

PICTURED CLIFFS

PICTURED CLIFFS FORMATION

Pabd = 50 PSI, Zabd = 1

UNIT	INITIAL CONDITIONS				CURRENT CONDITIONS				AVERAGE CUM MMCF	RESERVE INDEX MMCF/PSI	AVERAGE EUR MMCF	AVERAGE REMAINING MMCF	AVERAGE Qi MCF/D
	SIWHP PSI	SIBHP PSI	Z	P/Z PSI	SIWHP PSI	SIBHP PSI	Z	P/Z PSI					
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

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

