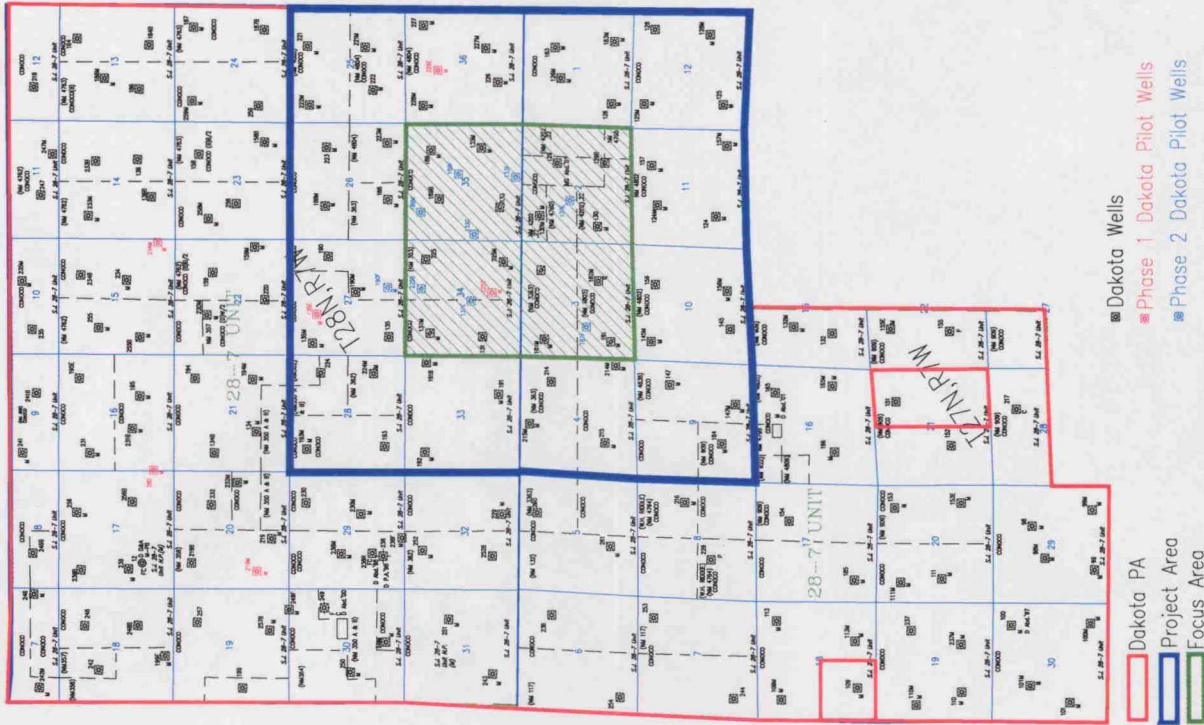


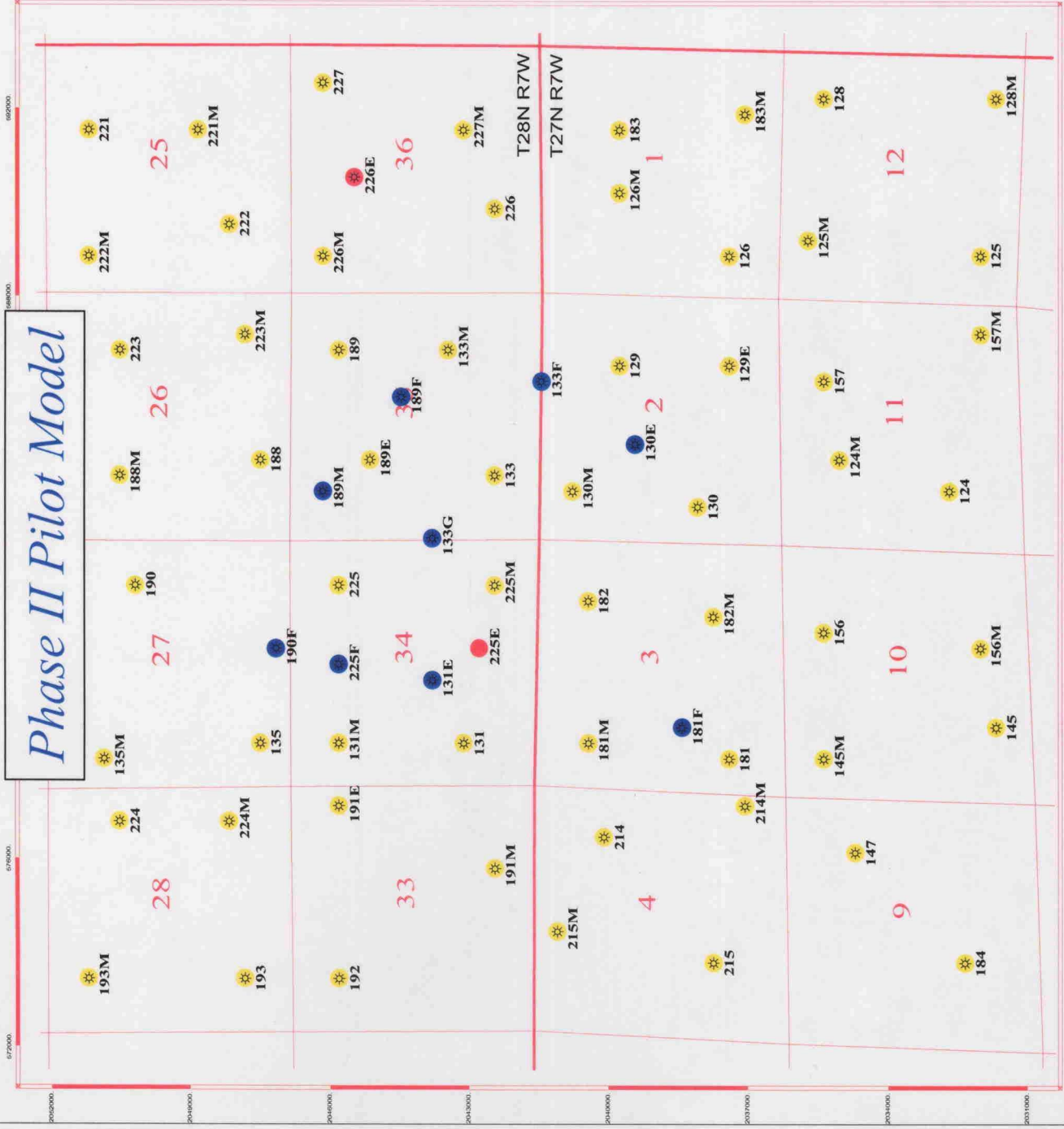
SAN JUAN 28-7 UNIT



- Includes parts of 54 sections in 28N 7W & 27N 7W
- 201 active Dakota producers
- 16 80-acre pilot wells
- All 320-acre Dakota locations are drilled
- 5 open 160-acre Dakota locations
- Phase II model includes 16 sections centered around pilot well #225E

Phase II Pilot Model

- Phase I Wells
- Phase II Wells
- 160/320 Wells



Model Parameters

- The reservoir description in the Phase II model is based on core, openhole log, zonal pressure, and performance data from the San Juan 28-7 Unit #225E.
 - 64 x 64 x 3 grid covering 16 sections
 - Initial pressure of 3184 psi at 7220 feet
 - Average of 17.2 Bcf/Section in 4 interior sections

Reservoir Parameters

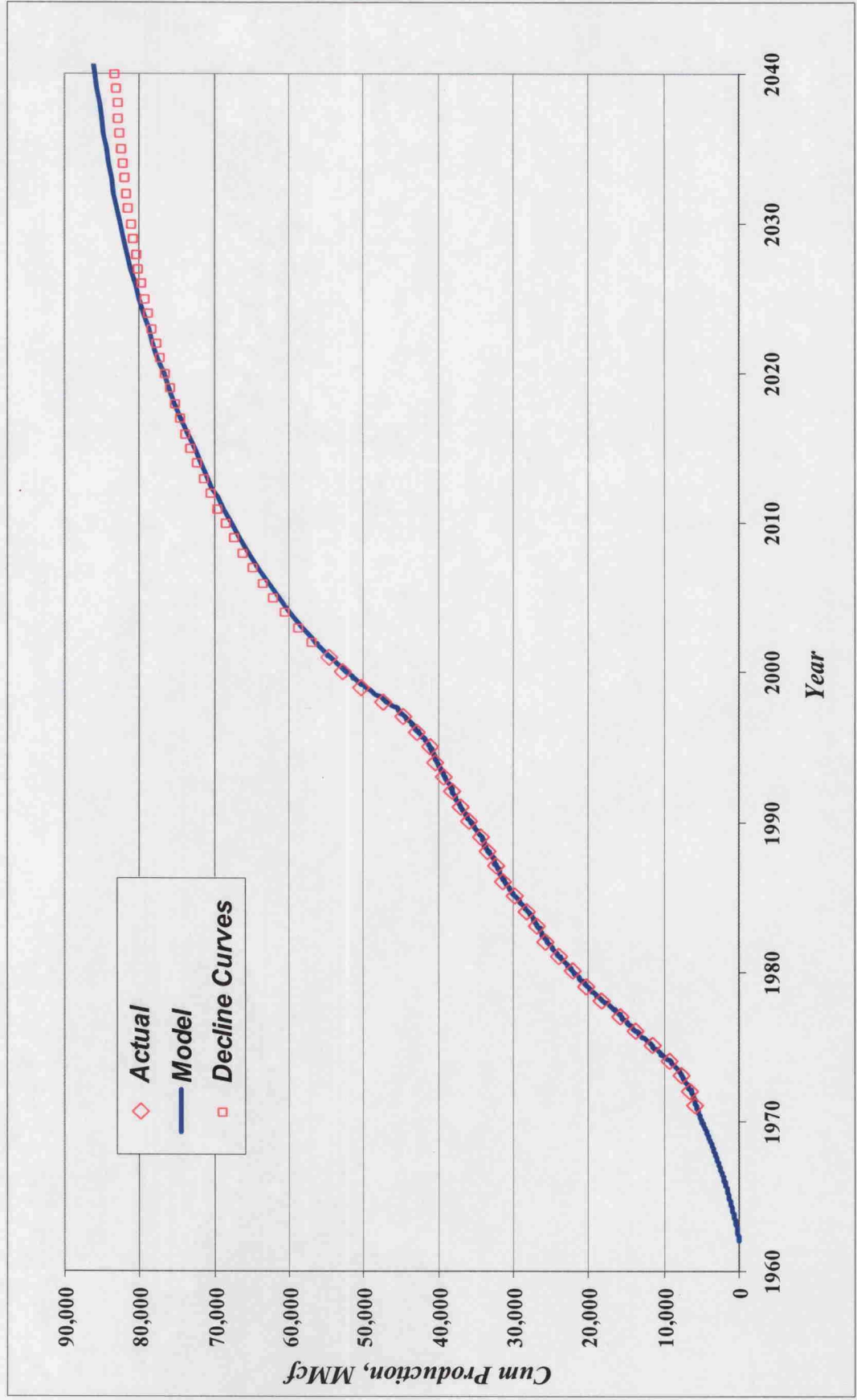
	Two Wells	Cubero	L. Cubero
Permeability (md)	0.0140	0.0105	0.0018
Net Thickness (ft)	28.7	20.5	31.3
Porosity	0.08	0.08	0.08
Water Saturation	0.35	0.35	0.35

Calibration Methodology

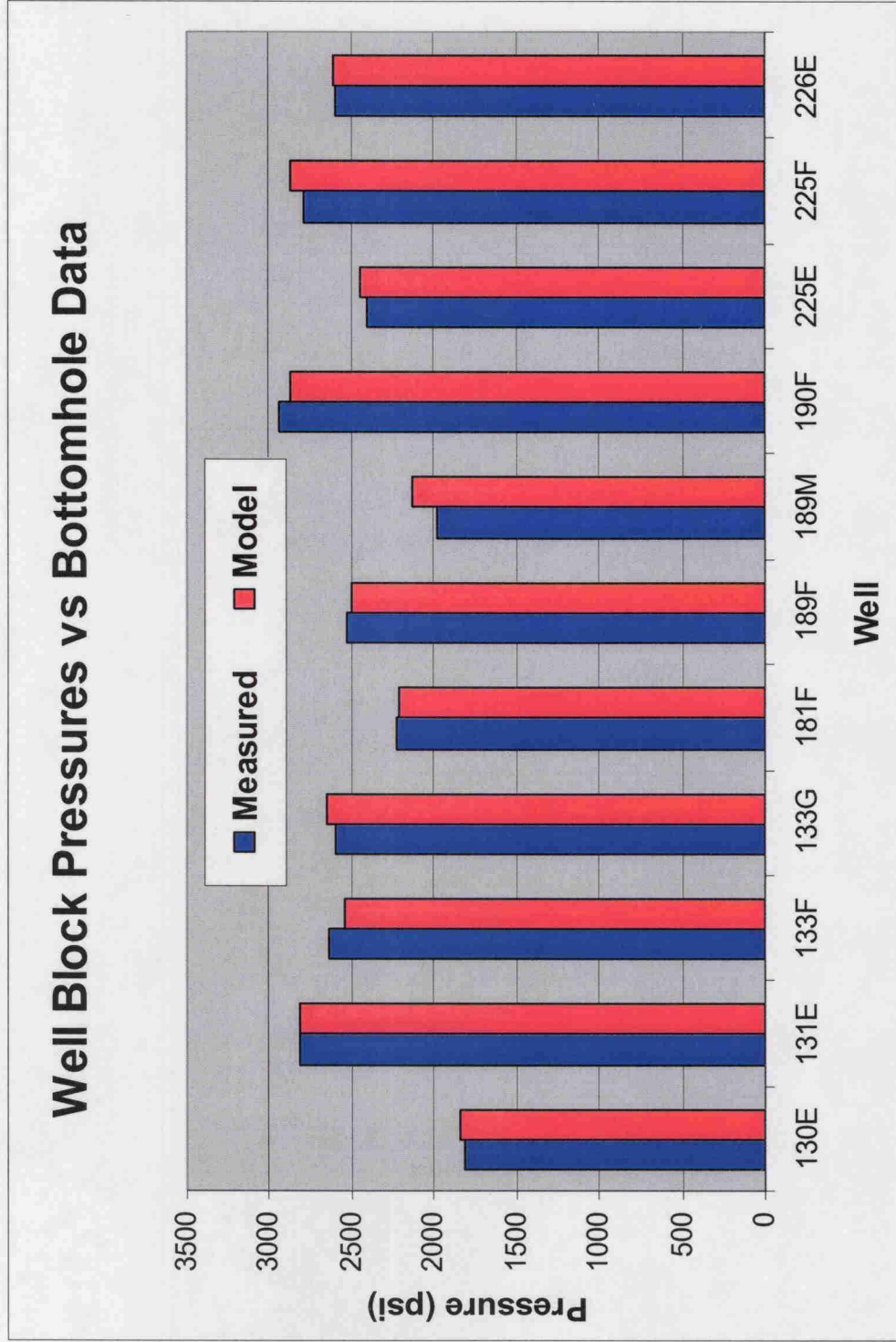
- Withdraw historical monthly volumes from the existing producers.
- Adjust pore volume, permeability, and inter-block transmissibilities to match pilot pressure data.
- Compare model and decline curve recoveries to validate the match.
- Predict 80-acre well performance with the calibrated model.

Model Recovery versus Decline Curve Recovery

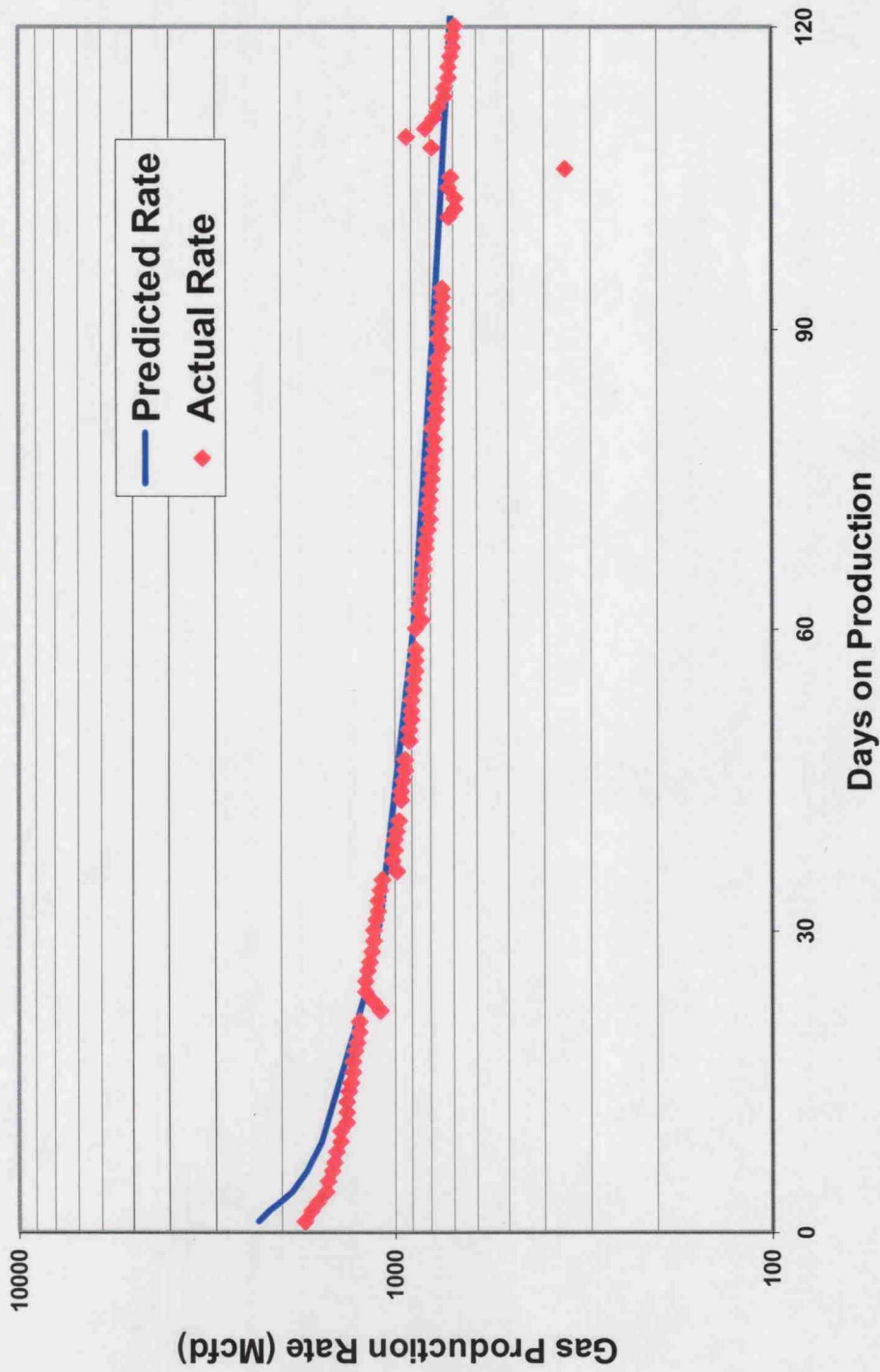
Existing 160/320-acre Wells



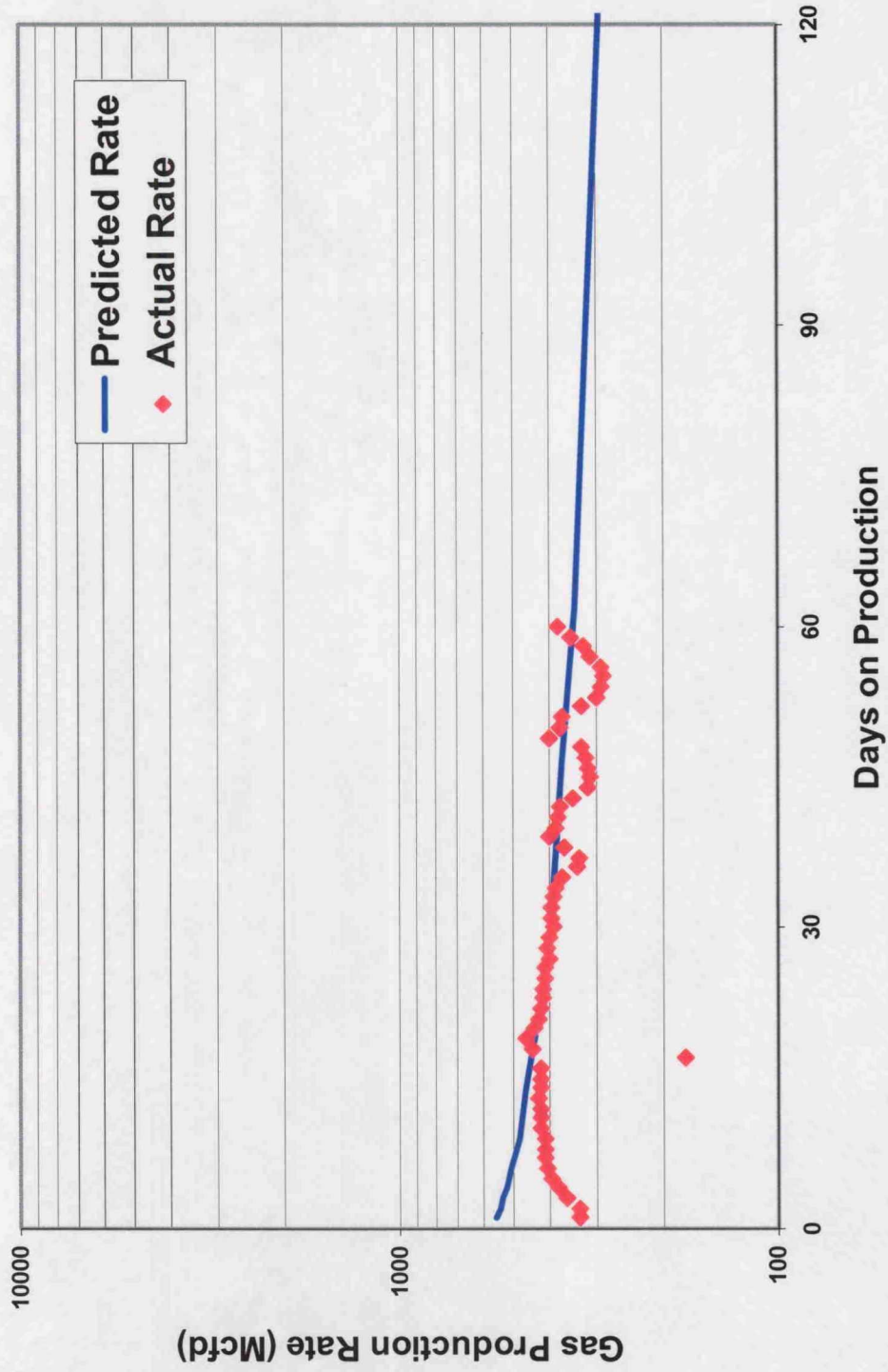
Model Pressure Match



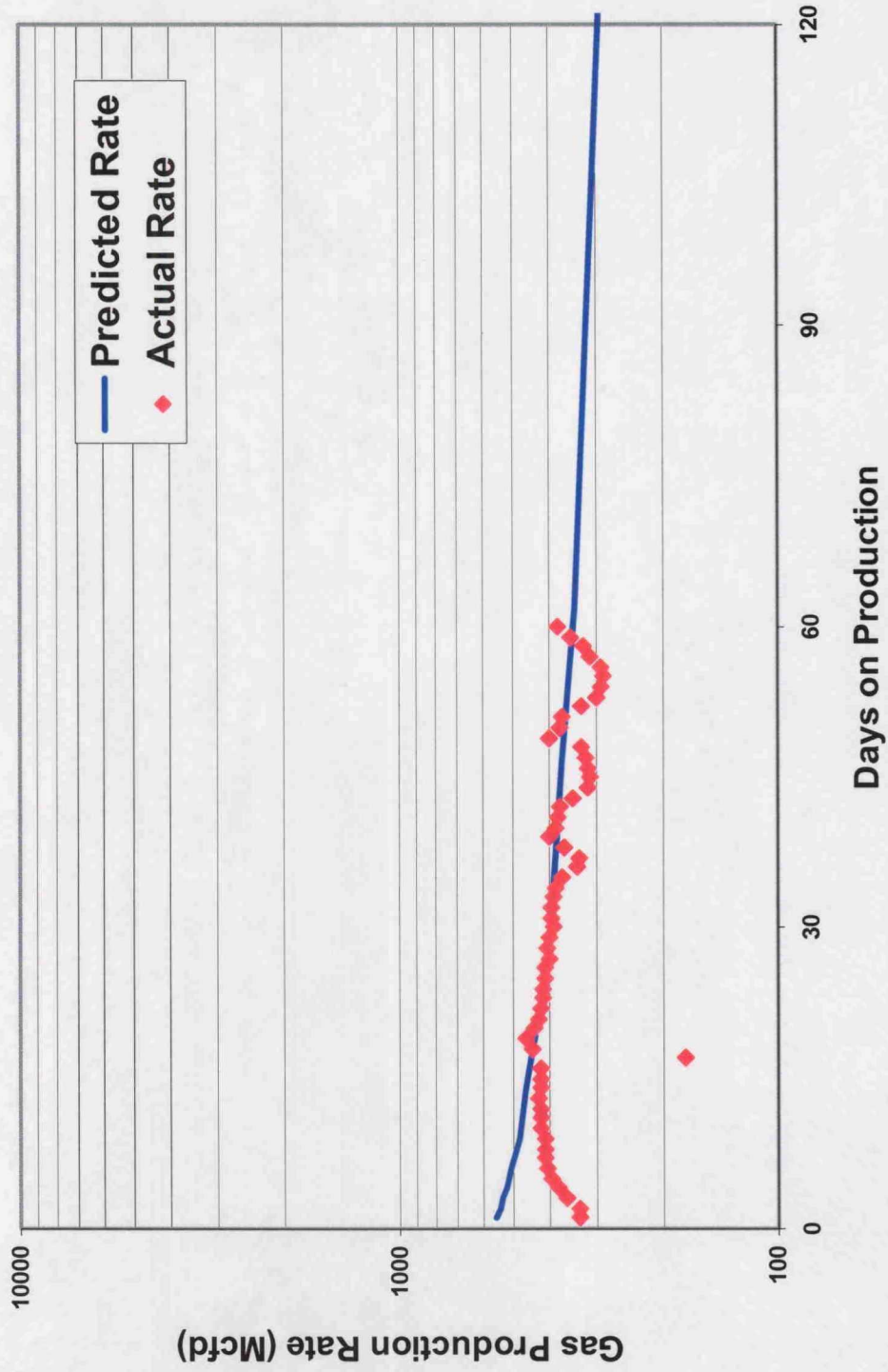
San Juan 28-7 Dakota Pilot Production Match of Well #225E



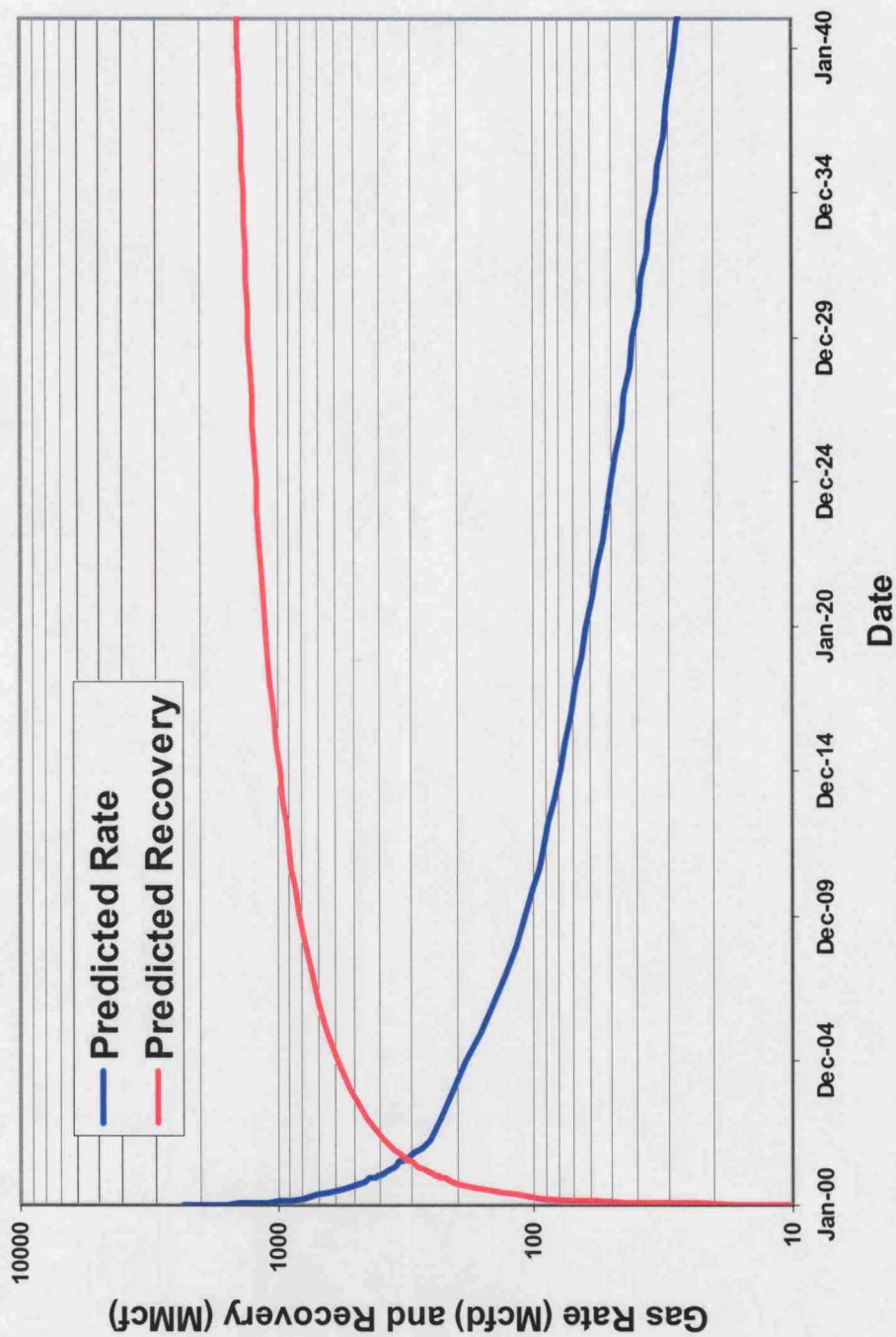
San Juan 28-7 Dakota Pilot Production Match of Well #130E



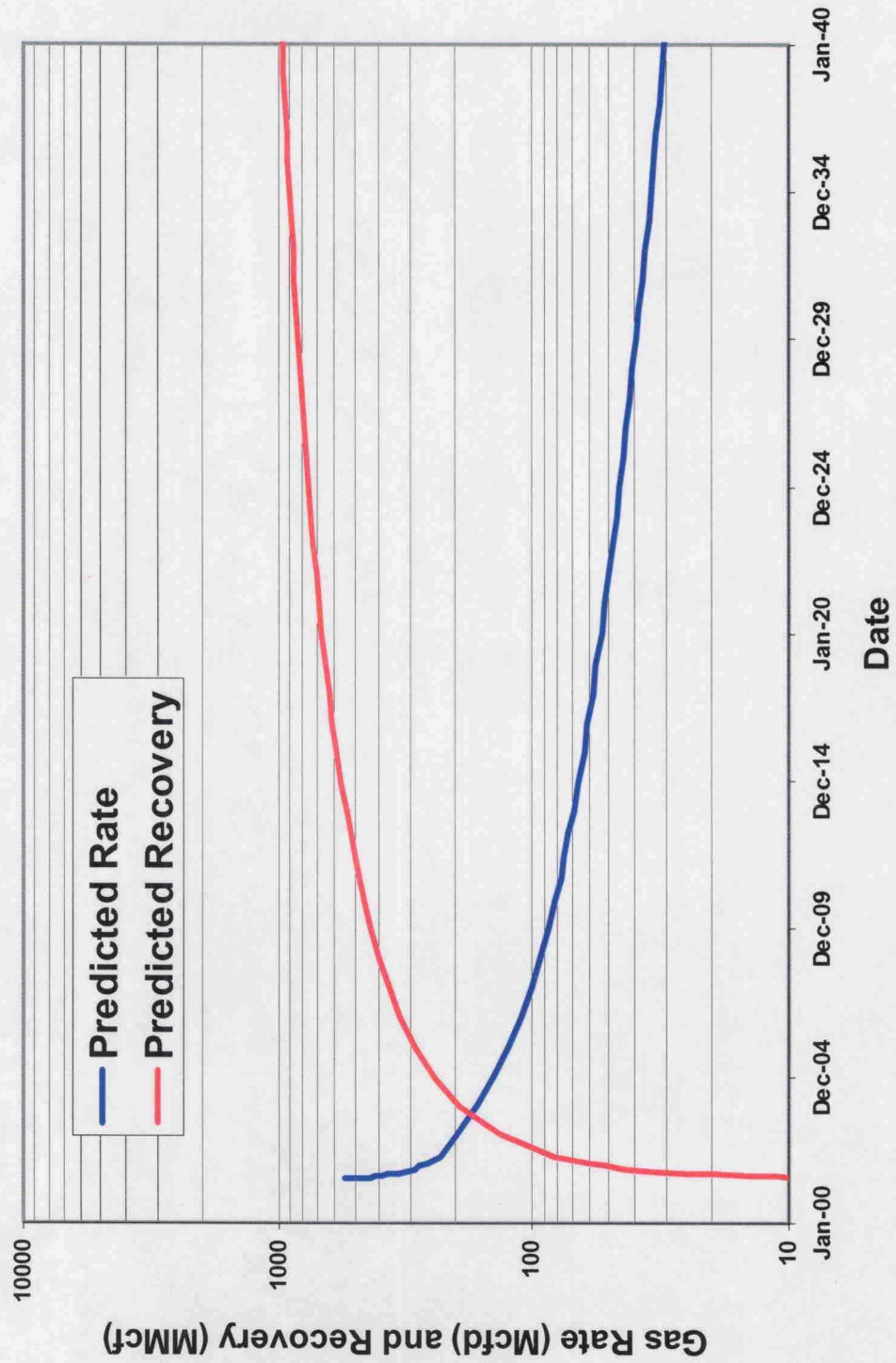
San Juan 28-7 Dakota Pilot Production Match of Well #130E



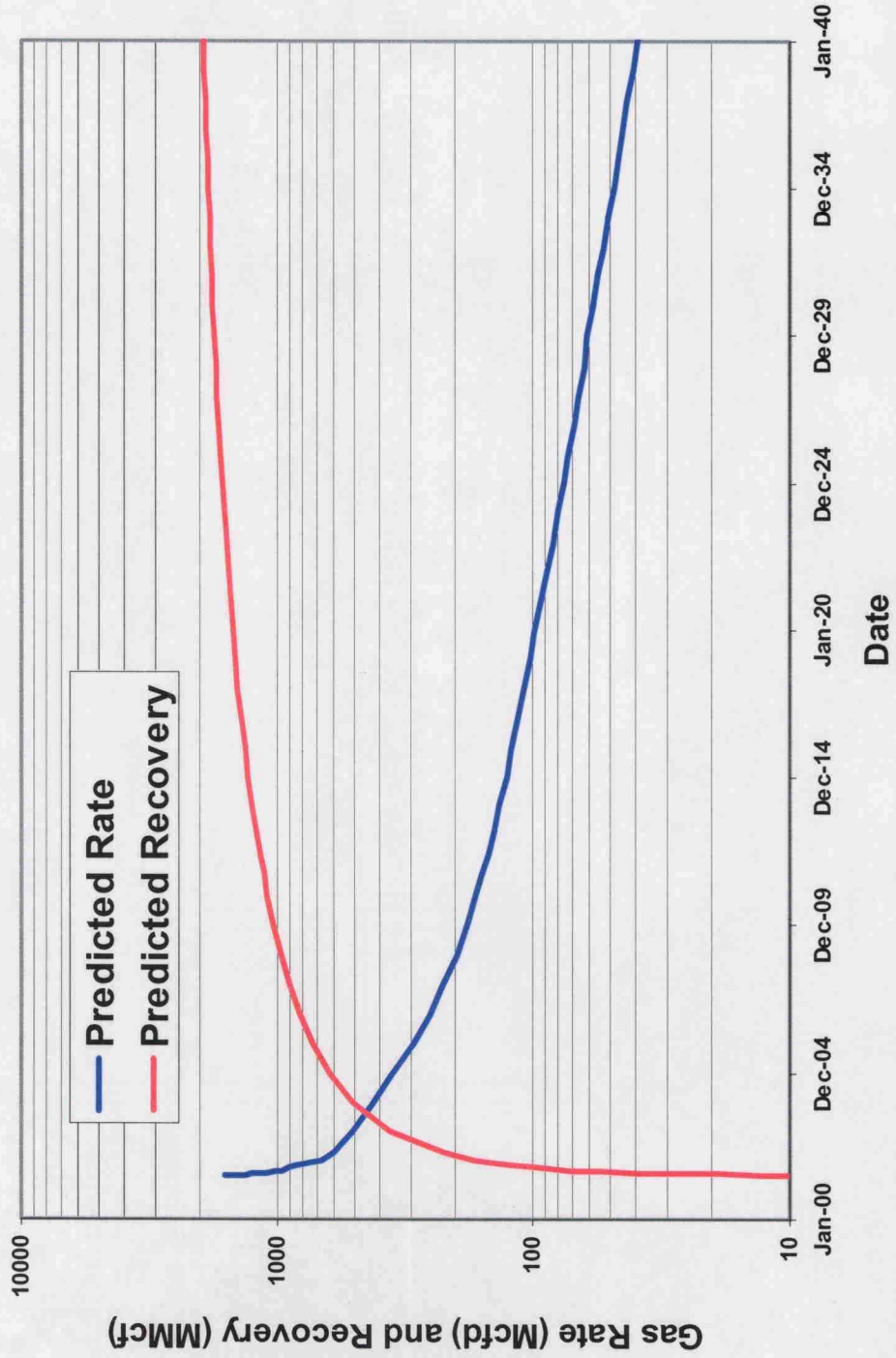
San Juan 28-7 Dakota Pilot Production Forecast for Well #225E



San Juan 28-7 Dakota Pikot Production Forecast for Well #130E



San Juan 28-7 Dakota Pilot Production Forecast for Well #225F



Pilot Well Recovery Forecasts

January 2040

