlays**

|                                   |            |
|-----------------------------------|------------|
| LOAD MP.GAS GAS 08/2009 09/2011 # | SJ_OP_POST |
| SIDFILE STAX_ADTAX_ADJ            | SJ_OP_POST |

PropID: 5433 RSV CAT: 1PDP  
 Well Name: ROSA UNIT #189  
 Field: BLANCO  
 Cnty: RIO ARRIBA St: NM  
 Reservoir: MESAVERDE  
 PostAudit  
 Operator: WPC

DATE : 10/31/2011  
 TIME : 11:44:47  
 DBS : SJB  
 SETTINGS : SETDATA\_JCM  
 SCENARIO : SJB-OP-

# RESERVES AND ECONOMICS

EFFECTIVE DATE: 08/2009

| --END--<br>MO-YEAR | ---GROSS PRODUCTION---    |                      |                        |                        | ---NET PRODUCTION--- |                              |                     |                     | -----PRICES----- |             | NO. OF<br>WELLS | -----OPERATIONS, M\$----- |                |                  |
|--------------------|---------------------------|----------------------|------------------------|------------------------|----------------------|------------------------------|---------------------|---------------------|------------------|-------------|-----------------|---------------------------|----------------|------------------|
|                    | OIL,                      | MBBL                 | GAS,                   | MMCF                   | OIL,                 | MBBL                         | GAS,                | MMCF                | OIL<br>\$/B      | GAS<br>\$/M |                 | OIL<br>REVENUE            | GAS<br>REVENUE | TOTAL<br>REVENUE |
| 08-2009            |                           | 0.000                |                        | 5.335                  | 0.000                |                              | 1.802               |                     | 0.00             | 3.130       | 1.0             | 0.000                     | 5.641          | 5.641            |
| 09-2009            |                           | 0.000                |                        | 6.827                  | 0.000                |                              | 2.305               |                     | 0.00             | 2.431       | 1.0             | 0.000                     | 5.604          | 5.604            |
| 10-2009            |                           | 0.000                |                        | 6.763                  | 0.000                |                              | 2.284               |                     | 0.00             | 3.367       | 1.0             | 0.000                     | 7.690          | 7.690            |
| 11-2009            |                           | 0.000                |                        | 5.073                  | 0.000                |                              | 1.713               |                     | 0.00             | 4.195       | 1.0             | 0.000                     | 7.186          | 7.186            |
| 12-2009            |                           | 0.000                |                        | 4.539                  | 0.000                |                              | 1.533               |                     | 0.00             | 4.214       | 1.0             | 0.000                     | 6.460          | 6.460            |
| 12-2010            |                           | 0.000                |                        | 56.072                 | 0.000                |                              | 18.937              |                     | 0.00             | 4.003       | 1.0             | 0.000                     | 75.800         | 75.800           |
| 12-2011            |                           | 0.000                |                        | 51.216                 | 0.000                |                              | 17.297              |                     | 0.00             | 3.796       | 1.0             | 0.000                     | 65.664         | 65.664           |
| 12-2012            |                           | 0.000                |                        | 41.869                 | 0.000                |                              | 14.140              |                     | 0.00             | 3.890       | 1.0             | 0.000                     | 55.007         | 55.007           |
| 12-2013            |                           | 0.000                |                        | 34.974                 | 0.000                |                              | 11.811              |                     | 0.00             | 4.383       | 1.0             | 0.000                     | 51.768         | 51.768           |
| 12-2014            |                           | 0.000                |                        | 30.302                 | 0.000                |                              | 10.234              |                     | 0.00             | 4.629       | 1.0             | 0.000                     | 47.373         | 47.373           |
| 12-2015            |                           | 0.000                |                        | 26.895                 | 0.000                |                              | 9.083               |                     | 0.00             | 4.876       | 1.0             | 0.000                     | 44.284         | 44.284           |
| 12-2016            |                           | 0.000                |                        | 24.284                 | 0.000                |                              | 8.201               |                     | 0.00             | 5.073       | 1.0             | 0.000                     | 41.601         | 41.601           |
| 12-2017            |                           | 0.000                |                        | 22.209                 | 0.000                |                              | 7.501               |                     | 0.00             | 5.174       | 1.0             | 0.000                     | 38.809         | 38.809           |
| 12-2018            |                           | 0.000                |                        | 20.515                 | 0.000                |                              | 6.928               |                     | 0.00             | 5.454       | 1.0             | 0.000                     | 37.787         | 37.787           |
| 12-2019            |                           | 0.000                |                        | 19.102                 | 0.000                |                              | 6.451               |                     | 0.00             | 5.384       | 1.0             | 0.000                     | 34.732         | 34.732           |
| 12-2020            |                           | 0.000                |                        | 17.901                 | 0.000                |                              | 6.046               |                     | 0.00             | 5.491       | 1.0             | 0.000                     | 33.199         | 33.199           |
| 12-2021            |                           | 0.000                |                        | 16.867                 | 0.000                |                              | 5.696               |                     | 0.00             | 5.601       | 1.0             | 0.000                     | 31.905         | 31.905           |
| 12-2022            |                           | 0.000                |                        | 15.966                 | 0.000                |                              | 5.392               |                     | 0.00             | 5.713       | 1.0             | 0.000                     | 30.806         | 30.806           |
| 12-2023            |                           | 0.000                |                        | 15.161                 | 0.000                |                              | 5.120               |                     | 0.00             | 5.827       | 1.0             | 0.000                     | 29.837         | 29.837           |
| 12-2024            |                           | 0.000                |                        | 14.403                 | 0.000                |                              | 4.864               |                     | 0.00             | 5.944       | 1.0             | 0.000                     | 28.911         | 28.911           |
| S TOT              |                           | 0.000                |                        | 436.273                | 0.000                |                              | 147.338             |                     | 0.00             | 4.616       | 1.0             | 0.000                     | 680.064        | 680.064          |
| AFTER              |                           | 0.000                |                        | 196.106                | 0.000                |                              | 66.229              |                     | 0.00             | 6.063       | 1.0             | 0.000                     | 401.537        | 401.537          |
| TOTAL              |                           | 0.000                |                        | 632.379                | 0.000                |                              | 213.566             |                     | 0.00             | 5.064       | 1.0             | 0.000                     | 1081.601       | 1081.601         |
| --END--<br>MO-YEAR | -----OPERATIONS, M\$----- |                      |                        |                        |                      | -----CAPITAL COSTS, M\$----- |                     |                     |                  |             | 8.0%            |                           |                |                  |
|                    | SEV + ADV<br>TAXES        | NET OPER<br>EXPENSES | INTEREST+<br>PRINCIPAL | OPERATION<br>CASH FLOW | TANGIBLE<br>INV.     | INTANG.<br>INV.              | TOTAL<br>BORROW INV | TOTAL<br>EQUITY INV | CASH<br>BTAX,    | FLOW<br>M\$ | CUM.<br>BTAX,   | DISC<br>M\$               |                |                  |
| 08-2009            | 0.391                     | 1.911                | 0.000                  | 3.338                  | 77.056               | 182.541                      | 0.000               | 259.597             | -256.259         |             | -256.269        |                           |                |                  |
| 09-2009            | 0.362                     | 2.250                | 0.000                  | 2.993                  | 0.000                | 0.000                        | 0.000               | 0.000               | 2.993            |             | -253.305        |                           |                |                  |
| 10-2009            | 0.542                     | 2.316                | 0.000                  | 4.832                  | 0.000                | 0.000                        | 0.000               | 0.000               | 4.832            |             | -248.550        |                           |                |                  |
| 11-2009            | 0.528                     | 1.911                | 0.000                  | 4.747                  | 0.000                | 0.000                        | 0.000               | 0.000               | 4.747            |             | -243.908        |                           |                |                  |
| 12-2009            | 0.475                     | 1.762                | 0.000                  | 4.223                  | 0.000                | 0.000                        | 0.000               | 0.000               | 4.223            |             | -239.805        |                           |                |                  |
| 12-2010            | 5.526                     | 21.438               | 0.000                  | 48.835                 | 0.000                | 0.000                        | 0.000               | 0.000               | 48.835           |             | -194.296        |                           |                |                  |
| 12-2011            | 4.741                     | 19.940               | 0.000                  | 40.983                 | 0.000                | 0.000                        | 0.000               | 0.000               | 40.983           |             | -158.934        |                           |                |                  |
| 12-2012            | 3.990                     | 17.399               | 0.000                  | 33.618                 | 0.000                | 0.000                        | 0.000               | 0.000               | 33.618           |             | -132.075        |                           |                |                  |
| 12-2013            | 3.832                     | 15.703               | 0.000                  | 32.233                 | 0.000                | 0.000                        | 0.000               | 0.000               | 32.233           |             | -108.230        |                           |                |                  |
| 12-2014            | 3.537                     | 14.468               | 0.000                  | 29.368                 | 0.000                | 0.000                        | 0.000               | 0.000               | 29.368           |             | -88.114         |                           |                |                  |
| 12-2015            | 3.331                     | 13.573               | 0.000                  | 27.381                 | 0.000                | 0.000                        | 0.000               | 0.000               | 27.381           |             | -70.749         |                           |                |                  |
| 12-2016            | 3.146                     | 12.874               | 0.000                  | 25.581                 | 0.000                | 0.000                        | 0.000               | 0.000               | 25.581           |             | -55.726         |                           |                |                  |
| 12-2017            | 2.943                     | 12.294               | 0.000                  | 23.572                 | 0.000                | 0.000                        | 0.000               | 0.000               | 23.572           |             | -42.909         |                           |                |                  |
| 12-2018            | 2.885                     | 11.868               | 0.000                  | 23.034                 | 0.000                | 0.000                        | 0.000               | 0.000               | 23.034           |             | -31.312         |                           |                |                  |
| 12-2019            | 2.647                     | 11.428               | 0.000                  | 20.657                 | 0.000                | 0.000                        | 0.000               | 0.000               | 20.657           |             | -21.682         |                           |                |                  |
| 12-2020            | 2.536                     | 11.095               | 0.000                  | 19.567                 | 0.000                | 0.000                        | 0.000               | 0.000               | 19.567           |             | -13.236         |                           |                |                  |
| 12-2021            | 2.443                     | 10.810               | 0.000                  | 18.652                 | 0.000                | 0.000                        | 0.000               | 0.000               | 18.652           |             | -5.781          |                           |                |                  |
| 12-2022            | 2.365                     | 10.562               | 0.000                  | 17.879                 | 0.000                | 0.000                        | 0.000               | 0.000               | 17.879           |             | 0.835           |                           |                |                  |
| 12-2023            | 2.296                     | 10.341               | 0.000                  | 17.200                 | 0.000                | 0.000                        | 0.000               | 0.000               | 17.200           |             | 6.729           |                           |                |                  |
| 12-2024            | 2.229                     | 10.132               | 0.000                  | 16.549                 | 0.000                | 0.000                        | 0.000               | 0.000               | 16.549           |             | 11.979          |                           |                |                  |
| S TOT              | 50.746                    | 214.074              | 0.000                  | 415.244                | 77.056               | 182.541                      | 0.000               | 259.597             | 155.647          |             | 11.979          |                           |                |                  |
| AFTER              | 31.033                    | 201.152              | 0.000                  | 169.352                | 0.000                | 0.000                        | 0.000               | 0.000               | 169.352          |             | 43.250          |                           |                |                  |
| TOTAL              | 81.779                    | 415.226              | 0.000                  | 584.596                | 77.056               | 182.541                      | 0.000               | 259.597             | 324.999          |             | 43.250          |                           |                |                  |

PropID: 5433 RSV CAT: 1PDP  
 Well Name: ROSA UNIT #189  
 Field: BLANCO  
 Cnty: RIO ARriba St: NM  
 Reservoir: MESAVERDE  
 PostAudit  
 Operator: WPC

DATE : 10/31/2011  
 TIME : 11:44:47  
 DBS : SJB  
 SETTINGS : SETDATA\_JCM  
 SCENARIO : SJB-OP-

AFTER TAX ECONOMICS

EFFECTIVE DATE: 08/2009

| --END-- | TAXABLE   | DEPRECIATION | DEPLETION | INTANG. EXPENSED | INTEREST PAID & CAP | TAXABLE INCOME | TAX CREDIT | TAXES PAYABLE | CASH FLOW ATAX | 8.0% CUM. DISC ATAX |
|---------|-----------|--------------|-----------|------------------|---------------------|----------------|------------|---------------|----------------|---------------------|
| MO-YEAR | CASH FLOW | TION         | M\$-----  | M\$-----         | M\$-----            | M\$-----       | M\$-----   | M\$-----      | M\$-----       | M\$-----            |
| 08-2009 | 3.338     | 0.918        | 0.000     | 182.541          | 0.000               | -180.120       | 0.000      | -63.042       | -193.217       | -193.429            |
| 09-2009 | 2.993     | 0.918        | 0.000     | 0.000            | 0.000               | 2.075          | 0.000      | 0.726         | 2.266          | -191.184            |
| 10-2009 | 4.832     | 0.918        | 0.000     | 0.000            | 0.000               | 3.915          | 0.000      | 1.370         | 3.462          | -187.777            |
| 11-2009 | 4.747     | 0.918        | 0.000     | 0.000            | 0.000               | 3.829          | 0.000      | 1.340         | 3.407          | -184.446            |
| 12-2009 | 4.223     | 0.918        | 0.000     | 0.000            | 0.000               | 3.306          | 0.000      | 1.157         | 3.066          | -181.467            |
| 12-2010 | 48.835    | 14.286       | 0.000     | 0.000            | 0.000               | 34.549         | 0.000      | 12.092        | 36.743         | -147.227            |
| 12-2011 | 40.983    | 16.624       | 0.000     | 0.000            | 0.000               | 24.359         | 0.000      | 8.526         | 32.457         | -119.221            |
| 12-2012 | 33.618    | 11.872       | 0.000     | 0.000            | 0.000               | 21.746         | 0.000      | 7.611         | 26.007         | -98.443             |
| 12-2013 | 32.233    | 8.481        | 0.000     | 0.000            | 0.000               | 23.752         | 0.000      | 8.313         | 23.920         | -80.748             |
| 12-2014 | 29.368    | 6.878        | 0.000     | 0.000            | 0.000               | 22.490         | 0.000      | 7.872         | 21.497         | -66.024             |
| 12-2015 | 27.381    | 6.877        | 0.000     | 0.000            | 0.000               | 20.504         | 0.000      | 7.176         | 20.204         | -53.210             |
| 12-2016 | 25.581    | 6.878        | 0.000     | 0.000            | 0.000               | 18.703         | 0.000      | 6.546         | 19.035         | -42.031             |
| 12-2017 | 23.572    | 0.573        | 0.000     | 0.000            | 0.000               | 23.000         | 0.000      | 8.050         | 15.523         | -33.591             |
| 12-2018 | 23.034    | 0.000        | 0.000     | 0.000            | 0.000               | 23.034         | 0.000      | 8.062         | 14.972         | -26.053             |
| 12-2019 | 20.657    | 0.000        | 0.000     | 0.000            | 0.000               | 20.657         | 0.000      | 7.230         | 13.427         | -19.794             |
| 12-2020 | 19.567    | 0.000        | 0.000     | 0.000            | 0.000               | 19.567         | 0.000      | 6.848         | 12.719         | -14.304             |
| 12-2021 | 18.652    | 0.000        | 0.000     | 0.000            | 0.000               | 18.652         | 0.000      | 6.528         | 12.123         | -9.458              |
| 12-2022 | 17.879    | 0.000        | 0.000     | 0.000            | 0.000               | 17.879         | 0.000      | 6.258         | 11.621         | -5.158              |
| 12-2023 | 17.200    | 0.000        | 0.000     | 0.000            | 0.000               | 17.200         | 0.000      | 6.020         | 11.180         | -1.327              |
| 12-2024 | 16.549    | 0.000        | 0.000     | 0.000            | 0.000               | 16.549         | 0.000      | 5.792         | 10.757         | 2.086               |
| S TOT   | 415.244   | 77.056       | 0.000     | 182.541          | 0.000               | 155.647        | 0.000      | 54.477        | 101.171        | 2.086               |
| AFTER   | 169.352   | 0.000        | 0.000     | 0.000            | 0.000               | 169.352        | 0.000      | 59.273        | 110.079        | 22.412              |
| TOTAL   | 584.596   | 77.056       | 0.000     | 182.541          | 0.000               | 324.999        | 0.000      | 113.750       | 211.250        | 22.412              |

|                              |       |                              |       |
|------------------------------|-------|------------------------------|-------|
| BTAX RATE OF RETURN (PCT)    | 10.84 | ATAX RATE OF RETURN (PCT)    | 10.03 |
| BTAX PAYOUT YEARS            | 7.48  | ATAX PAY OUT YEARS           | 7.49  |
| BTAX PAYOUT YEARS (DISC)     | 13.29 | ATAX PAY OUT YEARS (DISC)    | 14.81 |
| BTAX NET INCOME/INVEST       | 2.25  | ATAX NET INCOME/INVEST       | 1.81  |
| BTAX NET INCOME/INVEST(DISC) | 1.17  | ATAX NET INCOME/INVEST(DISC) | 1.09  |

PRESENT WORTH PROFILE AND

--- RATE-OF-RETURN VS. BONUS TABLE ---

| P.W. FACTOR | B.F.I.T. WORTH | A.F.I.T. WORTH | A.F.I.T. BONUS |
|-------------|----------------|----------------|----------------|
| %-----      | M\$-----       | M\$-----       | M\$-----       |
| 0.00        | 325.0          | 211.2          | 325.0          |
| 2.00        | 216.7          | 139.2          | 194.2          |
| 5.00        | 110.8          | 68.2           | 87.5           |
| 8.00        | 43.3           | 22.4           | 27.4           |
| 10.00       | 10.9           | 0.2            | 0.3            |
| 12.00       | -14.9          | -17.5          | -20.6          |
| 15.00       | -44.7          | -38.3          | -44.2          |
| 18.00       | -67.4          | -54.2          | -61.7          |
| 20.00       | -79.7          | -63.0          | -71.0          |
| 25.00       | -103.8         | -80.2          | -89.1          |
| 30.00       | -121.3         | -93.0          | -102.1         |
| 35.00       | -134.7         | -102.8         | -112.0         |
| 40.00       | -145.4         | -110.7         | -119.8         |
| 45.00       | -154.0         | -117.2         | -126.1         |
| 50.00       | -161.2         | -122.6         | -131.3         |

|                          |         |                          |         |
|--------------------------|---------|--------------------------|---------|
| PRODUCTION START DATE    | 08/2009 | PROJECT LIFE (YEARS)     | 40.00   |
|                          |         | DISCOUNT - RATE (PCT)    | 8.00    |
| INITIAL OIL PRICE (\$/B) | 0.000   | INITIAL GAS PRICE (\$/M) | 3.130   |
| MAXIMUM OIL PRICE (\$/B) | 0.000   | MAXIMUM GAS PRICE (\$/M) | 6.063   |
| GROSS OIL WELLS          | 0.      | GROSS GAS WELLS          | 1.      |
| CUMULATIVE OIL (MBBL)    | 0.000   | CUMULATIVE GAS (MMF)     | 0.000   |
| REMAINING OIL (MBBL)     | 0.000   | REMAINING GAS (MMCF)     | 632.378 |
| ULTIMATE OIL (MBBL)      | 0.000   | ULTIMATE GAS (MMCF)      | 632.378 |
| INITIAL WI (PCT)         | 38.597  | FINAL WI (PCT)           | 38.597  |
| INITIAL NET OIL (PCT)    | 0.000   | FINAL NET OIL (PCT)      | 0.000   |
| INITIAL NET GAS (PCT)    | 33.772  | FINAL NET GAS (PCT)      | 33.772  |