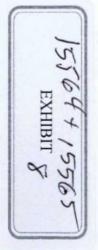
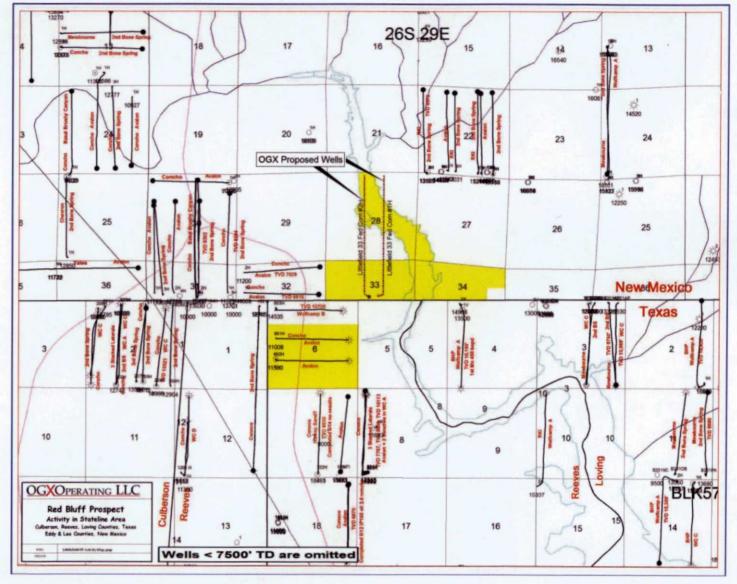
Horizontal Activity in the Red Bluff Area

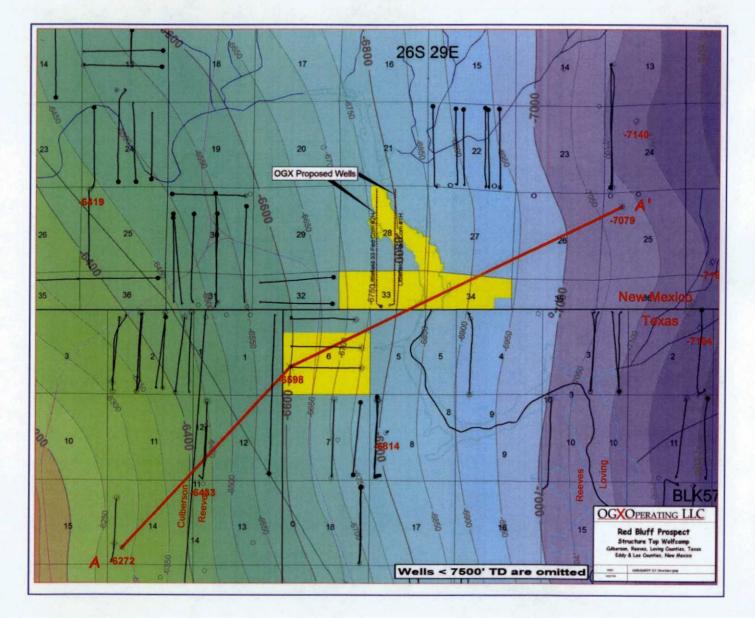
- Horizontal Targets are shown for each well
- OGX's Littlefield 33 Fed Com #1H & #2H are located in southernmost Eddy County, section 33, T26S, R29E
- By drilling 1 ½ mile laterals, OGX will enhance the economics of the project.





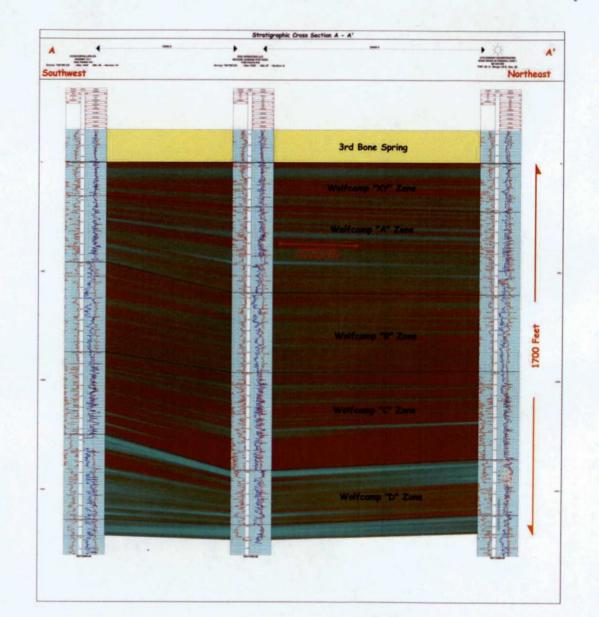
Structure Map on Top of Wolfcamp

- Contour interval is 50' with greens being high and purple being low.
- Regional dip at the Wolfcamp is 100' per mile to the east.
- The horizontal target for the Littlefield wells is the Wolfcamp "A" zone which is approximately 350' below the top of the Wolfcamp.
- Target zone depth is 10,000' TVD
- Cross section A A' is shown in the next exhibit.



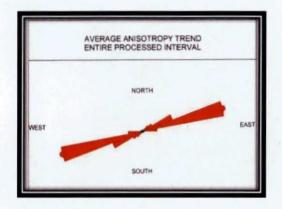
Stratigraphic Cross Section A – A'

- Stratigraphic cross section is hung on the Top of the Wolfcamp Formation.
- The stratigraphic target for the Littlefield wells is shown with the red arrow in the Wolfcamp "A" Zone
- On the cross section, the brown colors indicate organic rich shale and the blue color indicated limestone.
- Although it is OGX's intent to target the Wolfcamp "A", each of the other subzones in the Wolfcamp are also potential targets for future development.

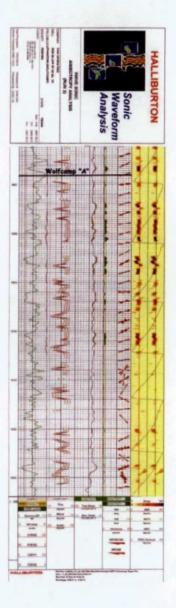


Maximum Principal Stress in the Red Bluff Area

- A dipole sonic log was run in OGX's Red Bluff 57-38 #1H pilot hole (just south of the Littlefield area) in order to determine maximum principal stress orientation for the Wolfcamp Formation
- With a maximum principal stress of N75°E, the optimal direction for horizontal wellbores in north-south.



Maximum Principal Stress = N75°E



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