

DAKOTA FORMATION

UNIT	INITIAL CONDITIONS			CURRENT CONDITIONS			AVERAGE Qi (MCFD)	AVERAGE EUR (BCF)
	WHSIP (PSI)	BHSIP (PSI)	Z	WHSIP (PSI)	BHSIP (PSI)	Z		
SAN JUAN 29-5 UNIT	2570	2981	0.92	1055	1224	0.93	1316	1.4847
SAN JUAN 30-5 UNIT	2941	3412	0.93	2457	2850	0.92	3098	1.6949

DAKOTA

CAPITAL EXPENSES (M\$)

1. SINGLE COMPLETION:

	<u>TANGIBLE</u>	<u>INTANGIBLE</u>	<u>TOTAL</u>
DRILL & COMPLETE	\$103.05	\$324.91	\$427.96
FACILITIES	\$13.50	\$16.50	\$30.00
TOTAL	\$116.55	\$341.41	\$457.96

2. DUAL COMPLETION:

	<u>TANGIBLE</u>	<u>INTANGIBLE</u>	<u>TOTAL</u>
DRILL & COMPLETE	\$77.50	\$328.85	\$406.35
FACILITIES	\$13.50	\$16.50	\$30.00
TOTAL	\$91.00	\$345.35	\$436.35

3. COMMINGLE COMPLETION:

	<u>TANGIBLE</u>	<u>INTANGIBLE</u>	<u>TOTAL</u>
DRILL & COMPLETE	\$66.59	\$247.22	\$313.81
FACILITIES	\$6.75	\$8.25	\$15.00
TOTAL	\$73.34	\$255.47	\$328.81

DAKOTA
OPERATING COSTS (M\$/YEAR)

	<u>SAN JUAN 29-5 UNIT</u>	<u>SAN JUAN 30-5 UNIT</u>
1. SINGLE COMPLETION:	\$5.298	\$5.615
2. DUAL COMPLETION:	\$4.503	\$4.773
3. COMMINGLE COMPLETION:	\$4.267	\$3.915

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**San Juan 29-5 Unit
Summary of Development Drilling Economics**

<u>Well Type</u>	<u>Mesaverde</u>		<u>Dakota</u>	
	<u>Cost</u> <u>(\$000)</u>	<u>AARR</u>	<u>Cost</u> <u>(\$000)</u>	<u>AARR</u>
Single Well	405	14.4%	458	8.2%
Dual Well	368	16.9%	436	9.4%
Down-hole Commingle	285	24.7%	329	14.5%

San Juan 29-5 Unit
 Gas Price Sensitivities
 New Downhole Commingled Drill Well

Gas Price	1997 Posting (/MMBTU)	Mesaverde		Dakota	
		Cost (\$000)	AARR	Cost (\$000)	AARR
Base	\$1.50	285	24.7%	329	14.5%
Base + 20%	\$1.80	285	32.4%	329	19.0%
Base + 33%	\$2.00	285	37.4%	329	22.0%