

Exhibit 7

San Juan 32-9 Unit Averages

Pictured Cliffs

	<u>SIP</u>	<u>Z</u>	<u>P/Z</u>
Original:	562	0.92	611
Current:	349	0.95	367

60% of Original SIP Remaining

Average Cum: 537

Cum vs P/Z Slope = $537 / (611 - 367) = 2.21$ mmcf/psi

Pabd = 50 psi, Zabd ~ 1.0

Avg. RR = $2.21 \text{ mmcf/psi} * (367 - 50) = 700$ mmcf

43% of EUR Remaining

San Juan 32-9 Unit Costs

Pictured Cliffs

Operating Expenses (\$/Month): **520**

Capital Expenses (M\$):

Single Well Completion:

Tangible Costs:	120
Intangible Costs:	280
Total Costs:	<u>400</u>

Dual Well Completion:

Tangible Costs:	115
Intangible Costs:	121
Total Costs:	<u>236</u>

Comingle Well Completion:

Tangible Costs:	70
Intangible Costs:	116
Total Costs:	<u>186</u>

PC ECONOMIC LIMITS

20% AFIT

