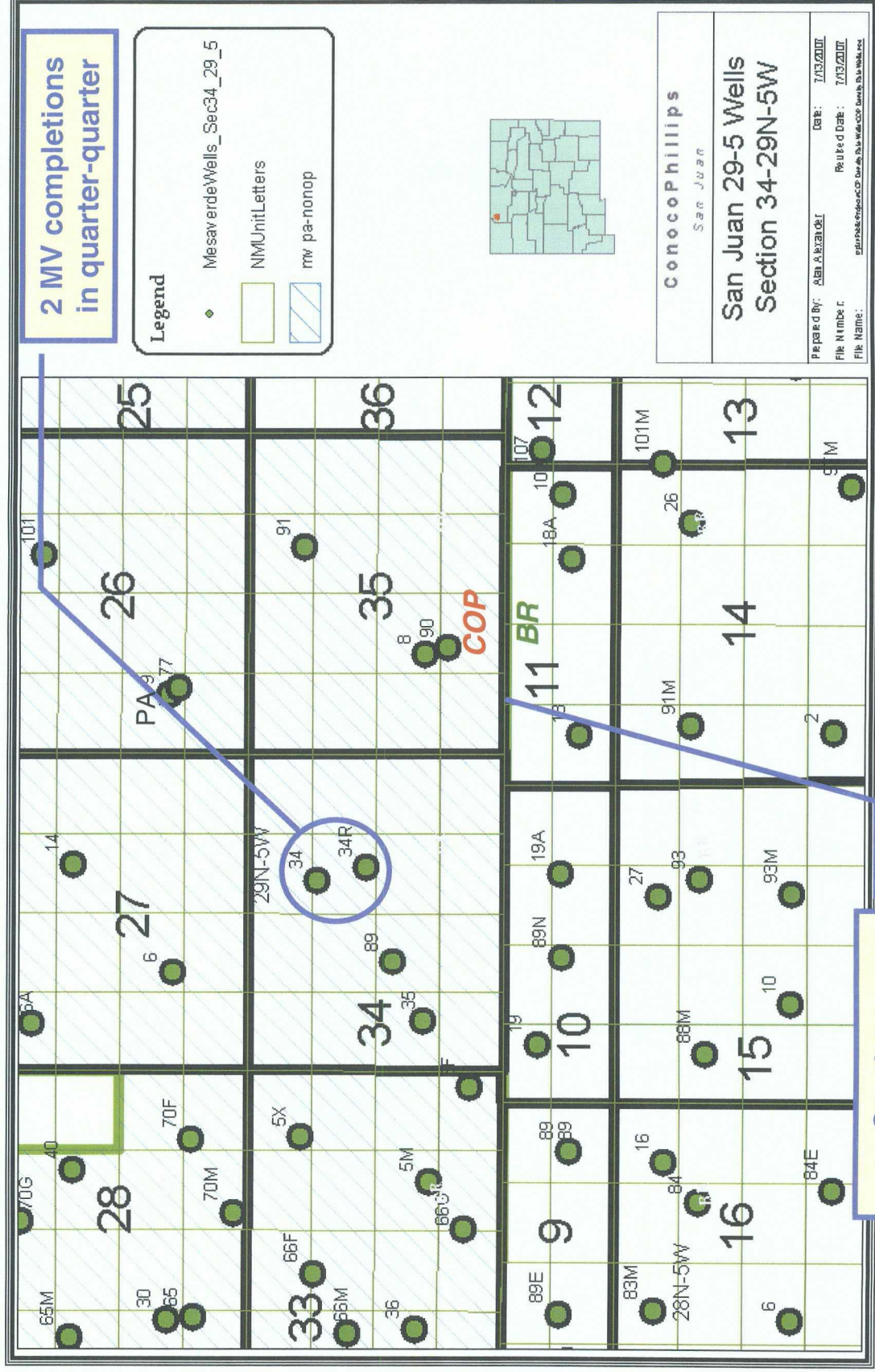
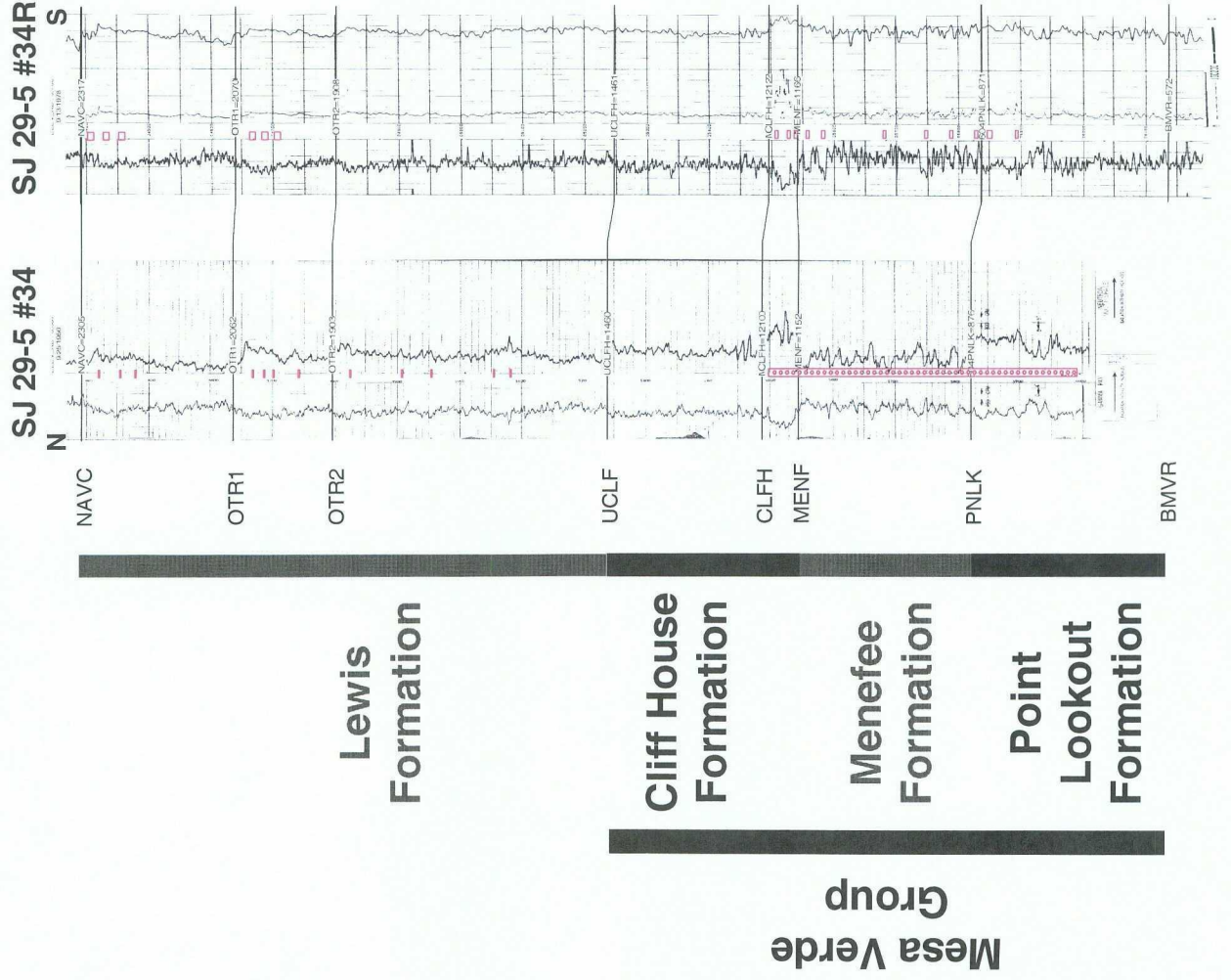
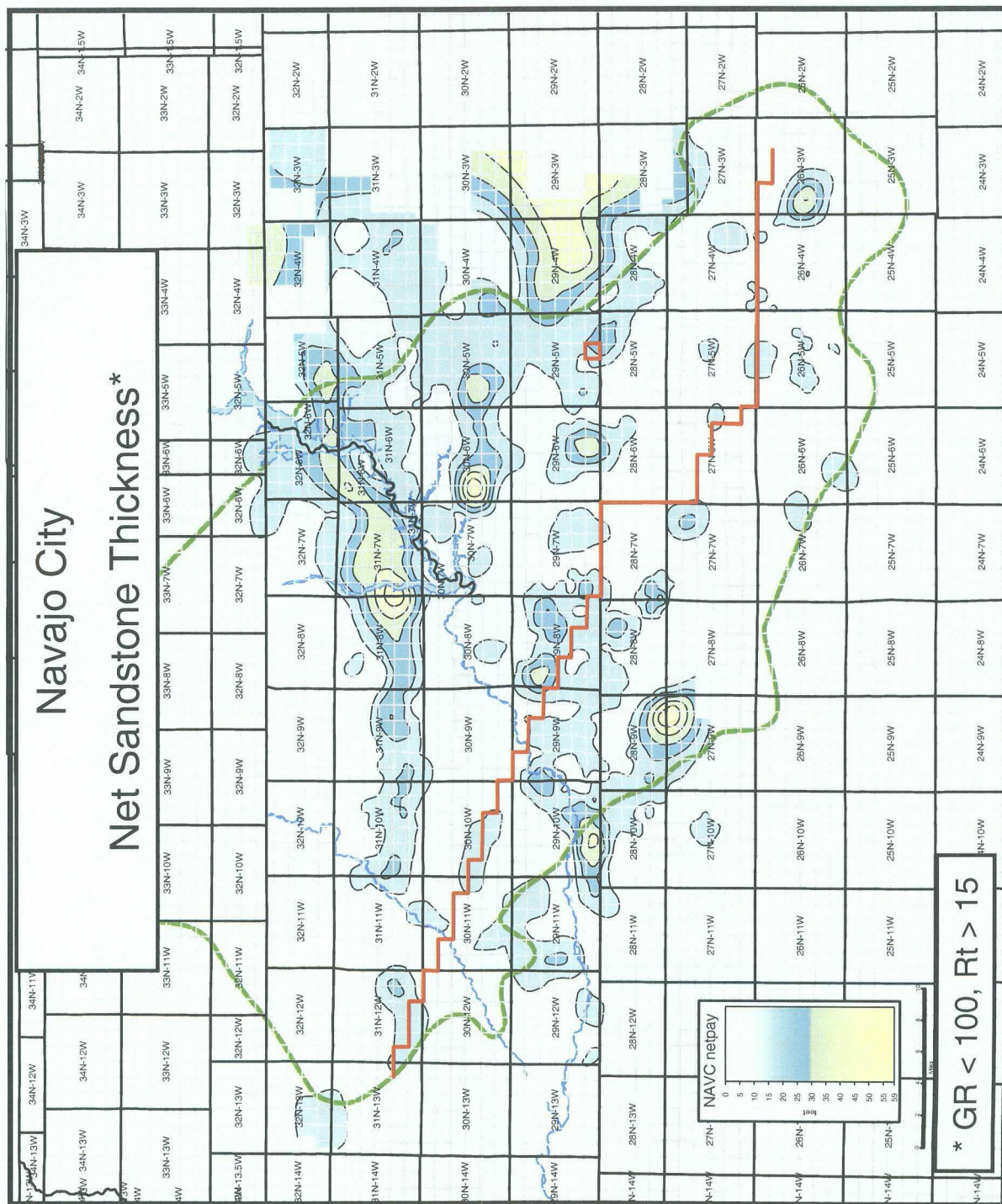


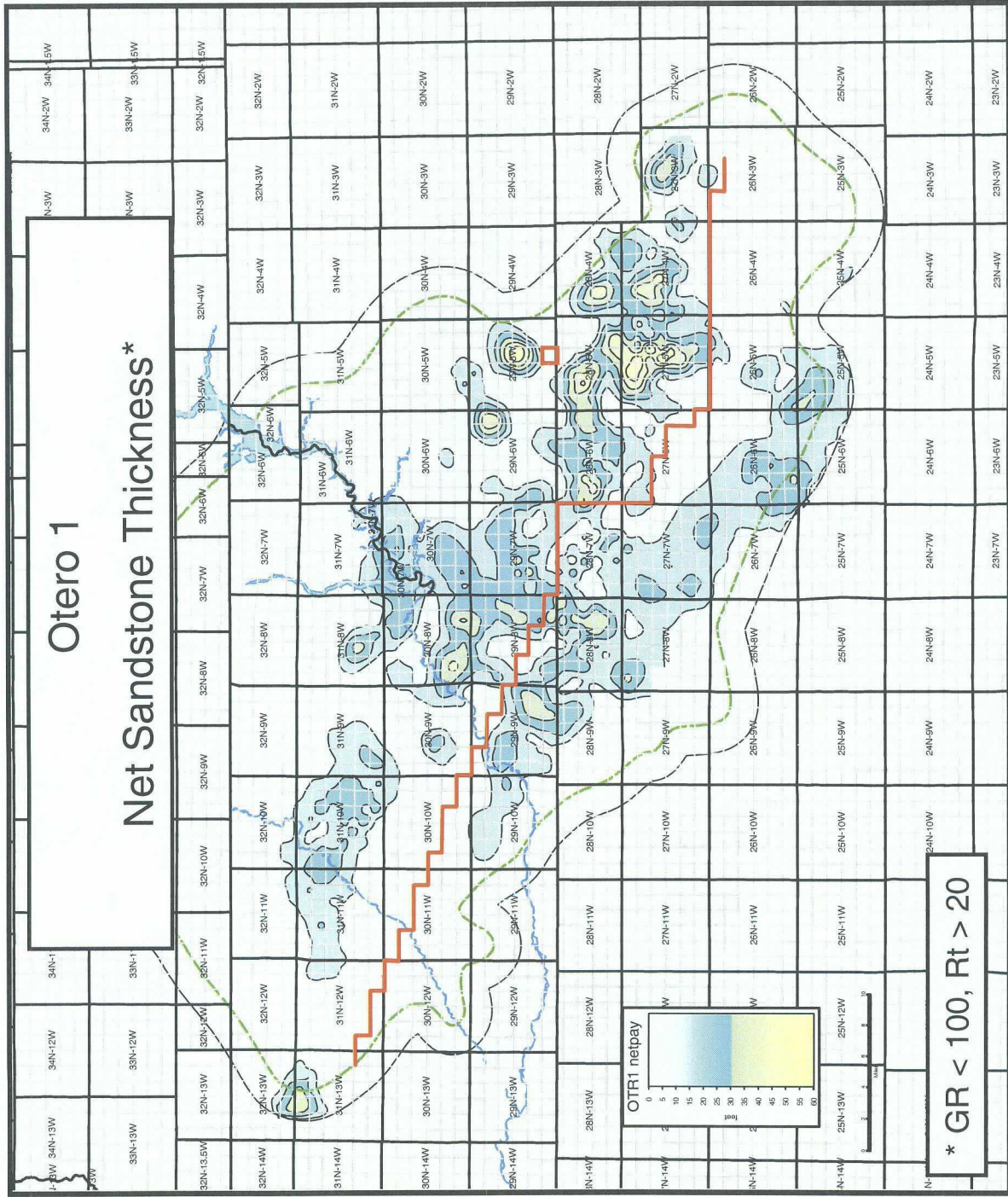
NE/4 S34 T29N-R5W Mesaverde

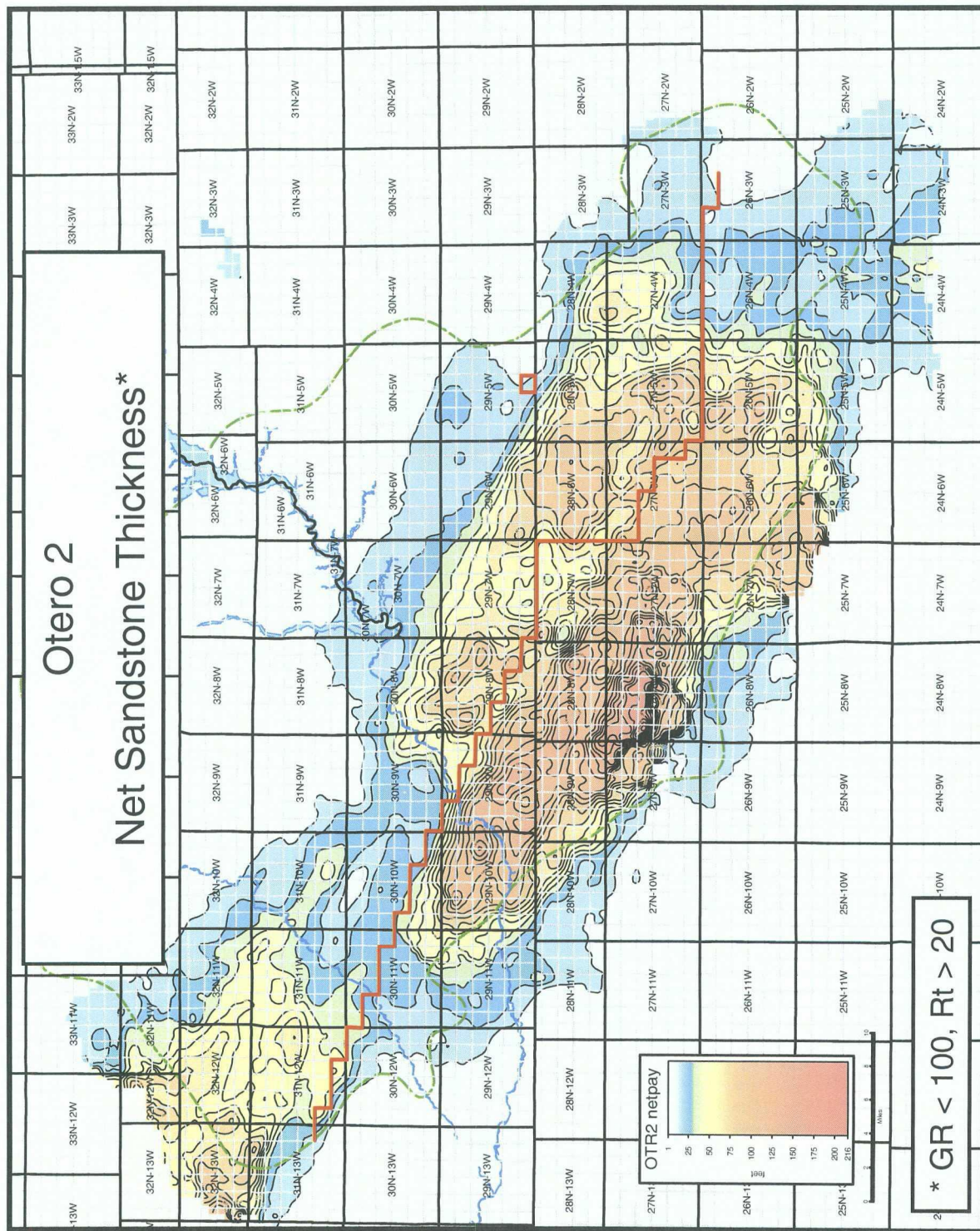


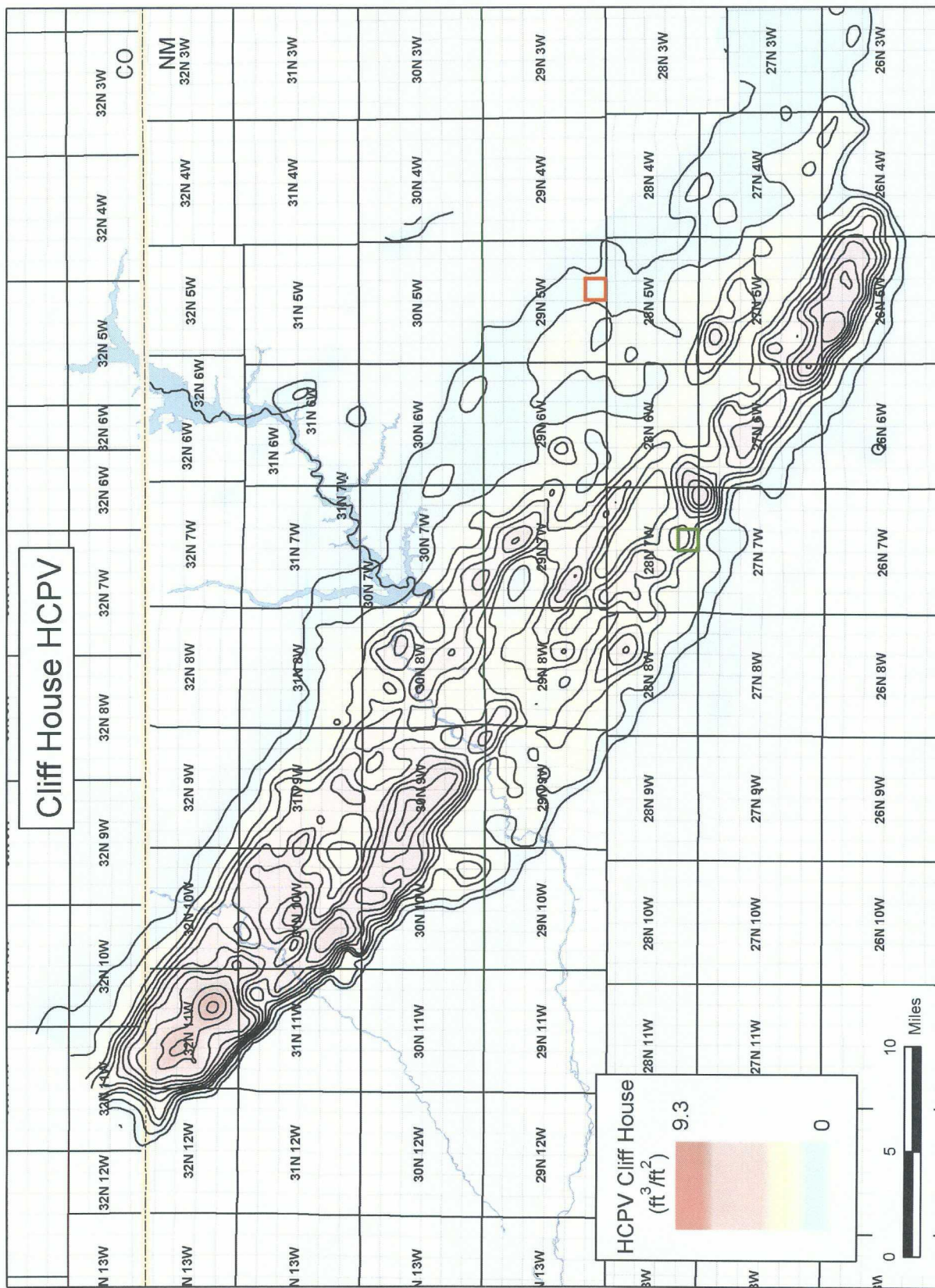
NE/4 S34 T29N-R5W Mesaverde

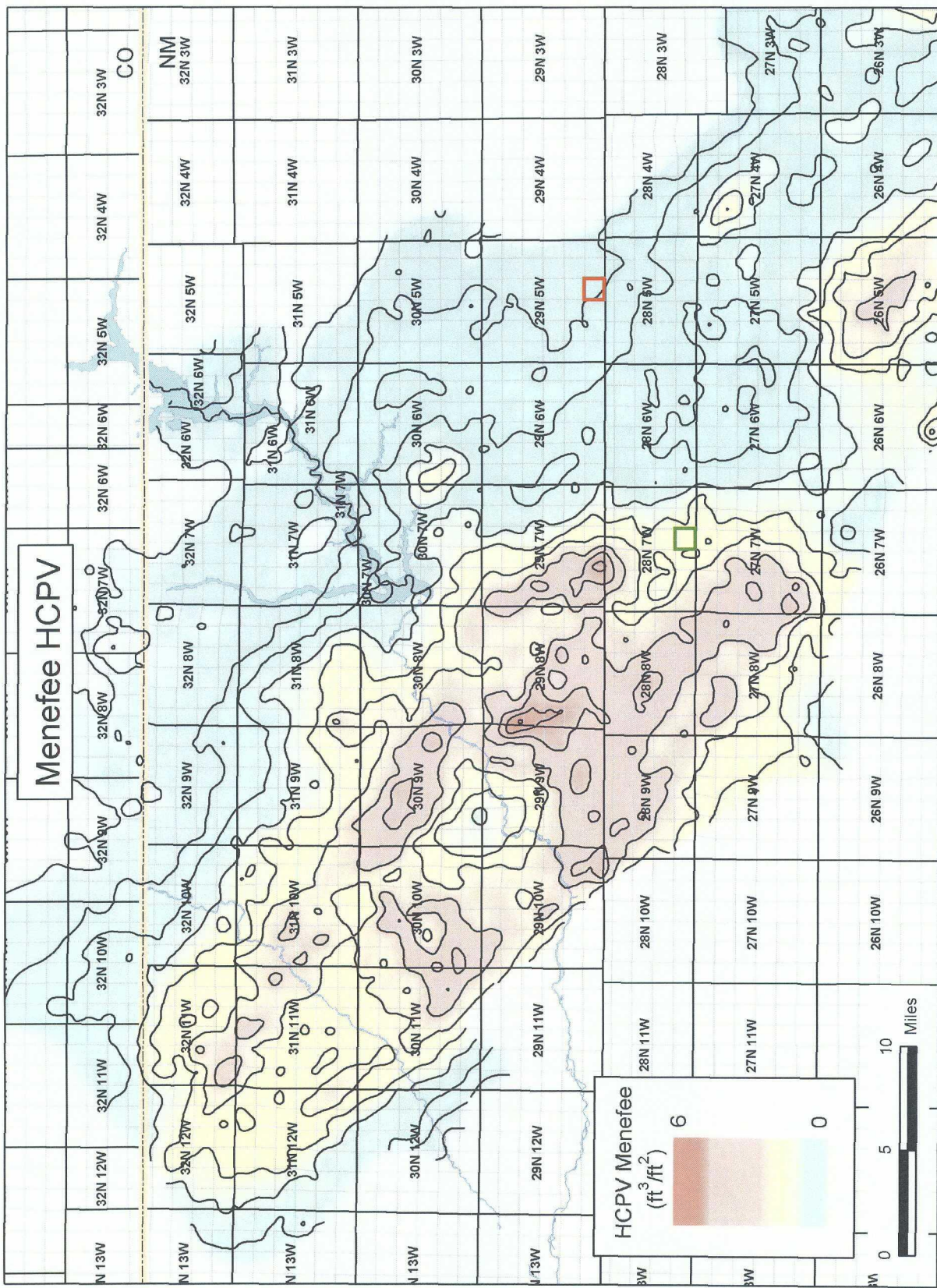




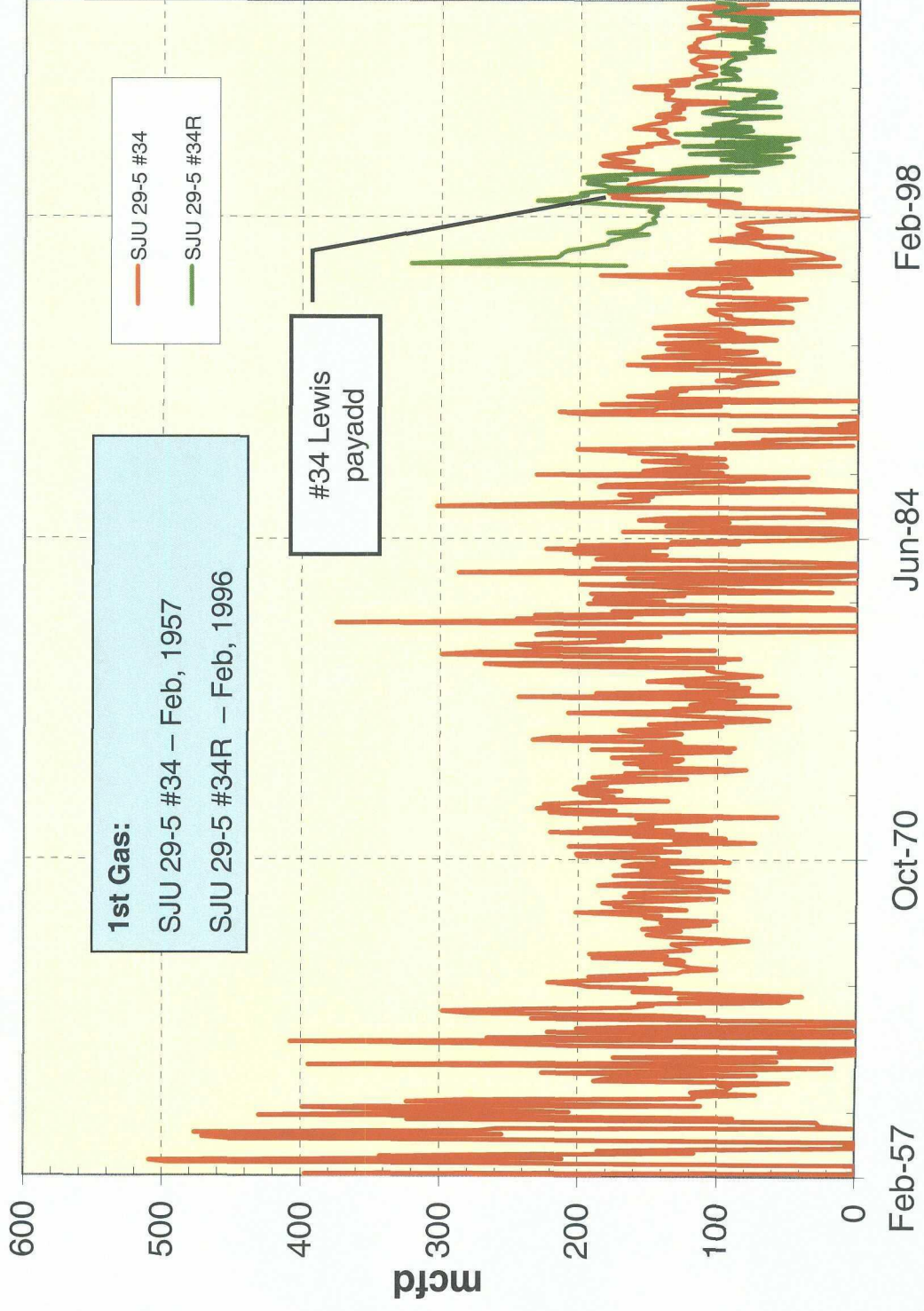




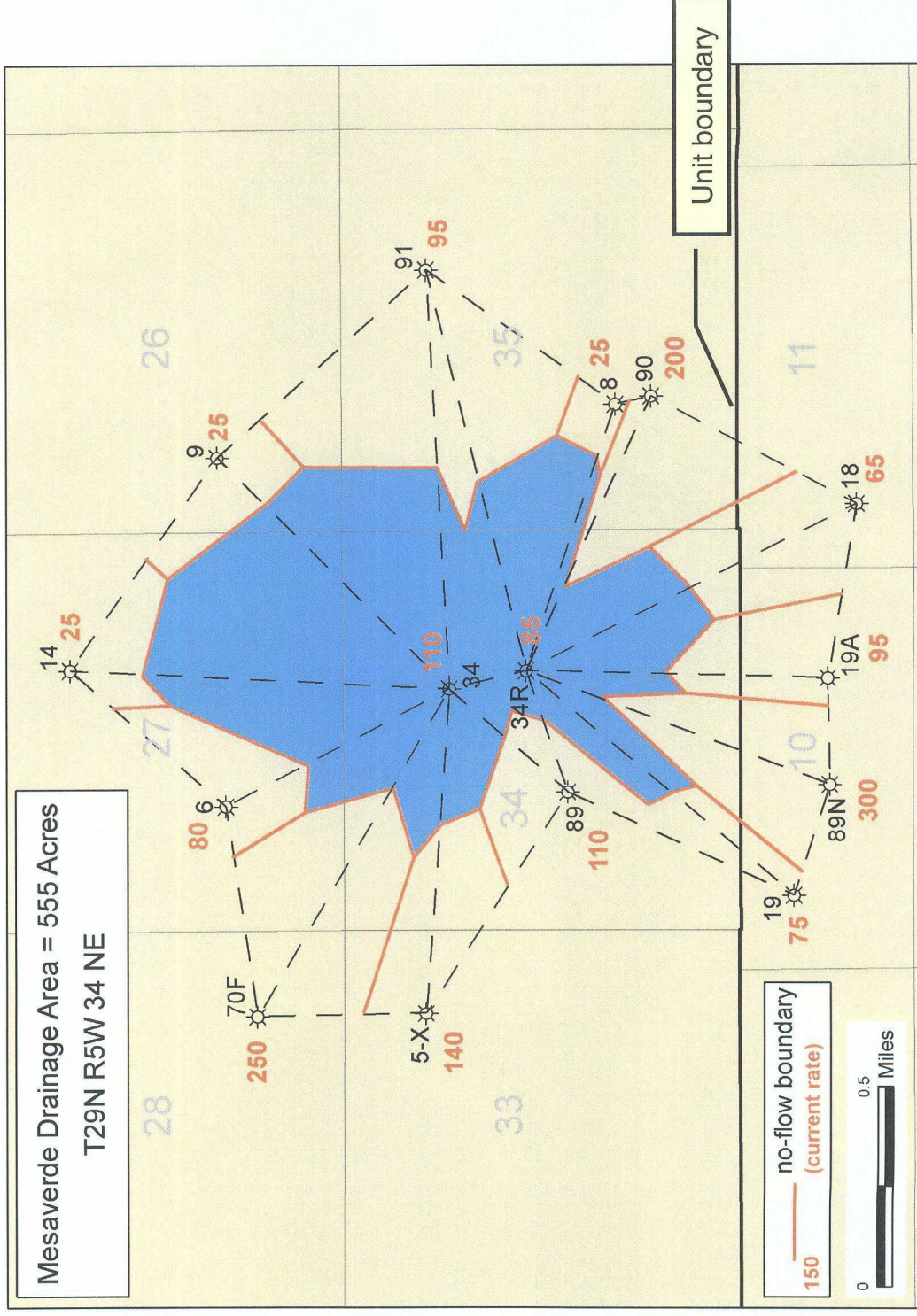




NE/4 S34 T29N-R5W Mesaverde

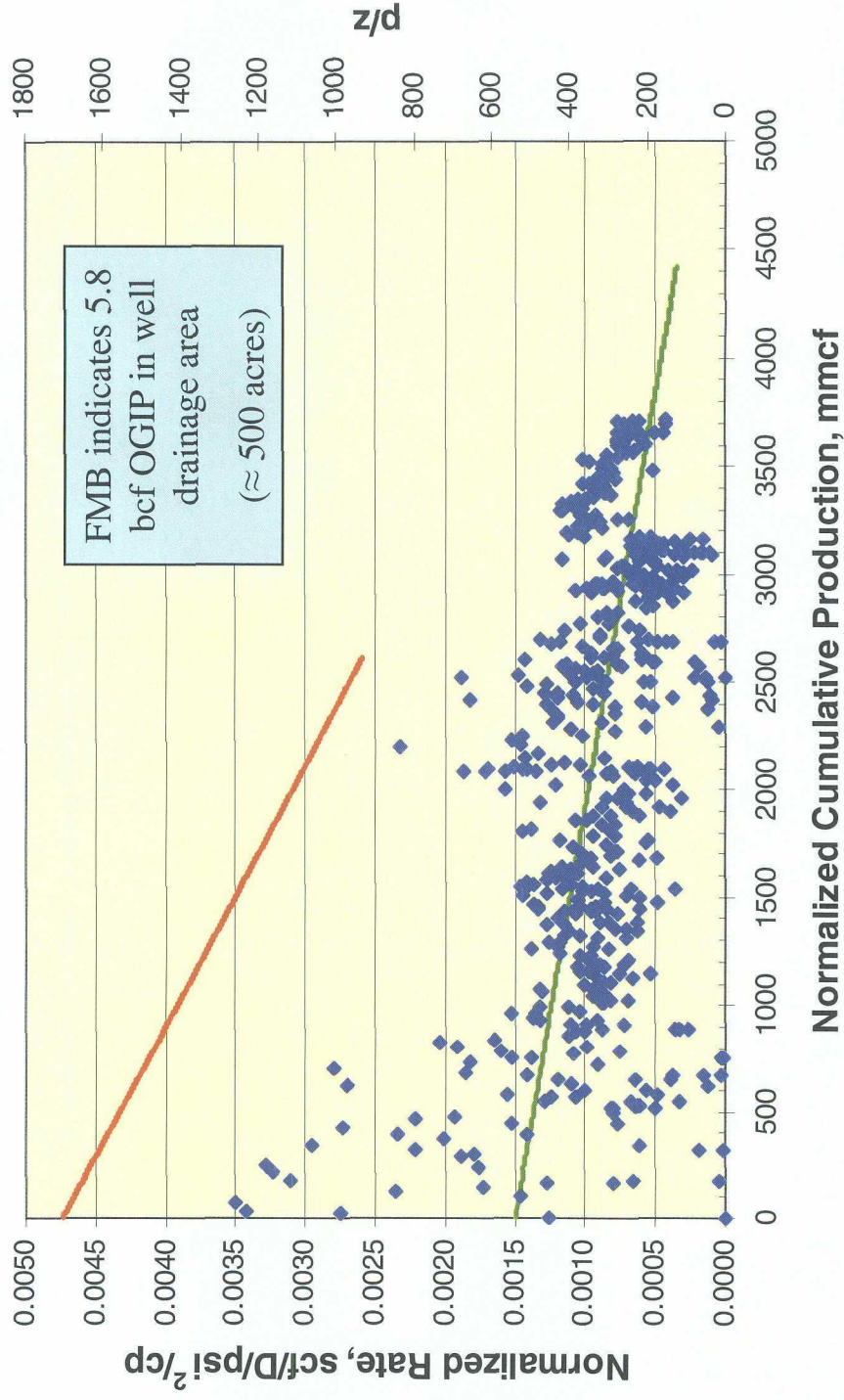


Drainage Area Map



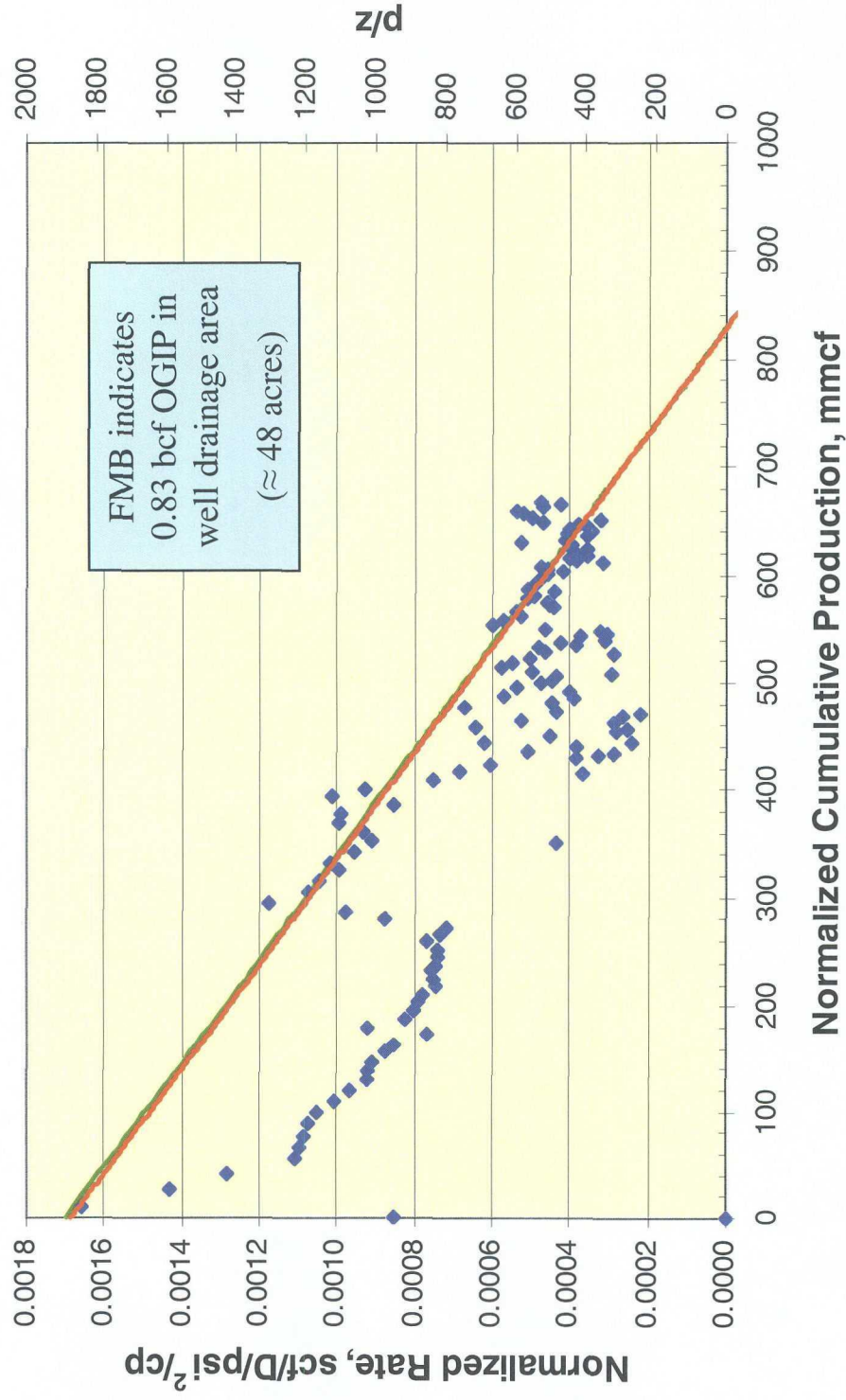
Flowing Material Balance

San Juan 29-5 Unit 34

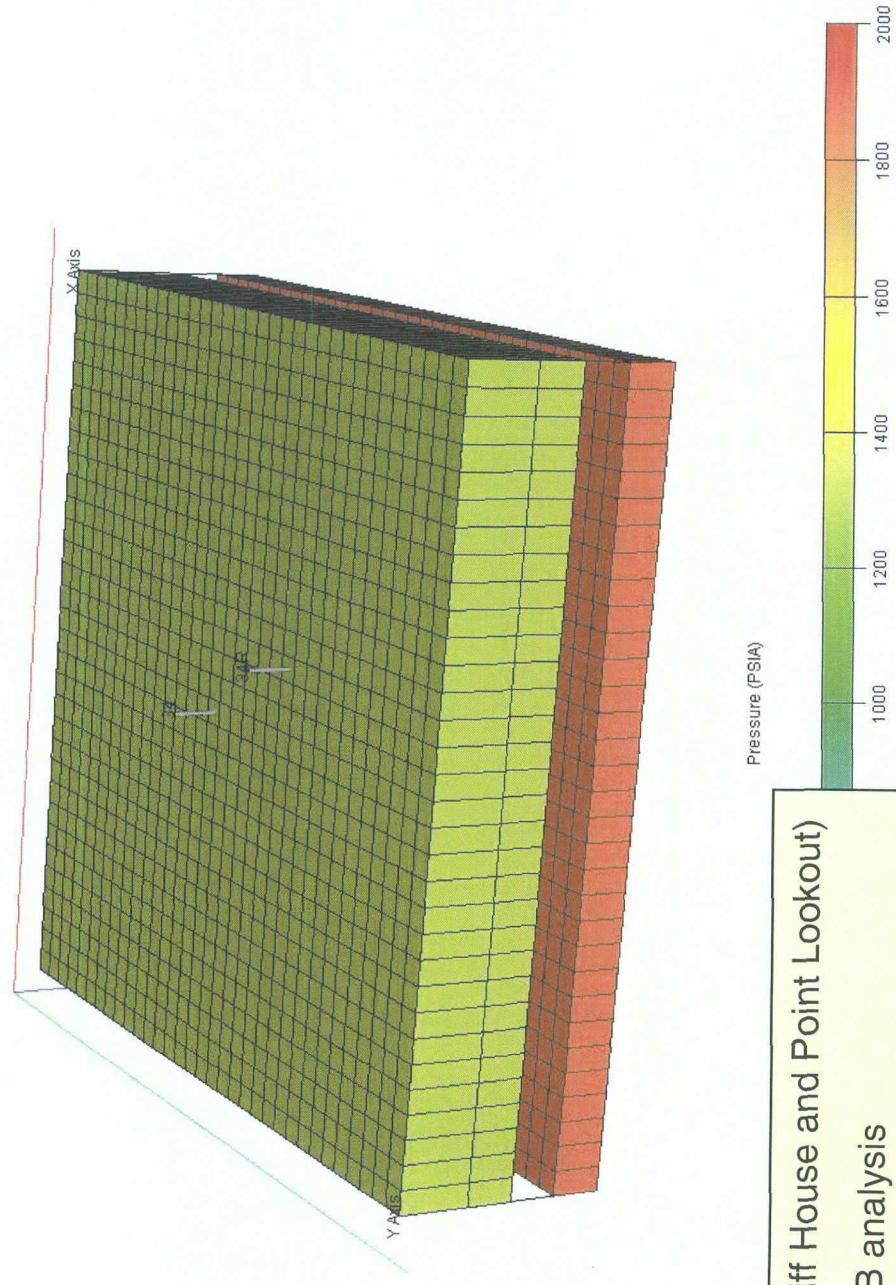


Flowing Material Balance

San Juan 29-5 Unit 34R

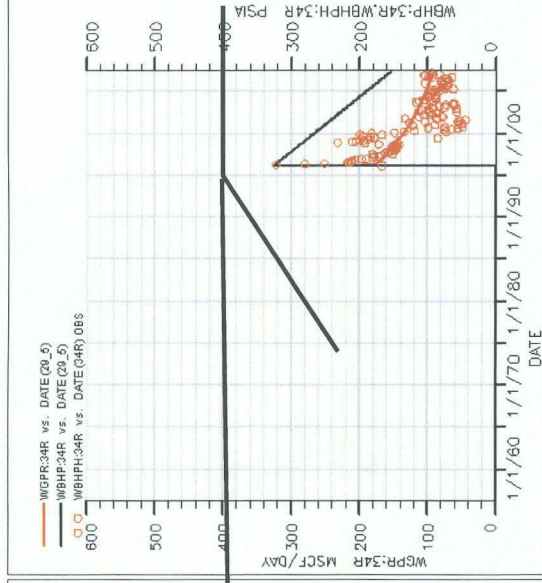
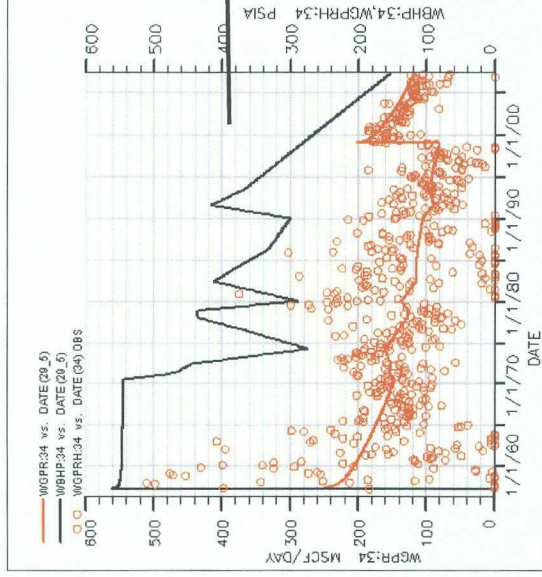


Numerical Simulation

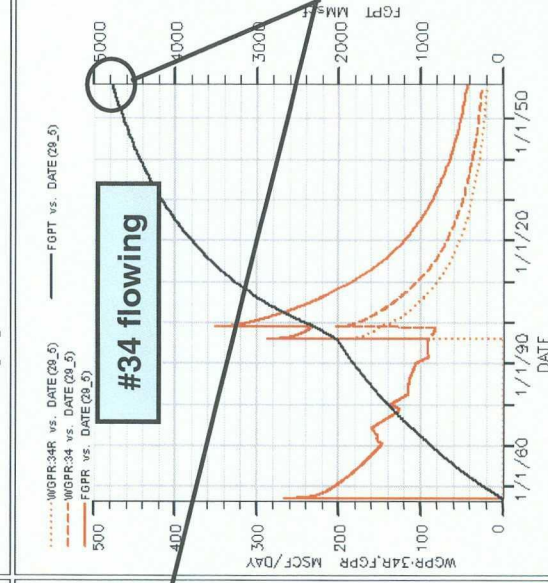
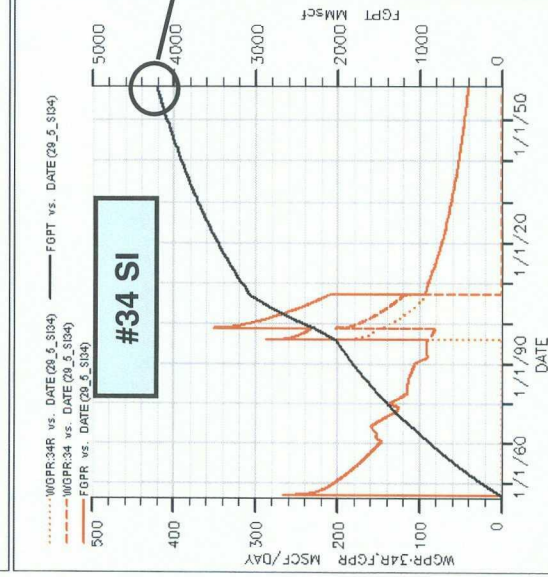


- 3 layers (Lewis, Cliff House and Point Lookout)
- Same input as FMB analysis
- 545 acres
- Assume constant drainage area

Numerical Simulation



Wells are reasonably matched (on BHP control)

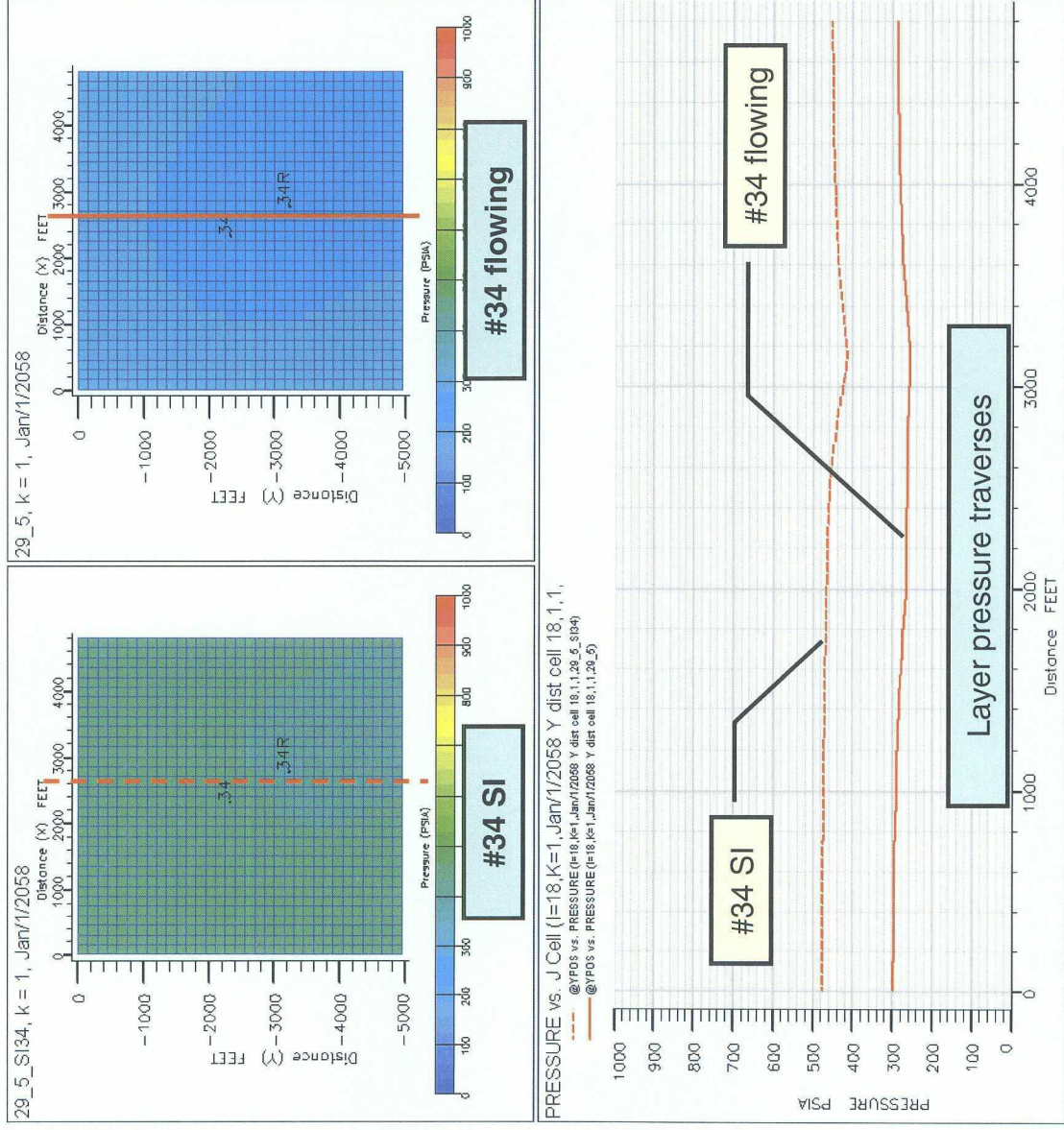


#34 SI

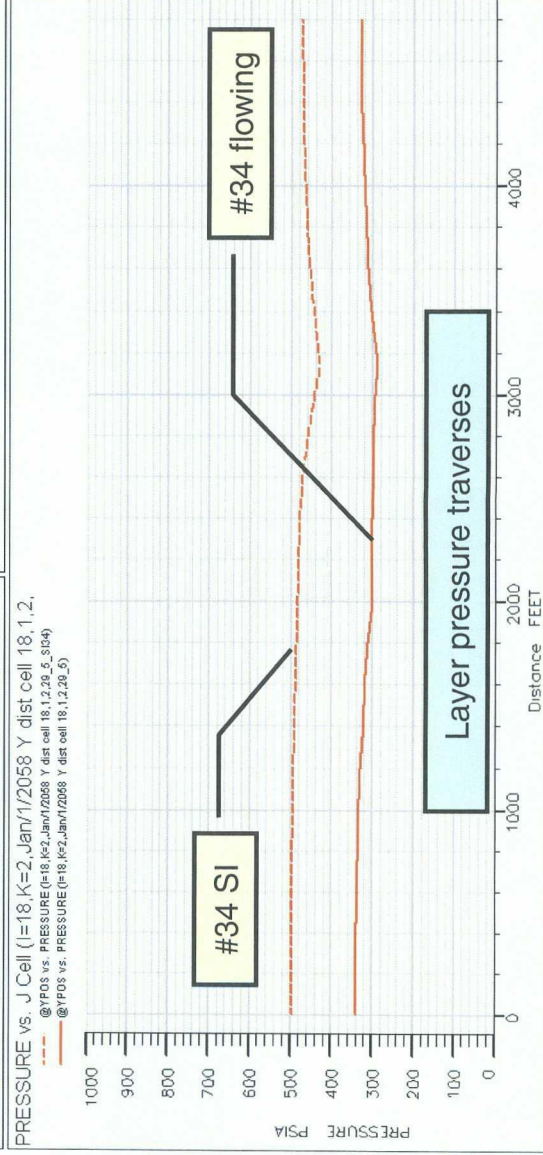
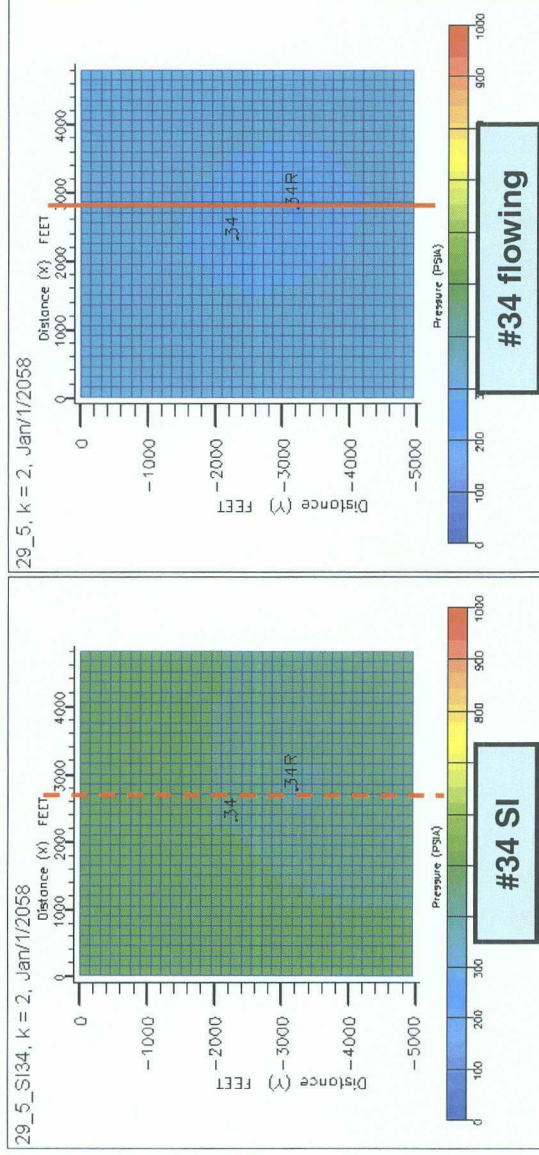
#34 flowing

Incremental recovery

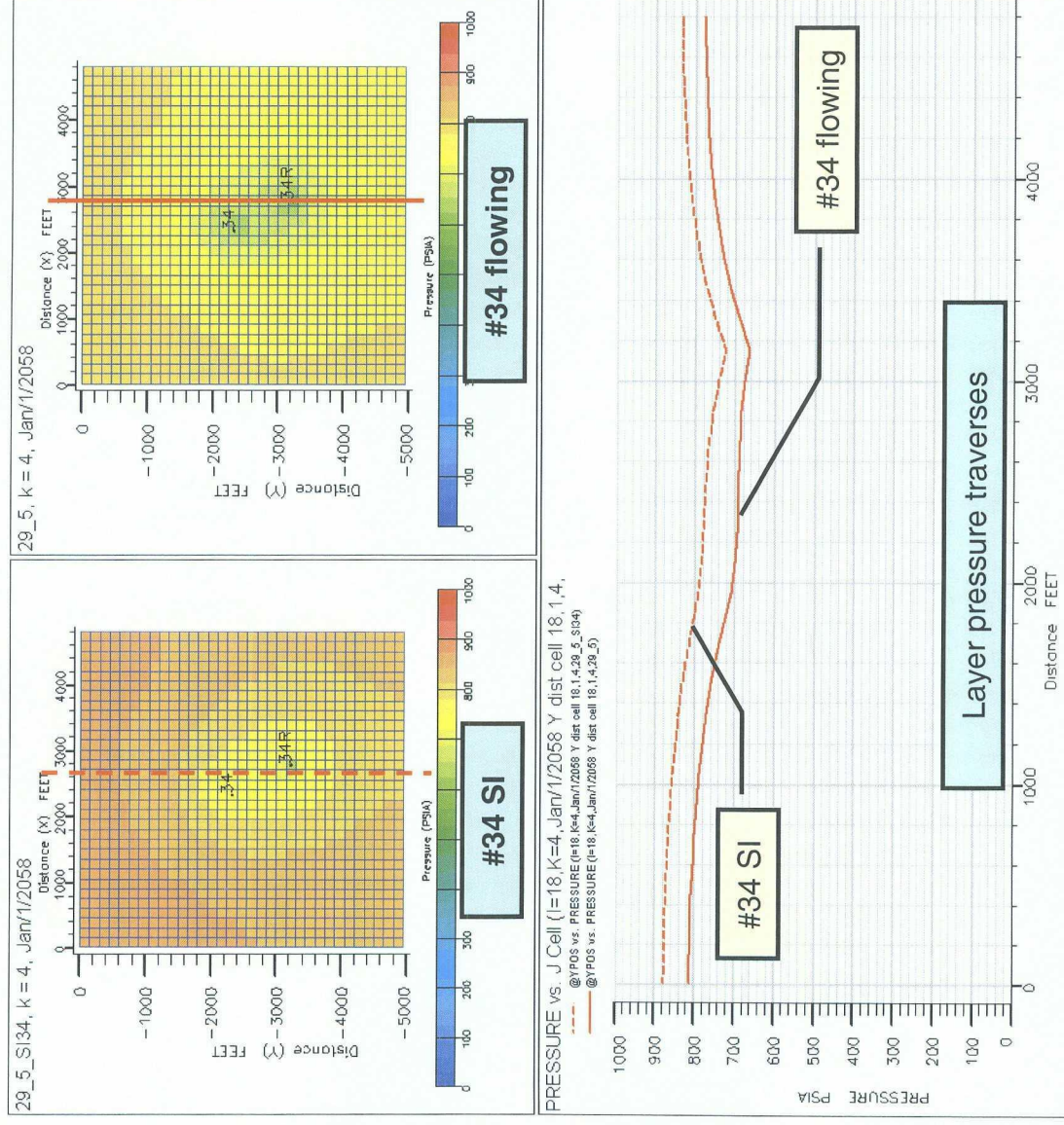
Lewis Layer Pressure 2058



Cliff House Layer Pressure 2058



Point Lookout Layer Pressure 2058



Conclusions/Recommendation

- +/- 550 acre drainage area confirmed through FMB and drainage area mapping
- No correlative rights issues within mapped drainage area
- Abandonment of San Juan 29 5 Unit 34 Mesaverde would result in a loss of reserves (estimate approximately 560 mmscf)
- Request waiver to produce San Juan 29 5 Unit 34