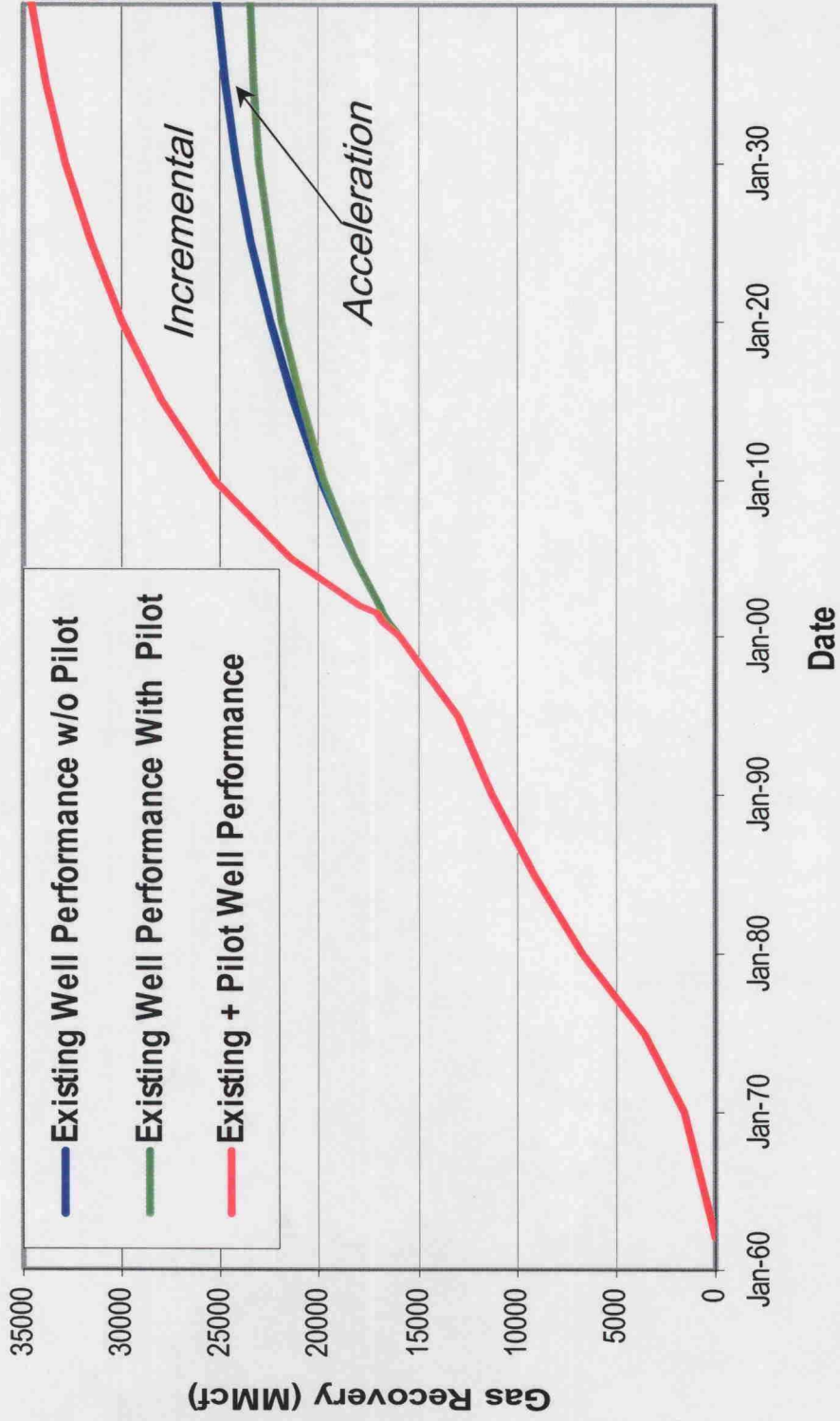


San Juan 28-7 Dakota Pilot

Recovery vs Time / Sections 34, 35, 2, 3

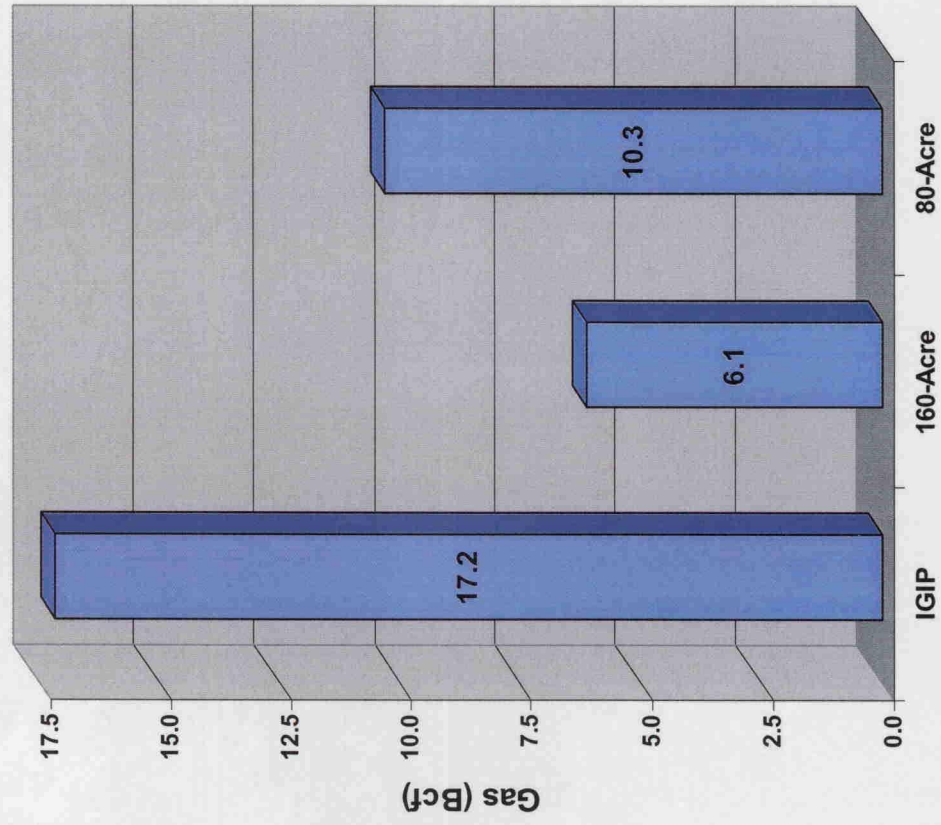


San Juan 28-7 Unit

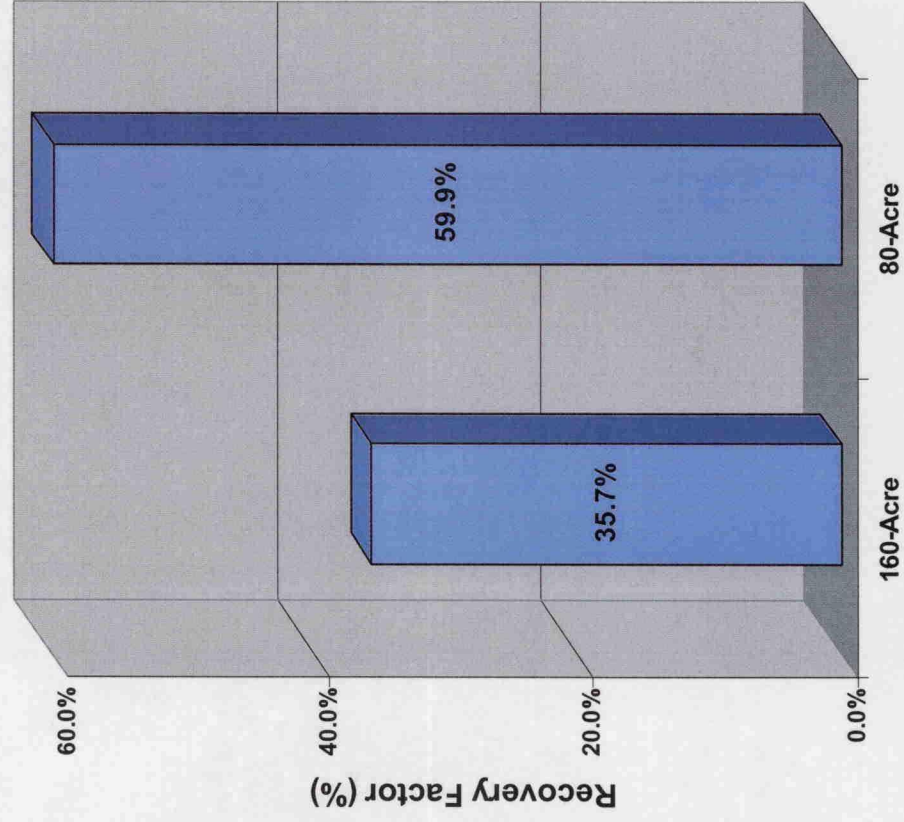
Average 80-Acre Well Performance

- 1.25 Bcf total recovery
- 1.05 Bcf incremental reserves (84%)
- 0.2 Bcf accelerated reserves (16%)

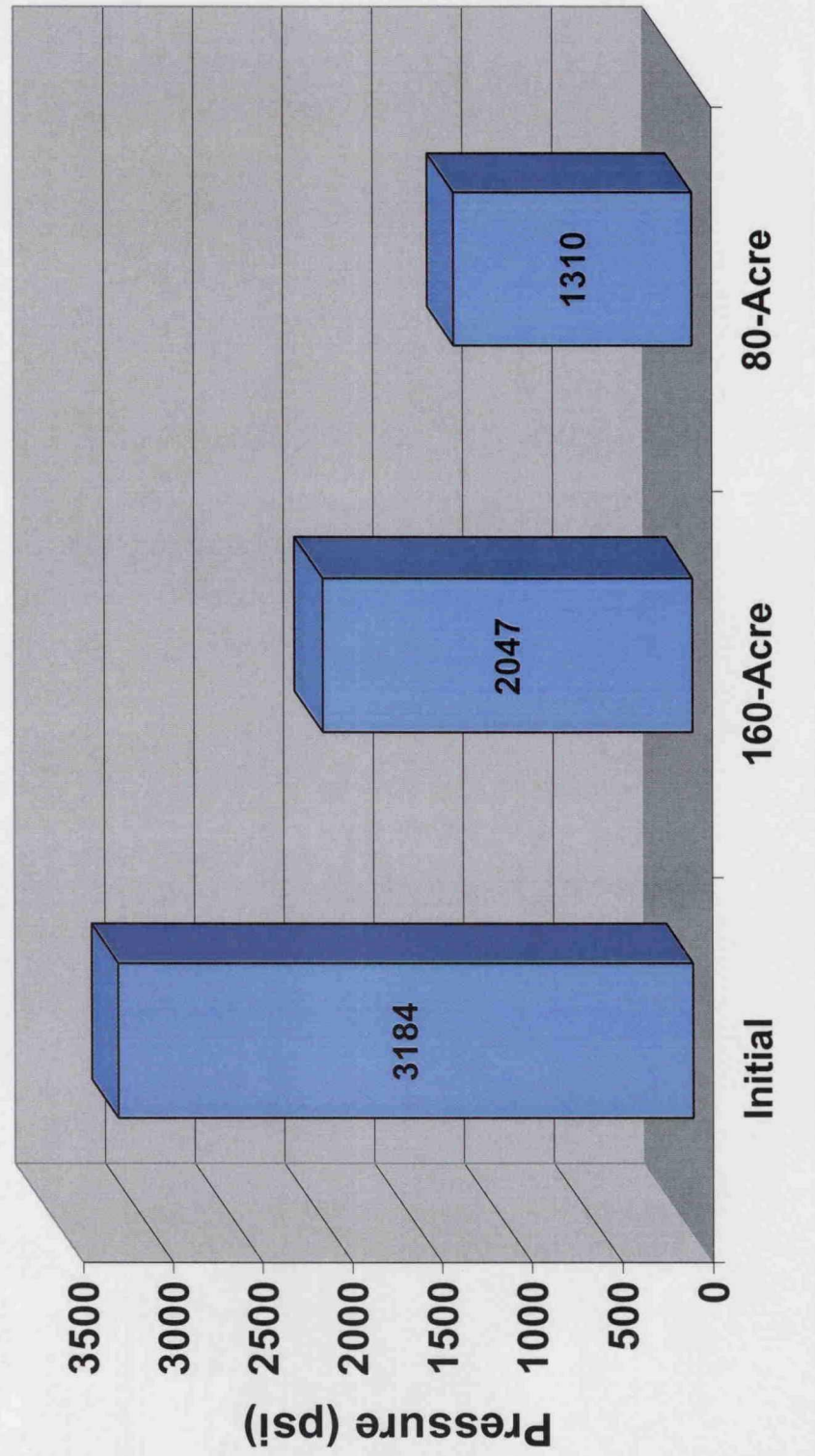
San Juan 28-7 Dakota Pilot
Per Section Gas Recovery



San Juan 28-7 Dakota Pilot
Gas Recovery Factor



San Juan 28-7 Dakota Pilot Dakota Abandonment Pressure



San Juan 28-7 Unit

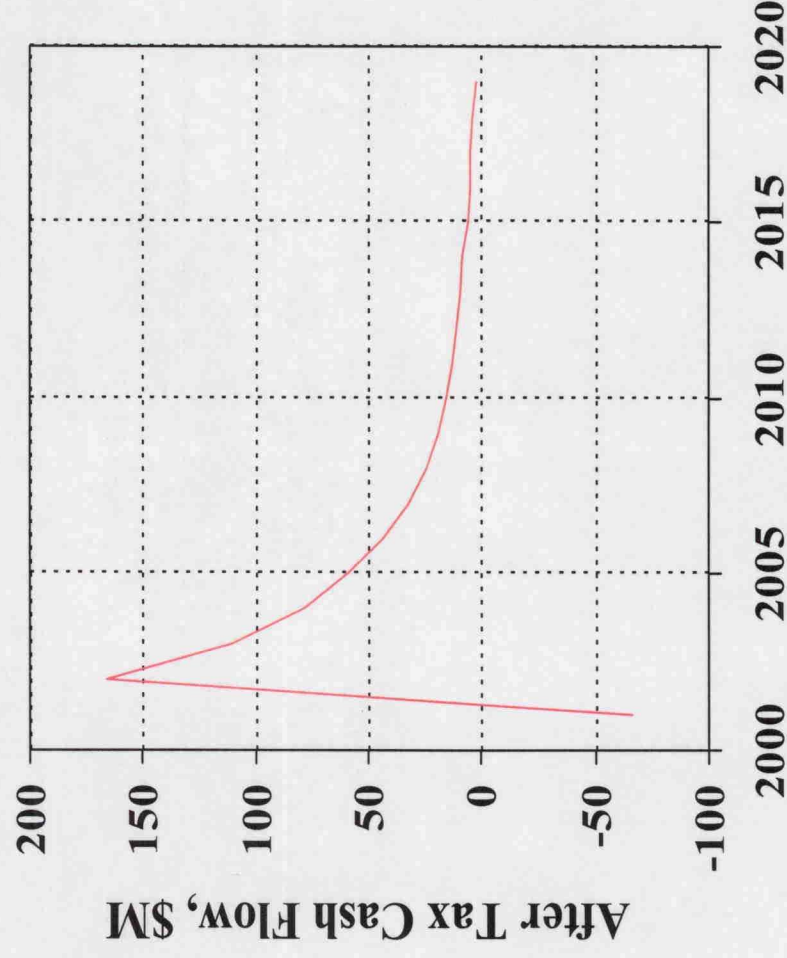
80-Acre Dakota Economics

- **Assumptions**

- Single Dakota Completion
- 1.05 BCF Incr. Reserves
- \$650 M Well Cost
- \$500/month Op Costs
- Flat \$2.75/Mmbtu Gas Price
- 9% Discount Rate

- **Economic Results**

- After Tax PI = 1.8
- After Tax NPV = \$351 M
- ROR = 69%



San Juan 28-7 Unit

80-Acre Dakota Potential

- 117 potential 80-acre completions identified
 - Incremental reserves of 122.9 Bcf
 - Accelerated reserves of 23.4 Bcf
 - Total reserve potential of 146 Bcf
- 75% of 80-acre Dakota completions will be commingled with the Mesaverde