

Case Assessments

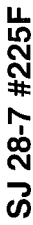
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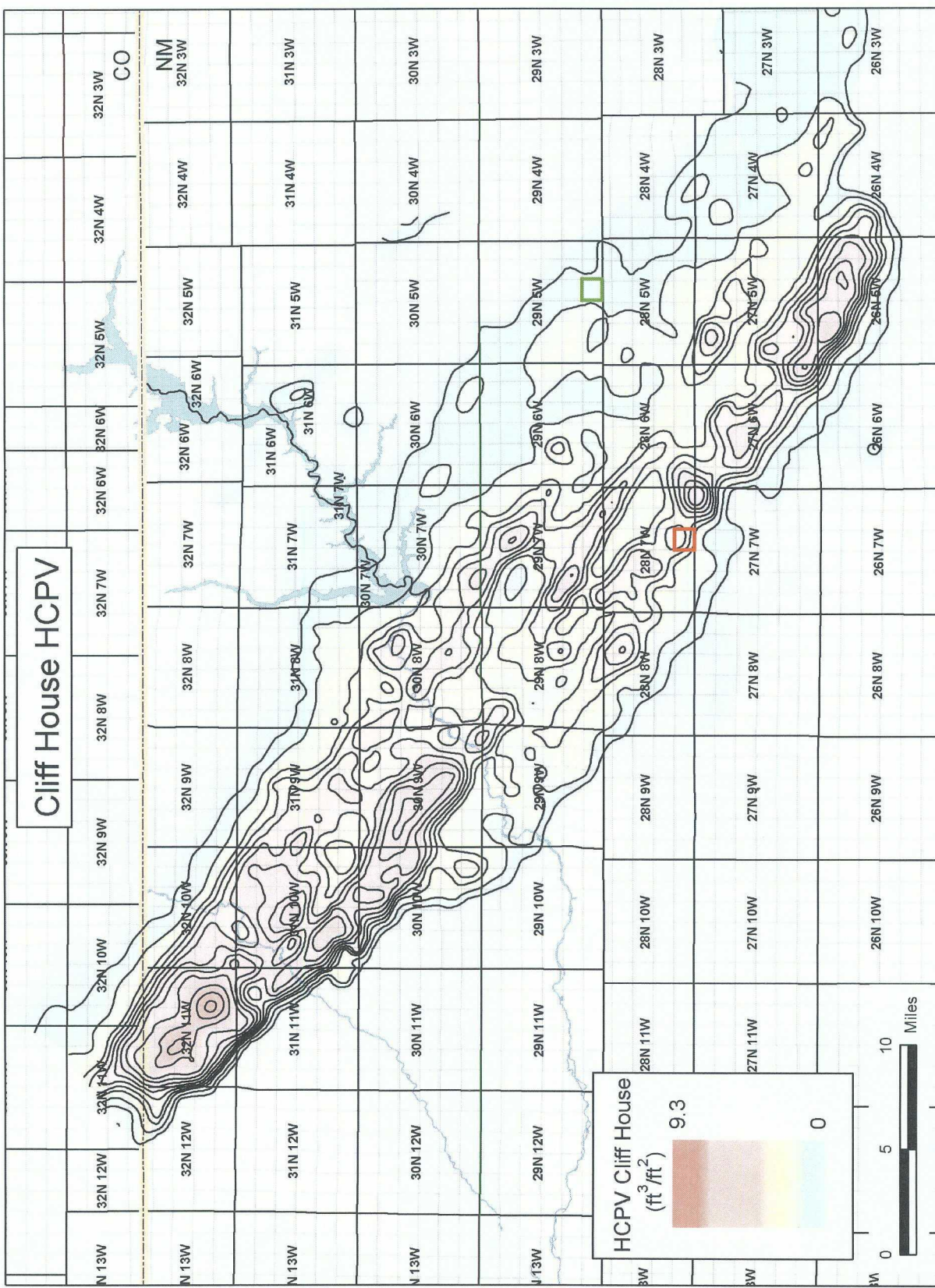
- General
 - Well locations and general land situation
 - Geologic setting
 - Well completions and production
- Correlative rights
 - Drainage areas mapped (as applicable) using no-flow boundaries from relative rate calculations (*Well Performance*, 2nd Edition, Golan and Whitson, 124-125)
 - Maps validated using flowing material balance
- Incremental recoveries – 50 year forecasts from numerical models show lower final pressures/incremental recoveries by producing all wells as opposed to shutting in certain wells to achieve compliance with pool rules.

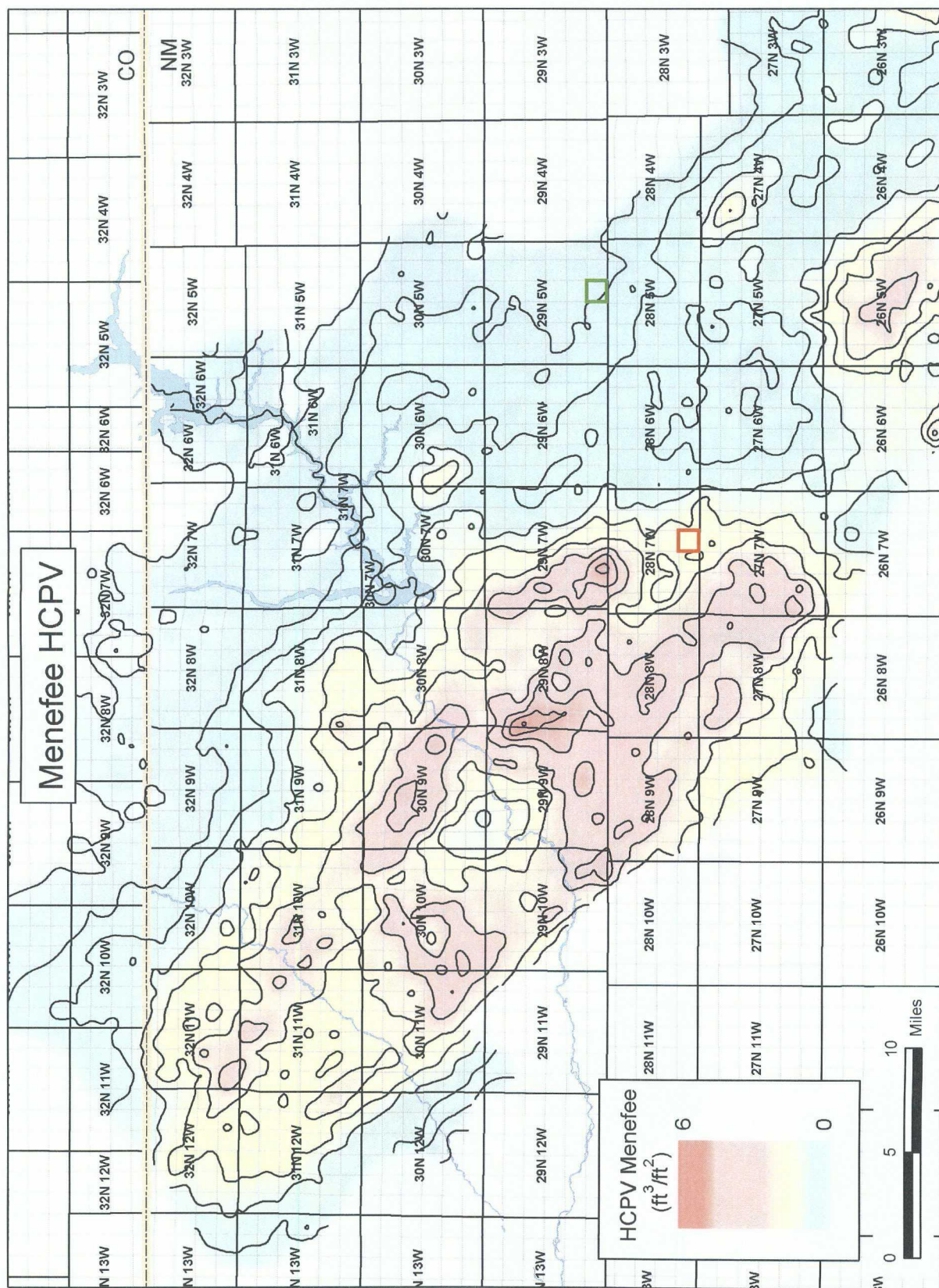


ConocoPhillips

Cliff House Formation	Menefee Formation	Point Lookout Formation
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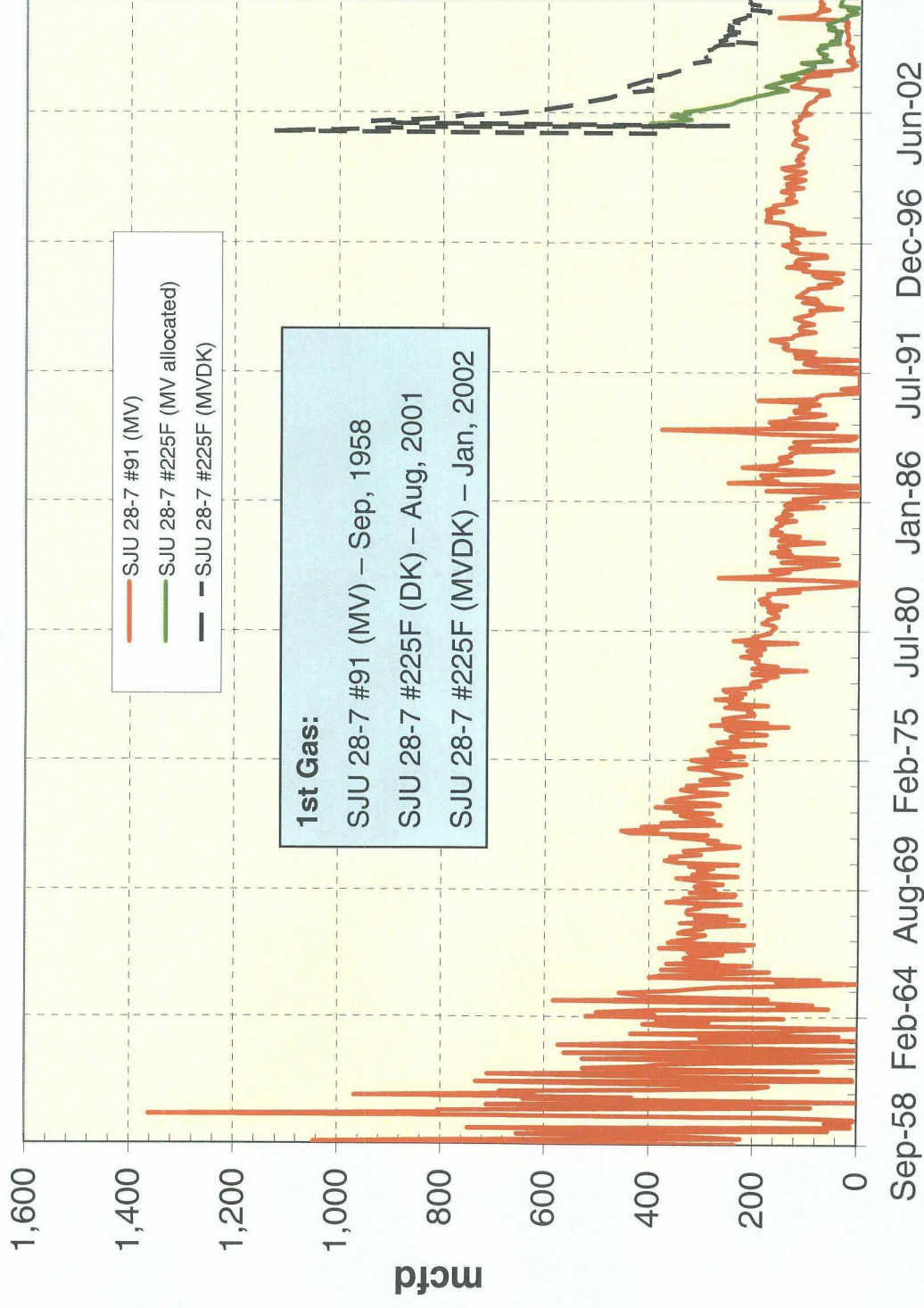






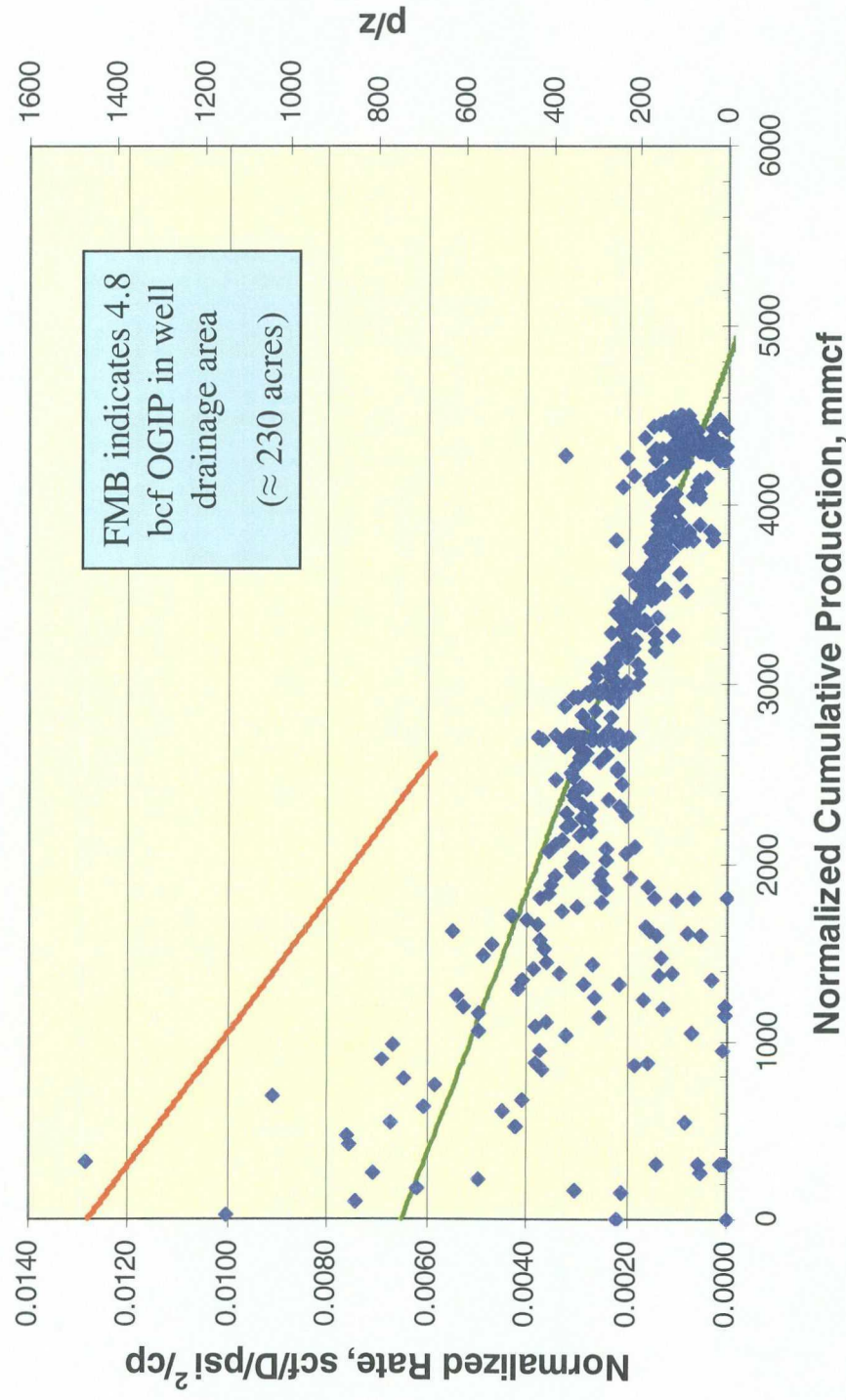


NE/4 S34 T28N-R7W Mesaverde

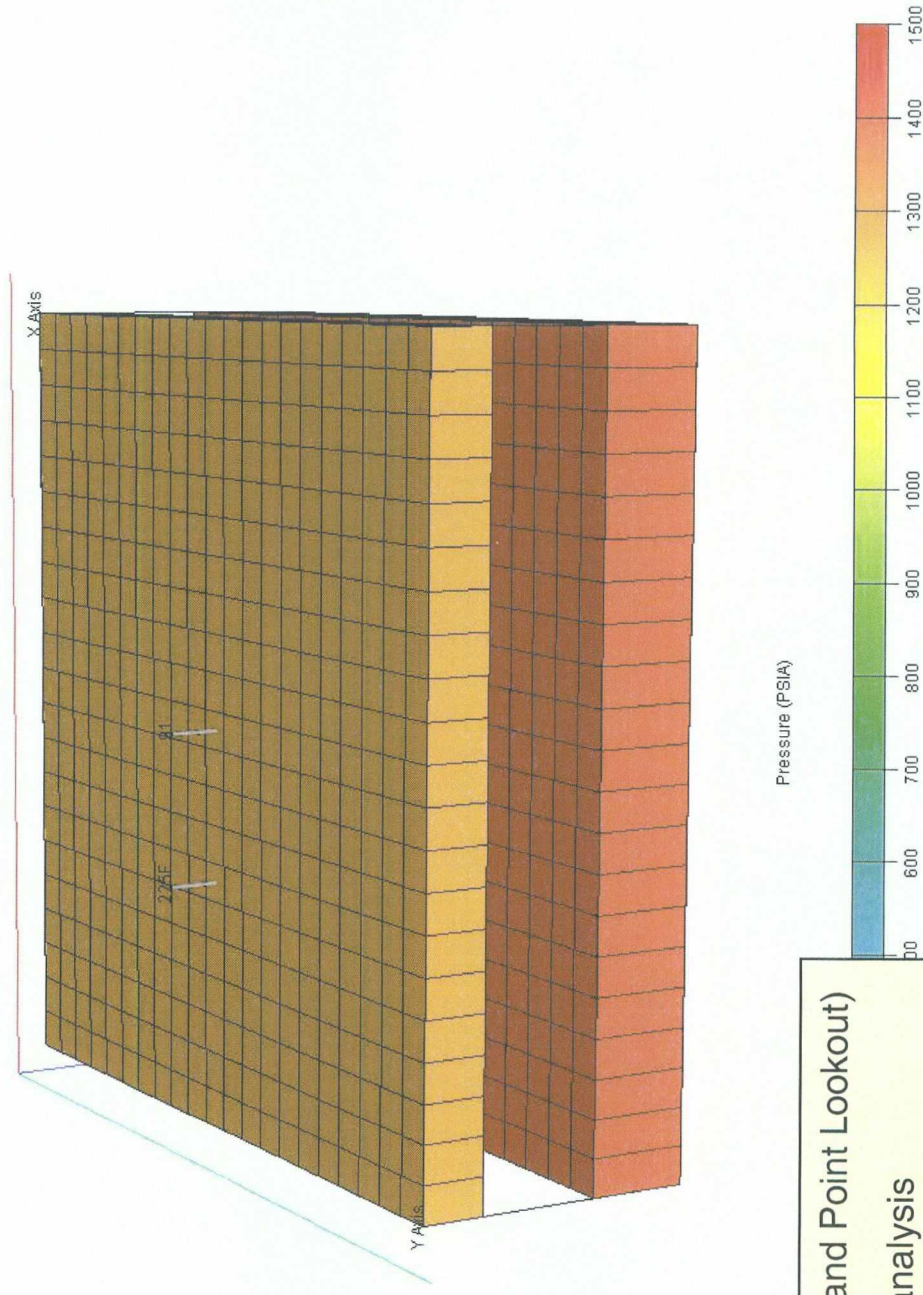


Flowing Material Balance

San Juan 28-7 Unit 91

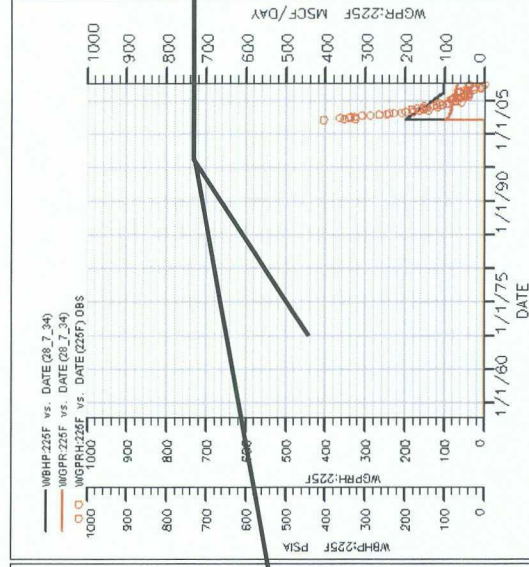
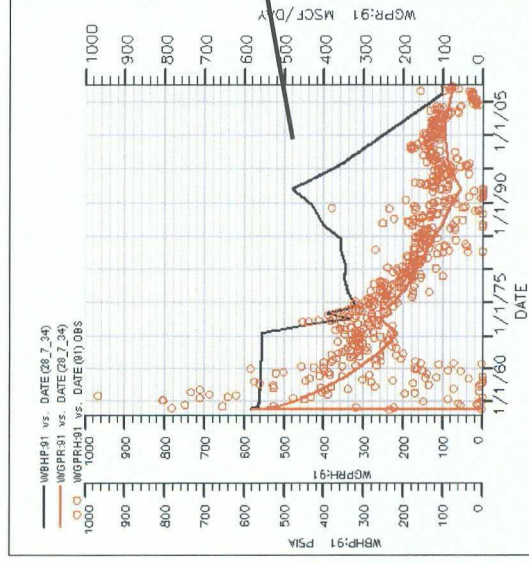


Numerical Simulation

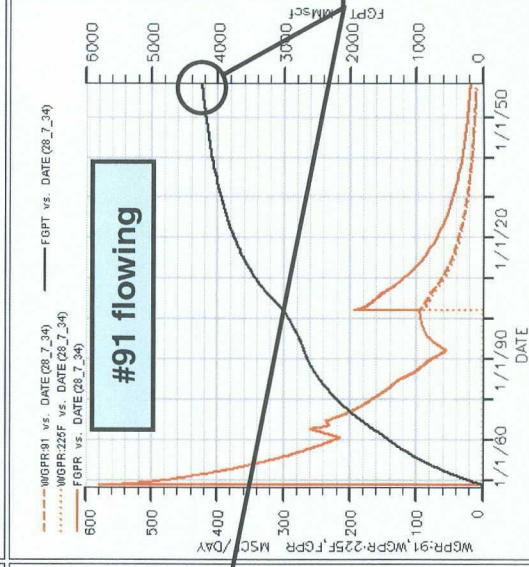
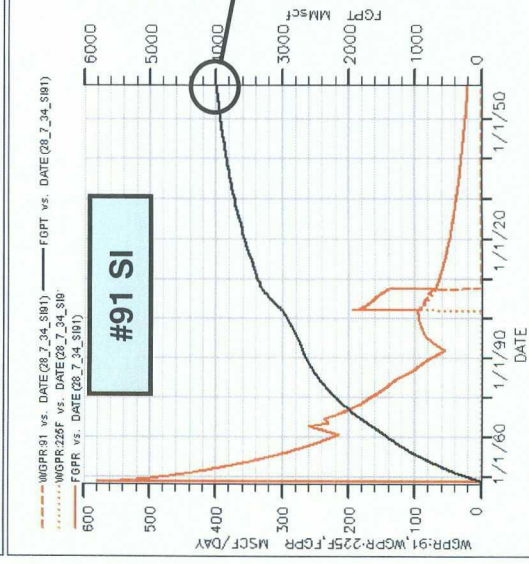


- 2 layers (Cliff House and Point Lookout)
- Same input as FMB analysis
- 230 acres
- Assume constant drainage area

Numerical Simulation



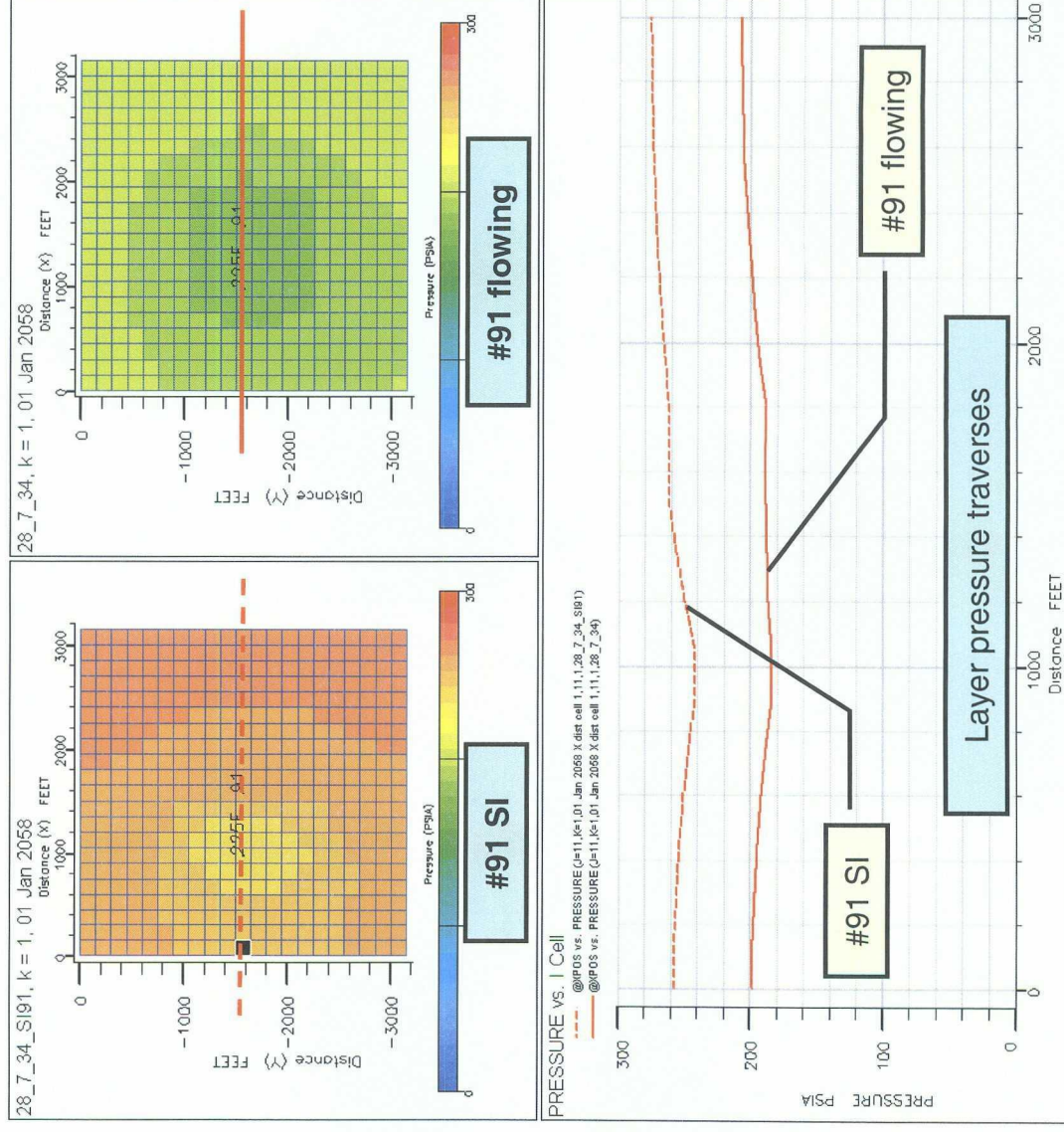
Wells are reasonably matched (on BHP control)



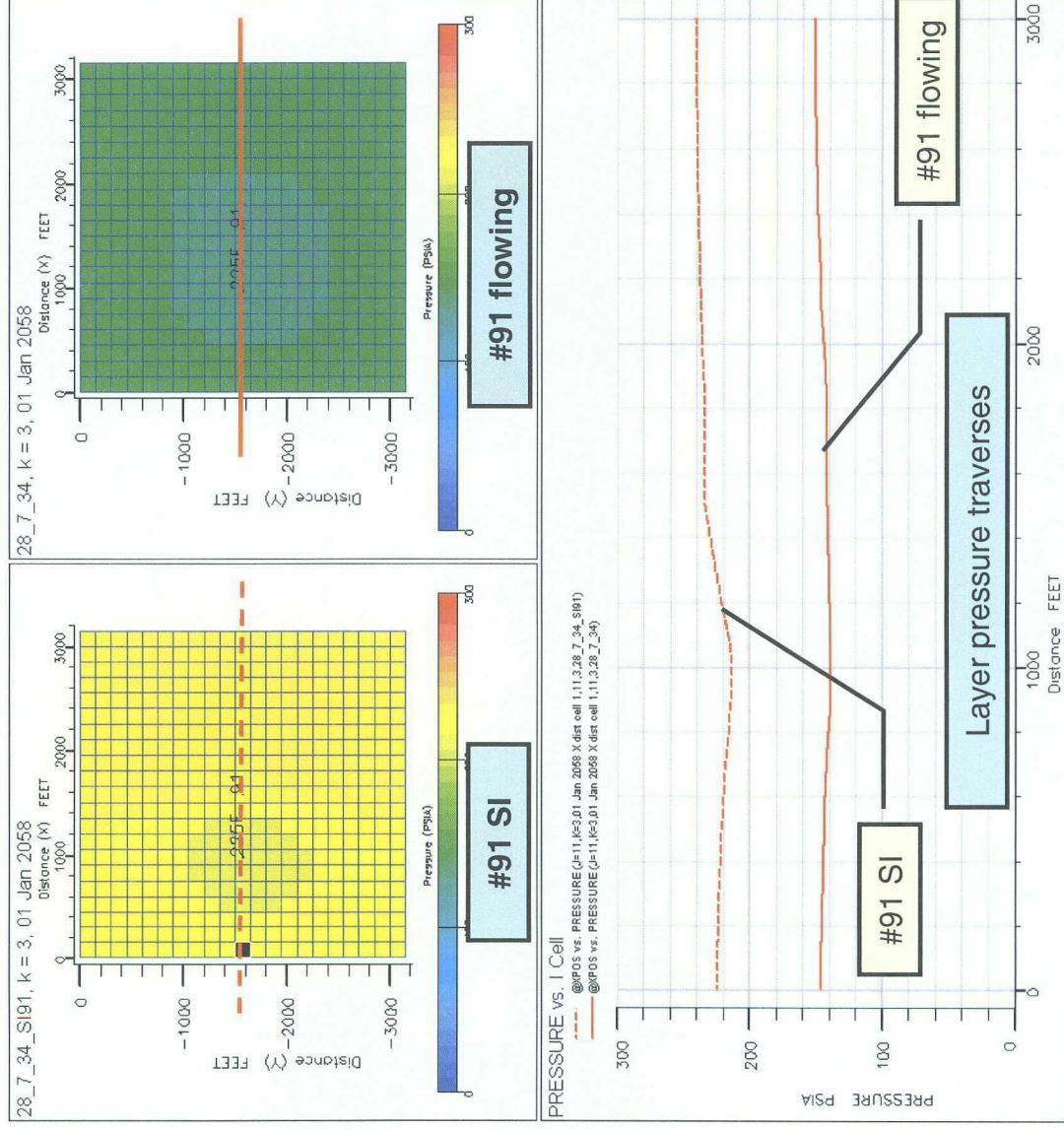
#91 flowing

Incremental recovery

Cliff House Layer Pressure 2058



Point Lookout Layer Pressure 2058



Conclusions/Recommendation

- No correlative rights issues (interior to unit)
- Abandonment of San Juan 28 7 Unit 91
Mesaverde would result in a loss of reserves
(estimate approximately 240 mmscf)
- Request waiver to produce San Juan 28 7
Unit 91