

Economics for Estimated Ultimate Recovery

Elkhorn # 100 & # 100S

320 acres

Township 32 North, Range 5 West, Section 29

Assumptions

Effective Pricing (\$/mcf) 4.38

	<i>Initial</i>	<i>Proposed</i>	<i>Difference</i>
	<i>W/ 2 ST</i>	<i>W/1 ST</i>	
<i>Lateral Length</i>	2,900	3,600	700
<i>Capital (M\$)</i>	1560	900	(660)
<i>Original Gas in Place (bcf)</i>	12.3	12.3	0
<i>Estimated Ultimate Recovery (bcf)</i>	2.1	2.3	0.2
<i>Rate of Return (%)</i>	46	100	54
<i>Net Present Value @ 10% (M\$)</i>	885	1,720	835
<i>Discounted Payout (yrs)</i>	3.1	1.92	(1.2)