

PICTURED CLIFFS

PICTURED CLIFFS FORMATION

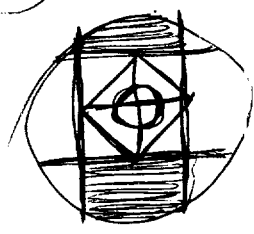
Pabd = 50 PSI, Zabd = 1

UNIT	INITIAL CONDITIONS				CURRENT CONDITIONS				AVERAGE		RESERVE INDEX	AVERAGE		AVERAGE REMAINING MMCF	AVERAGE	
	SIWHP PSI	SIBHP PSI	Z	P/Z PSI	SIWHP PSI	SIBHP PSI	Z	P/Z PSI	CUM MMCF	MMCF/PSI		EUR MMCF	MMCF		QI	MCF/D
SAN JUAN 29-7	1,046	1,148	0.85	1,344	605	655	0.94	697	76	0.12		152	76		238	
SAN JUAN 28-6	1,080	1,173	0.87	1,352	365	393	0.94	416	475	0.51		661	186		216	
SAN JUAN 28-5	1,062	1,143	0.88	1,297	659	714	0.93	768	57	0.11		133	77		136	
SAN JUAN 27-5	1,039	1,118	0.88	1,276	407	441	0.95	466	830	1.03		1,257	426		63	

4 most recent
551 to 98

10/3 05-10/11

10/3 05-10/11
Revised well
for 2011



PICTURED CLIFFS

OPERATING EXPENSES =\$480/MONTH

CAPITAL EXPENSES (M\$)

1. SINGLE COMPLETION:

	<u>TANGIBLE</u>	<u>INTANGIBLE</u>	<u>TOTAL</u>
DRILLING	\$19.80	\$99.10	\$118.90
COMPLETION	\$ 8.50	\$ 85.70	\$ 94.20
FACILITIES	\$85.10	\$ 0.00	\$ 85.10
TOTAL	\$113.40	\$184.80	\$298.20

2. DUAL COMPLETION:

	<u>TANGIBLE</u>	<u>INTANGIBLE</u>	<u>TOTAL</u>
DRILLING	\$17.70	\$51.60	\$69.30
COMPLETION	\$ 8.40	\$85.70	\$94.10
FACILITIES	\$87.40	\$ 0.00	\$87.40
TOTAL	\$113.50	\$137.30	\$250.80

3. COMMINGLED COMPLETION:

	<u>TANGIBLE</u>	<u>INTANGIBLE</u>	<u>TOTAL</u>
DRILLING	\$ 9.90	\$49.60	\$59.50
COMPLETION	\$ 8.40	\$85.70	\$94.10
FACILITIES	\$55.10	\$ 0.00	\$75.80
TOTAL	\$73.40	\$135.30	\$208.70

PICTURED CLIFFS ECONOMIC LIMITS

20% AFIT

