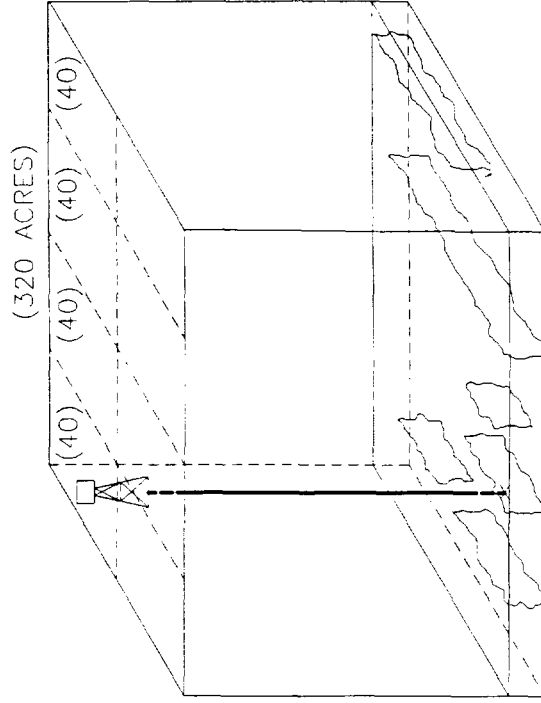


BLACK DIAMOND 17 #1

HORIZONTAL GALLUP
NW/NW Sec. 17, T30N-R15W
San Juan Co., N.M.

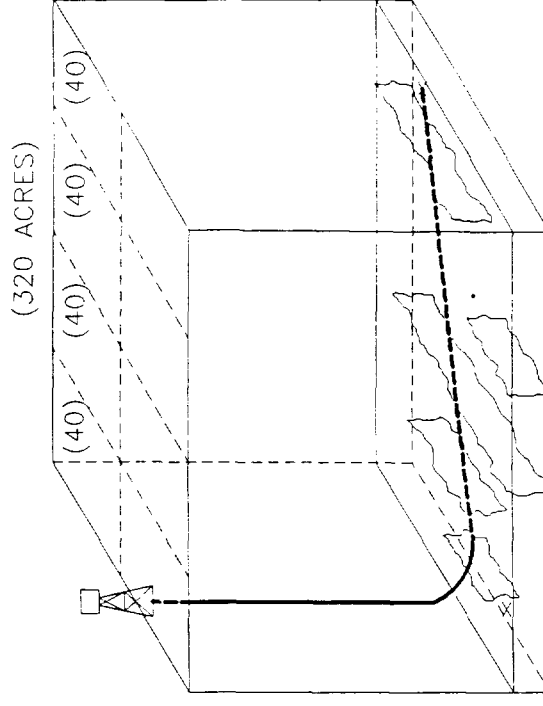
TYPICAL VERTICAL WELL



ESTIMATED COST ~ \$ 500,000 ~ 600,000

HORIZONTAL WELL

IN MARGINAL AREAS THE HORIZONTAL TECHNOLOGY IS NEEDED TO RECOVER RESERVES THAT WOULD NOT BE RECOVERED BY A VERTICAL WELLBORE.



ESTIMATED COST ~ \$ 850,000 ~ 1,400,000