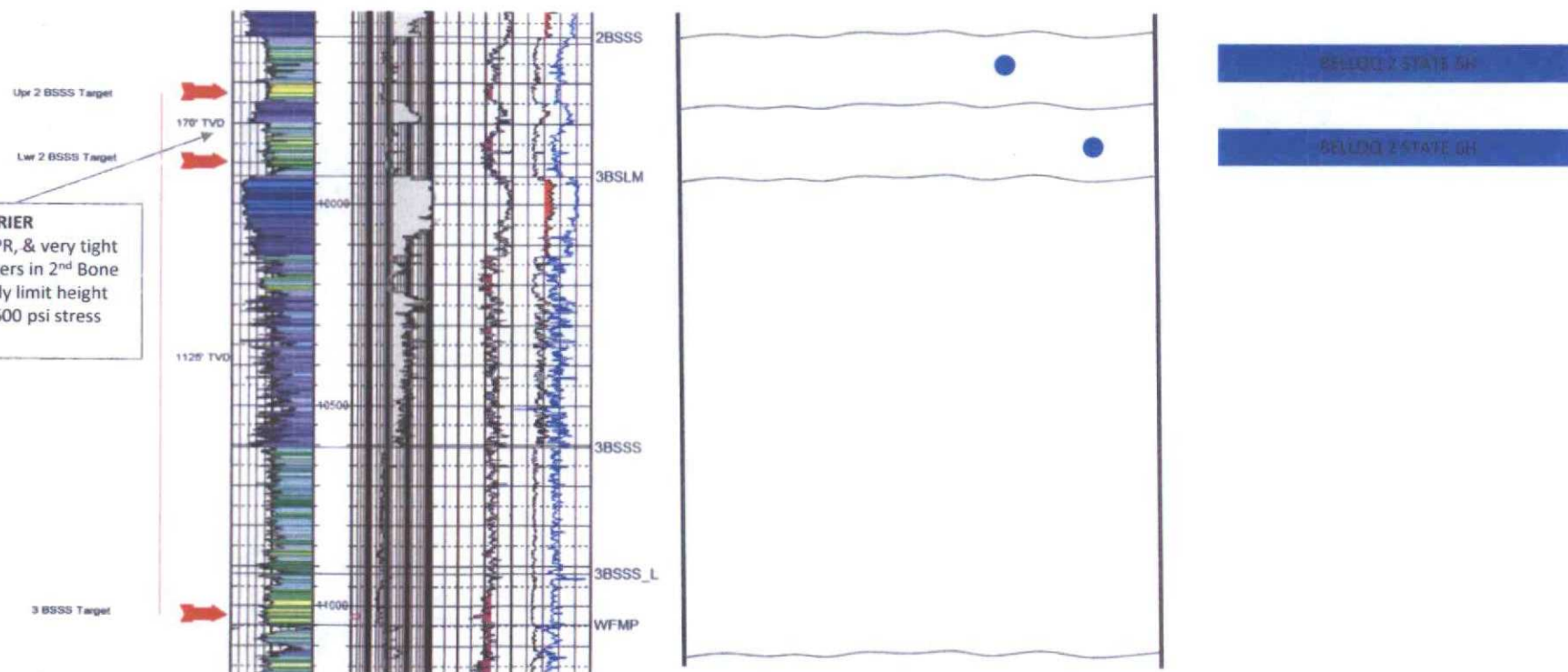
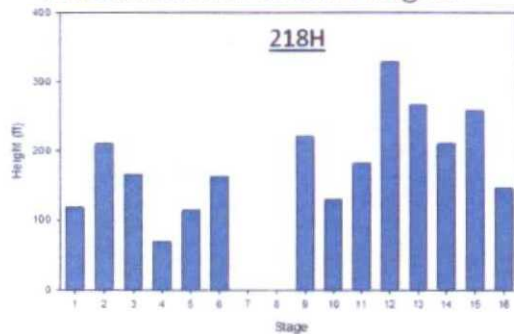


Development Plan

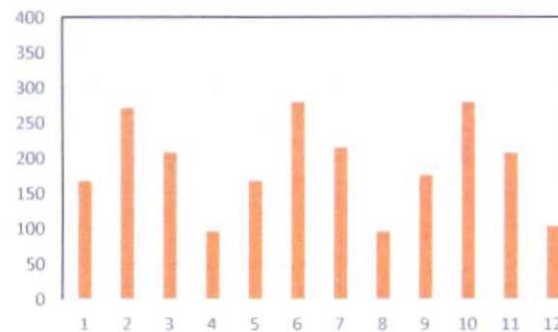


Frac Height Analysis --- Cotton Draw Unit

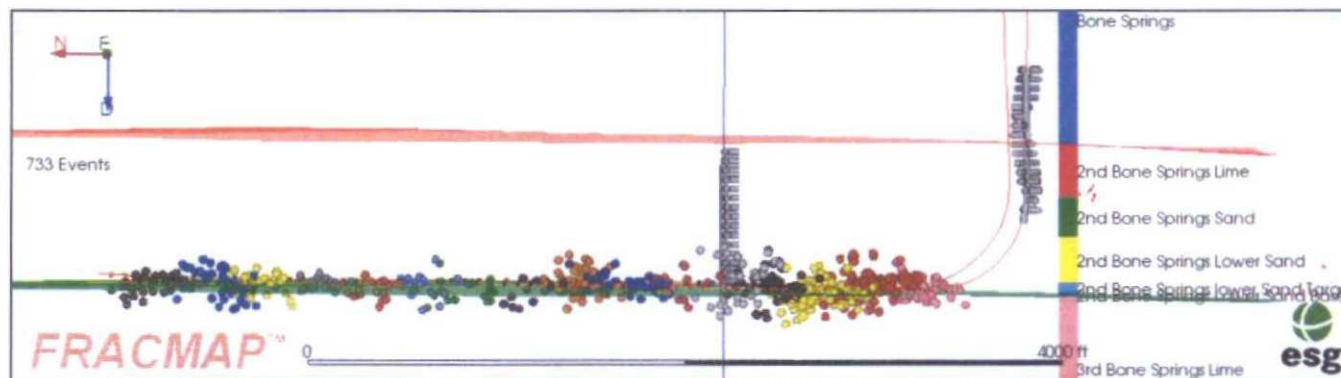
Microseismic Event Heights



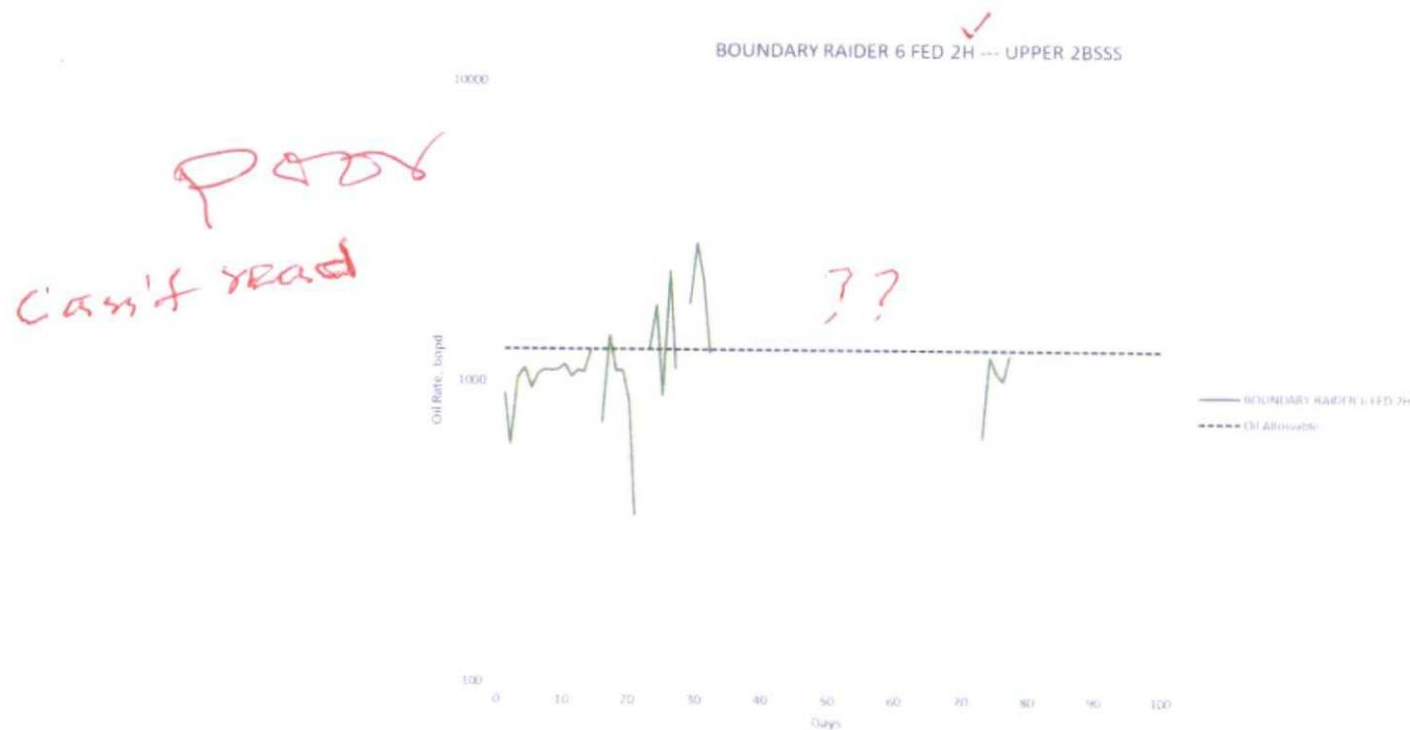
Gohfer Simulated Heights (Stages 14-16)



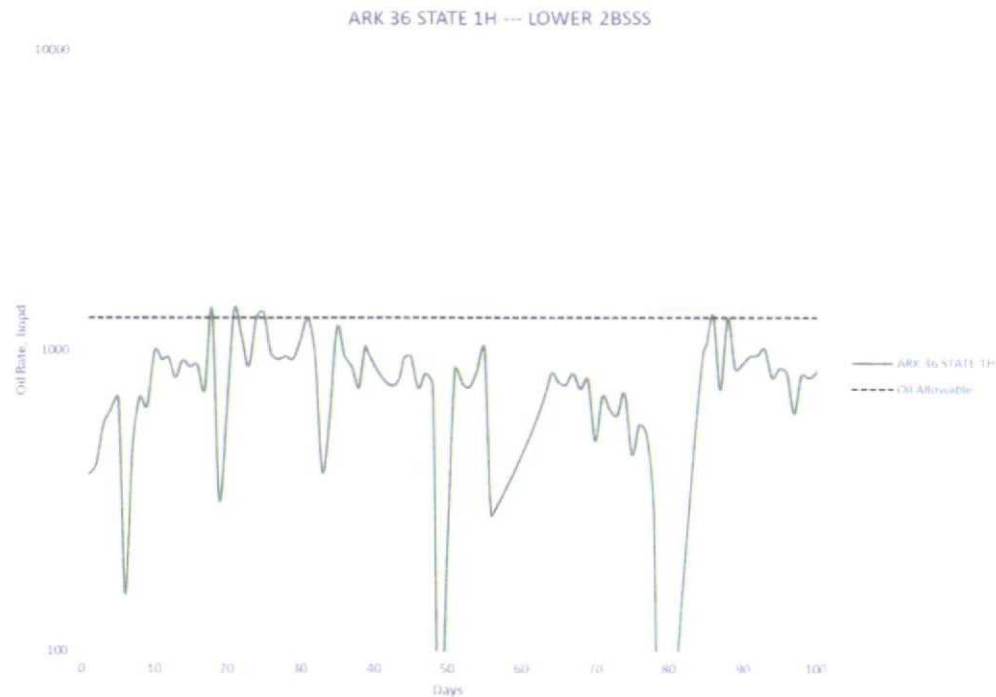
- Microseismic events did not travel into upper 2nd BSSS
- Most events contained within lower 2nd BSSS



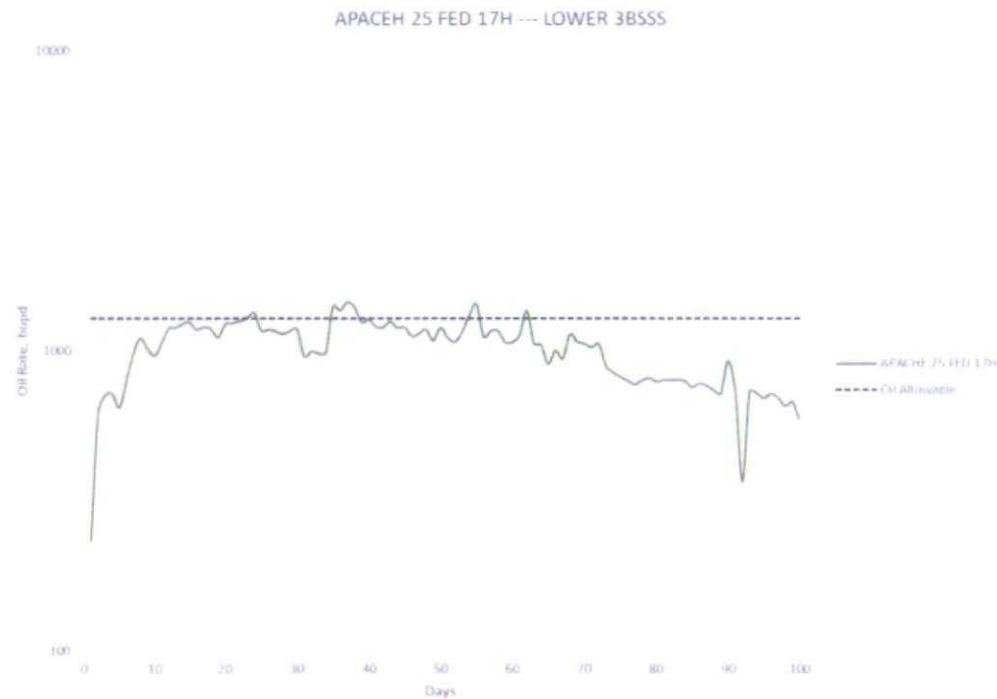
Upper 2nd Bone Spring Performance



Lower 2nd Bone Spring Performance



Lower 3rd Bone Spring Performance



Summary

- Livingston Ridge Bone Spring pool max allowable = 1280 bopd
- Projected total max production rate is over 2000 bopd (2 wells)
 - BELLOQ 2 STATE 5H (Upper 2BSSS) = 1000 bopd
 - BELLOQ 2 STATE 6H (Lower 2BSSS) = 1000 bopd