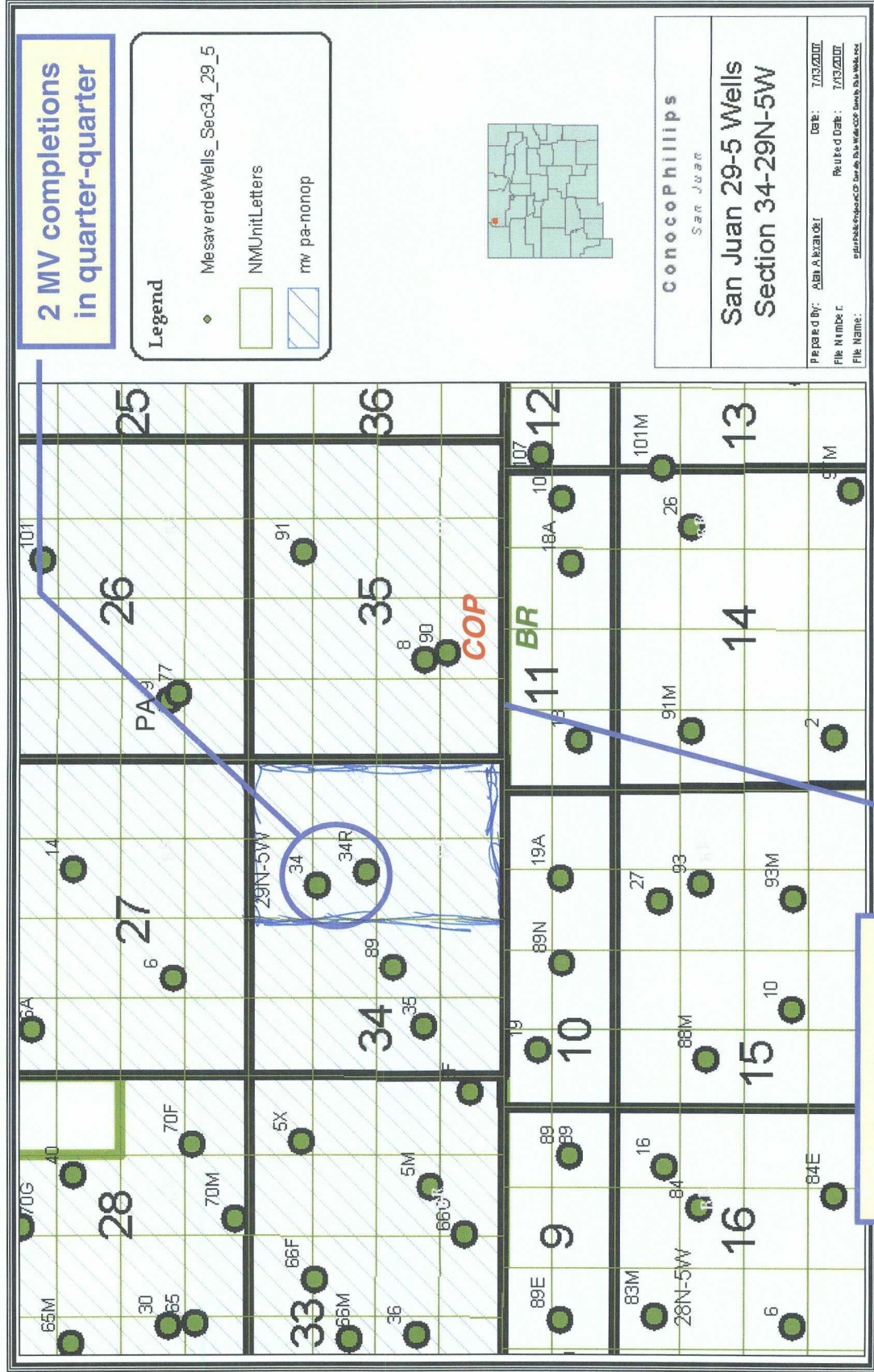
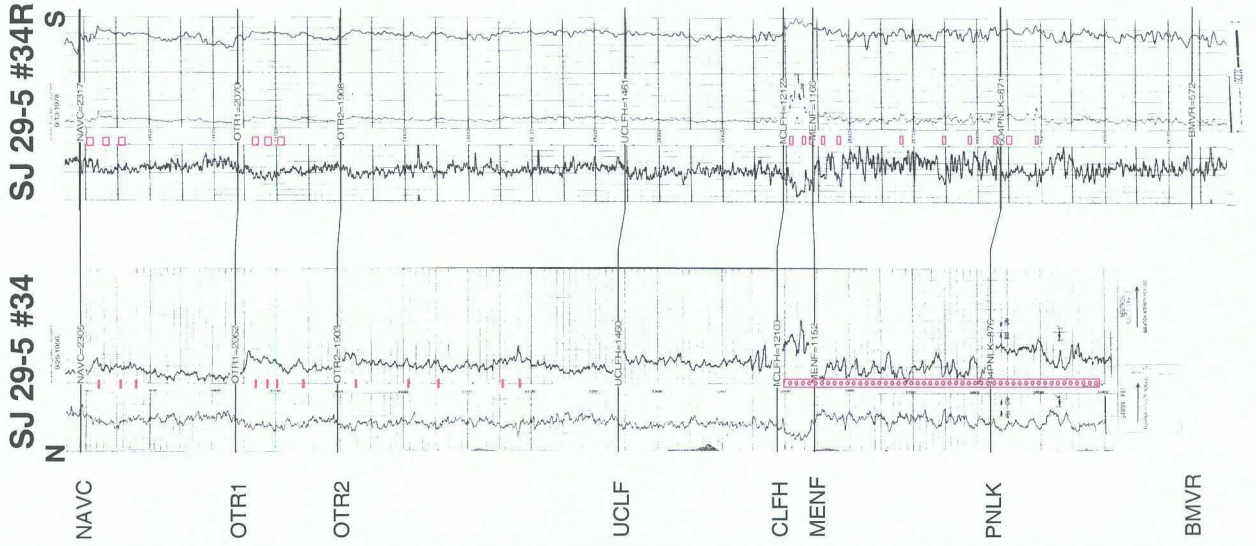


NE/4 S34 T29N-R5W Mesaverde



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NE/4 S34 T29N-R5W Mesaverde



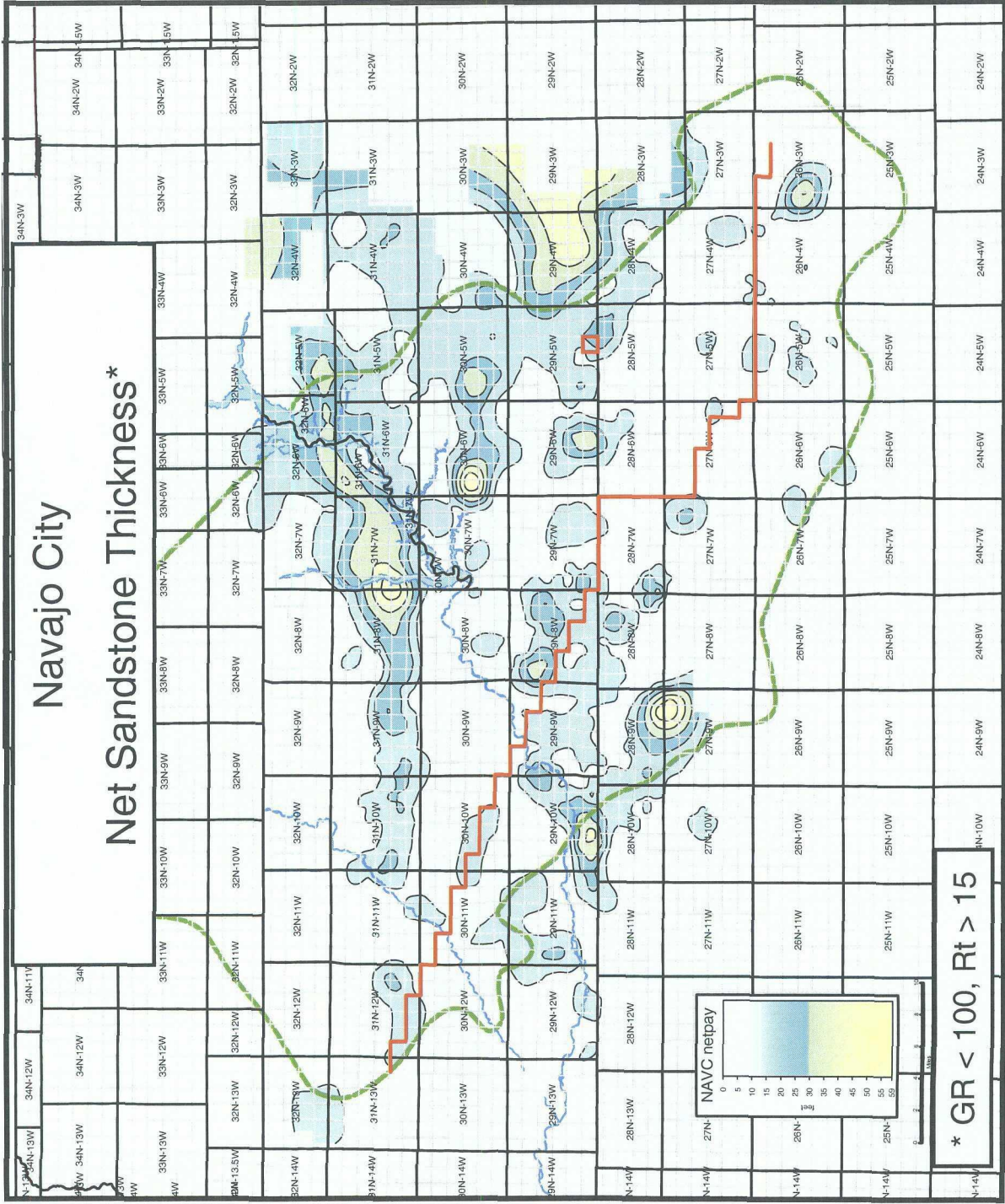
**Lewis
Formation**

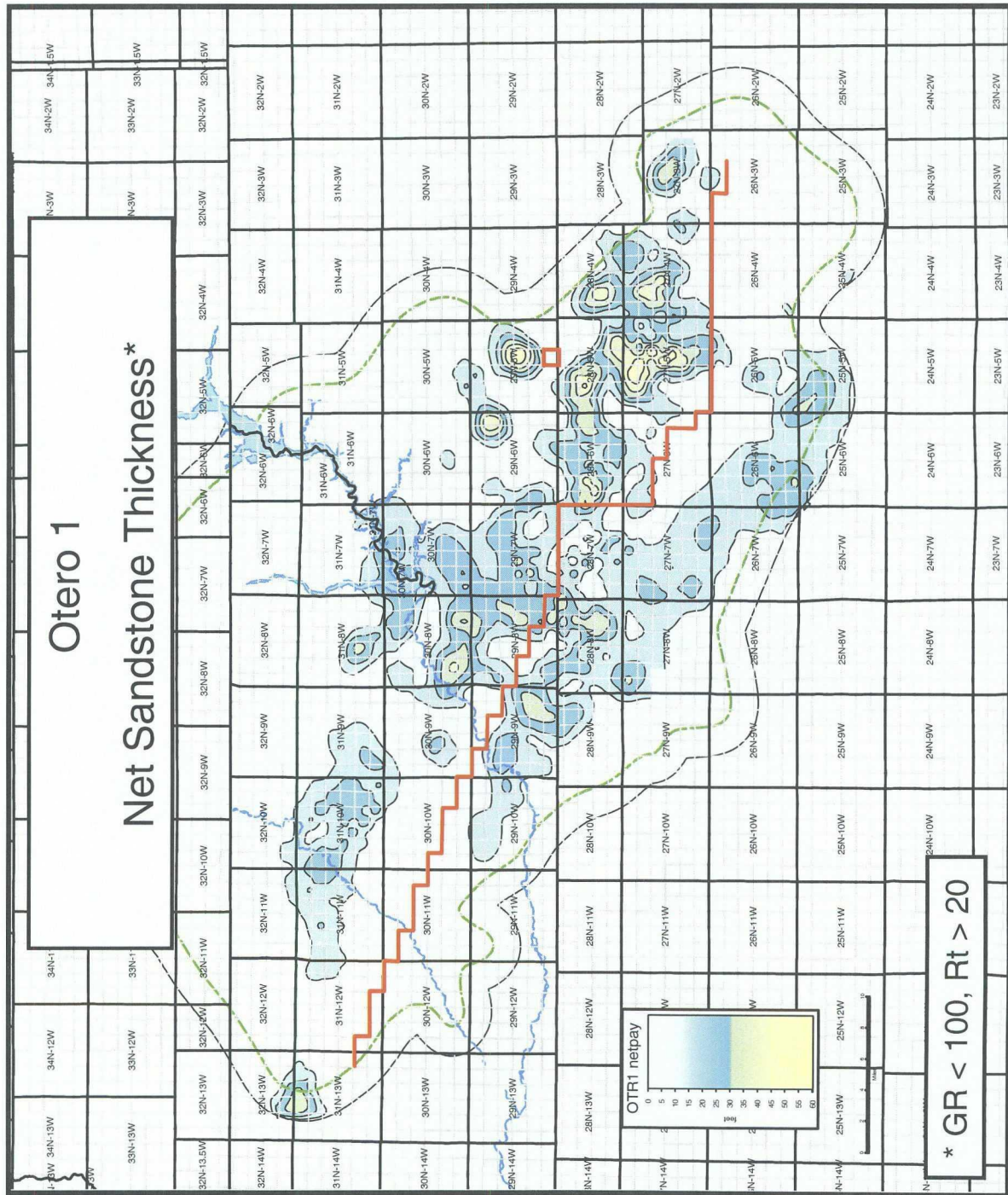
**Cliff House
Formation**

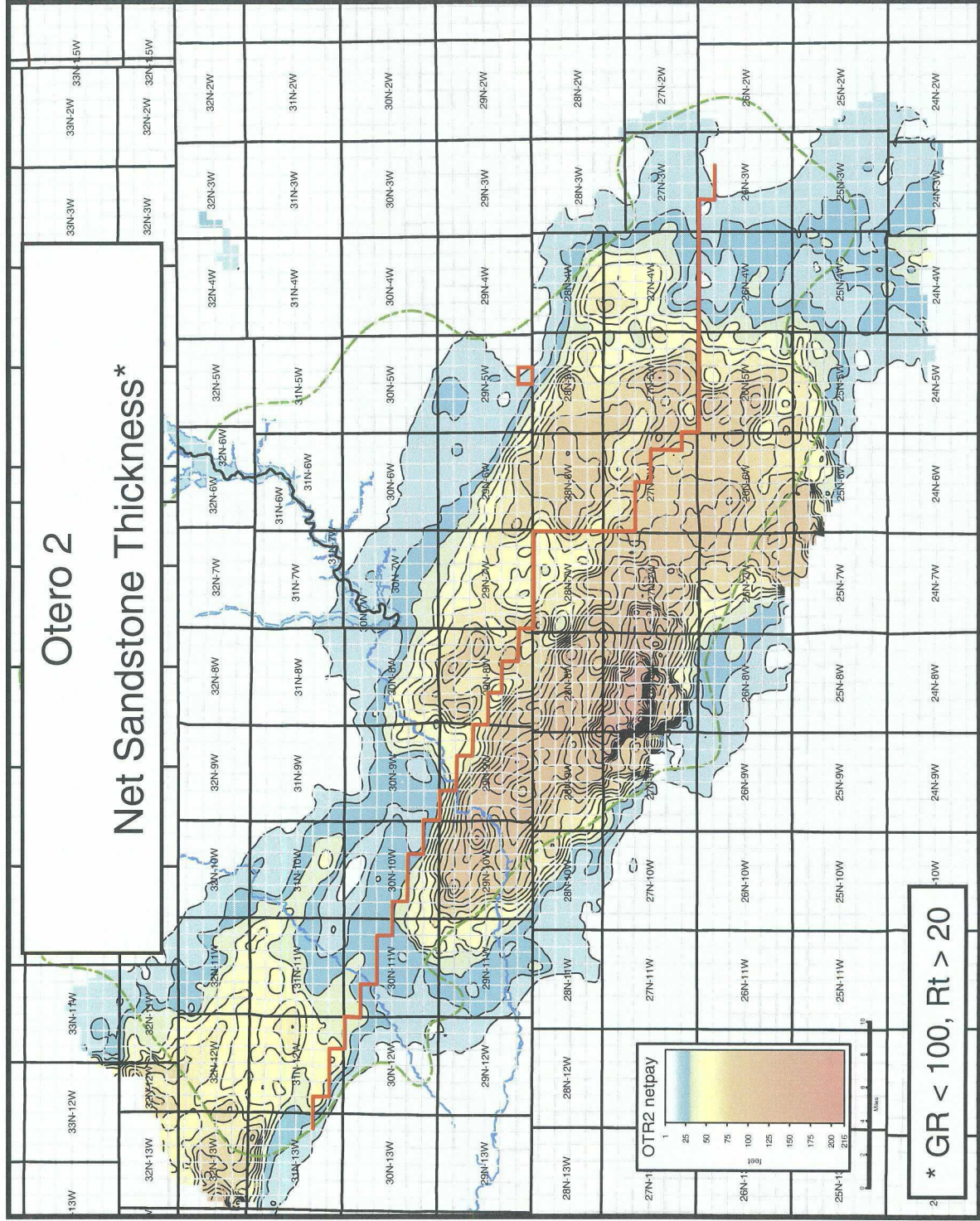
**Menefee
Formation**

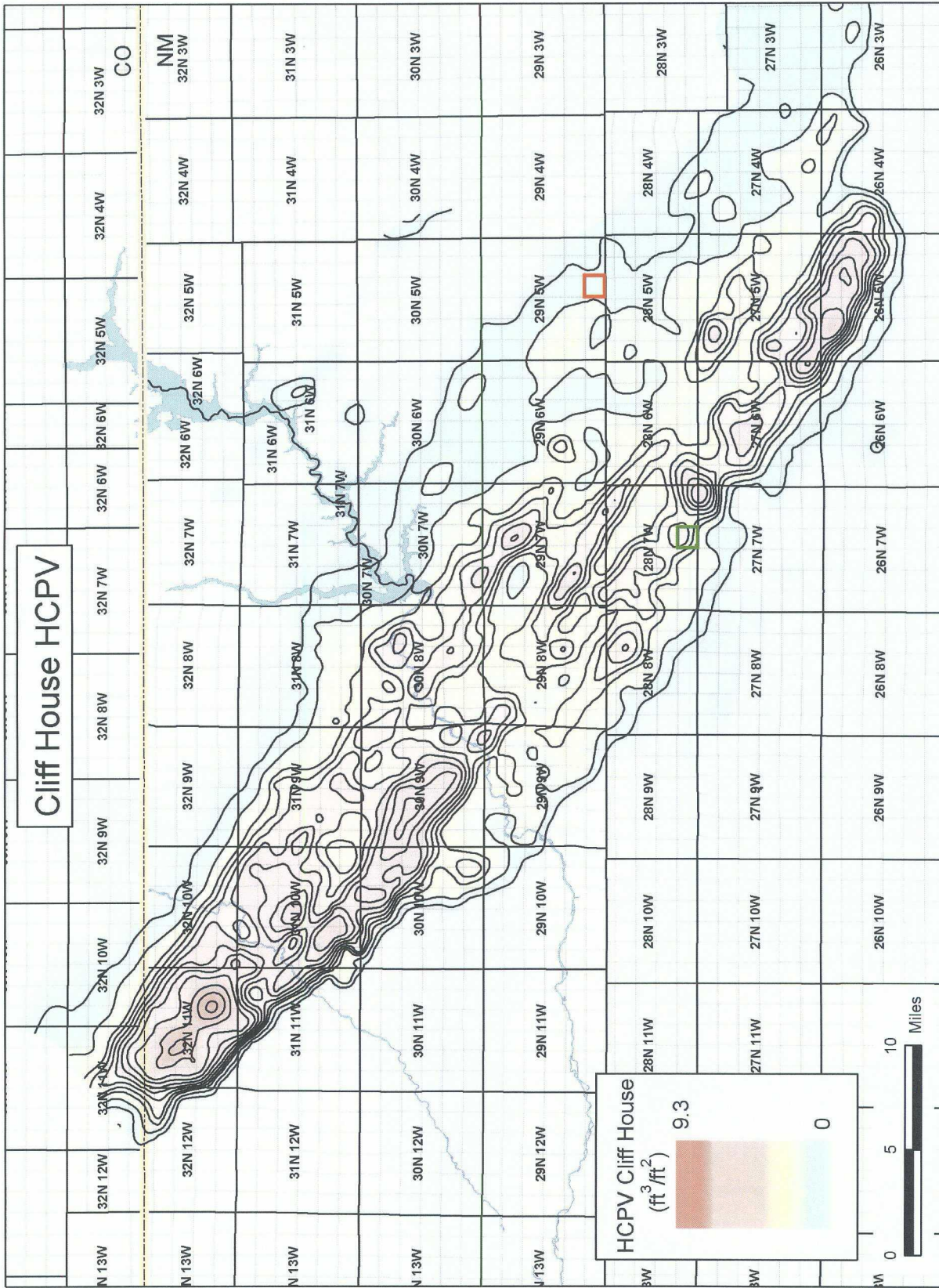
**Point
Lookout
Formation**

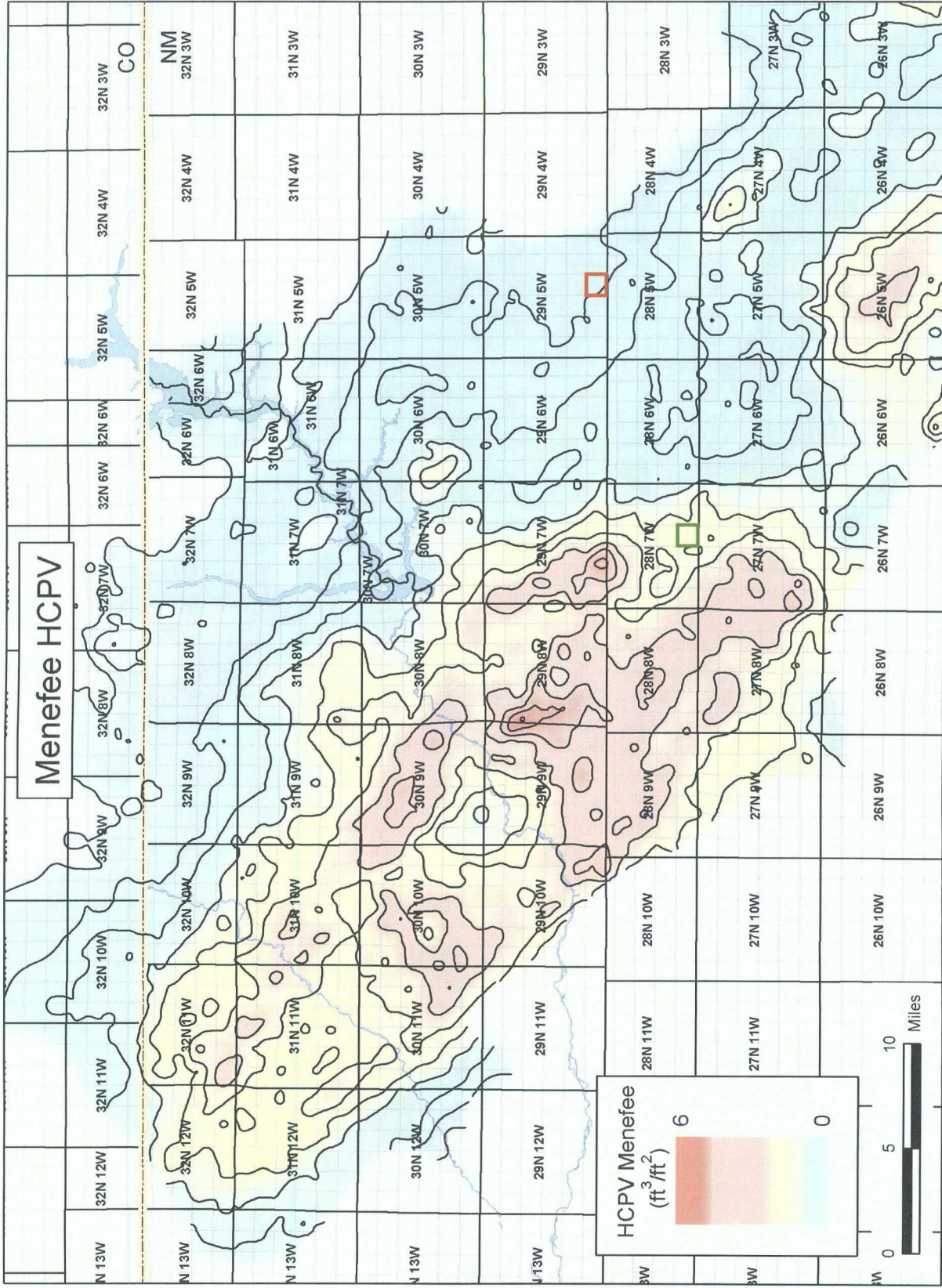
**Mesa Verde
Group**

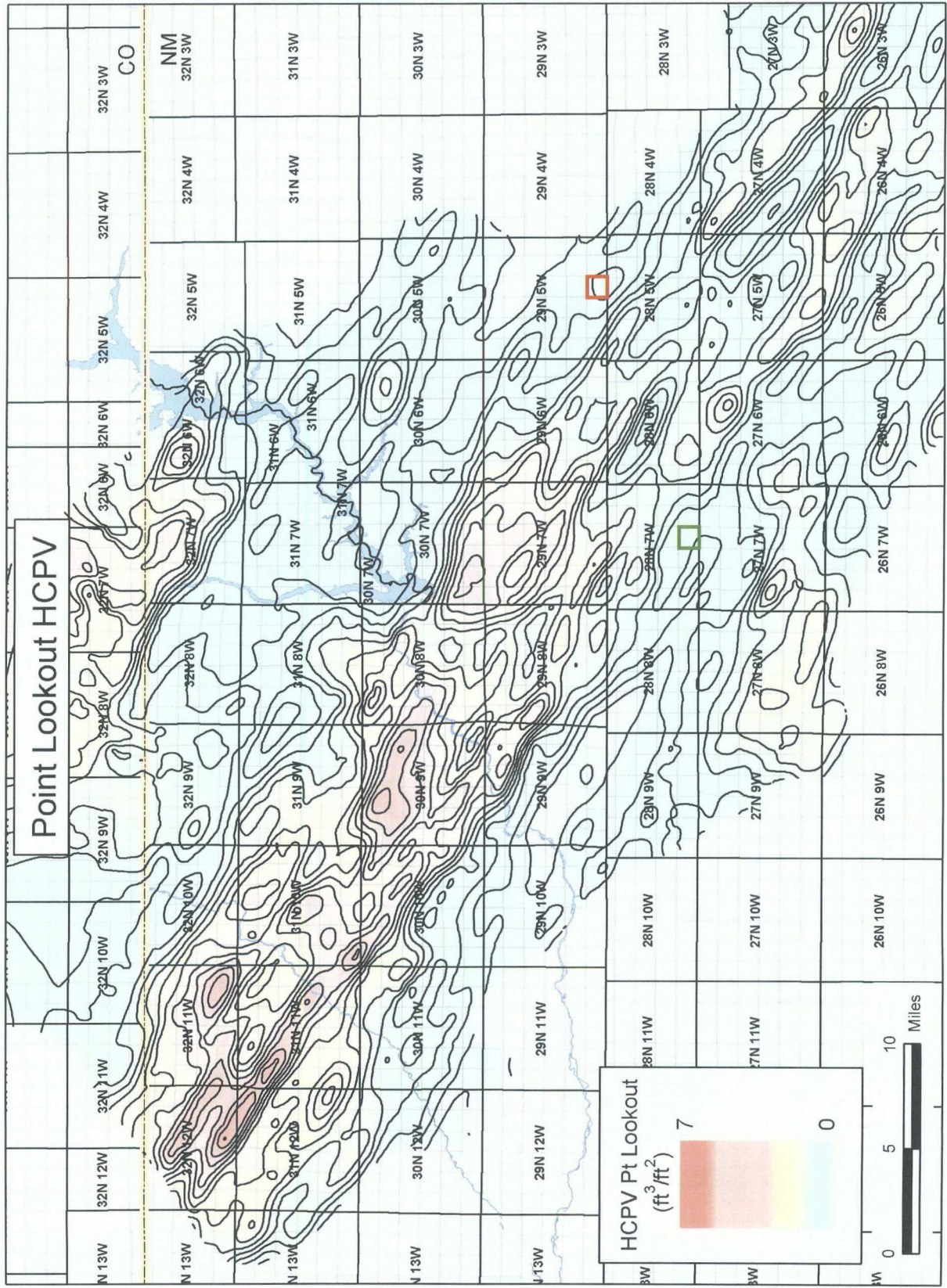




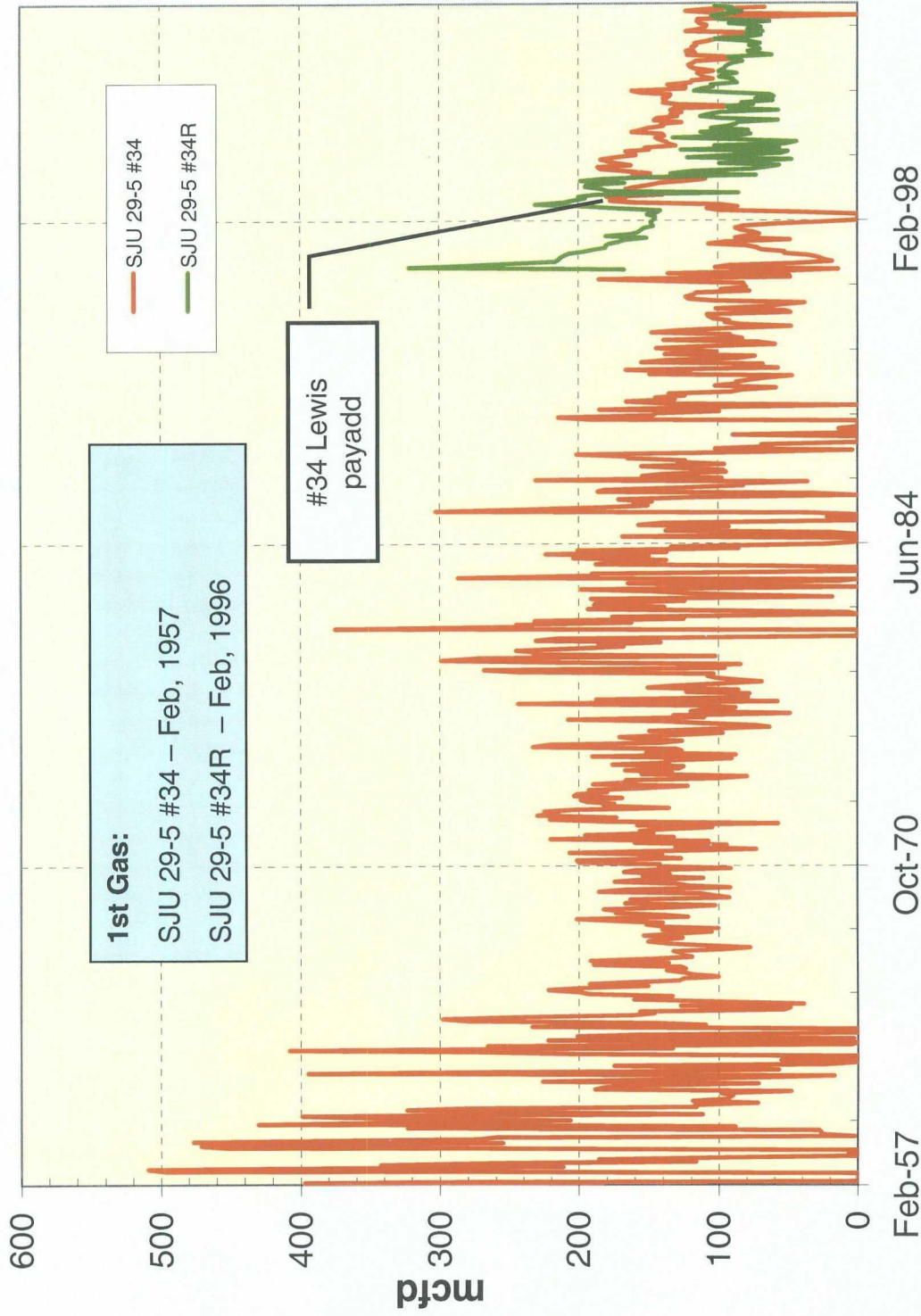




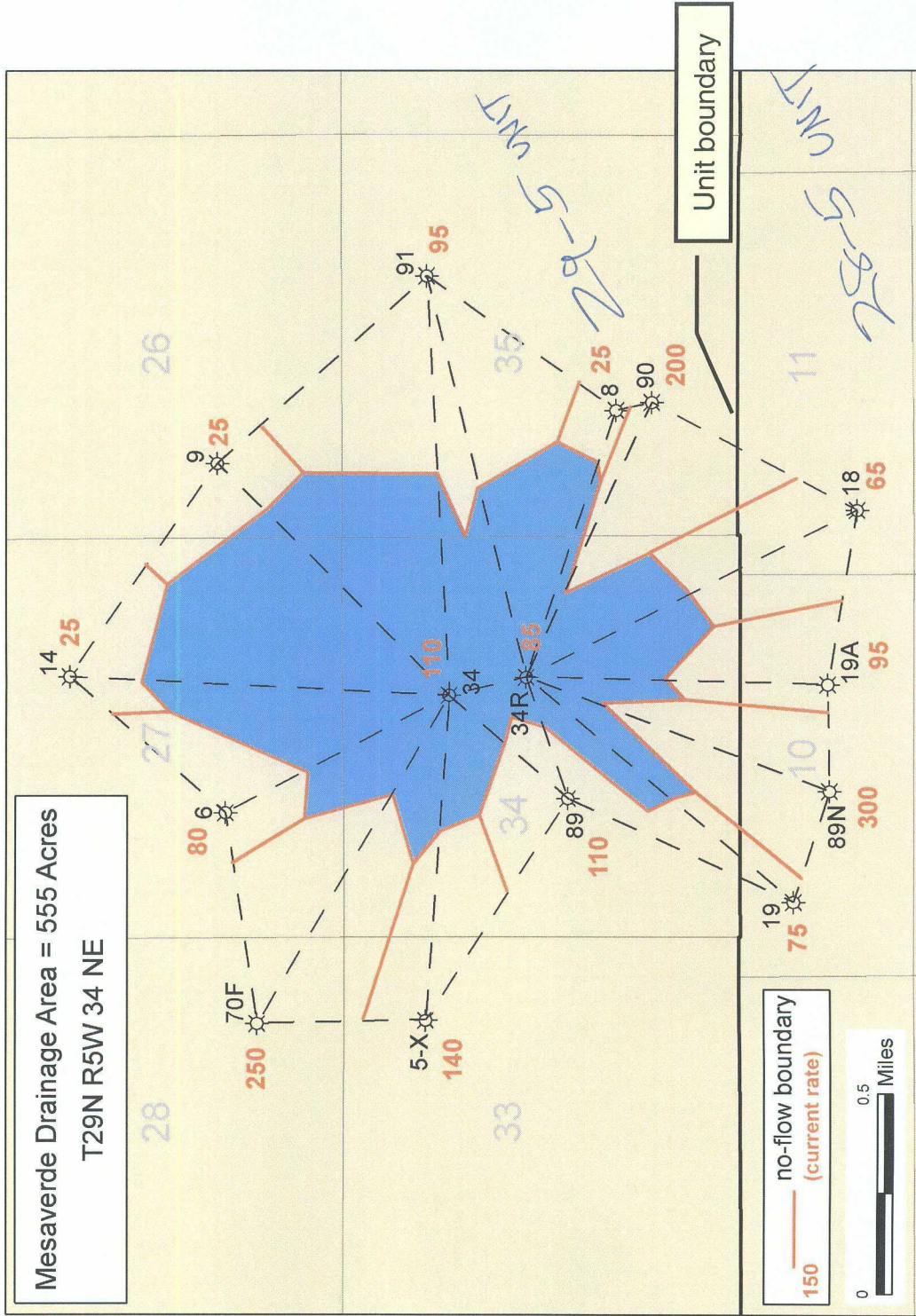




NE/4 S34 T29N-R5W Mesaverde

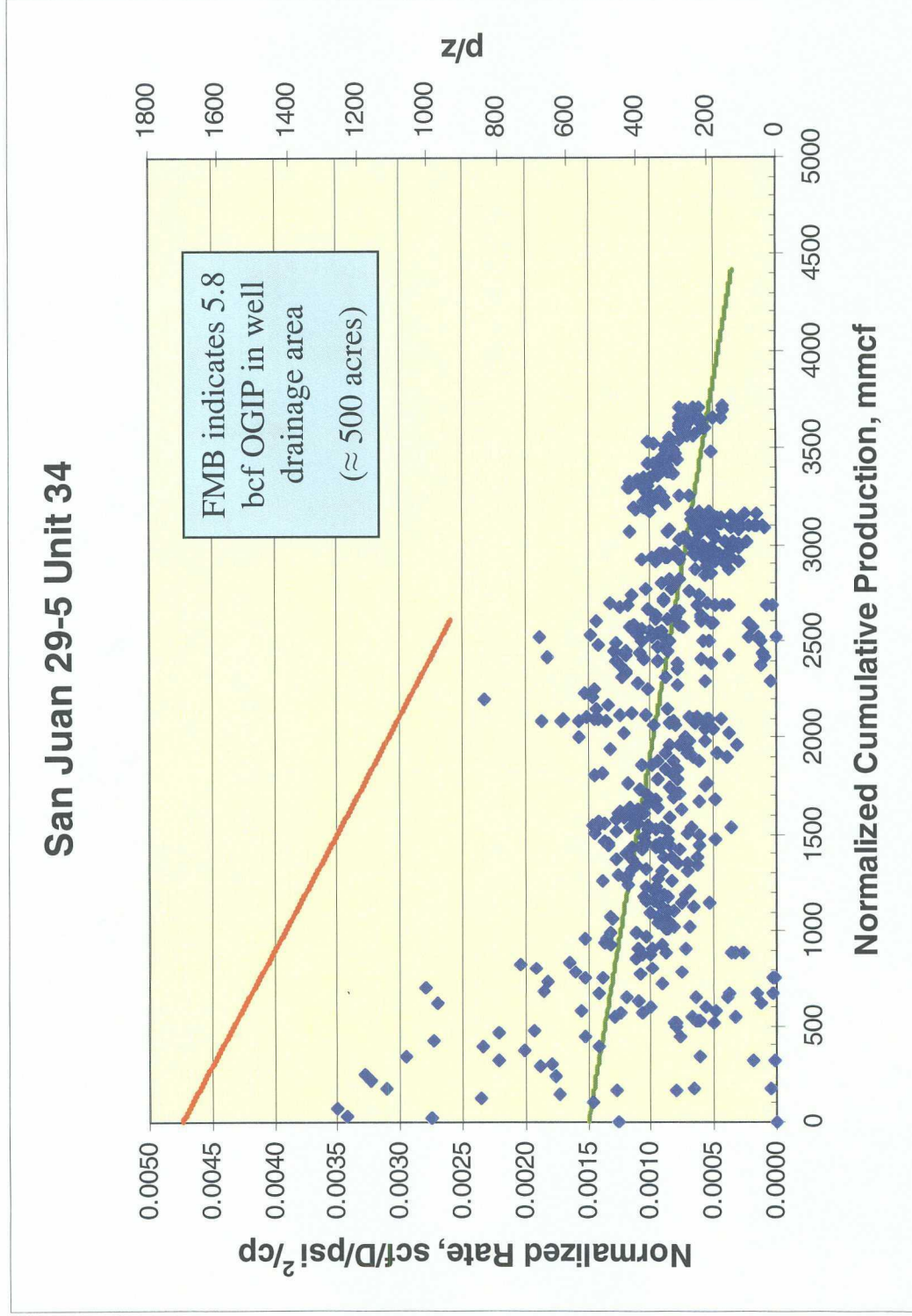


Drainage Area Map



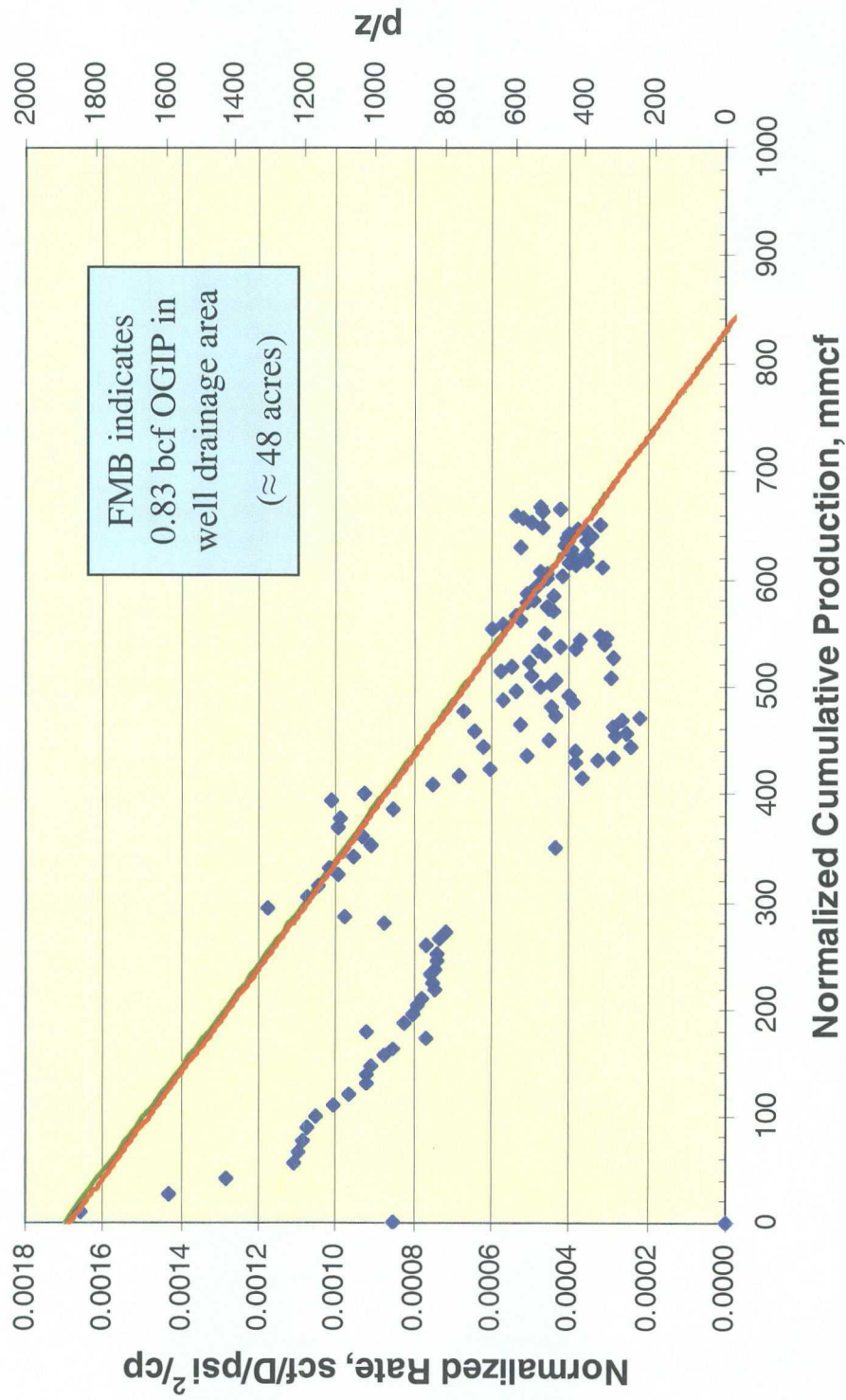
Flowing Material Balance

San Juan 29-5 Unit 34

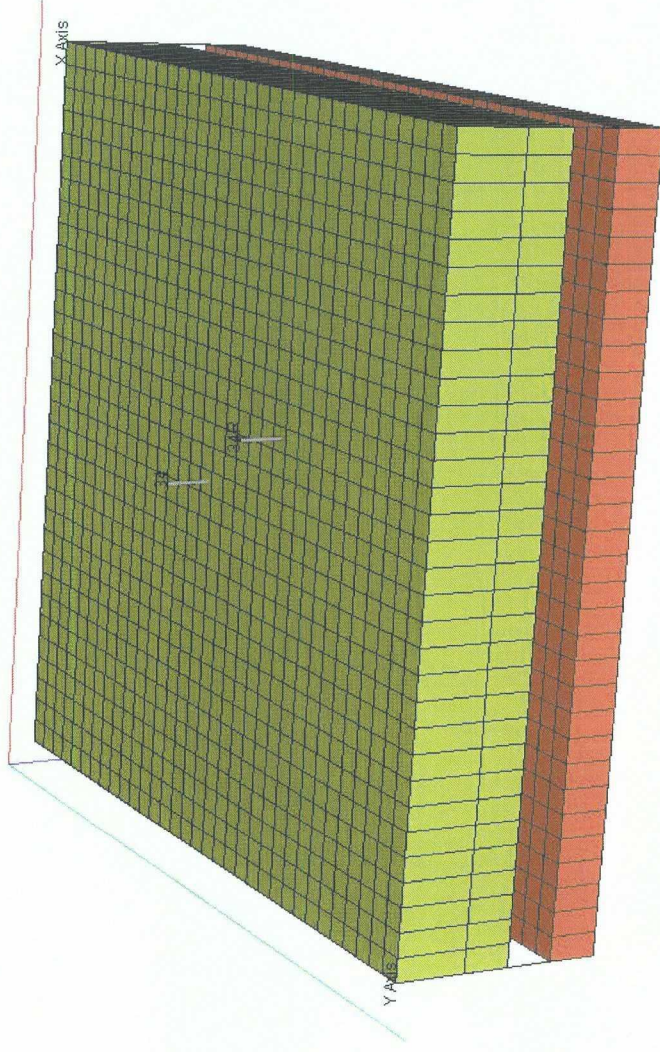


Flowing Material Balance

San Juan 29-5 Unit 34R



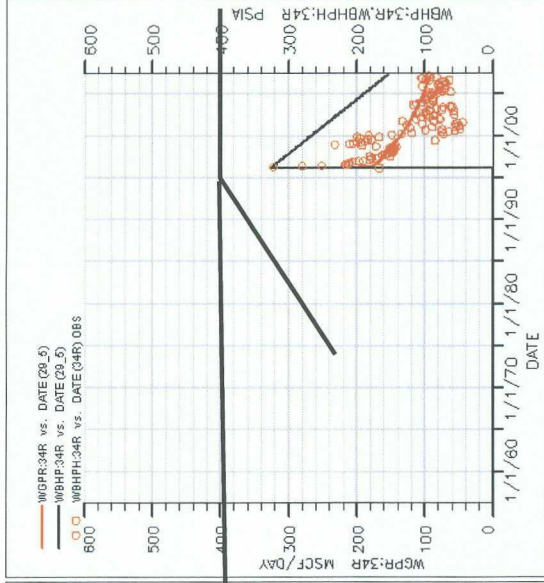
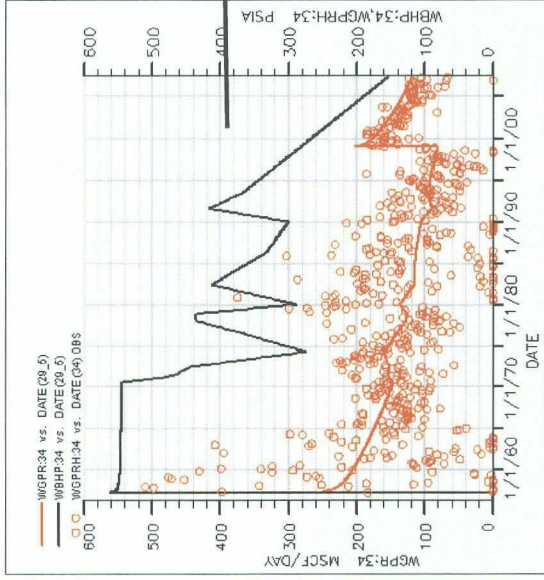
Numerical Simulation



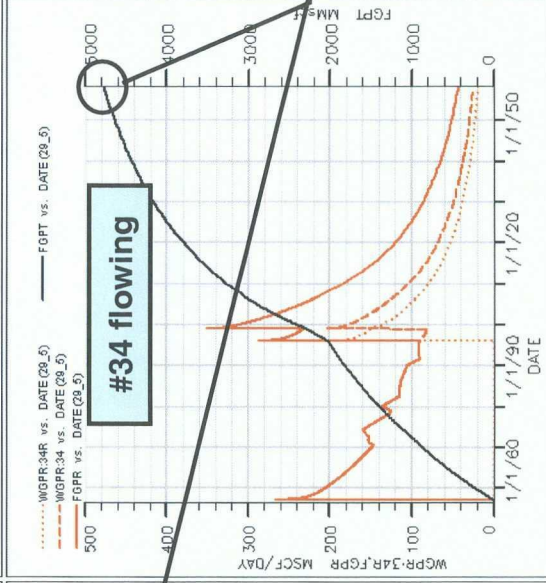
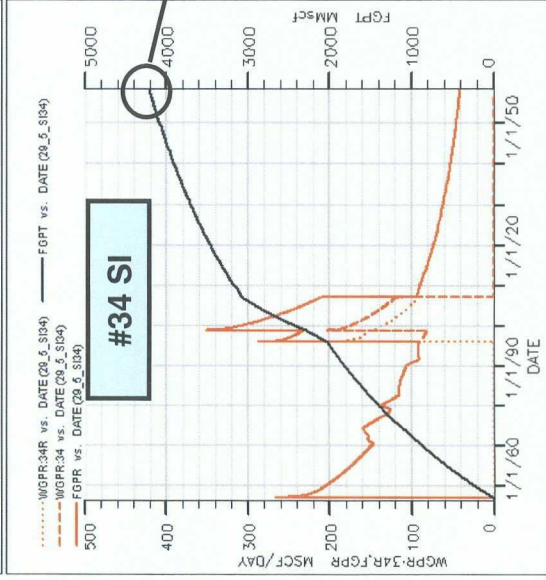
Pressure (PSIA)

- 3 layers (Lewis, Cliff House and Point Lookout)
- Same input as FMB analysis
- 545 acres
- Assume constant drainage area

Numerical Simulation

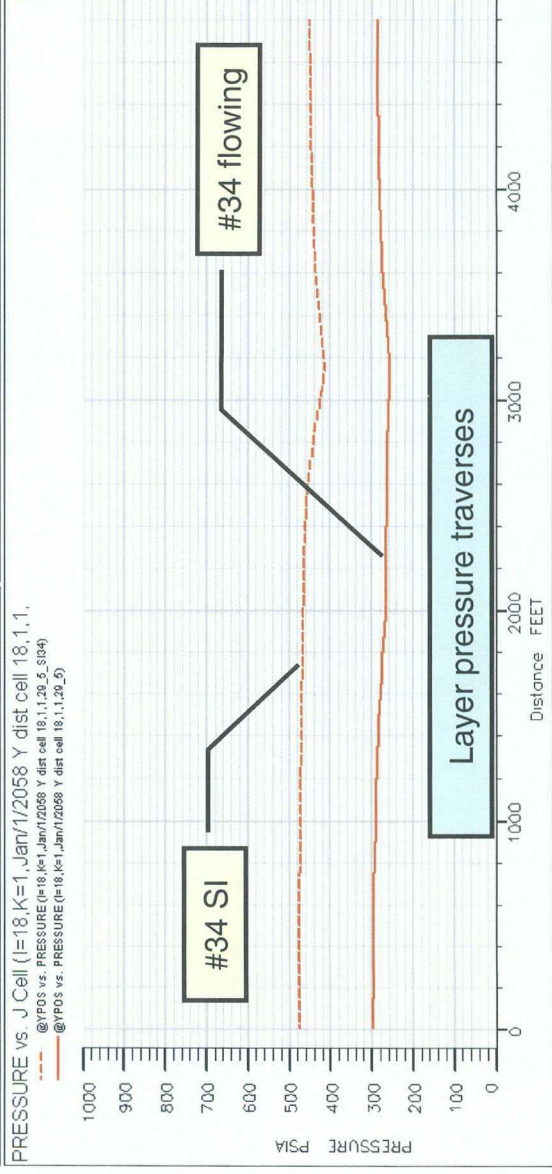
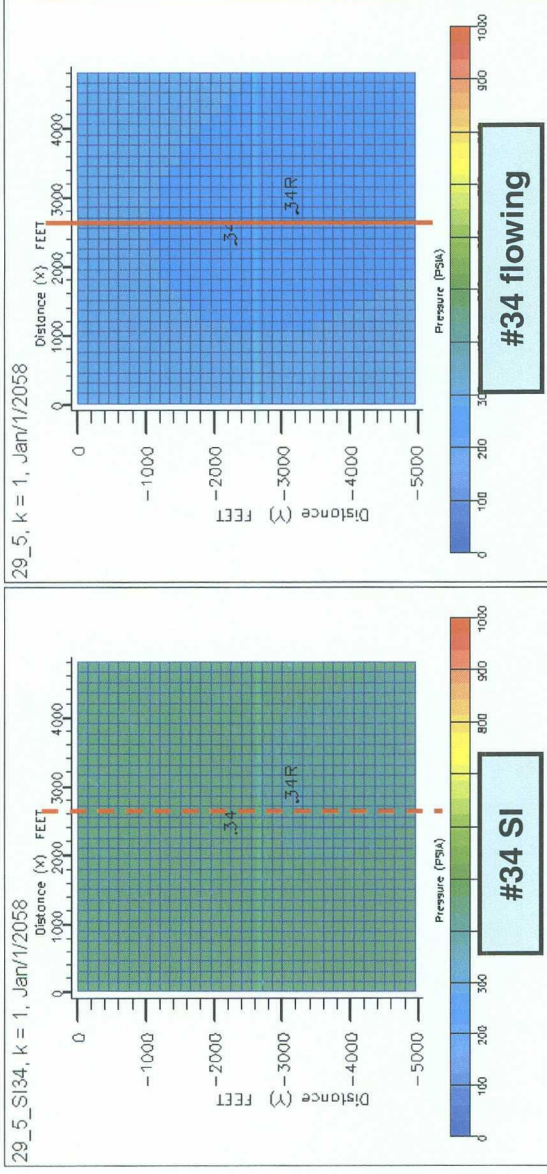


Wells are reasonably matched (on BHP control)

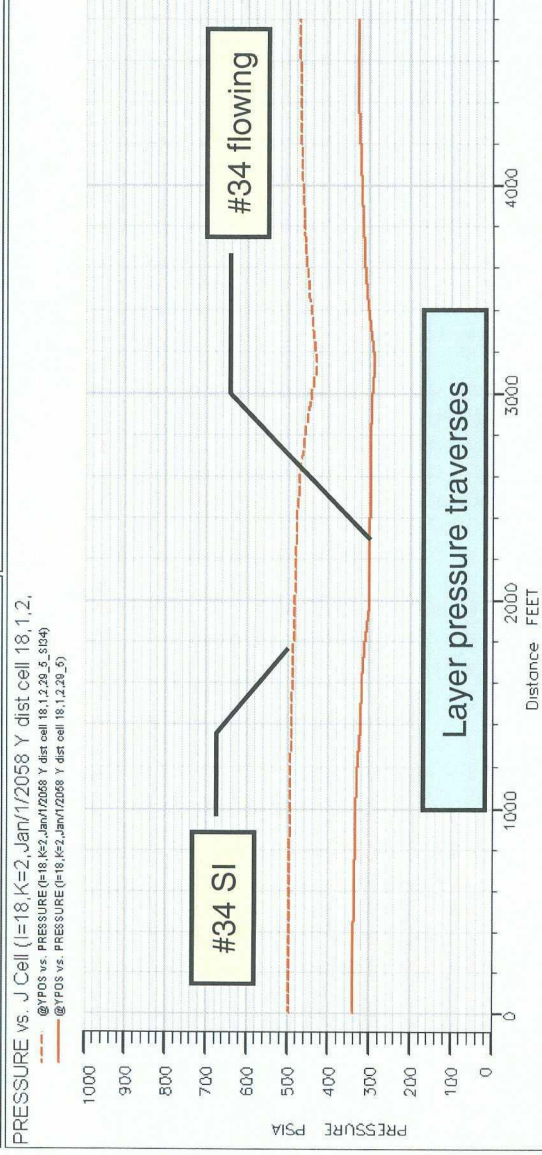
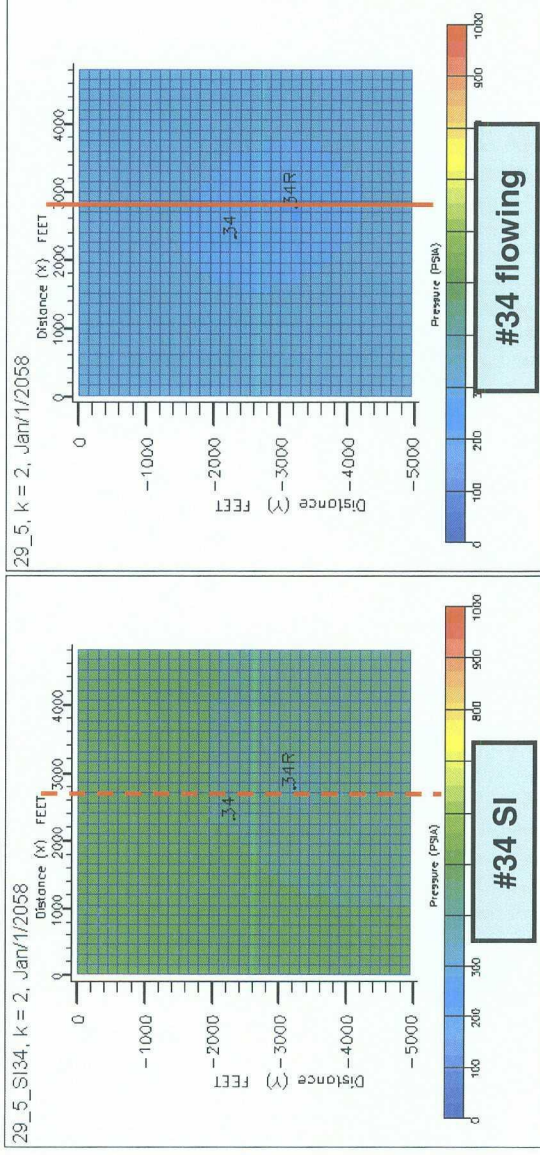


Incremental recovery

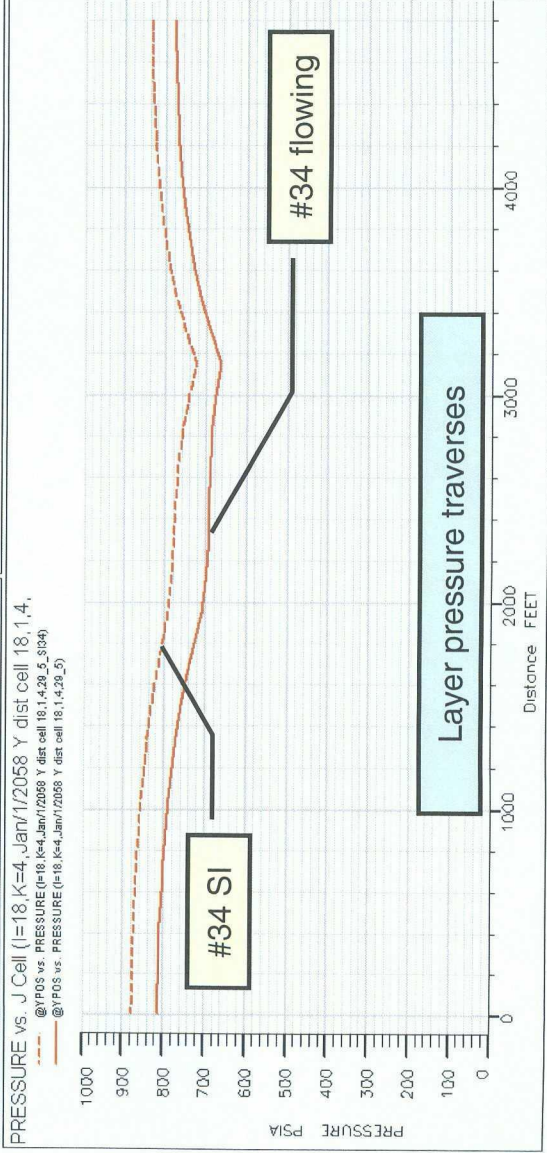
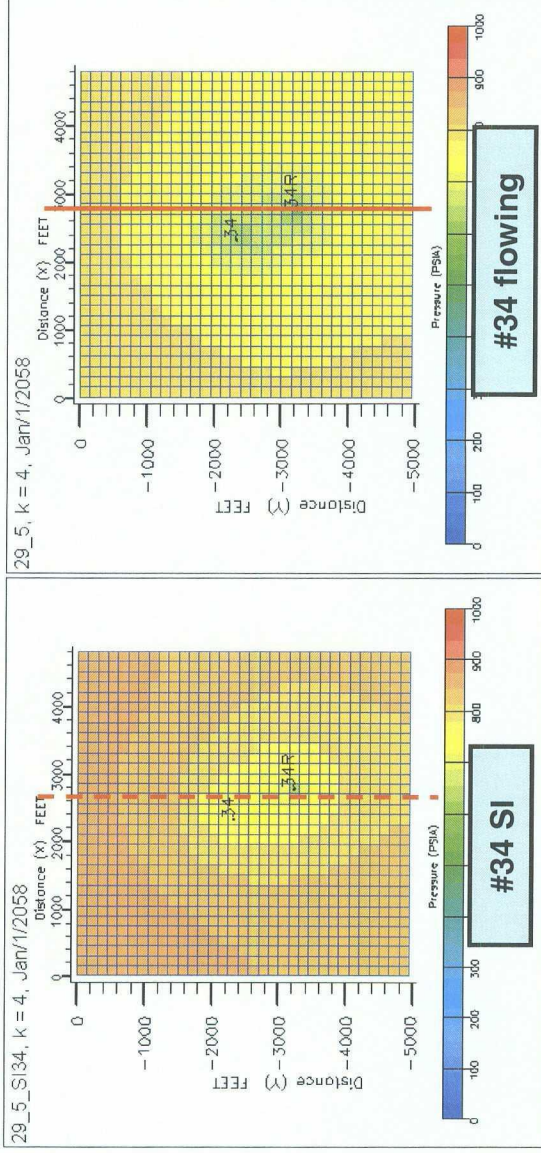
Lewis Layer Pressure 2058



Cliff House Layer Pressure 2058



Point Lookout Layer Pressure 2058



Conclusions/Recommendation

- +/- 550 acre drainage area confirmed through FMB and drainage area mapping
- No correlative rights issues within mapped drainage area
- Abandonment of San Juan 29 5 Unit 34 Mesaverde would result in a loss of reserves (estimate approximately 560 mmscf)
- Request waiver to produce San Juan 29 5 Unit 34