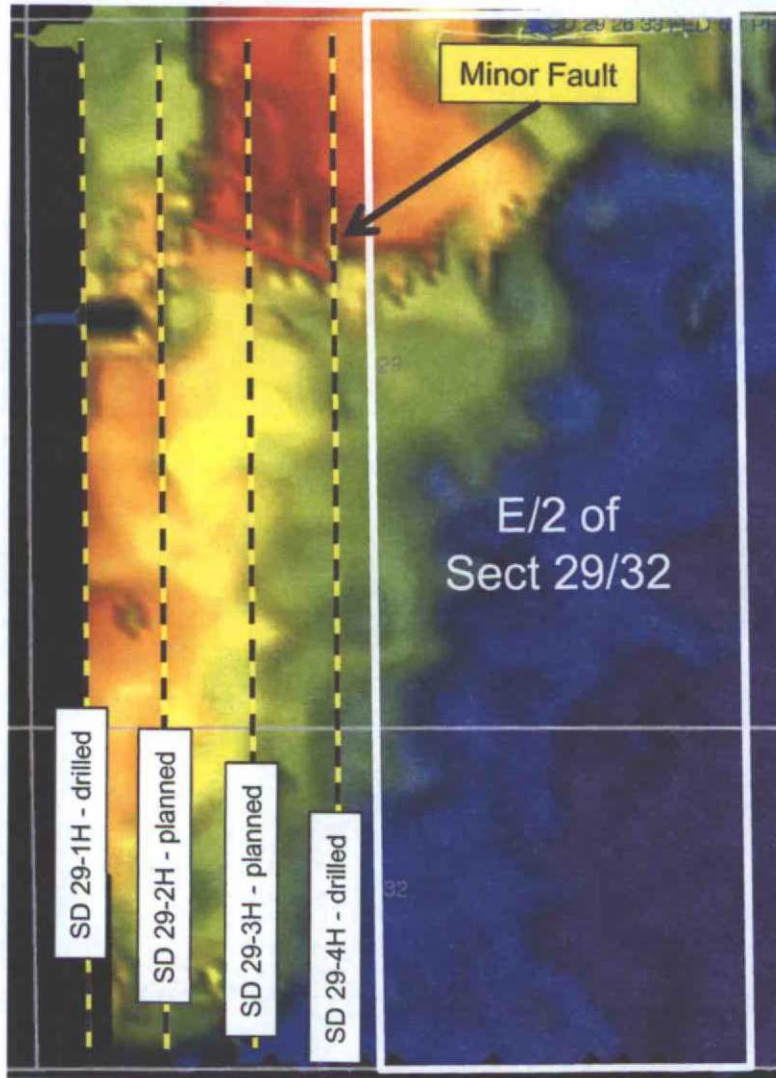


Structure Map on Top Upper Avalon for Sects 29/32



- Structure map indicates gentle formation dip of ~1 to 3 deg towards SE
- Structure map indicates a fault is present over NE side of W/2 of Section 29
- The fault only impacts the Upper Avalon unit of the Bone Spring Fm and dies with depth
- Maximum displacement along fault in W/2 of Sect 29 is 80'
- This fault does not impact ability to remain in pay zone over entire length of planned horizontals, as shown by the proposed lateral section of the Salado Draw 29 26 33 Fed Com 3H well, which is currently being drilled (next slide).