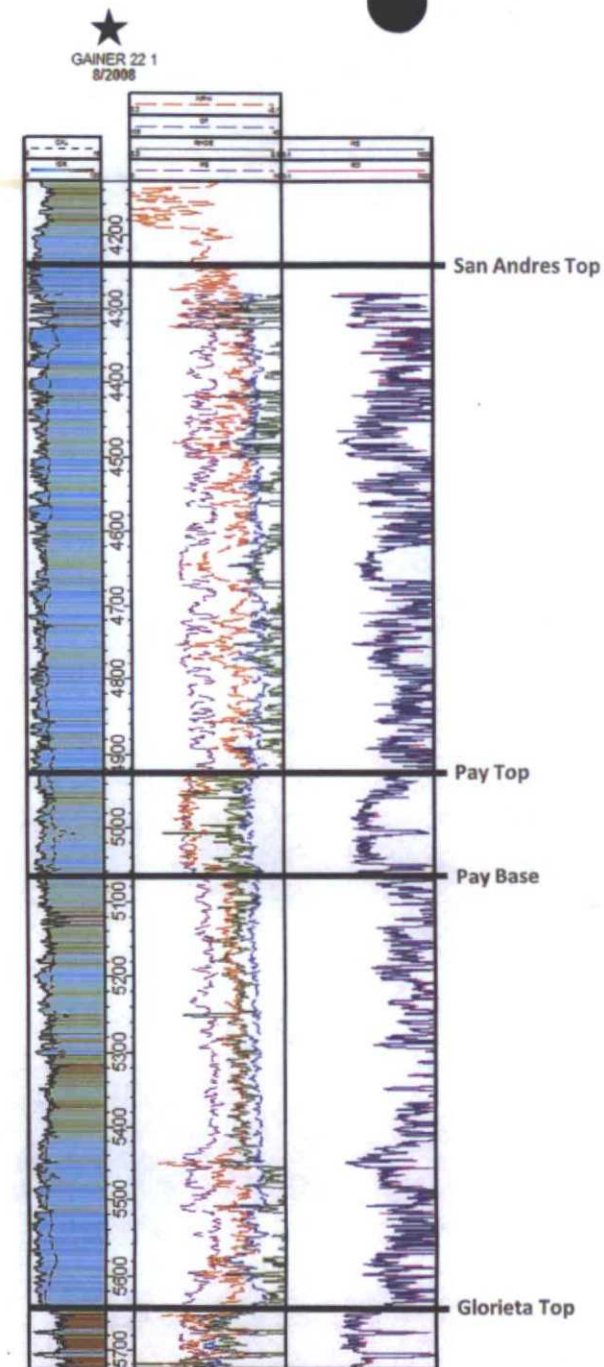


GEOLOGIC DESCRIPTION/DISCUSSION

- ▶ Proposing to create 2 units in T10S R36E – all NM State acreage
- ▶ Unit will comprise the San Andres formation (top of San Andres to top of Glorieta)
 - ▶ 4243' to 5643' in Gainer 22 #1 well (API: 30-025-38792, log to right)
- ▶ The play concept is to complete horizontal wells in the transitional/residual oil zone offsetting vertical San Andres production
 - ▶ Based on mudlogs, open hole logs, and formation tests, economic oil reserves are believed to be present in this area
- ▶ The proposed units are updip from the Crossroads San Andres field with good oil storage (SoPhiH)



Case No. 15401