

SUMMARY and CONCLUSIONS

We have reviewed the following:

- Basic Completion Data
- 30 day Bottom Hole Pressure Build-up Results
- Production Trends for the Parent and Pilot Wells
- Estimated Ultimate Recovery (EUR) for the Parent and Pilot Wells
- Economics for the Pilot and Parent Wells.

The following conclusions were determined:

- The EUR for all 6 160 Ac Spacing Units was increased.
- 5 out of 6 PC Pilot wells would be economic at todays prices if the Pilots were completed as a pay-add to a deeper formation which is already producing such as Mesaverde or Dakota.
- The lowest initial Reservoir Pressure in a Pilot correlated with the lowest IP of 20 mcf/d and this was an uneconomic case.
- Four out of six Parent wells had their production profiles negatively impacted but the increase in Pilot production more than offset the loss.