

Summary - Incremental Reserves Due to Infill Drilling

- Major portion of CBM gas recovery occurs at low reservoir pressure
 - Infill drilling reduces average reservoir abandonment pressure
 - Even small decreases in reservoir pressure liberate significant quantities of gas
- Even in a perfectly homogeneous zone, additional gas is recoverable
 - The Fruitland Coal is not homogeneous
- Incremental gas is recovered from zones not intersected by existing wells, from zones not effectively in communication with existing wells, and from pockets within producing zones isolated by permeability restrictions
- Pressure data throughout HPA demonstrates differential depletion and ineffective drainage in layers
 - Additional wells necessary to improve drainage efficiency