

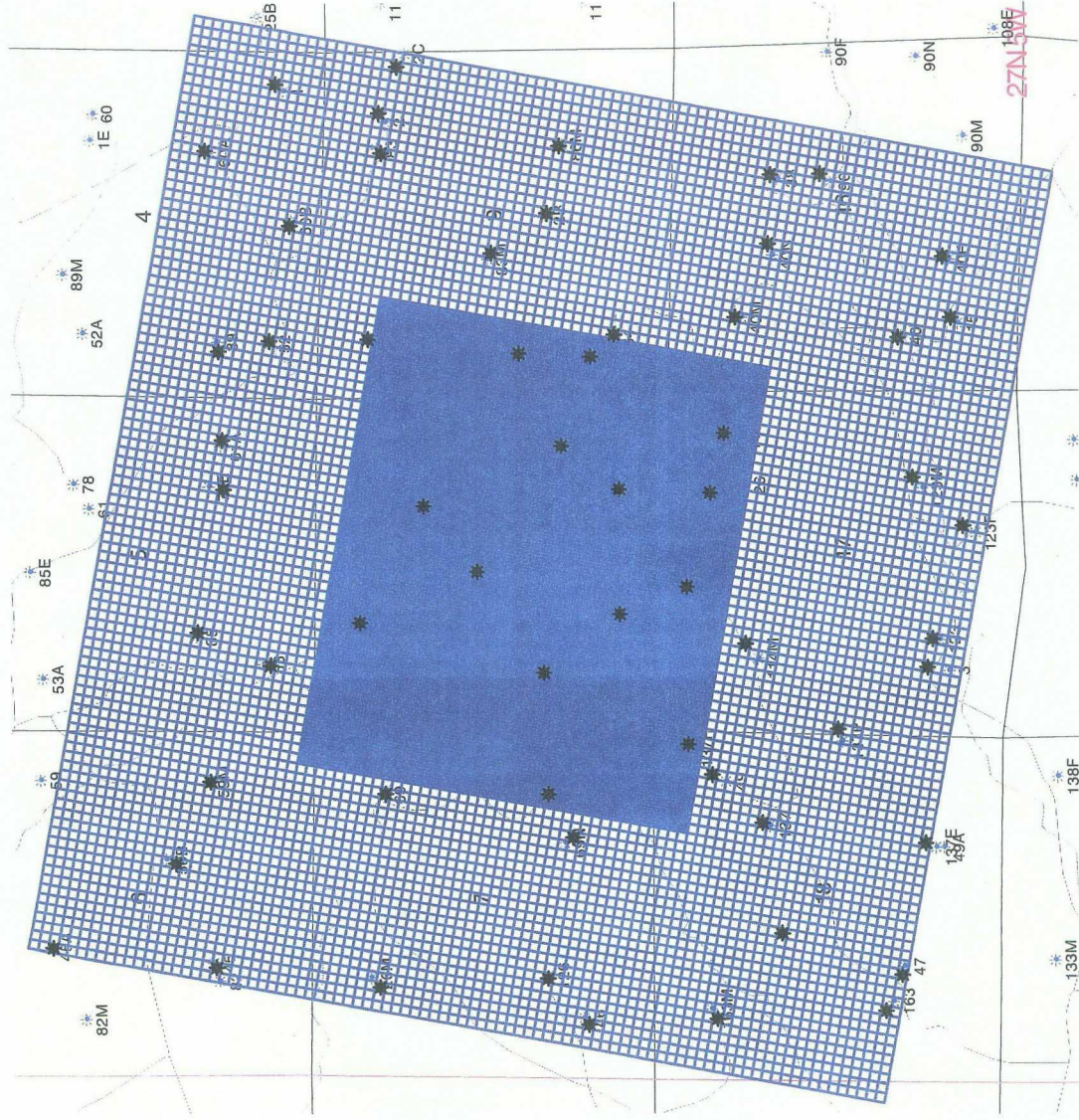
Preliminary Modeling Results

- General model description
- Productivity modeling
- Development sensitivities

MV/DK Infill Pilot Model

- 150x150 coarse grid with 50x50 LGR over pilot area
- Oriented 10° east of north, parallel to natural fracturing, present day maximum horizontal stress azimuth
- 8 active layers:
 - Mesaverde: Otero 1, 2, Cliffhouse, and Point Lookout,
 - Dakota: TwoWells, Pagate, Cubero and Lower Cubero
- 2 inactive layers: Menefee, Mancos
- Layer properties:
 - Volumetrics gridded from log data, validated by material balance. 10% adjustment applied to Dakota, no further edits
 - Horizontal permeabilities gridded from performance data – same for all layers in each reservoir, subject to history match edits
 - Vertical permeabilities set to zero for all layers
- Initial Pressures
 - Upper Mesaverde (Otero, Cliffhouse): 1312 psia, from 1st delivery pressures
 - Lower Mesaverde (Point Lookout): 1947 psia from SJU 27-4 #46N LPT
 - Dakota: 3341 psi from Negro Canyon #1 LPT (Cubero) – validated by 1st delivery pressures from initial drilling campaign

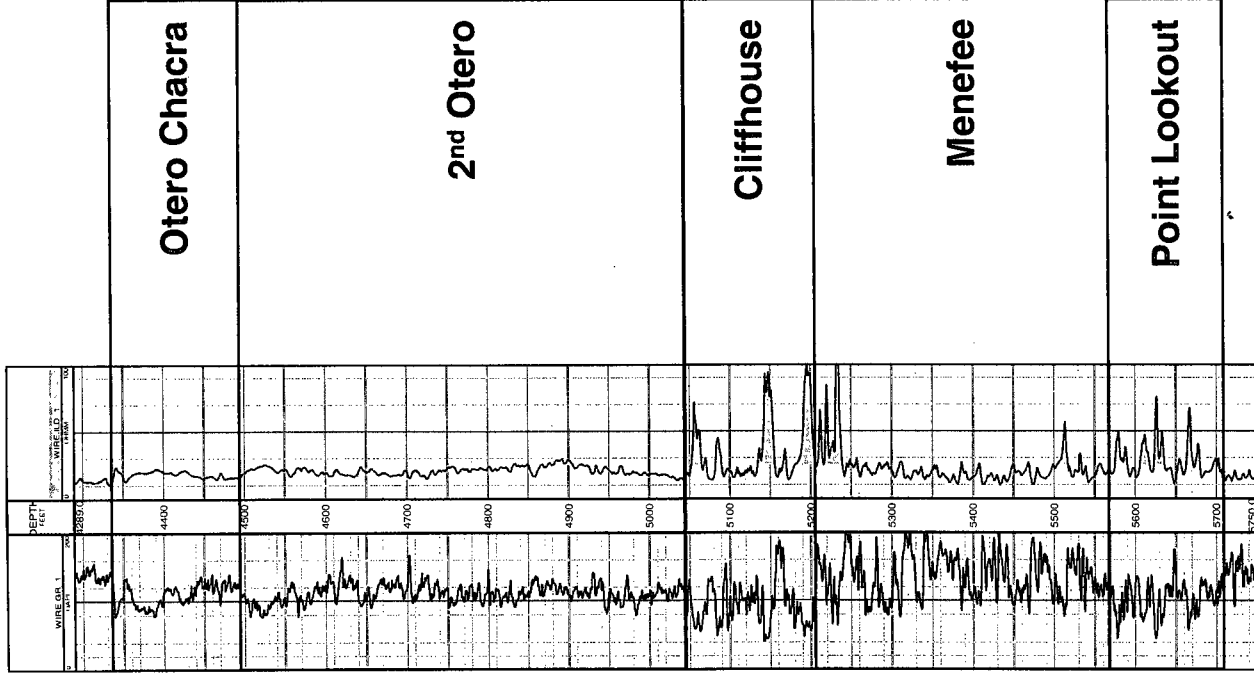
MV/DK Infill Pilot Model



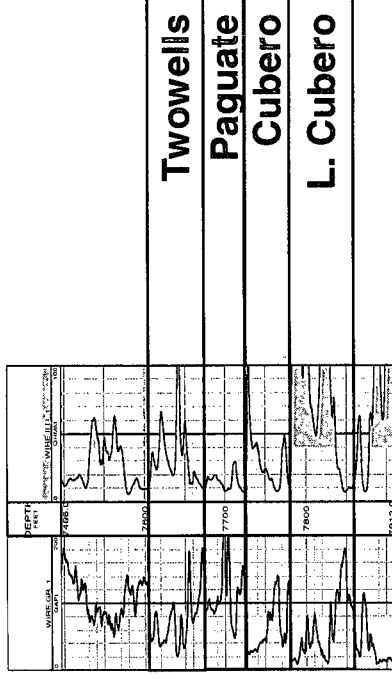
Pilot Area Type Log

SJ 27-5 Unit #112

SW 8, 27N-5W

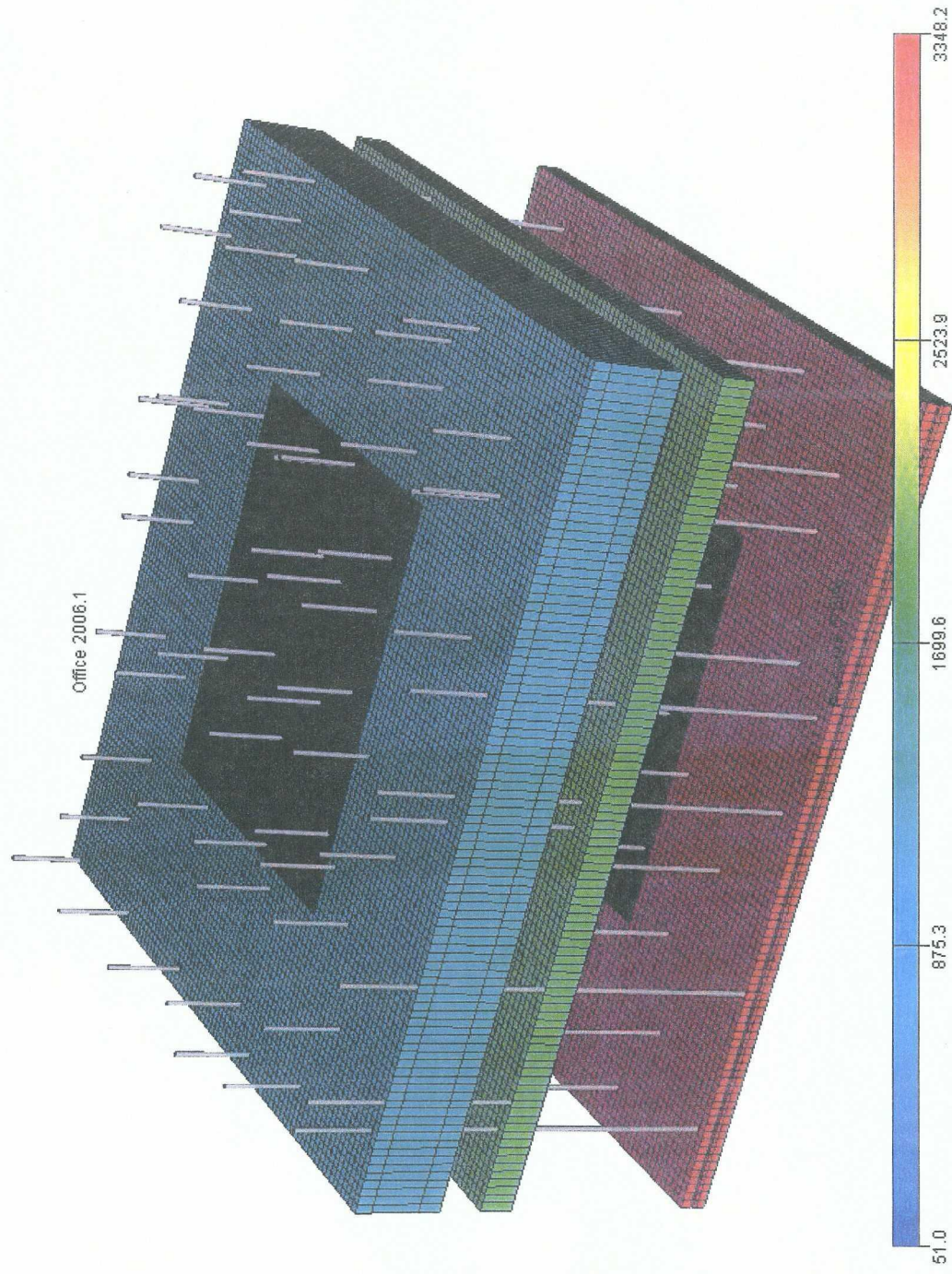


Lewis/Mesaverde



Dakota

MV/DK Infill Pilot Model



Model OGIP

