3R-1009

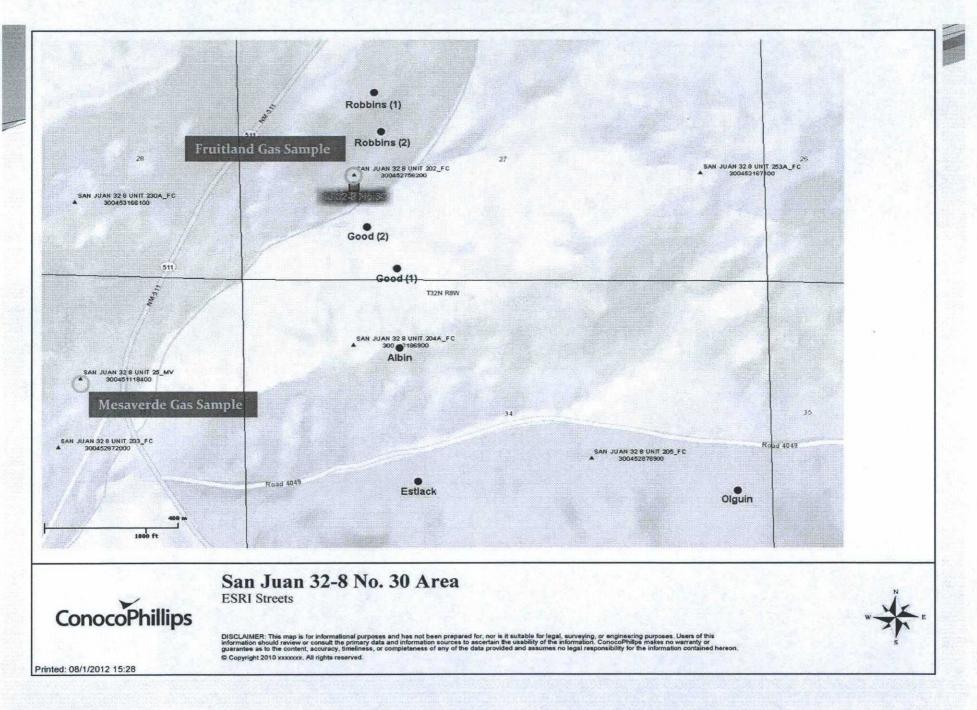
"Good Well Investigation"

May 2012 Sampling Results Presentation

Date 2012-2013

29

Good Well Evaluation May Sampling Results Preliminary Interpretation Ground Water Solutions





Wells Sampled

Six Residential Wells One Fruitland Well (San Juan 32-8 No. 202) One Mesaverde Well (San Juan 32-8 No. 25)

Isotech Lab Results

Mole fractions of interest include: He, Ar, O_2 , CO_2 , N, C_1 , C_2 , C_3 , iC_4 , nC_4 , iC_5 , nC_5 , C_6 + Isotopes included: δD_{C_1} , $\delta^{13}C_1$, δD_{C_2} , $\delta^{13}C_2$ Isotopes and molecular compositions are important tools to characterize hydrocarbon geochemistry (USGS, 1994) $\delta^{13}C_1 = ({}^{13}C_1/{}^{12}C_1)_{\text{sample}} - ({}^{13}C_1/{}^{12}C_1)_{\text{standard}}/({}^{13}C_1/{}^{12}C_1)_{\text{standard}} \times 10^3 (0/00)$

Note: No gas analysis for the Olguin well (wellhead sealed)

Preliminary Analysis

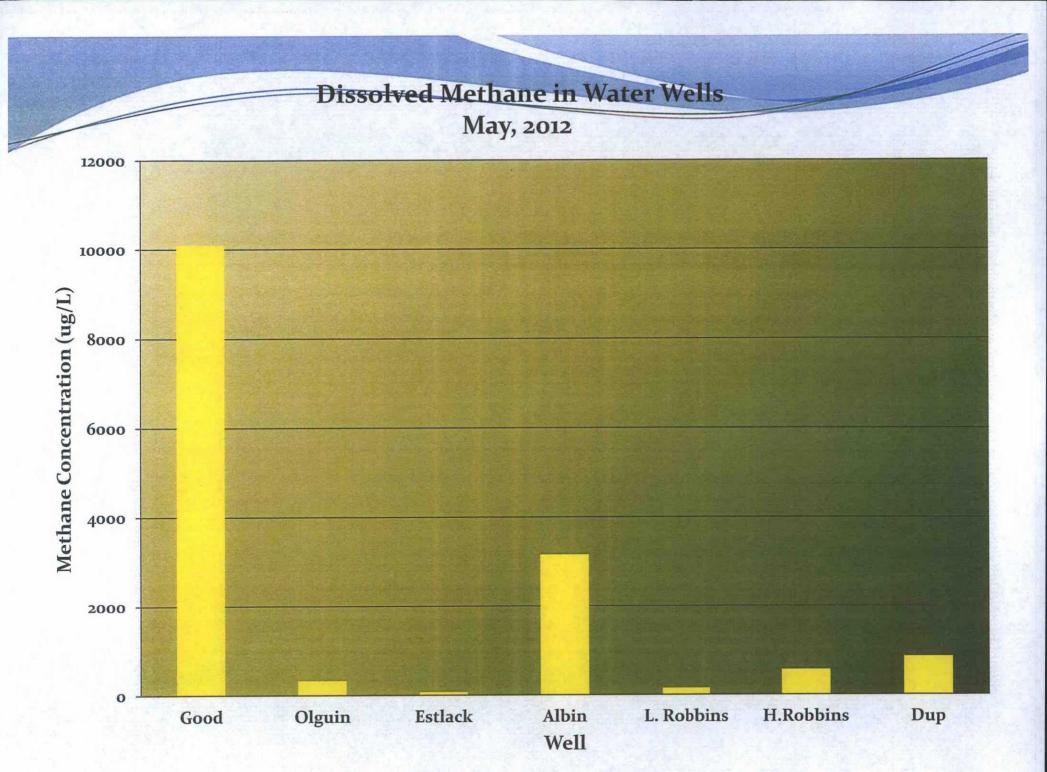
Reviewed isotope and mole fraction results
Evaluated gas wetness fraction of samples
Evaluated C1/C2+
Evaluated helium against C1/C2

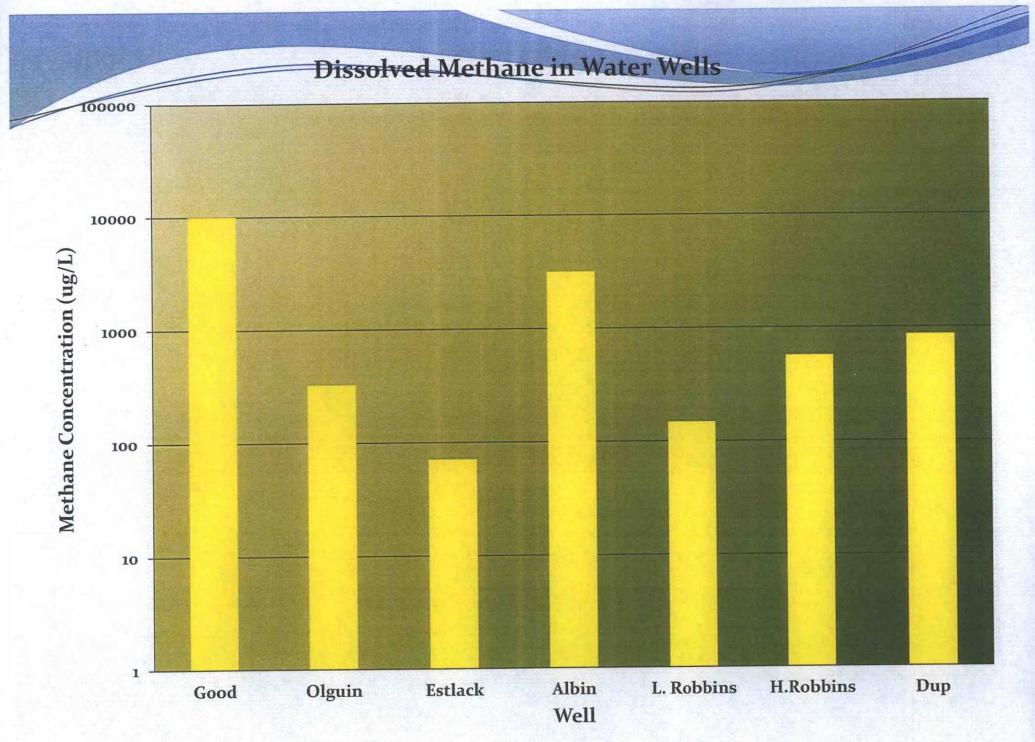
Atmospheric Composition

Gas Name	Formula	Percent Volume
Nitrogen	N ₂	78.08%
Oxygen	0 ₂	20.95%
Argon	Ar	0.94%
Carbon Dioxide	CO ₂	0.036%
Neon	Ne	0.0018%
Helium	He	0.0005%
Methane	CH ₄	0.00017%
Hydrogen	Η	0.00005%
Nitrous Oxide	N ₂ O	0.00003%
Ozone	03	0.000004%

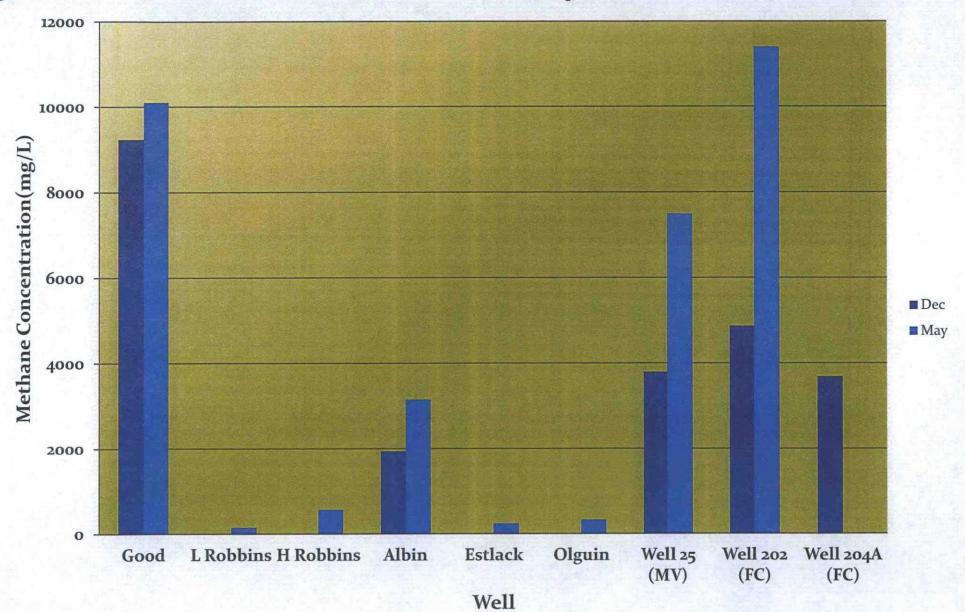
Methane in Water

Henry's Constant (K_{HCH4}) = 1.34 E⁻³ moles L-1 atm-1 Partial Pressure $(P_i) = 0.00017$ atm $C_{CH_4} = (K_{HCH_4}) X (P_i)$ $C_{CH_4} = 2.28 \text{ E}^{-7} \text{ moles/L}$ Mol. Wt. $CH_4 = 16 \text{ g/L}$; therefore, 2.28 E⁻⁷ moles/L X 16 g/L X 1,000mg/g = 0.00364 mg/L or 3.64 ug/L Dissolved CH4 above ~ 5 ug/L is likely due to a source other than atmospheric

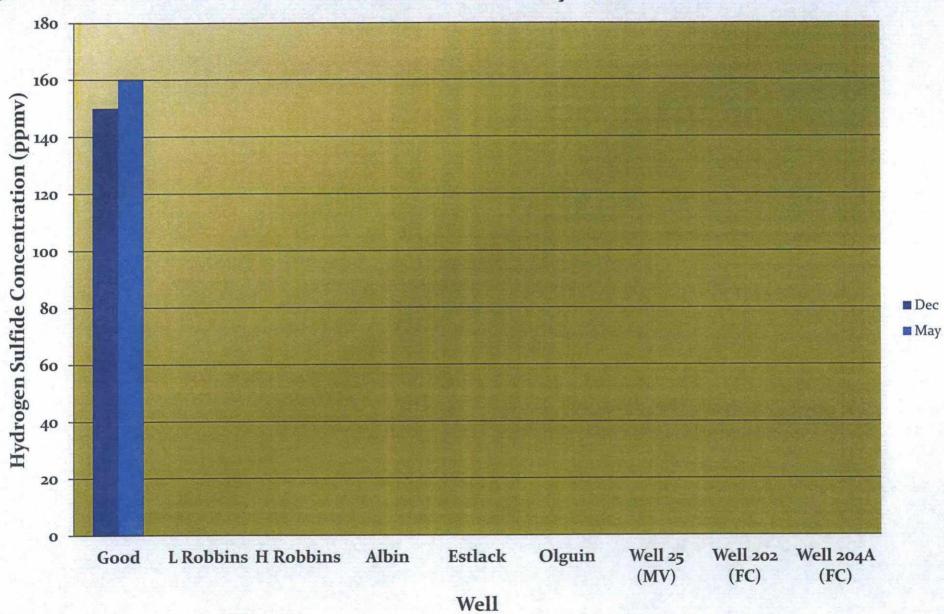




Methane Concentrations December, 2011 & May, 2012

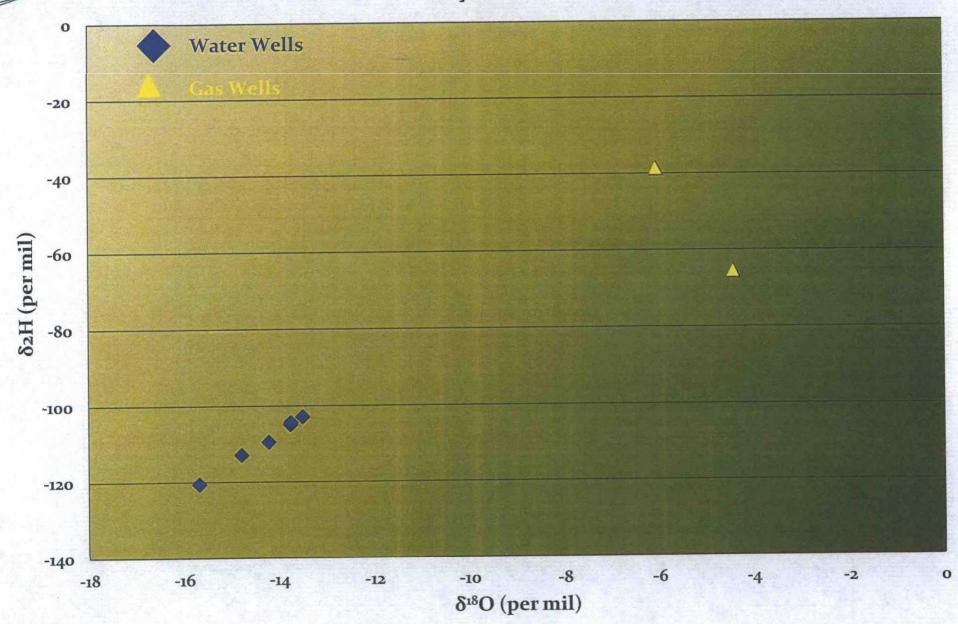


Hydrogen Sulfide Results December, 2011 & May, 2012



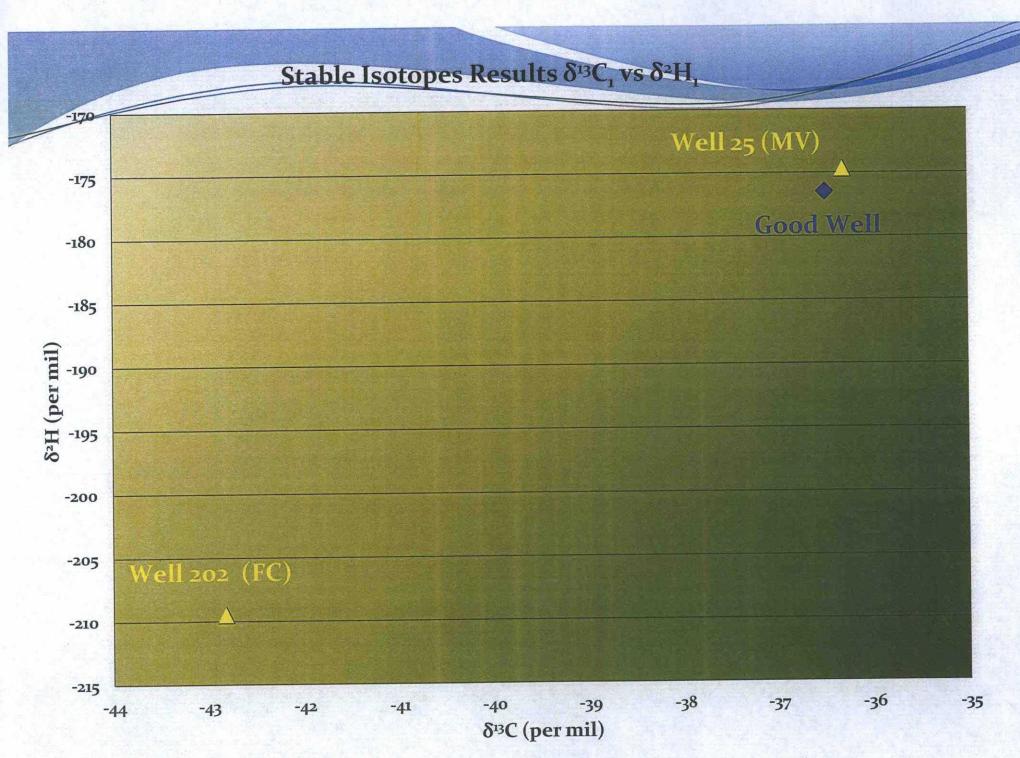
Stable Isotopes of Ground Water and Produced Water

May, 2012



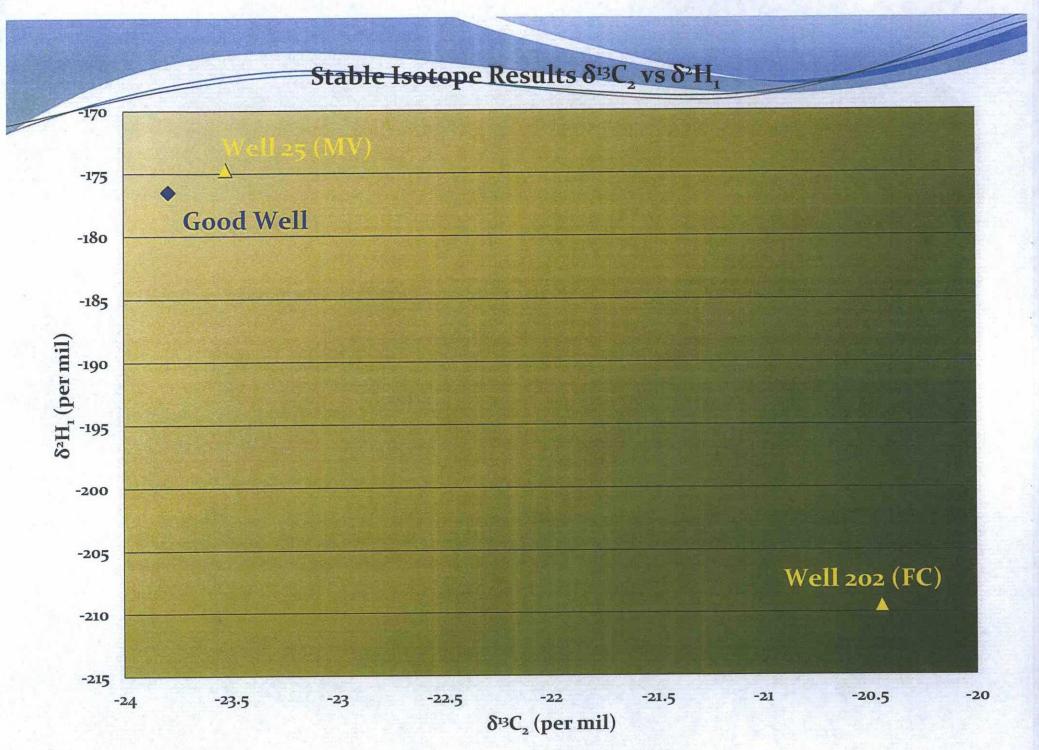
Hydrogen& Carbon Isotope Discussion

Compared $\delta^{13}C_1$ to δD_1 Graph shows similar isotopic signatures for gas in the Mesaverde well (25) and Good well No relationship is seen between the Fruitland well (202) and the Good well



Hydrogen & Carbon Isotope Discussion

Compared the carbon isotope of ethane $(\delta^{13}C_2)$ against δD_1 Graph shows similar isotopic signatures for gas in the Mesaverde well (25) and the Good well No relationship is seen between the Fruitland well (202) and the Good well

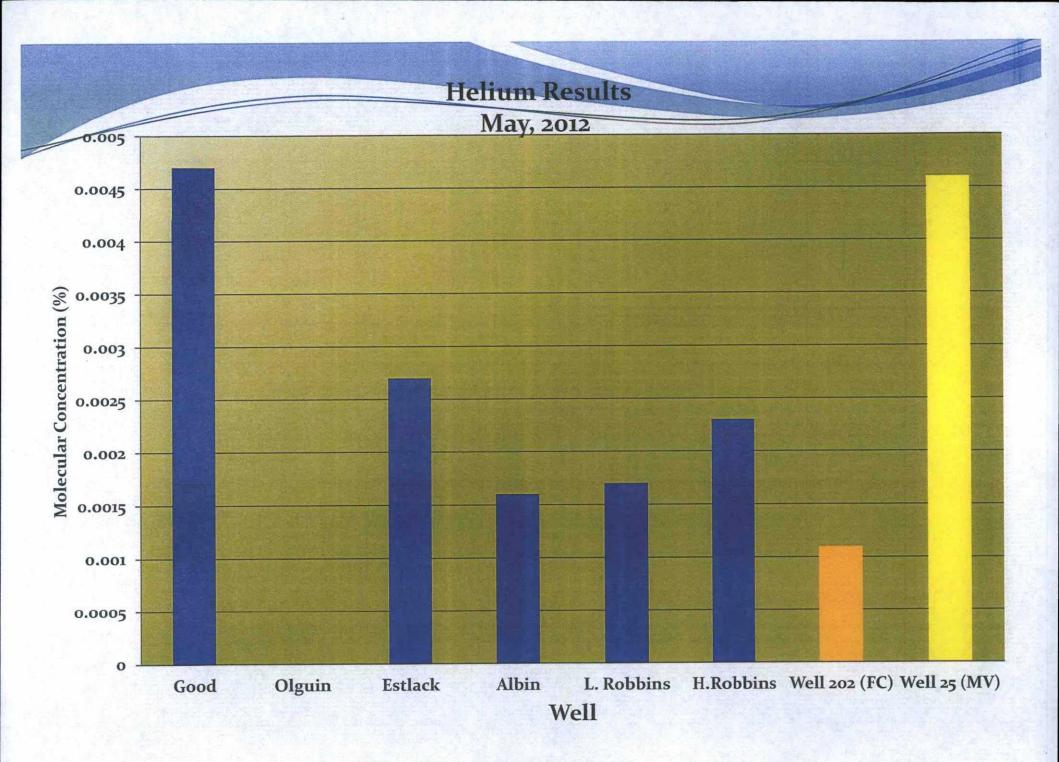


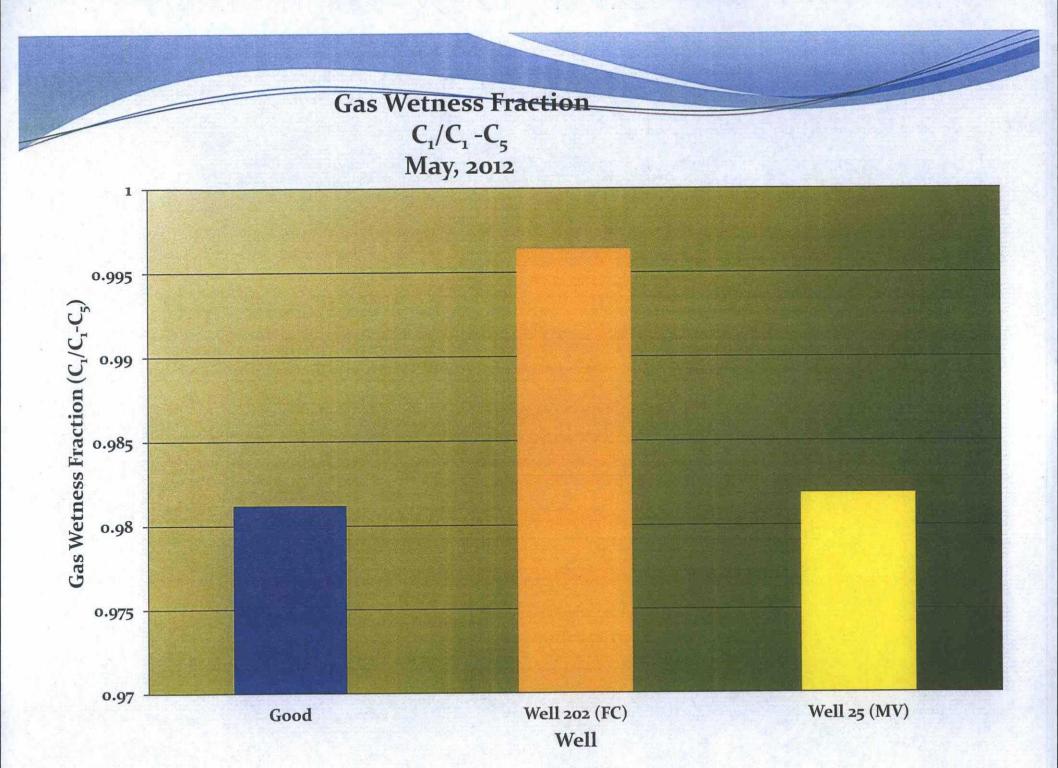
Helium Discussion

Helium was found in all wells with gas analyses Good Well matched with the 25 Well (Mesaverde) Remaining Residential wells did not match either the 25 Well or 202 Well

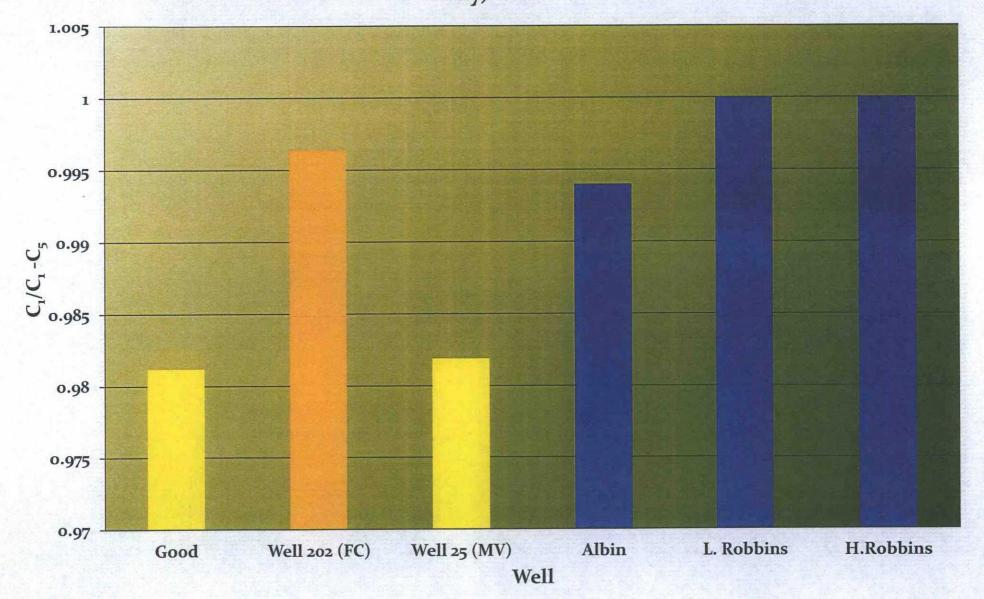
Compared helium to methane/ethane+

Good Well and 25 Well (Mesaverde) had similar methane/ethane+ Graph shows a strong relationship between 25 Well (Mesaverde) and Good Well





Gas Wetness Results (C₁/C₁-C₅) All Wells May, 2012



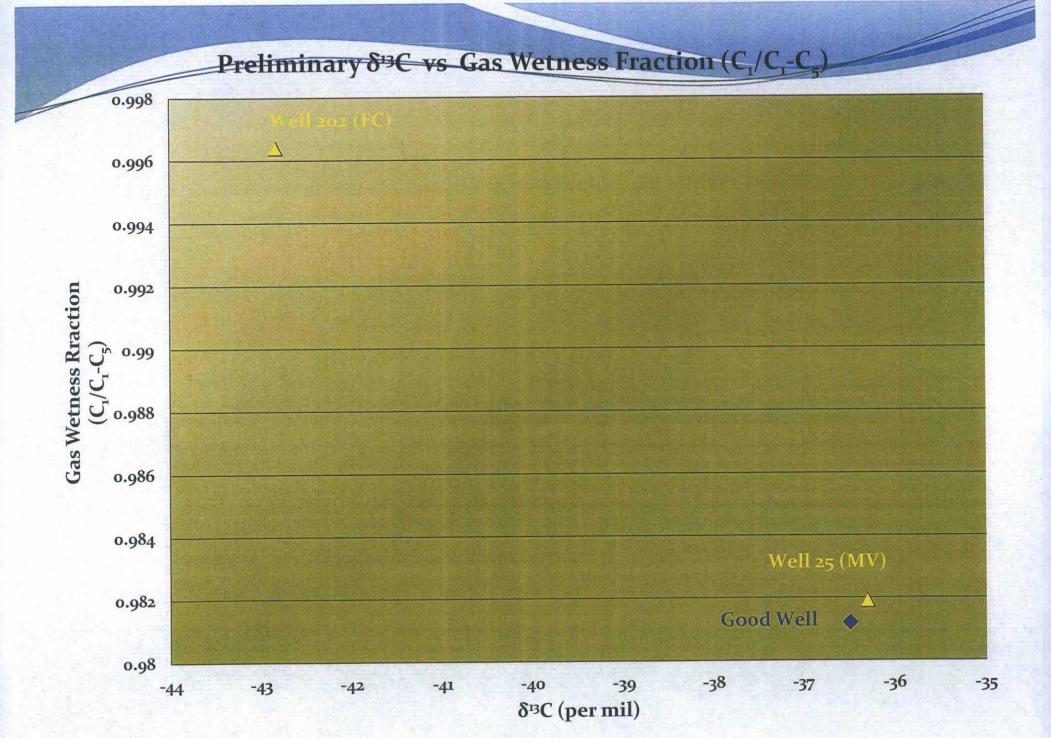
Gas Wetness Discussion

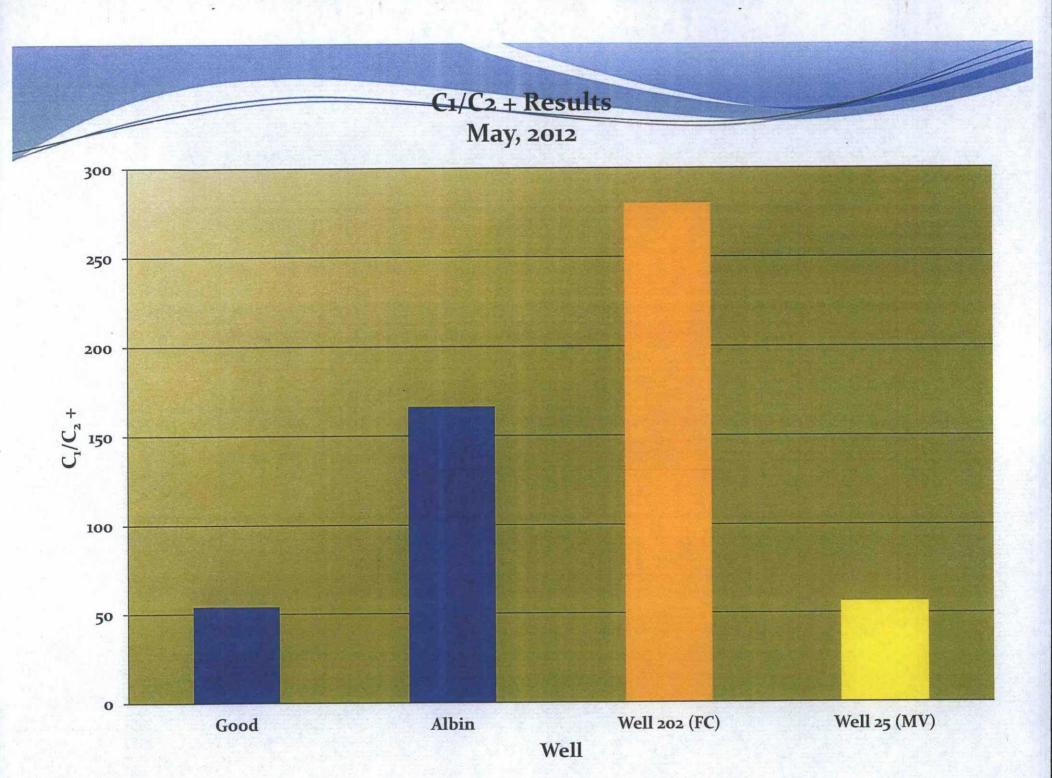
Good well a wet, gas-condensate type gas $(C_1/C_{1-5} < 0.99)$ is indicated

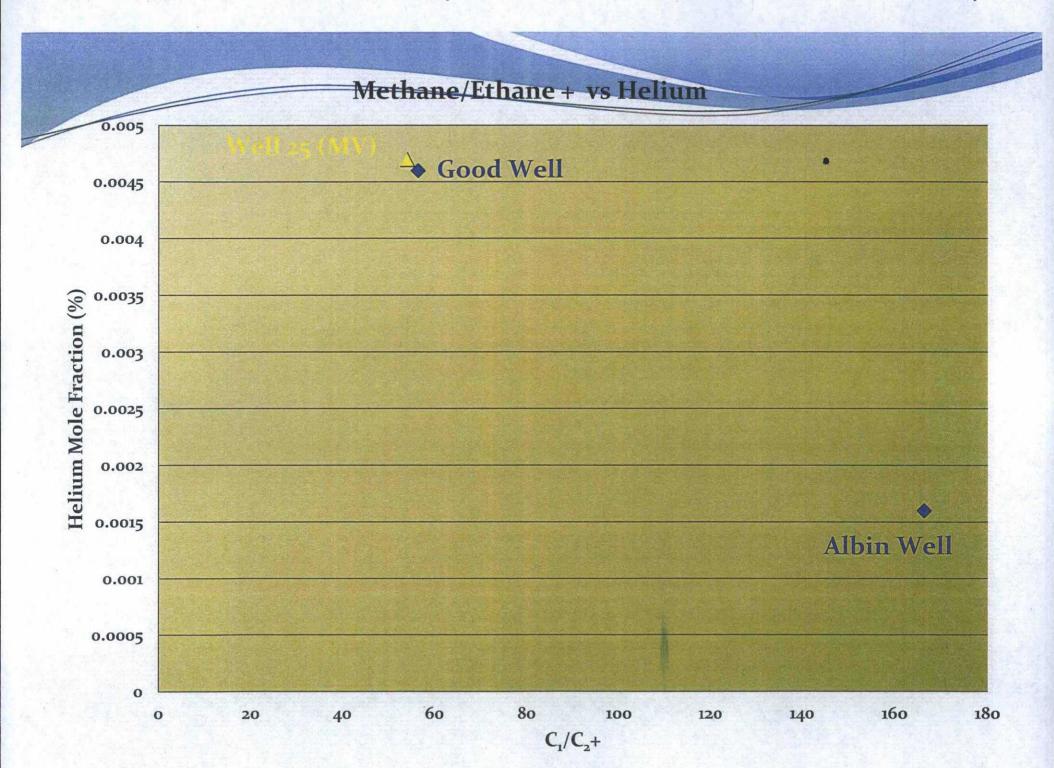
Wells 202 and 204A (previous analysis) both showed dry type gas $(C_1/C_{1-5} > 0.99)$

 C_1/C_{1-5} of 1.00 in both Robbins' wells may indicate a biogenic source of methane

Well 25 (Mesaverde) showed similar gas wetness to Good Well Gas wetness alone may not be conclusive due to oxidation of methane







Residential Gas Analysis

Results for H. Robbins, L. Robbins, Albin, and Estlack Ar, N, and O mole fractions are nearly identical to atmosphere CO2 fractions are higher than atmosphere but significantly lower than values for the Mesaverde and Fruitland Helium fractions do not match Mesaverde or Fruitland No isotope results for these wells Gas results were not obtained for Olguin

Possible Reasons for CH₄ Changes between December and May

Barometric pressure differences between December and May Significant drop in ground water level Differences in sampling & analytical methods

Preliminary Interpretation

Isotope results show a close relationship between the gas in the Good Well and gas from 25 Well (Mesaverde)

The isotope results do not show a relationship between the Good Well and Wells 202 & 204A (Fruitland)

Mole fraction results also demonstrate a close relationship between the gas in the Good Well and gas in the 25 Well (Mesaverde)

The gas in the Good Well is considered to be from the Mesaverde, not the Fruitland

Helium results indicate that the methane in the other residential wells is derived from a source other than the Mesaverde, Fruitland, or atmosphere