

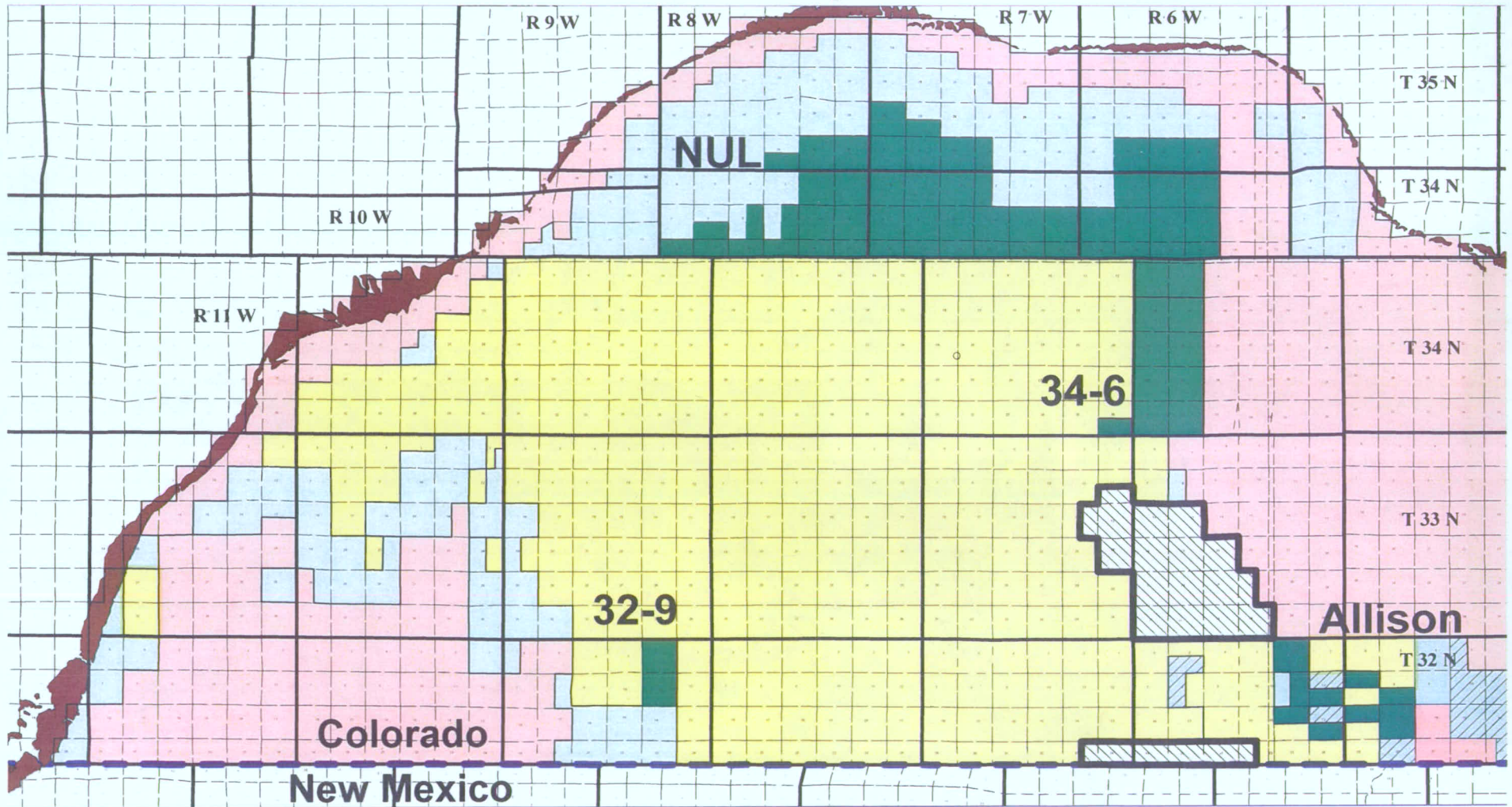


112-214








EXHIBIT(s)
FOR
ORDER NO(s).
COGCC

112 - 214

Locator Map



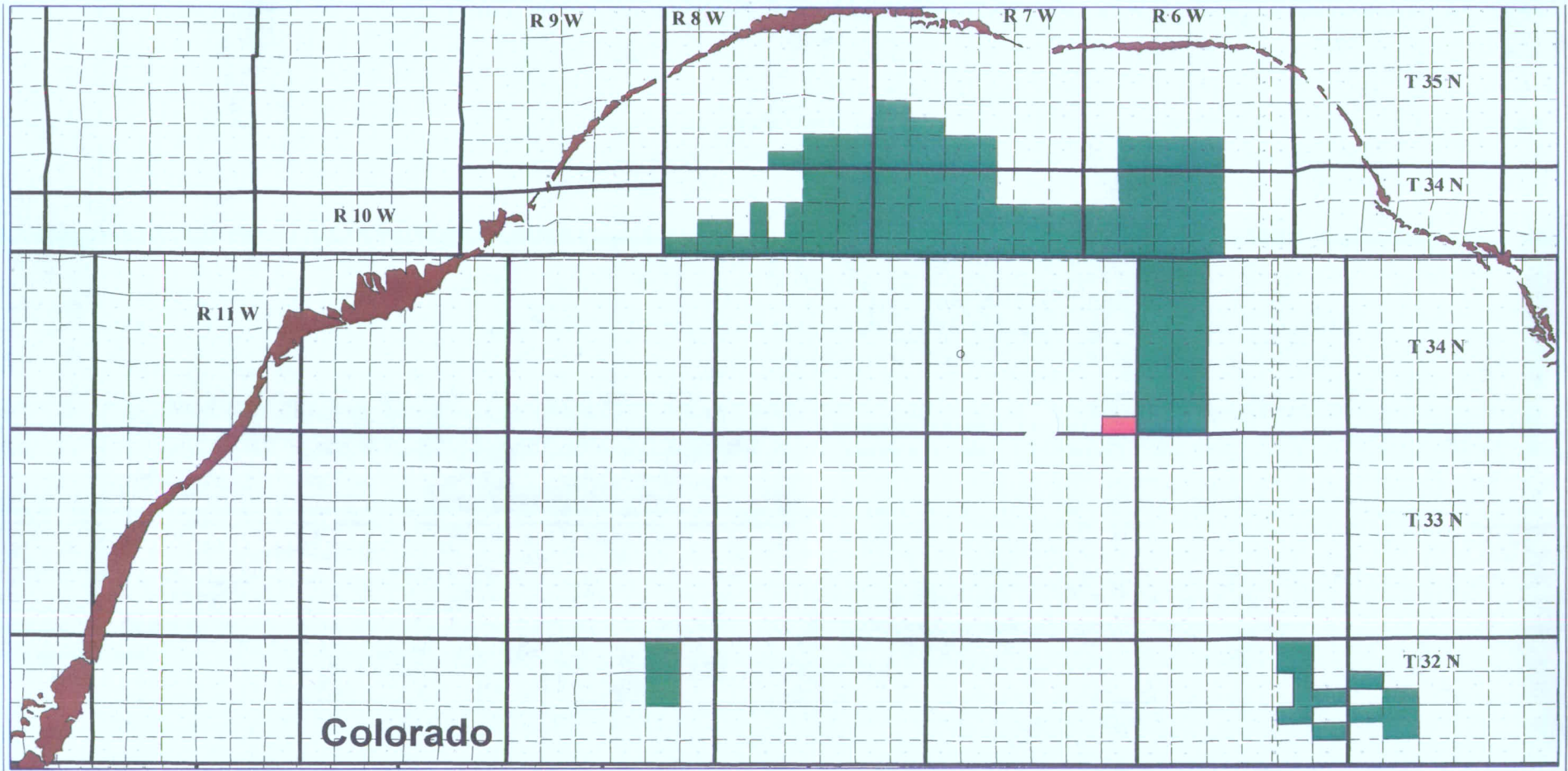
Legend

	320 Acre		80 Acre		Fruitland Outcrop
	160 Acre		Federal Unit		
	160 Acre 660 setback		Application Area		

Scale

1 Mile

Operator Identification Map



Legend



Fruitland Outcrop



BP



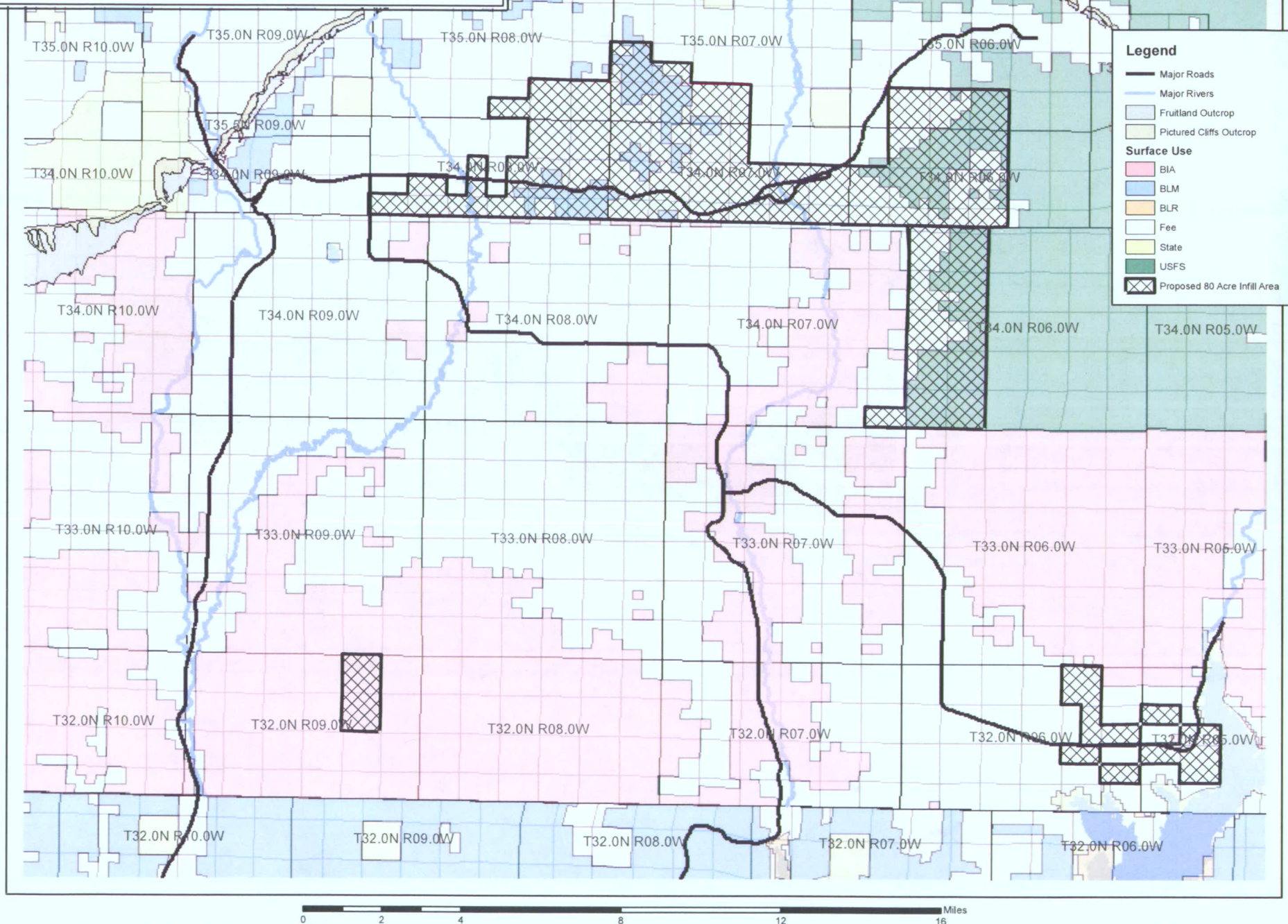
Red Willow

Scale

1 Mile

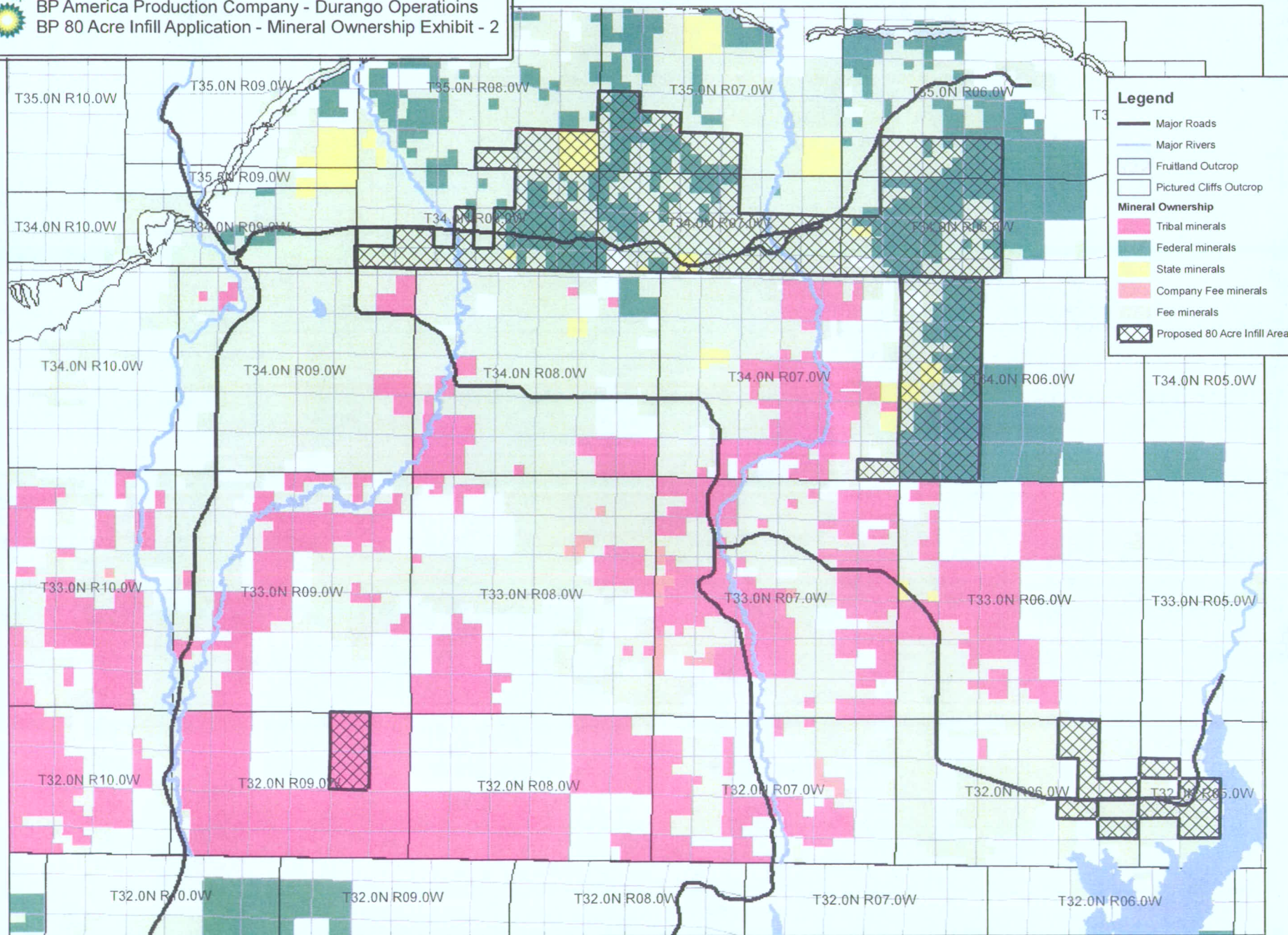


BP America Production Company - Durango Operations
BP 80 Acre Infill Application - Land Use Exhibit - 2





BP America Production Company - Durango Operations
BP 80 Acre Infill Application - Mineral Ownership Exhibit - 2

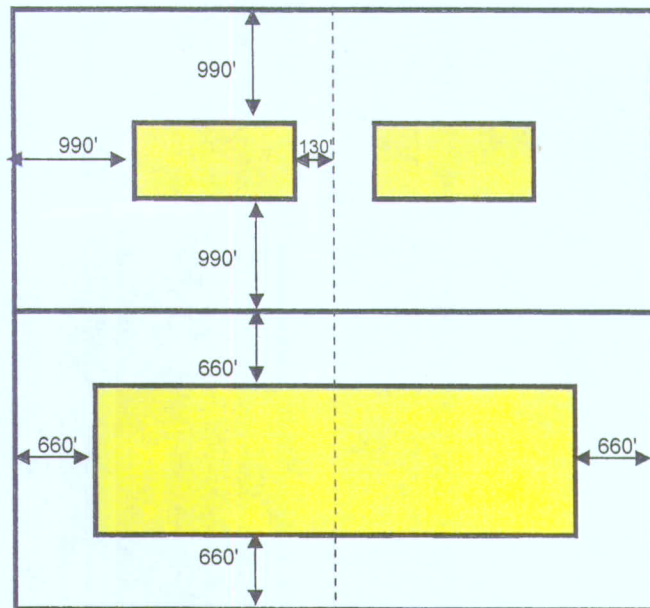


80-ACRE INFILL PROPOSED BOTTOMHOLE LOCATION SETBACK

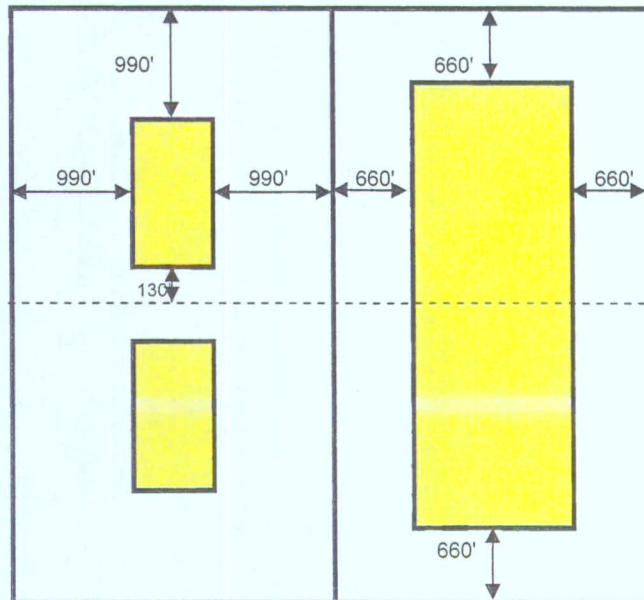
LAYDOWN

Current: Setback 990' from spacing unit boundary and 130' from internal quarter section line

Proposed: Setback 660' from spacing unit boundary with no setback from internal quarter section line

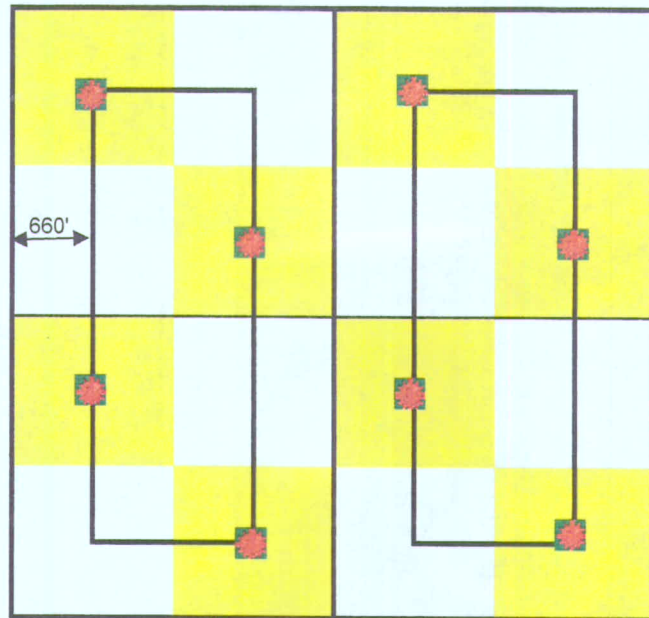


STANDUP

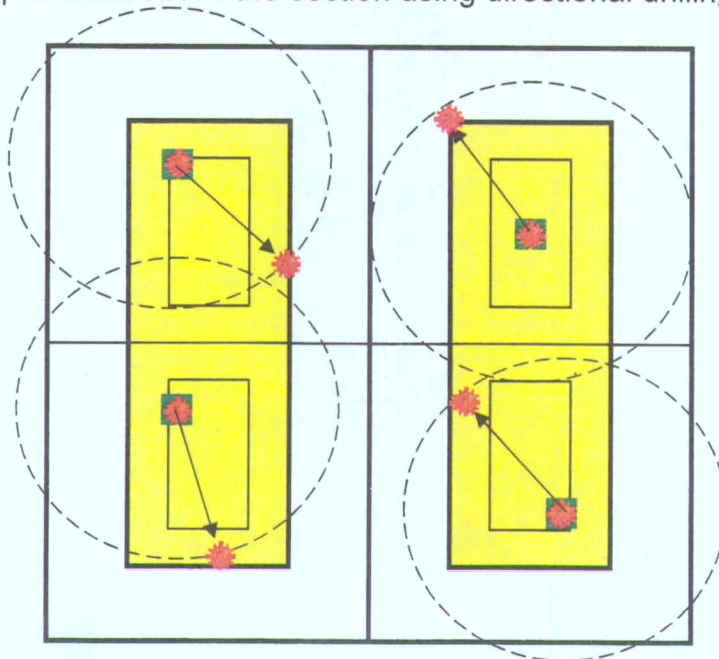


80-ACRE INFILL PLAN FOR DEVELOPMENT FROM EXISTING PADS

Theoretically, 80-acre well locations could use eight separate well pads in each section with 660' setback on alternate quarter-quarter sections



In order to minimize surface disturbance, BP proposes to drill the 80-acre infill wells from four (existing) well pad locations in the section using directional drilling kickout of +/-1320'



Fruitland Type Log

05067071240000

ELEV_KB : 7,070

TD : 2,742

SPUD_DATE : 10/29/1988

FRUITLANDCOAL



BP AMERICA PRODUCTION COMPANY

DRY CREEK FED GU #1

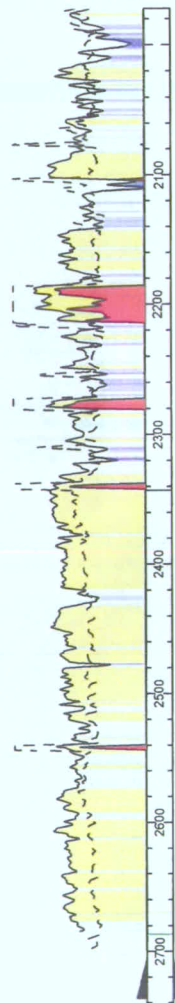
T34N R8W S12

NW SE SE

Kirtland
Shale

Fruitland

Pictured Cliffs
Sandstone

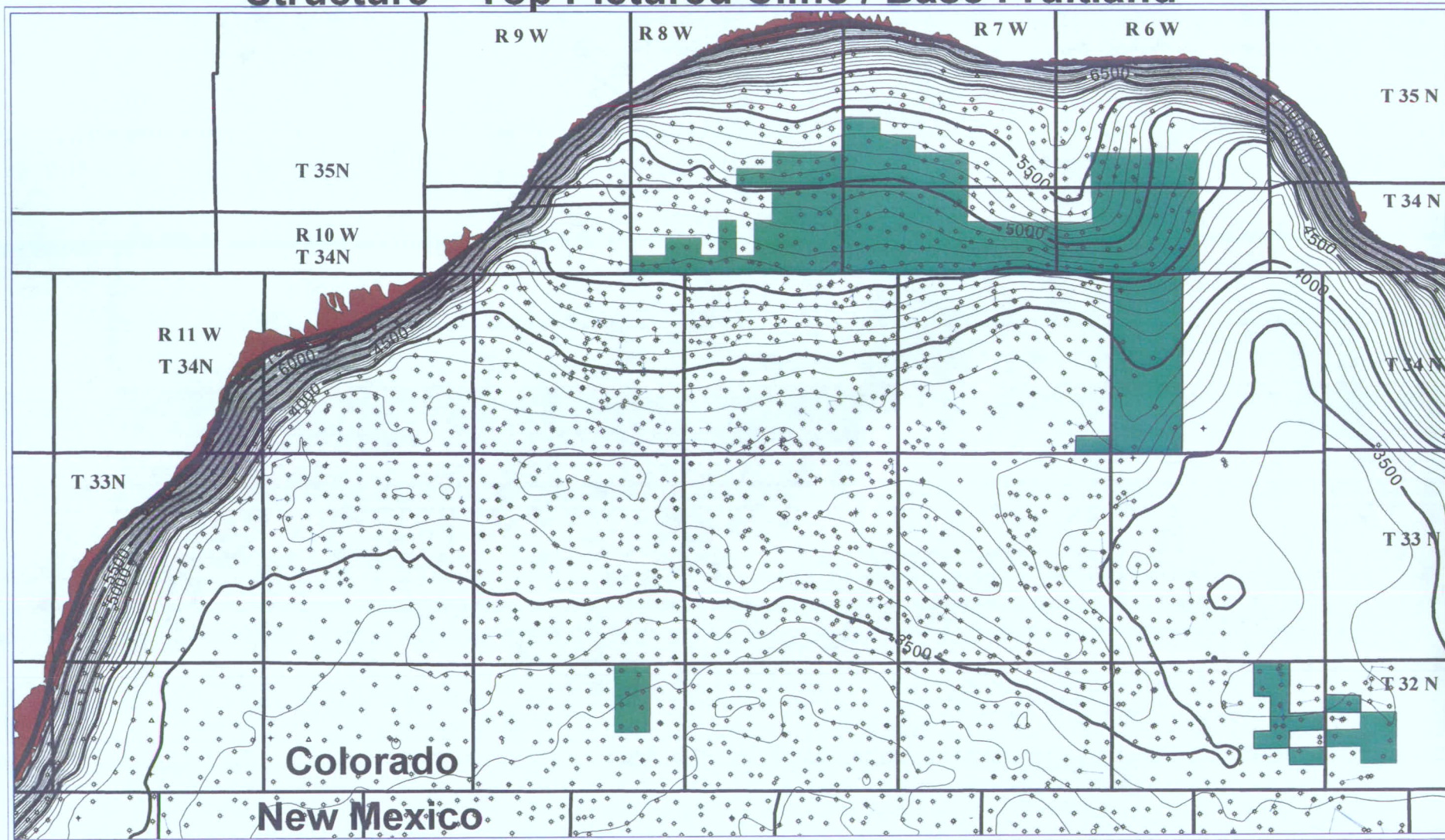


Pictured Cliffs
Tongue

Pictured Cliffs
Main Body

0 200 Gamma Ray - api
1 2 Bulk Density - gm/cc Coal Density <2.0 gm/cc
2 3 Bulk Density - gm/cc

Structure – Top Pictured Cliffs / Base Fruitland



Legend

Contour Interval 100 ft.



Fruitland Outcrop

Spotted: All Fruitland Coal Wells

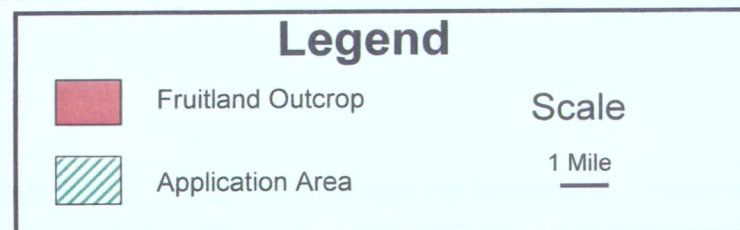
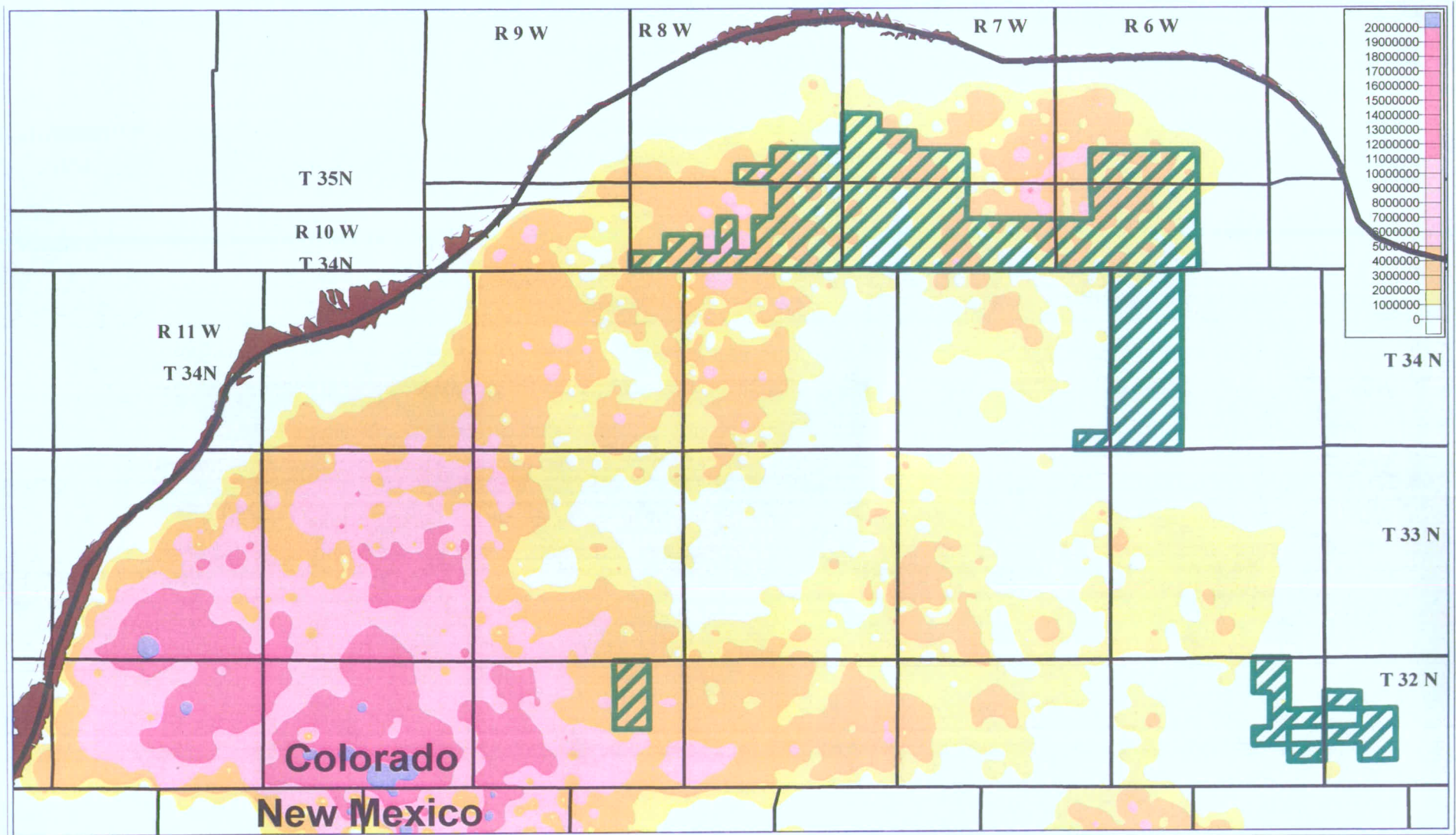


Application Area

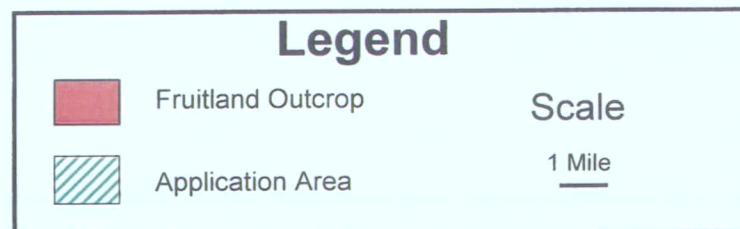
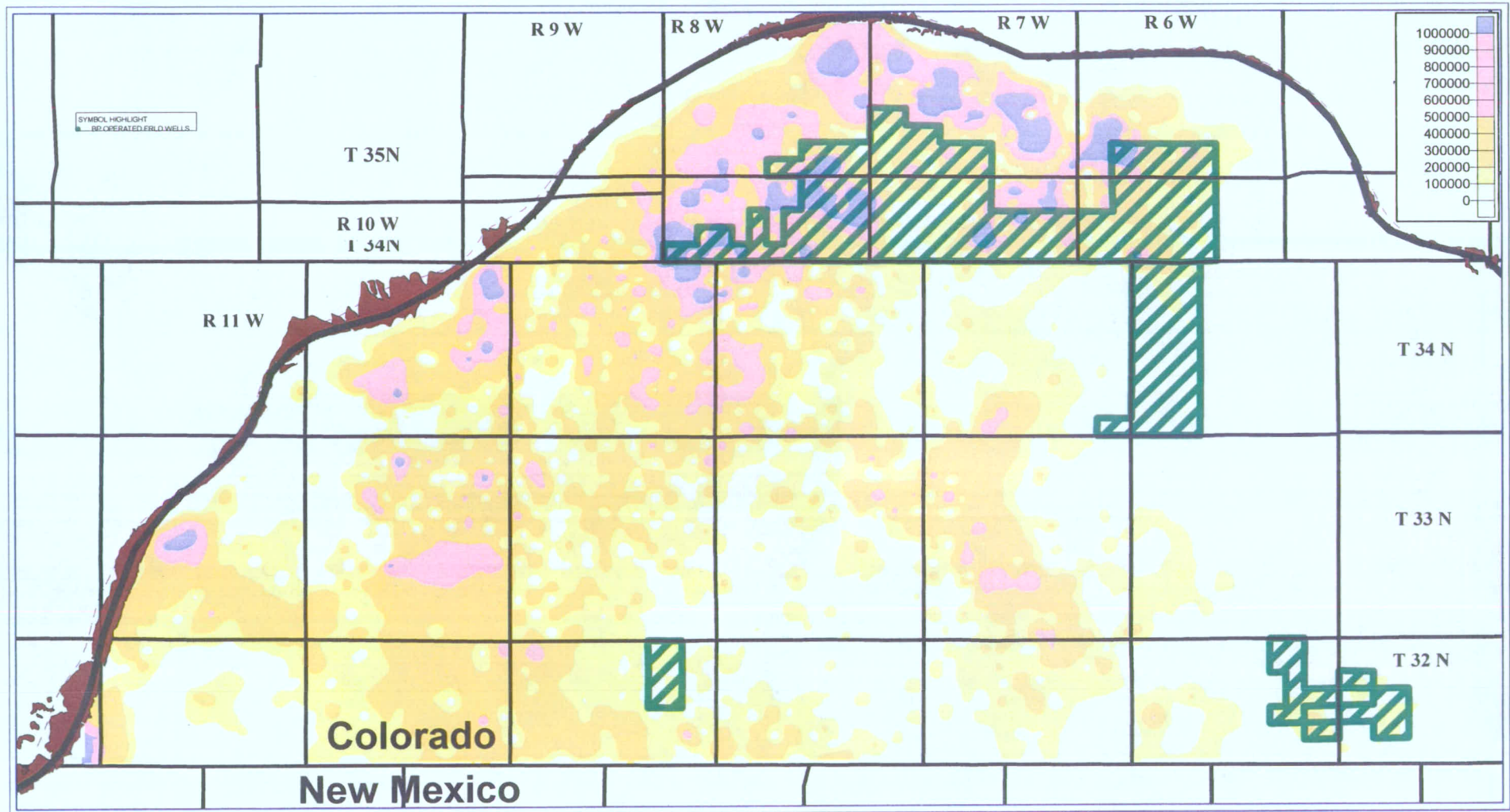
Scale

1 Mile

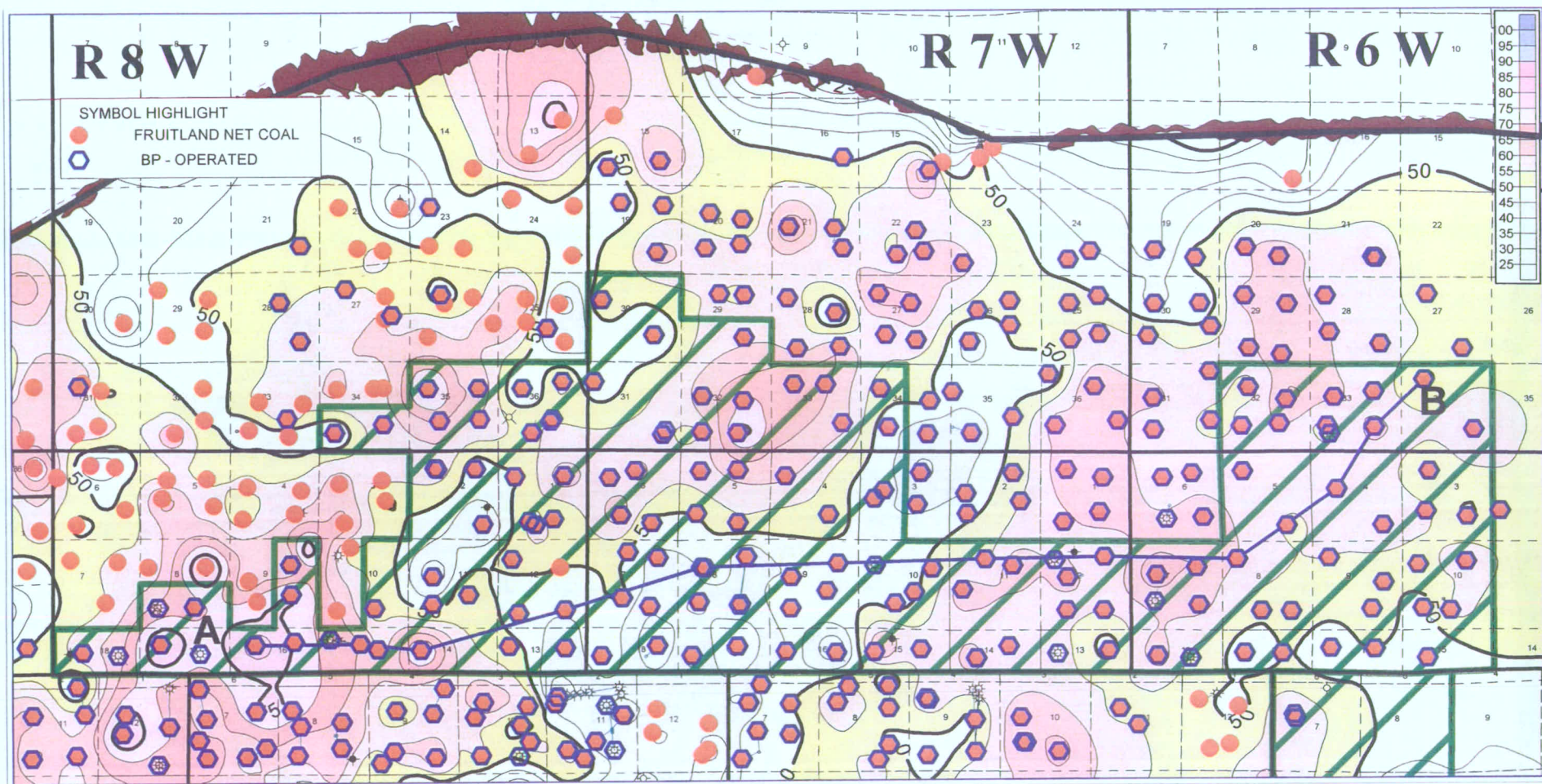
Cumulative Gas Production – Mcf Fruitland Coal



Cumulative Water – Bbls Fruitland Coal



Net Coal Thickness – ft. Fruitland NUL

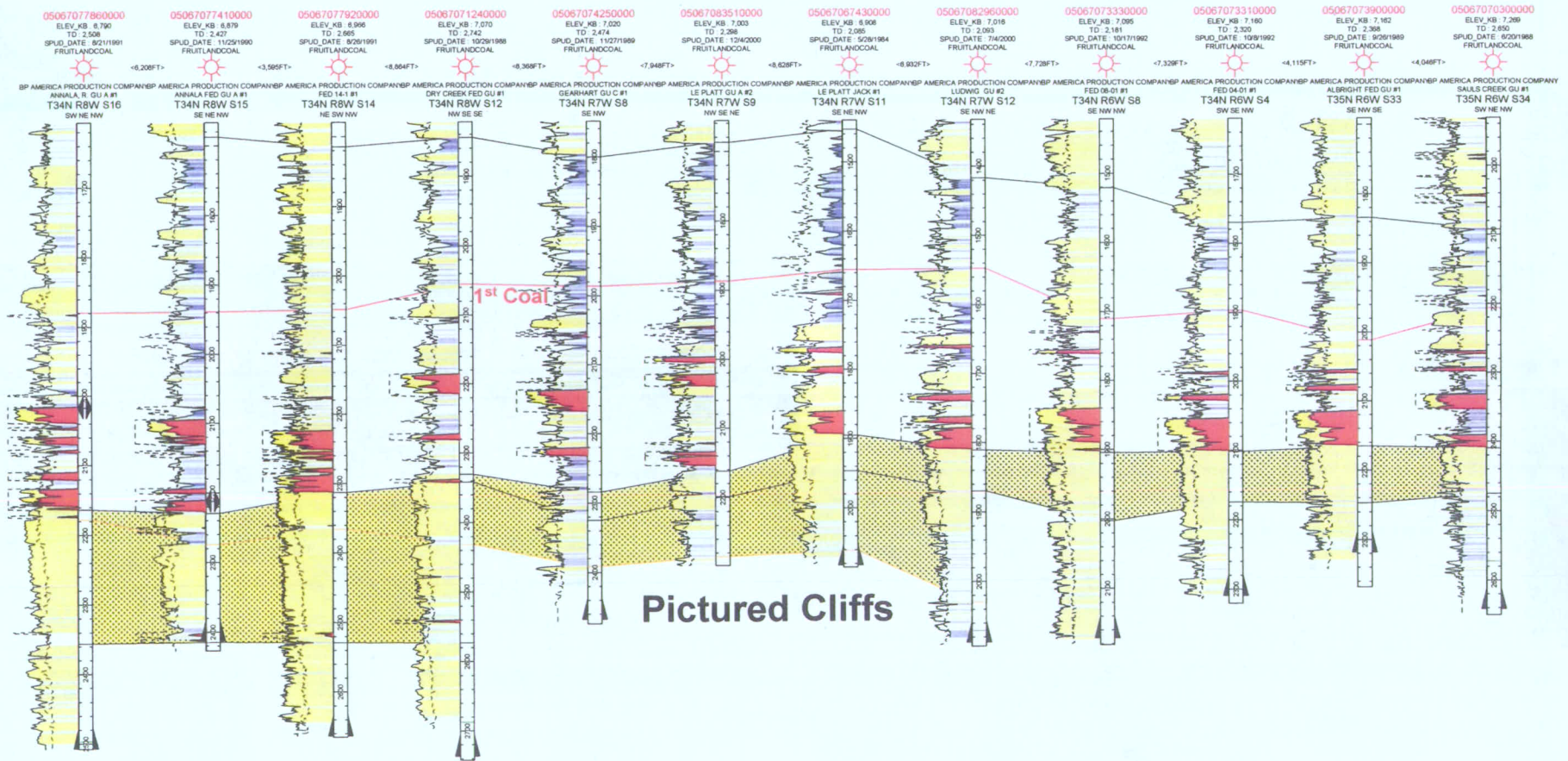


Stratigraphic Cross Section NUL

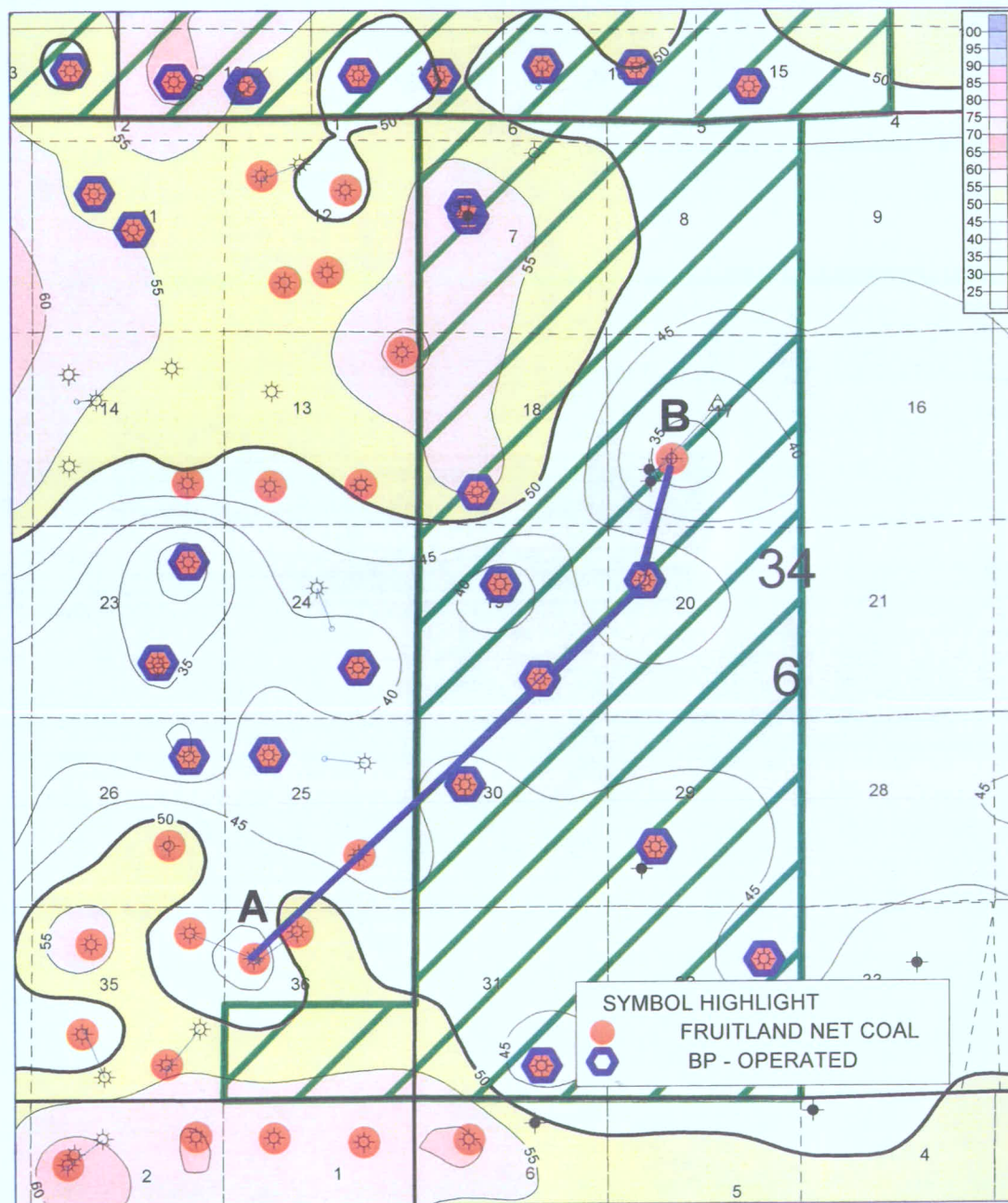
A

B

FRUITLAND



Net Coal Thickness – ft. Fruitland 34 – 6



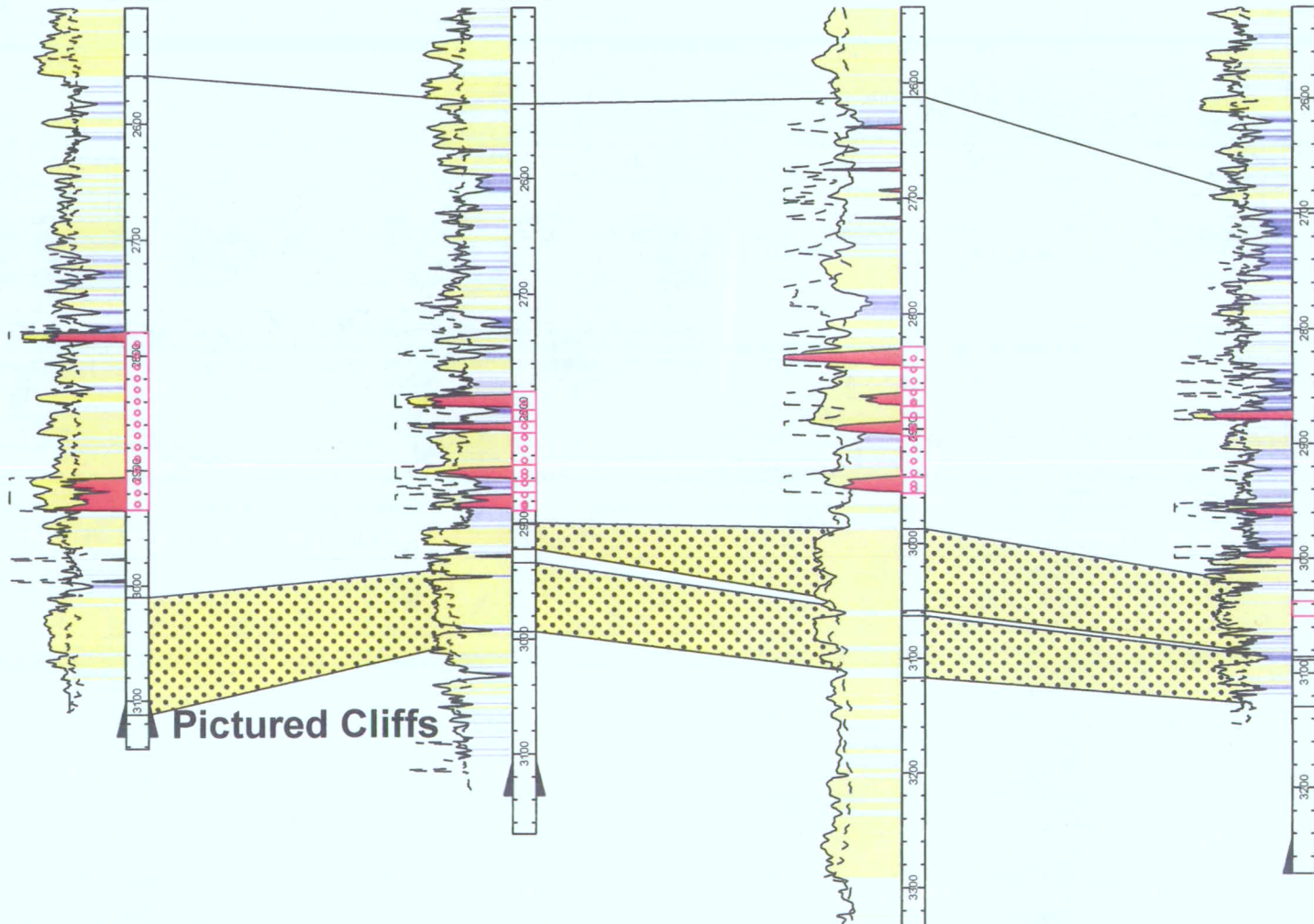
FRUITLAND

<10,999FT>

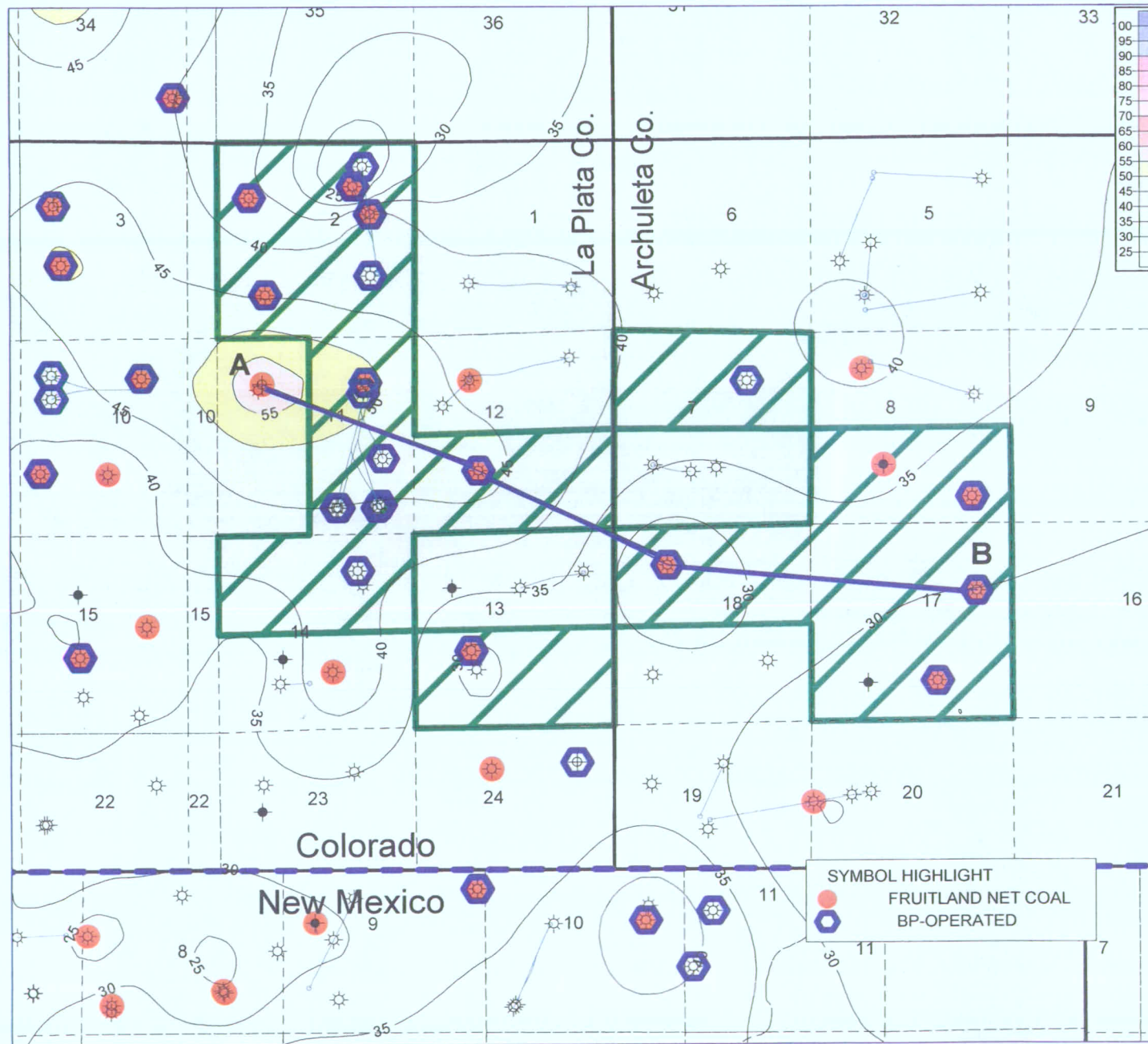
<3,940FT>

<3,107FT>

B

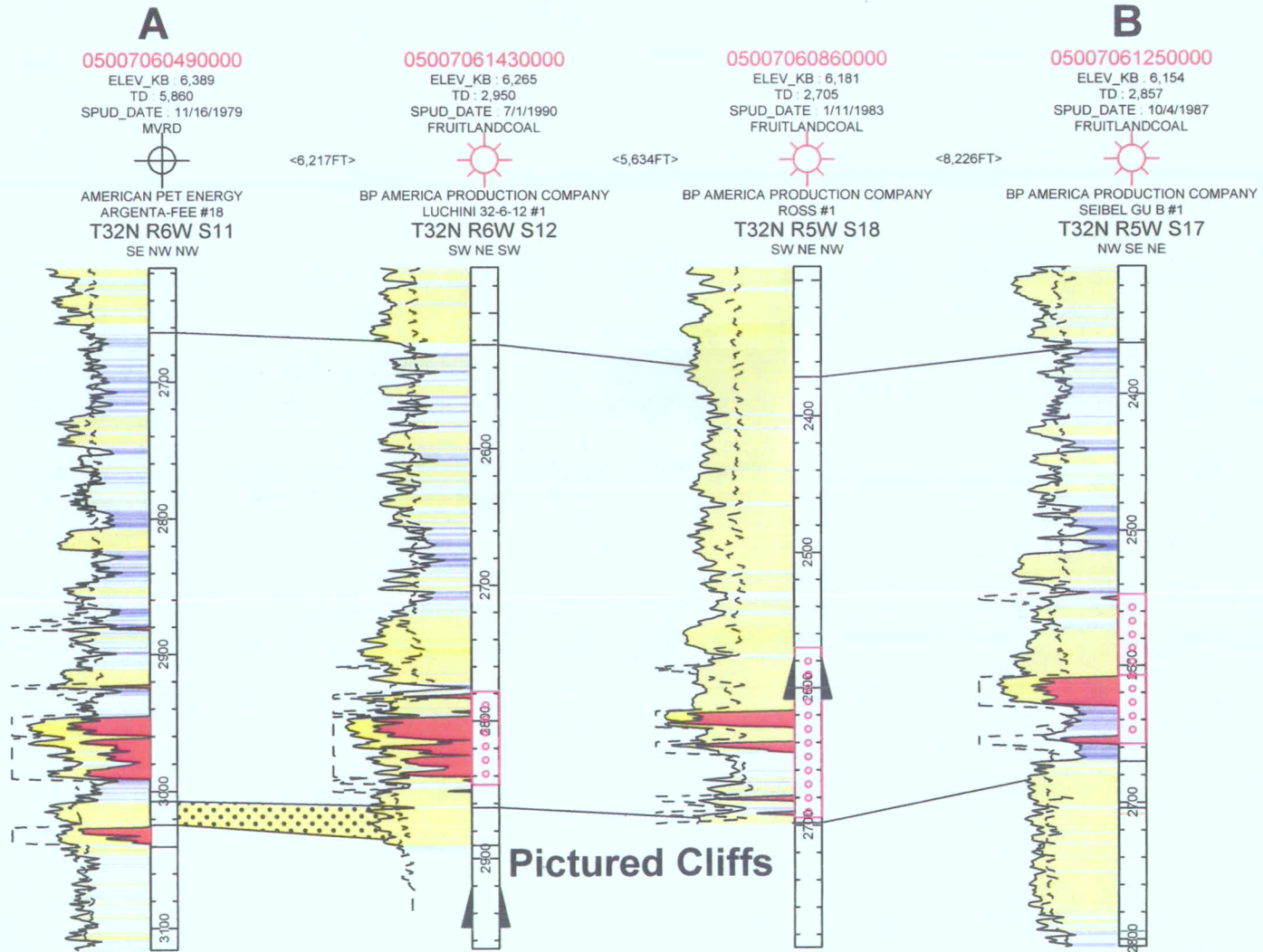


Net Coal Thickness – ft. Fruitland Allison

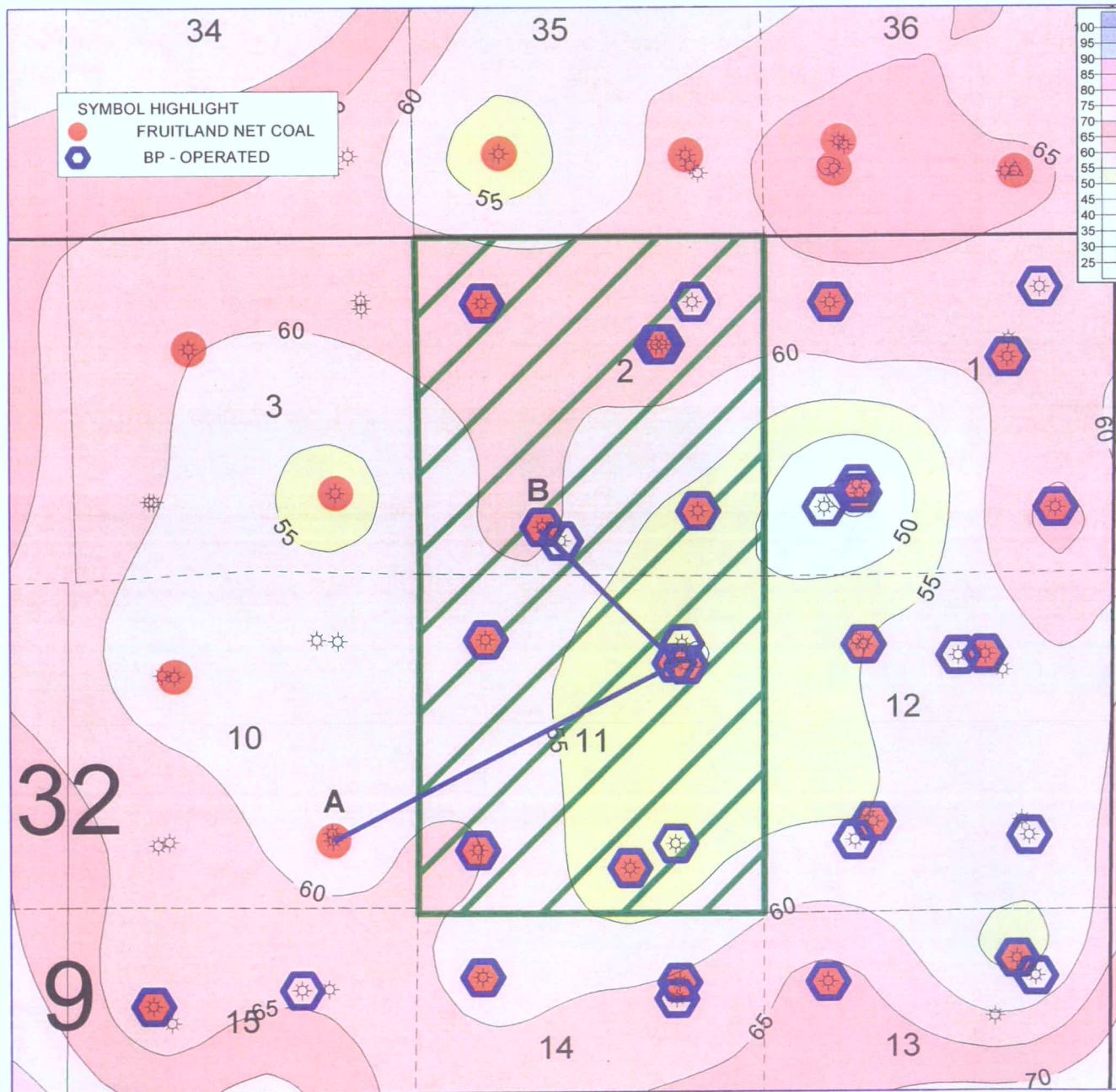


Stratigraphic Cross Section Allison

FRUITLAND

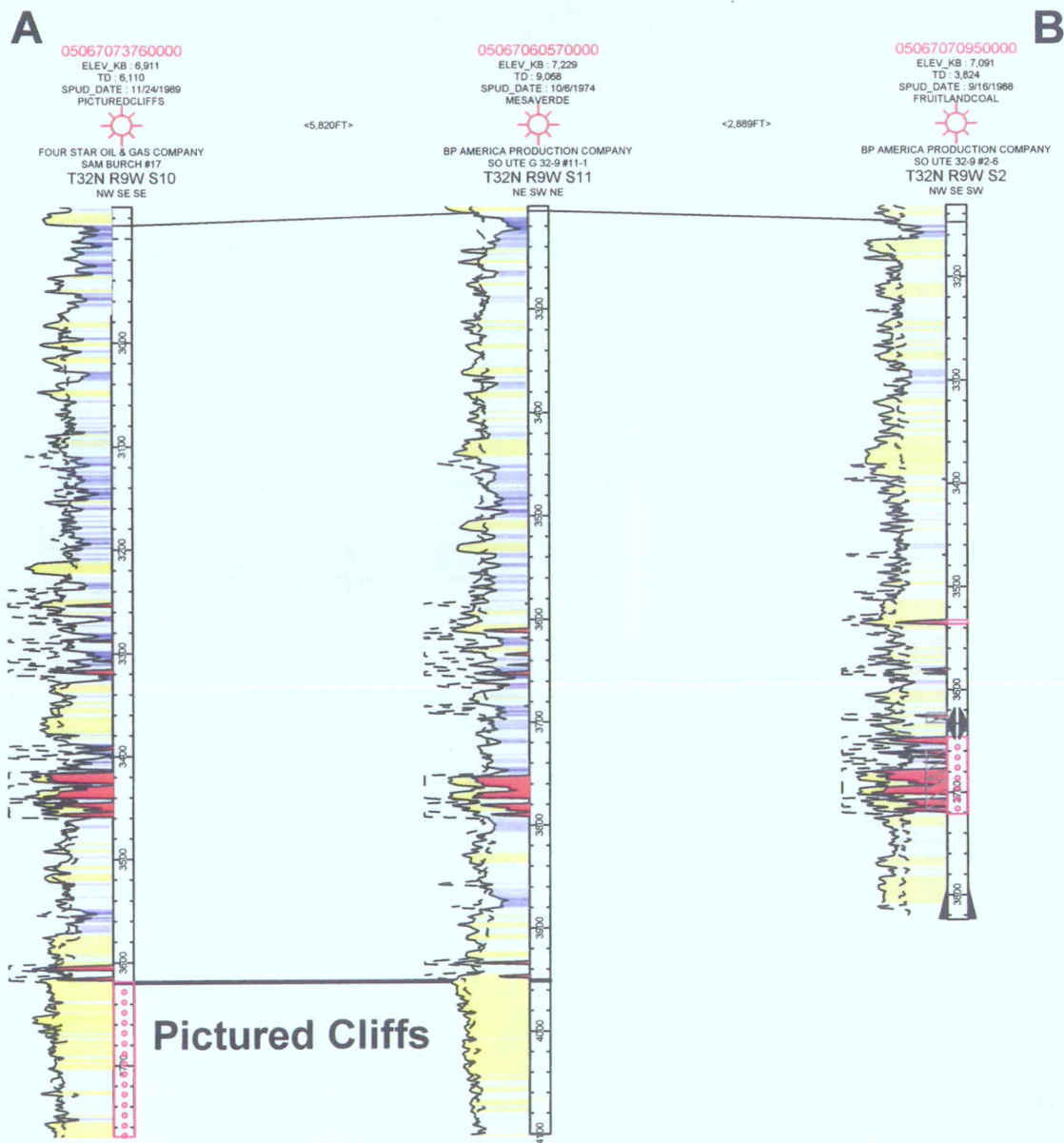


Net Coal Thickness – ft. Fruitland 32 – 9



Stratigraphic Cross Section 32 – 9

FRUITLAND

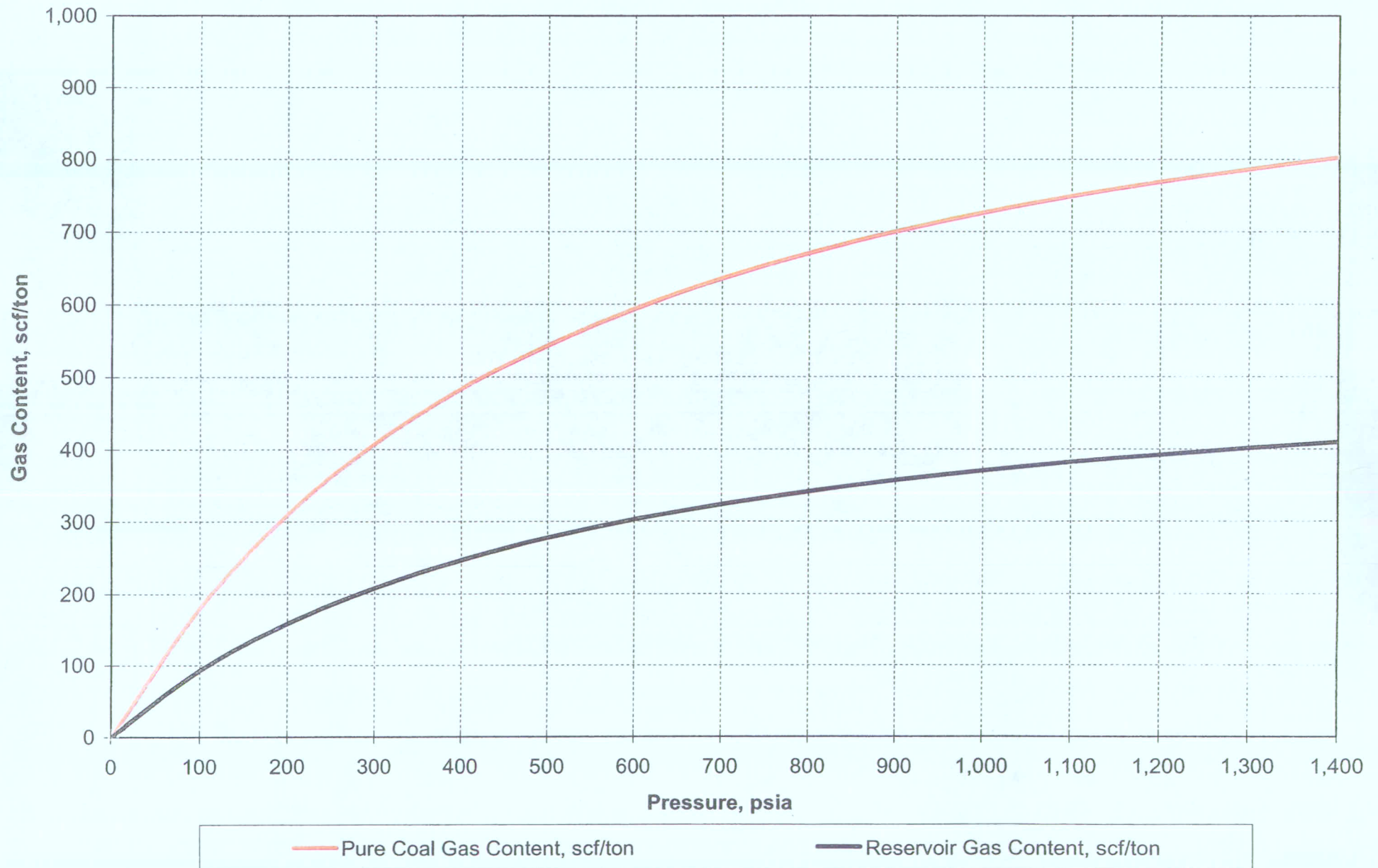


Geological Conclusions

- Coals in the Fruitland Formation are present throughout the application area.
- Fruitland Coals are easily recognized using borehole petrophysical logging tools.
- The Fruitland Coals exhibit highly variable reservoir properties - both vertically and laterally.
- Because of discontinuities to vertical and lateral flow, more wells are needed to adequately drain the gas contained in this reservoir

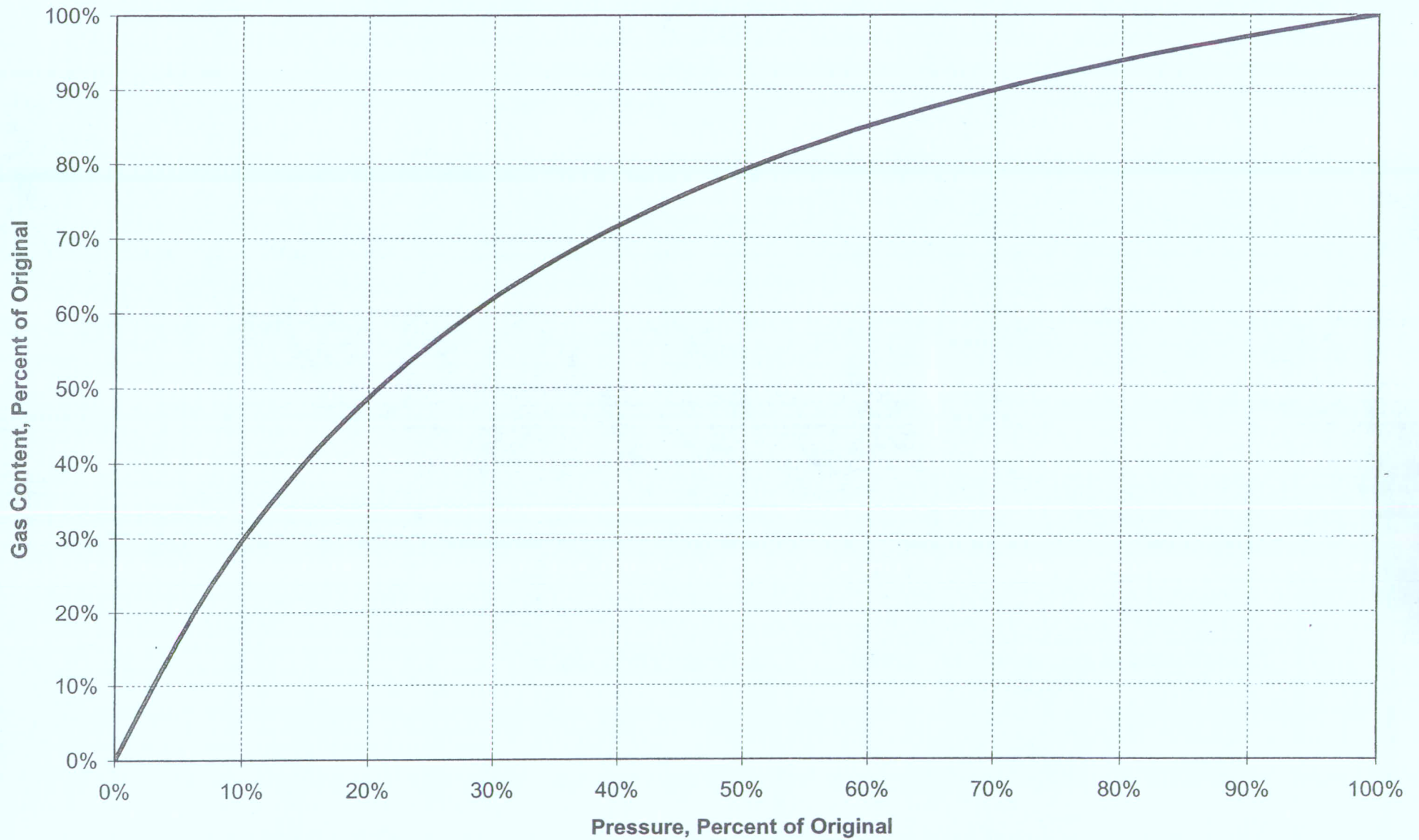
Methane Langmuir Isotherms

80-Acre Infill Application Area Reservoir Properties



Methane Langmuir Isotherms

80-Acre Infill Application Area Reservoir Properties



Average Virgin Pressure in Application Area = 1,400 PSIA

Langmuir Isotherm Input Data and Calculation Spreadsheet

LANGMUIR ISOTHERM SPREADSHEET						Definitions					
Average Properties in 80-Acre Application Area						Vm _{pc} = Maximum Sorption capacity (SCF/Ton) of pure coal at infinite pressure					
						Vm = Maximum Sorption capacity (SCF/Ton) of in-situ coal at infinite pressure					
						V' = gas content of pure coal at given pressure (SCF/Ton)					
						V = gas content of in-situ coal zone at given pressure (SCF/Ton)					
Vm _{pc} =	input	scf/ton	Yc =	0.5096							
b =	1,090	psi-1	Vm =	555.5	scf/ton						
bulk density =	0.002	gm/cc	PL =	500.0	psia						
cleat porosity =	1.634										
initial pressure =	0.010										
	1,400	psia									
						Comments on definitions from JPS - September 6, 2005					
						V _{mpc} = V _{L daf} = approximately V _{L mmmf}					
						daf = dry, ash-free					
						mmmf = mineral matter and moisture free					
						gas content of pure coal now typically denoted as V _{daf} or V _{mmmf} rather than V'					
						gas content of in-situ coal at a given pressure still denoted as V					
	Pure Coal	Reservoir		Reservoir							
	Gas	Gas		Gas							
Pressure,	Content,	Content,	Pressure,	Content,							
psi	scf/ton	scf/ton	% of Orig	% of Orig							
0	0	0	0.00%	0.00%							
100	182	93	7.14%	22.62%							
200	311	159	14.29%	38.78%							
300	409	208	21.43%	50.89%							
400	484	247	28.57%	60.32%							
500	545	278	35.71%	67.86%							
600	594	303	42.86%	74.03%							
700	636	324	50.00%	79.17%							
800	671	342	57.14%	83.52%							
900	701	357	64.29%	87.24%							
1,000	727	370	71.43%	90.48%							
1,100	749	382	78.57%	93.30%							
1,200	769	392	85.71%	95.80%							
1,300	787	401	92.86%	98.02%							
1,400	803	409	100.00%	100.00%							
1,500	817	417									
1,600	830	423									
1,700	842	429									
1,800	853	435									
1,900	863	440									
2,000	872	444									

COAL BED METHANE GAS-IN-PLACE AND RESERVES (with Yc correction)

BP Infill Application

$$V' = (V_{mpc} * b * P) / (1 + (b * P))$$

$$A' = [(1/RHOM) + (1/RHOW) * (EM/1-EM)] / [1 + (EM/1-EM)]$$

$$B' = (1/RHOC) + [(1/RHOW) * (EC/1-EC)] - [(1 + (EC/1-EC) * A']$$

$$C' = 2.118E-5 * [(1/RHOG) - A']$$

$$Yc = [1 - PHIF - A' * (RHOB - PHIF * RHOW)] / [RHOB * (B' + C' * V)]$$

$$V = V' * Yc$$

$$RF = 1 - [(1 + bP_i) * P_f] / [(1 + bP_f) * P_i]$$

$$GIP = 1.3597 * RHOB * V * h * A$$

$$GR = GIP * RF$$

GR = Gas Reserves (MCF)

GIP = Gas in Place (MCF)

RF = Recovery factor (decimal)

V' = gas content of pure coal at pressure (SCF/Ton)

V = gas content of coal at pressure (SCF/Ton)

V_{mpc} = Maximum Sorption capacity (SCF/Ton)

b = Langmuir constant (1/psia)

P = Pressure (psi) = P_i = Initial pressure (psi)

P_f = Final pressure (psi) = usu. abandonment pressure

RHOB = bulk density of coal (g/cc)

RHOW = water density (g/cc)

RHOM = mineral matter density (g/cc)

RHOG = density of sorbed gas (g/cc)

RHOC = density of pure coal (g/cc)

h = Net coal height (ft)

A = drainage area (acres)

Y_c = mass fraction pure coal (decimal)

PHIF = cleat porosity, decimal

EM = mineral matter, equilibrium, decimal

EC = coal equilibrium moisture, decimal

A', B', C' = constants for Y_c

INPUT CONSTANTS

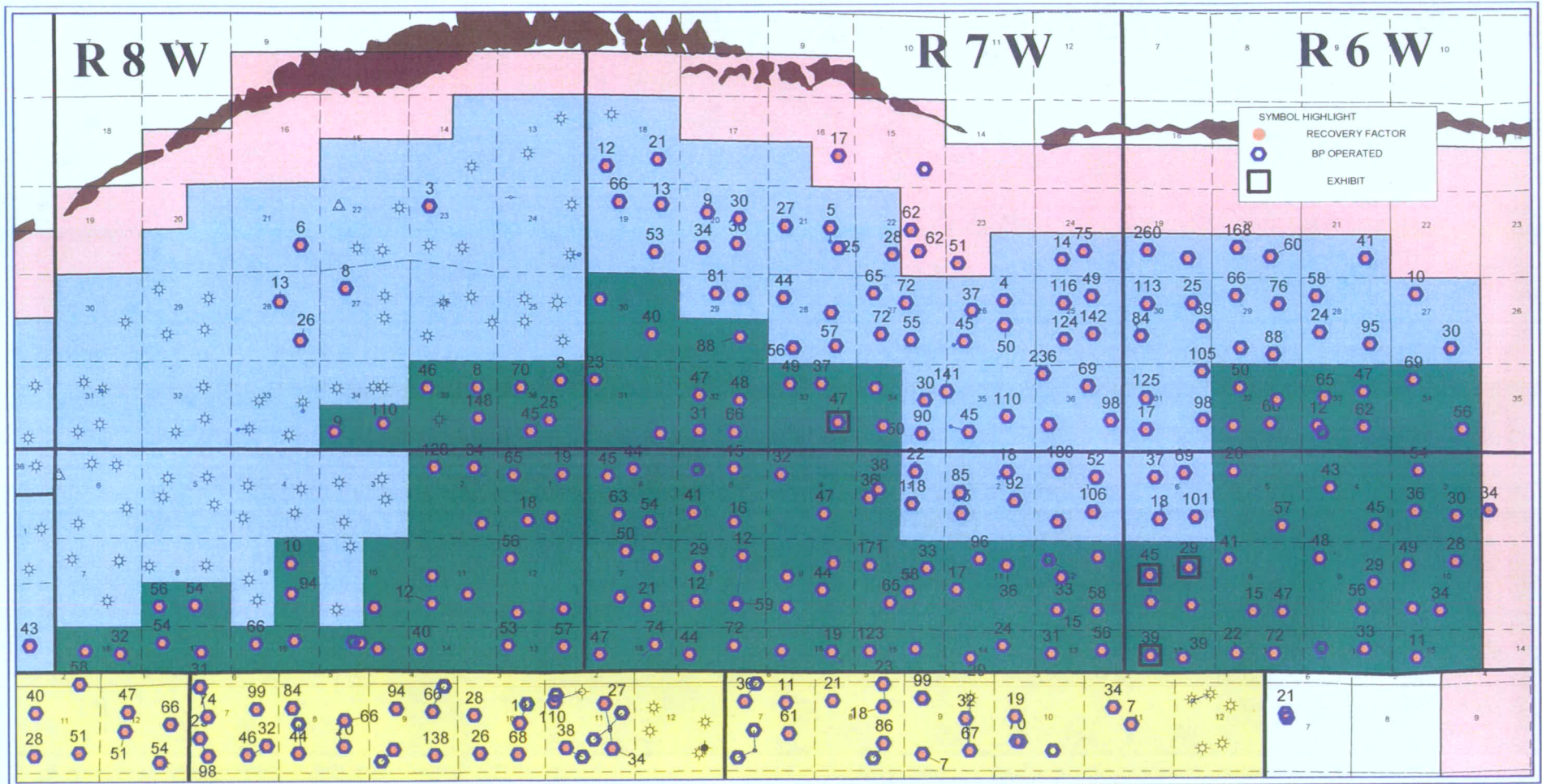
RHOG = 0.42100	Area = 160
RHOW = 1.00000	EM = 0.03844
RHOM = 2.87100	EC = 0.01561
RHOC = 1.26600	PHIF = 0.01000

CALC. CONSTANTS

A' = 0.37336
B' = 0.42646
C' = 4.24E-05

Zone	P (psi)	h (ft)	V _{mpc}	b	RHOB	V'	Y _c	V	GIP (BCF)	Seidle, Yee, & BP Ash %	GTI Ash %
Average	1,482	51	1,067	0.002	1.641	797.8	0.50410	402.2	7.266	48.03%	41.66%

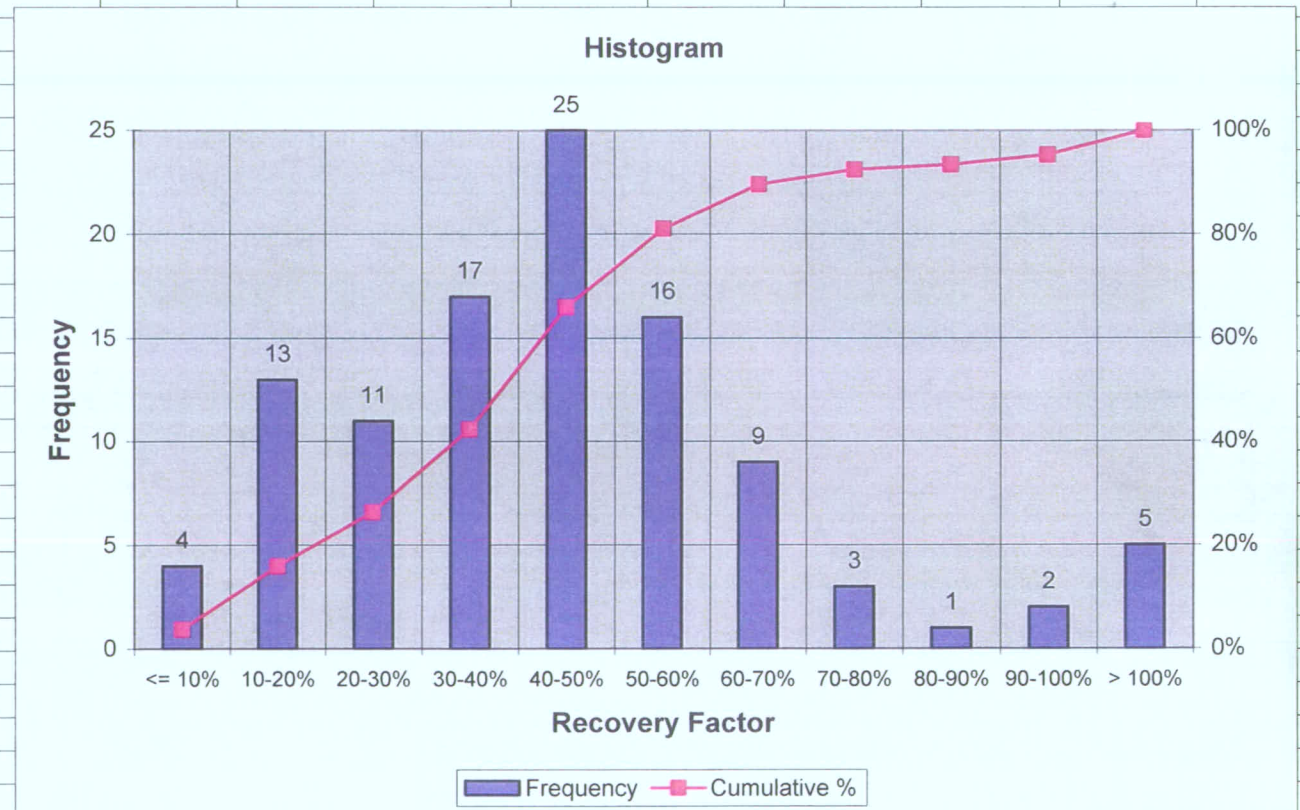
Recovery – percent Fruitland Coal NUL



Recovery Factor	Frequency	Cum %
<= 10%	4	4%
10-20%	13	16%
20-30%	11	26%
30-40%	17	42%
40-50%	25	66%
50-60%	16	81%
60-70%	9	90%
70-80%	3	92%
80-90%	1	93%
90-100%	2	95%
> 100%	5	100%

Observations	106
Median RF	45%
Count < 60%	86
% RF's < 60%	81%

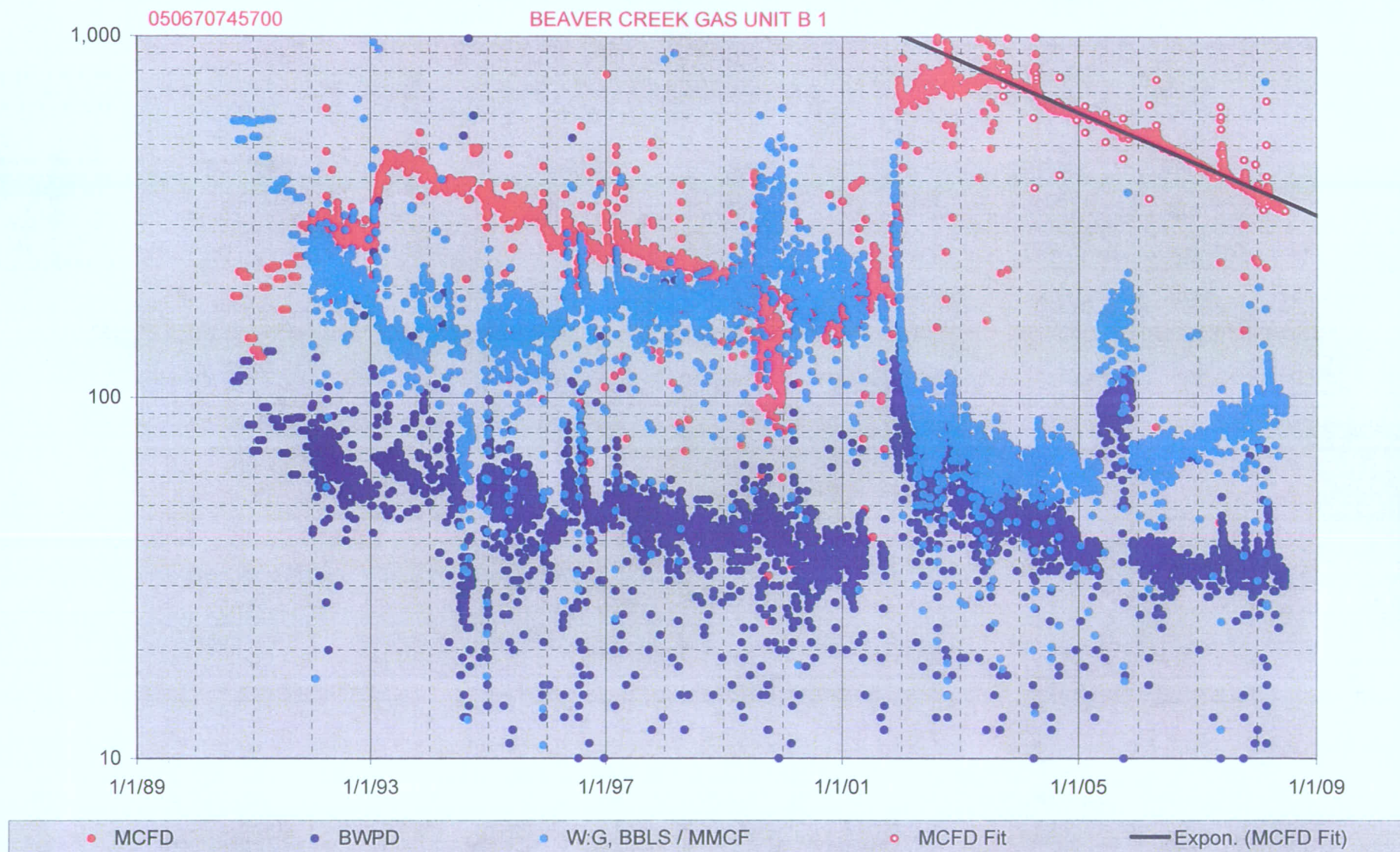
Method	Count	Median RF
CBM "Tank"	17	19%
Decline Curve	44	44%
Material Balance	45	50%



Cum Gas, MMCF 2,446 @ 6/23/08

Well Performance

$$y = 1.738946E+10e^{-4.472855E-04x}$$



June 25, 2008

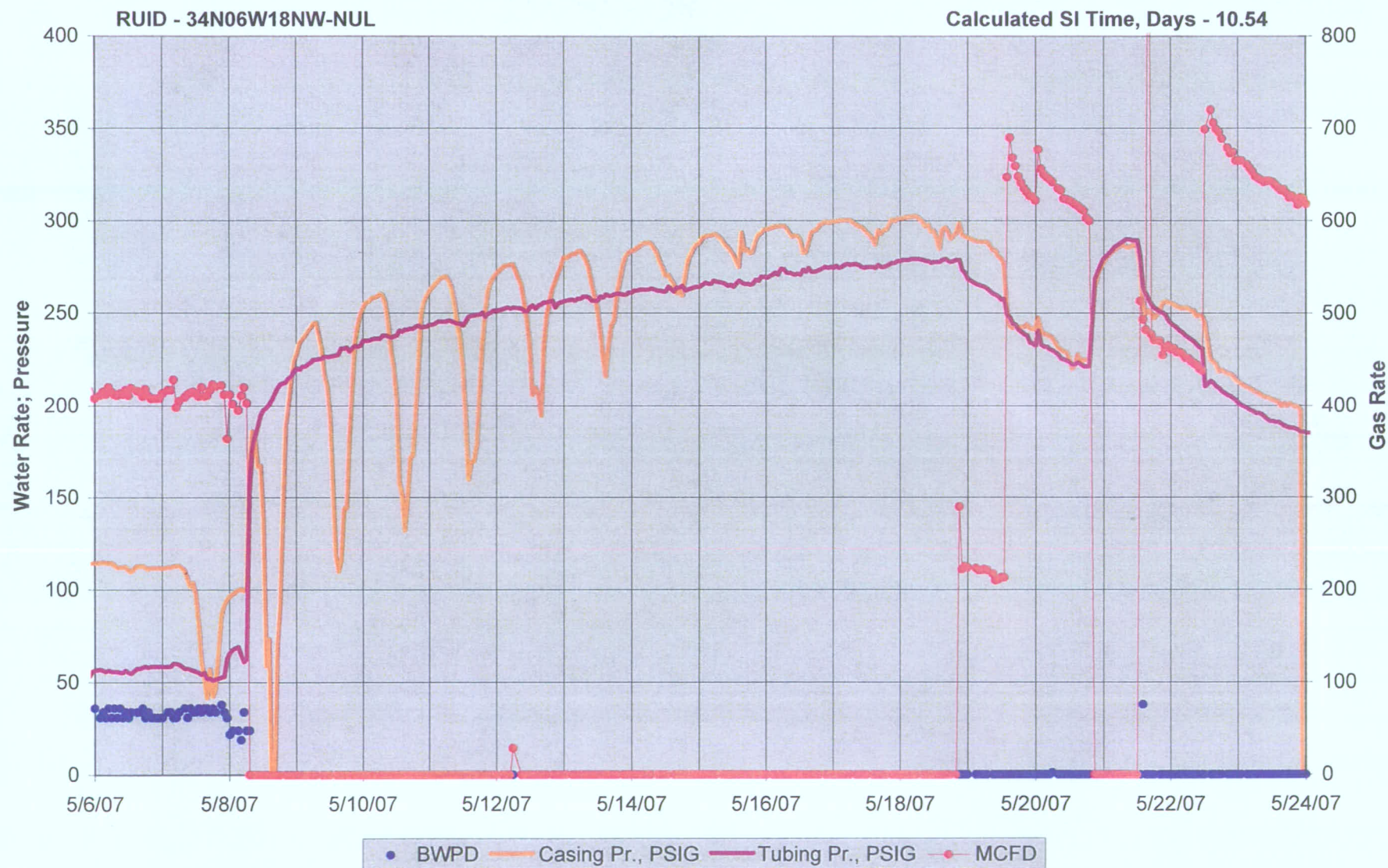
NUL 80-Acre Infill Analysis

Parameter	Value		050670745700	
Raw Gas OGIP, 160 Acres, BCF	9.677			
Cumulative Recovery, BCF =	2.446	@	6/23/08	
Decline Rate, Days ⁻¹	-4.473E-04			
Decline Rate, Years ⁻¹	-0.1634			
Decline Rate, % / Year	15.07%			
Y Intercept	1.74E+10			
Current Rate, MCFD	332	Jun-08		
Economic Limit, MCFD	25			
Time to Economic Limit, Years	16	- or -	4/25/2024	
Remaining Recovery, BCF	0.687			
Ultimate Recovery, BCF	3.133			
Recovery Factor	32.4%			

BEAVER CREEK GAS UNIT B 1
API - 050670745700

2007 Pressure Build-Up Data

Cumulative Recovery at SI, BCF = 2.295
Maximum Pressure Recorded, PSIA ~ 330



June 25, 2008

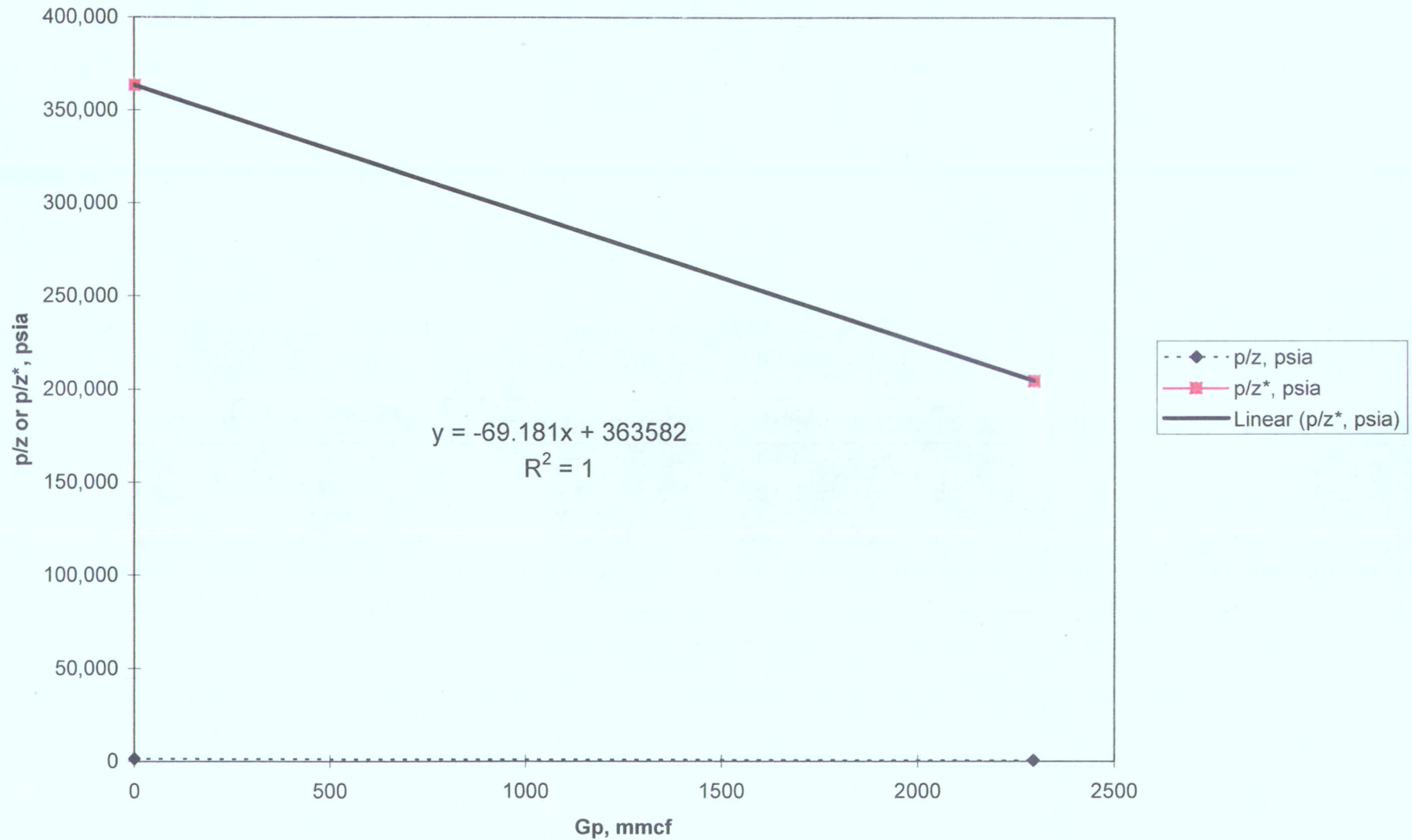
NUL 80-Acre Infill Analysis

8

ESTIMATES OF OGIP AND INITIAL RESERVOIR PRESSURE
USING THE MODIFIED KING p/z^* METHOD FOR COAL WELLS

			input		Hold as constants -			
		Vmpc =	1,057	scf/ton	Binary @	97% CH ₄ x 3% CO ₂ @ 105 F		
		b =	0.002099	psi-1	Binary @	97% CH ₄ x 3% CO ₂ @ 105 F		
		bulk density =	1.528	gm/cc				
		cleat porosity =	0.01					
		initial pressure =	1,252	psia				
		water saturation =	90%					
		Yc =	0.6036	(mass fraction pure coal)				
		input						
		Gp,	pbar,			p/z,	p/z*,	
Gauge Depth	Date	mmcf	psia	z	z*	psia	psia	
Interp	#N/A	0	1,252	0.8772	0.00344	1,427	363,582	
Surface	5/18/07	2,295	330	0.9634	0.00161	342	204,834	

cumulative production vs p/z and p/z*

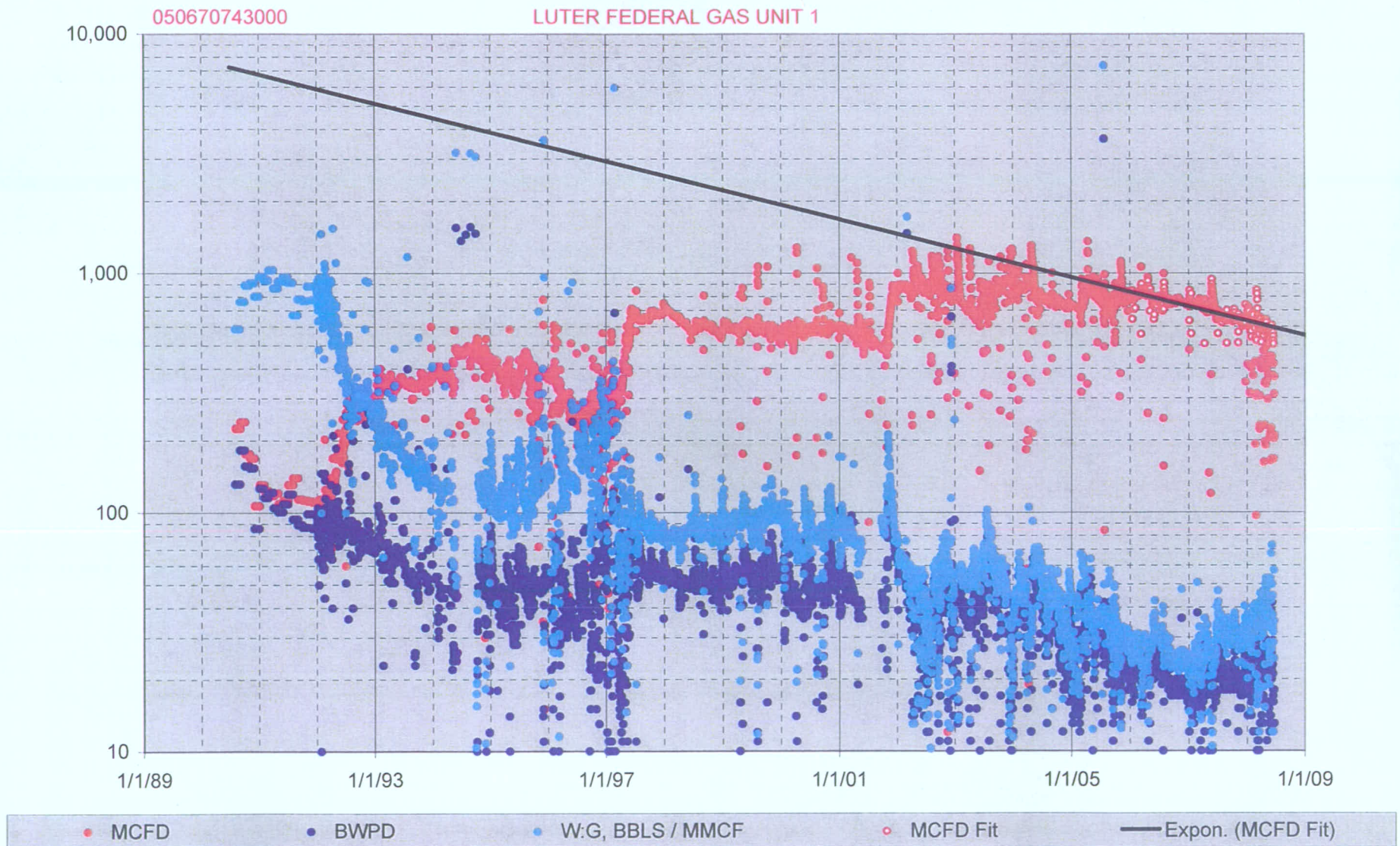


OGIP AND REMAINING RESERVES						
After fitting trendline to your data, enter the following constants:						
slope =		-69.181				
y intercept =		363,582				
Enter cumulative production to date and current average reservoir pressure (probably your last data point in the Gp-pbar table on the king120 sheet)						
Gp =		2,295		mmcf		
pbar =		330		psia		
		output				
MB ogip =		5,256		mmcf		
160 Acre Volumetric OGIP =		9,677		mmcf		
remaining gas =		2,961		mmcf		
remaining reserves at selected abandonment pressures, mmcf						
Raw Gas	100.0	112.5	125.0	137.5	150.0	162.5
Basis	psia	psia	psia	psia	psia	psia
Reserve =	1,709	1,582	1,460	1,343	1,230	1,122
EUR =	4,004	3,876	3,754	3,637	3,525	3,417
160 A RF =	41%	40%	39%	38%	36%	35%
recoveries calculated assuming a Langmuir b value of					0.002099	psia-1
and an initial reservoir pressure of					1,252	psia

Cum Gas, MMCF = 3,418 @ 6/23/08

Well Performance

$$y = 2.169282E+09e^{-3.813914E-04x}$$



June 25, 2008

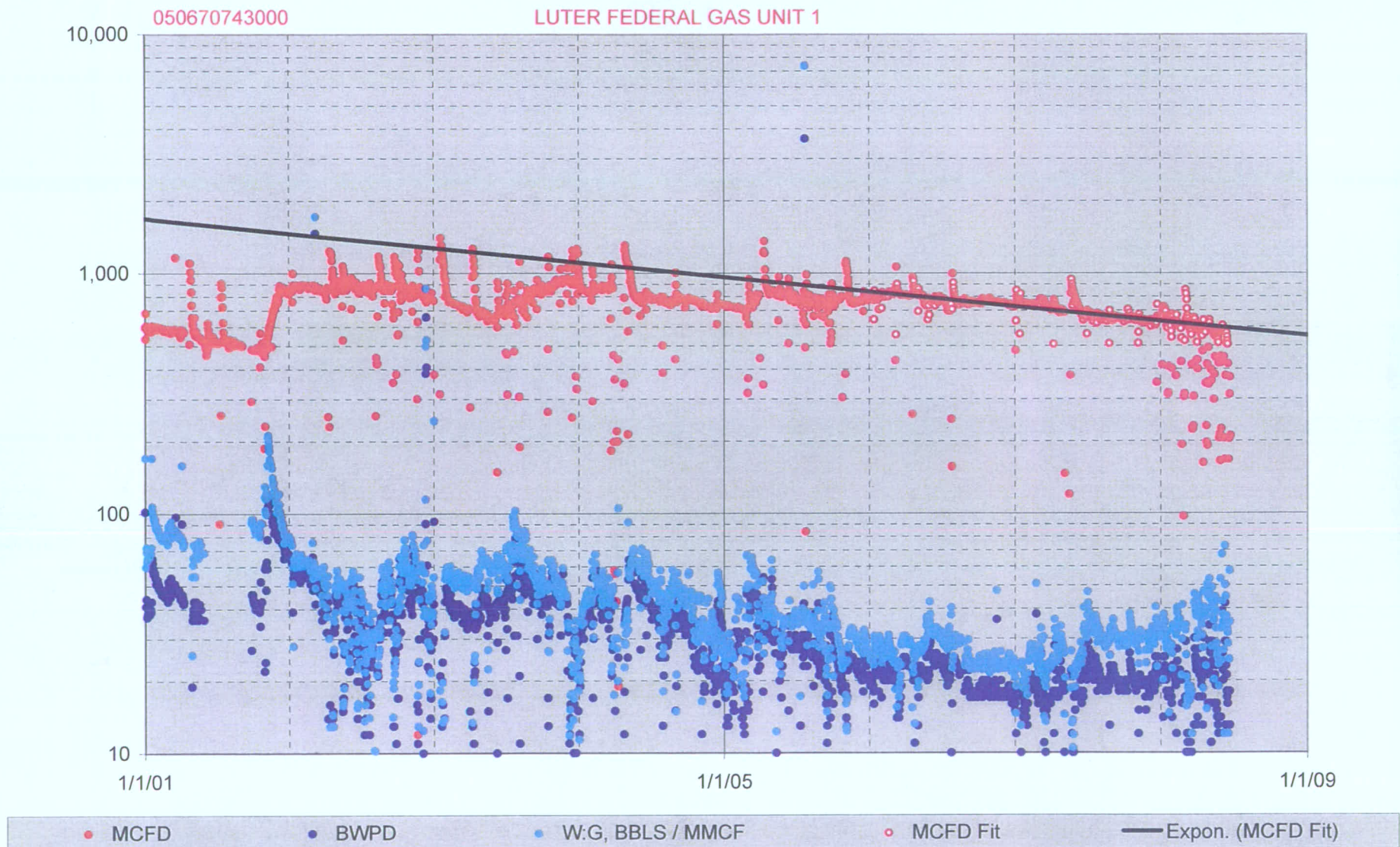
NUL 80-Acre Infill Analysis

12

Cum Gas, MMCF = 3,418 @ 6/23/08

Well Performance

$$y = 2.169282E+09e^{-3.813914E-04x}$$



June 25, 2008

NUL 80-Acre Infill Analysis

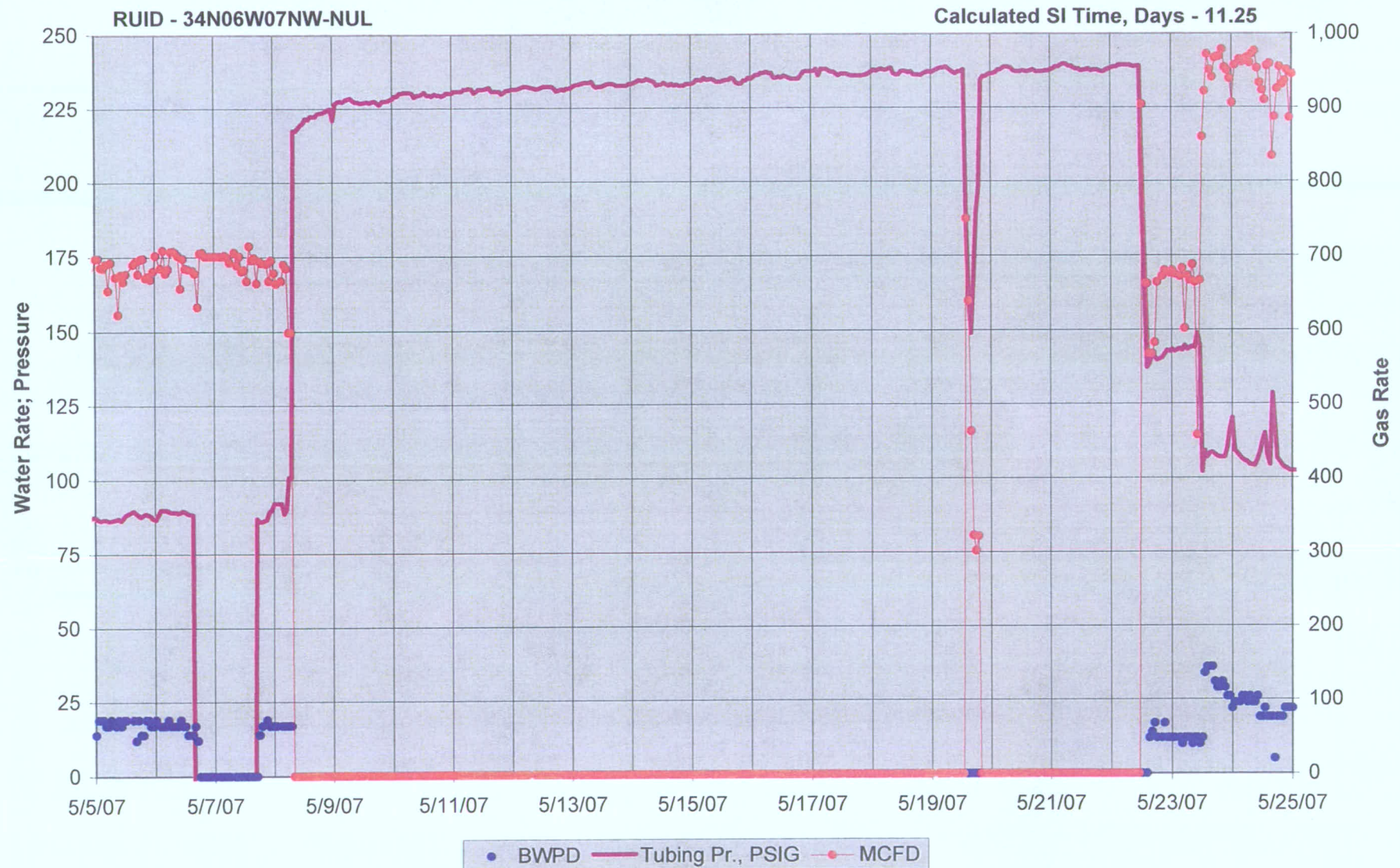
13

Parameter	Value		050670743000	
Raw Gas OGIP, 160 Acres, BCF	10.056			
Cumulative Recovery, BCF =	3.418	@	6/23/08	
Decline Rate, Days ⁻¹	-3.814E-04			
Decline Rate, Years ⁻¹	-0.1393			
Decline Rate, % / Year	13.00%			
Y Intercept	2.17E+09			
Current Rate, MCFD	559	Jun-08		
Economic Limit, MCFD	25			
Time to Economic Limit, Years	22	- or -	10/11/2030	
Remaining Recovery, BCF	1.399			
Ultimate Recovery, BCF	4.818			
Recovery Factor	47.9%			

LUTER FEDERAL GAS UNIT 1
API - 050670743000

2007 Pressure Build-Up Data

Cumulative Recovery at SI, BCF = 3.181
Maximum Pressure Recorded, PSIA = 263



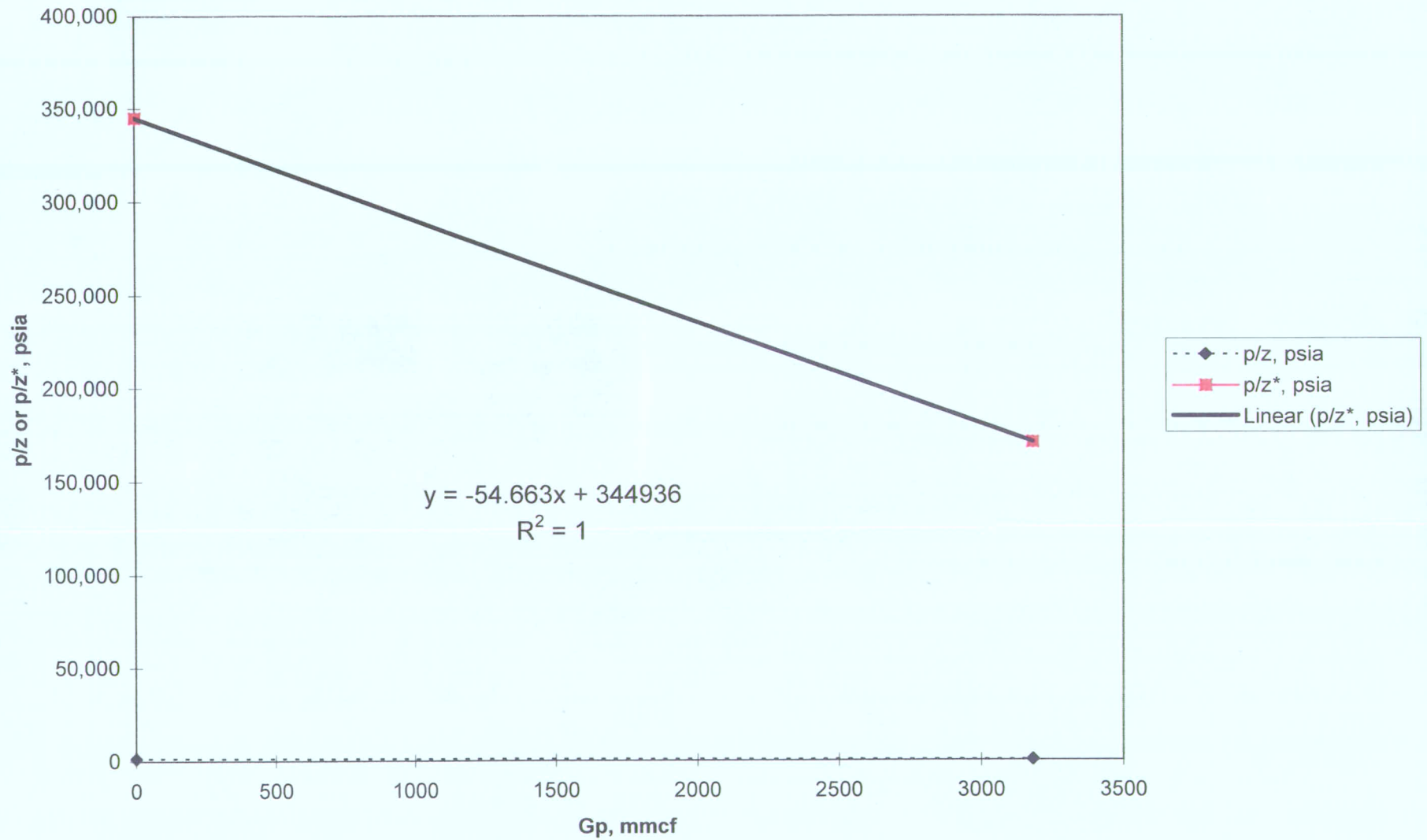
June 25, 2008

NUL 80-Acre Infill Analysis

15

ESTIMATES OF OGIP AND INITIAL RESERVOIR PRESSURE USING THE MODIFIED KING p/Z^* METHOD FOR COAL WELLS							
			input		Hold as constants -		
		Vmpc =	1,010	scf/ton	Binary @	98% CH ₄ x 2% CO ₂ @ 105 F	
		b =	0.002074	psi-1	Binary @	98% CH ₄ x 2% CO ₂ @ 105 F	
		bulk density =	1.520	gm/cc			
		cleat porosity =	0.01				
		initial pressure =	1,185	psia			
		water saturation =	90%				
		Yc =	0.6137	(mass fraction pure coal)			
		input					
		Gp,	pbar,		p/z,	p/z*,	
Gauge Depth	Date	mmcf	psia	z	z*	psia	psia
Interp	#N/A	0	1,185	0.8856	0.00344	1,338	344,936
Surface	5/19/07	3,181	263	0.9712	0.00154	271	171,044

cumulative production vs p/z and p/z*

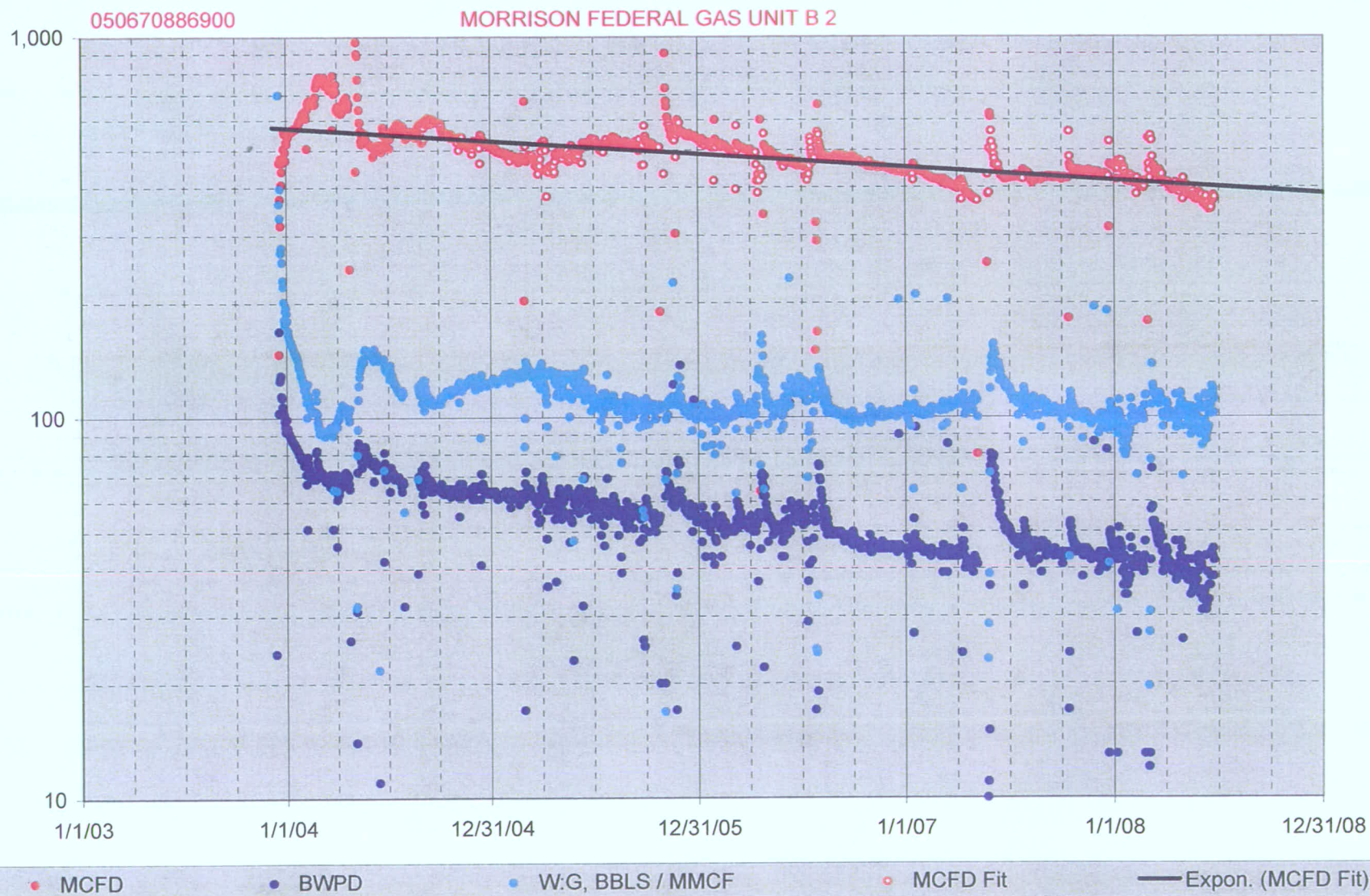


OGIP AND REMAINING RESERVES						
After fitting trendline to your data, enter the following constants:						
slope =		-54.663				
y intercept =		344,936				
Enter cumulative production to date and current average reservoir pressure (probably your last data point in the Gp-pbar table on the king120 sheet)						
Gp =		3,181		mmcf		
pbar =		263		psia		
		output				
MB ogip =		6,310		mmcf		
160 Acre Volumetric OGIP =		10,056		mmcf		
remaining gas =		3,129		mmcf		
remaining reserves at selected abandonment pressures, mmcf						
Raw Gas	100.0	112.5	125.0	137.5	150.0	162.5
Basis	psia	psia	psia	psia	psia	psia
Reserve =	1,611	1,457	1,309	1,166	1,030	899
EUR =	4,793	4,638	4,490	4,348	4,211	4,080
160 A RF =	48%	46%	45%	43%	42%	41%
recoveries calculated assuming a Langmuir b value of					0.002074	psia-1
and an initial reservoir pressure of					1,185	psia

Cum Gas, MMCF 793 @ 6/23/08

Well Performance

$$y = 2.034879E+06e^{-2.152470E-04x}$$



June 25, 2008

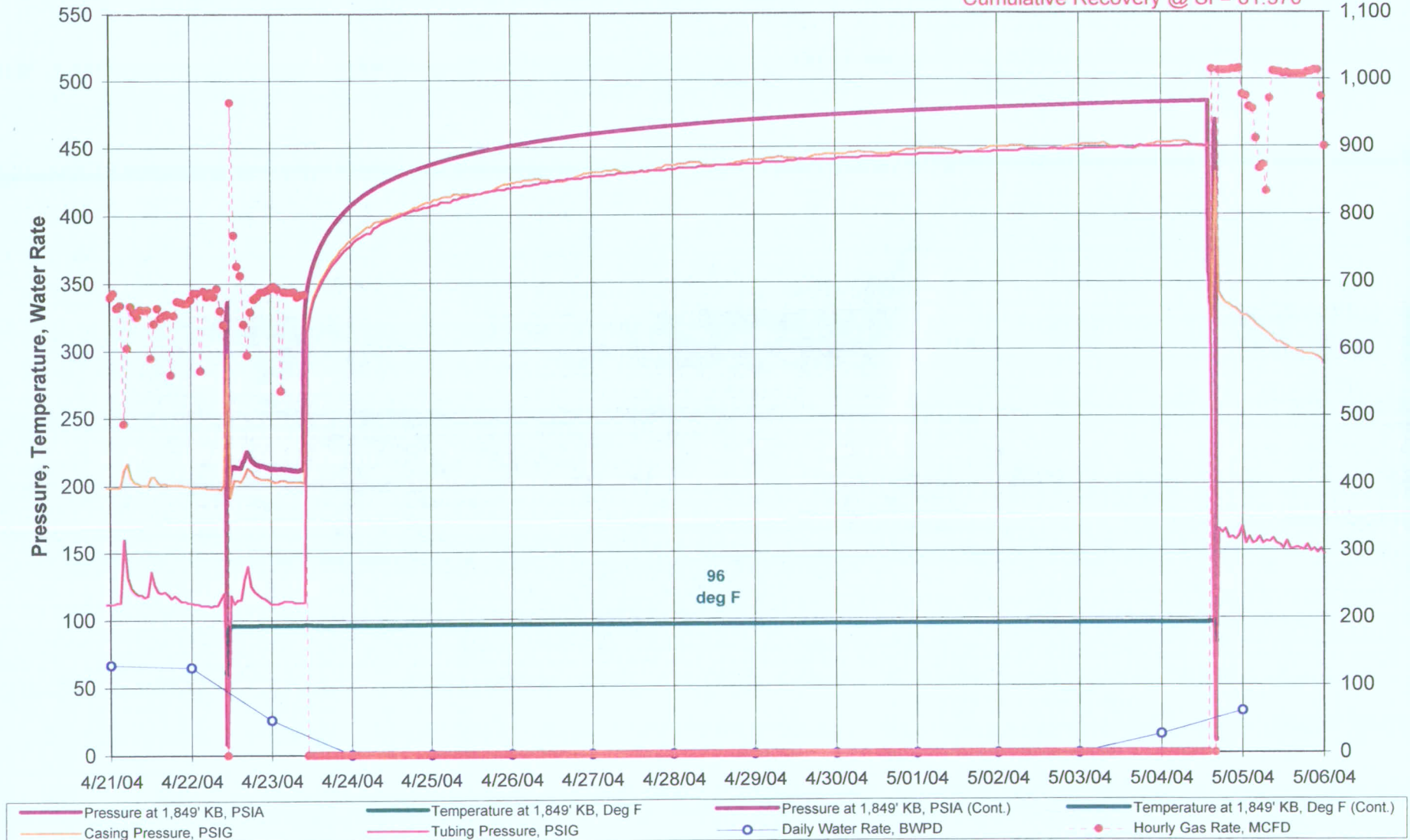
NUL 80-Acre Infill Analysis

19

Parameter	Value		050670886900	
Raw Gas OGIP, 160 Acres, BCF	7.528			
Cumulative Recovery, BCF =	0.793	@	6/23/08	
Decline Rate, Days ⁻¹	-2.152E-04			
Decline Rate, Years ⁻¹	-0.0786			
Decline Rate, % / Year	7.56%			
Y Intercept	2.03E+06			
Current Rate, MCFD	365	Jun-08		
Economic Limit, MCFD	25			
Time to Economic Limit, Years	34	- or -	7/25/2042	
Remaining Recovery, BCF	1.578			
Ultimate Recovery, BCF	2.371			
Recovery Factor	31.5%			

Morrison Federal Gas Unit B No. 2 90-Day Test

Rate Prior to SI ~ 673 MCFD
Cumulative Recovery @ SI = 81.370



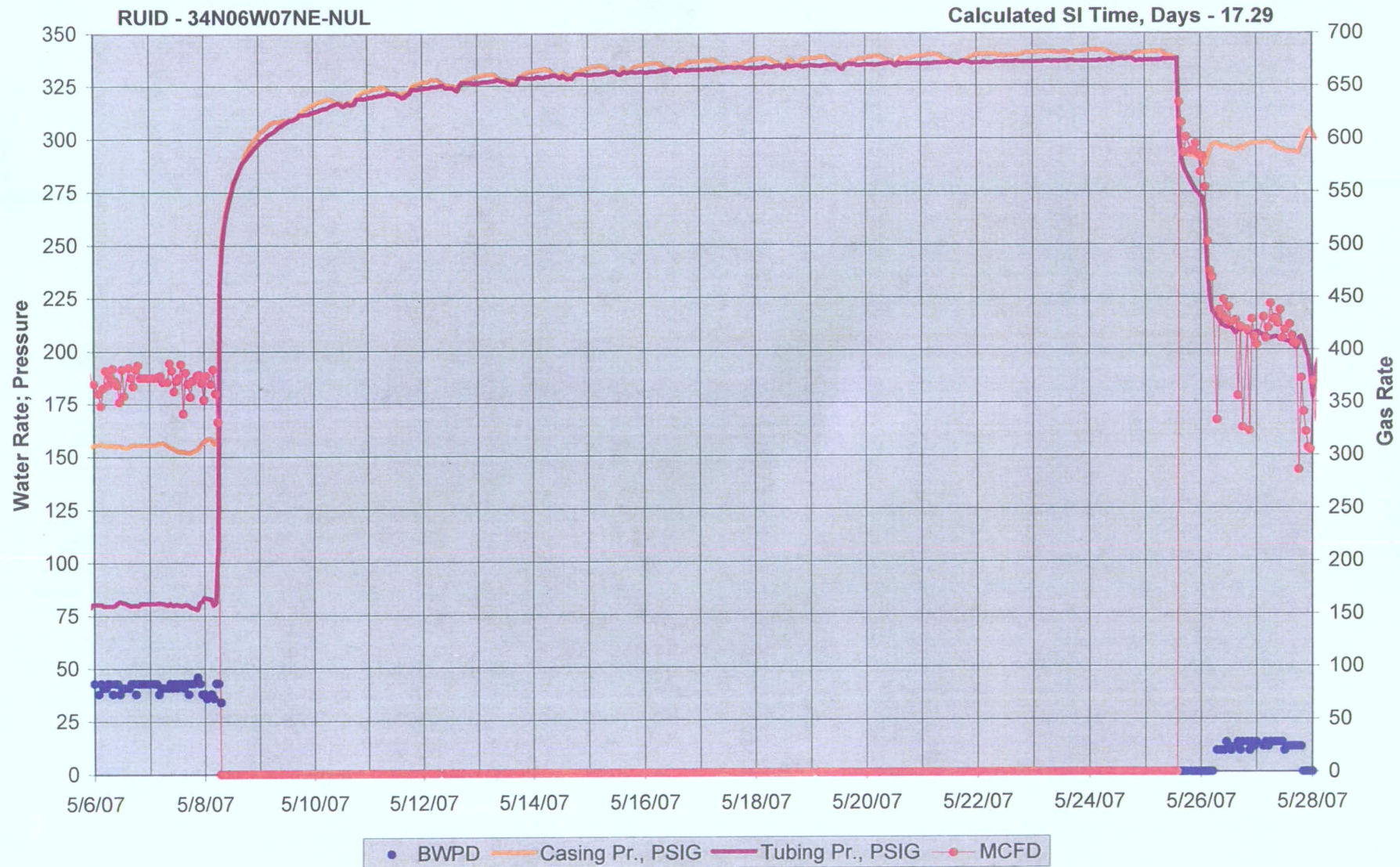
MORRISON FEDERAL GAS UNIT B 2

API - 050670886900

2007 Pressure Build-Up Data

Cumulative Recovery at SI, BCF = 0.627

Maximum Pressure Recorded, PSIA = 371



June 25, 2008

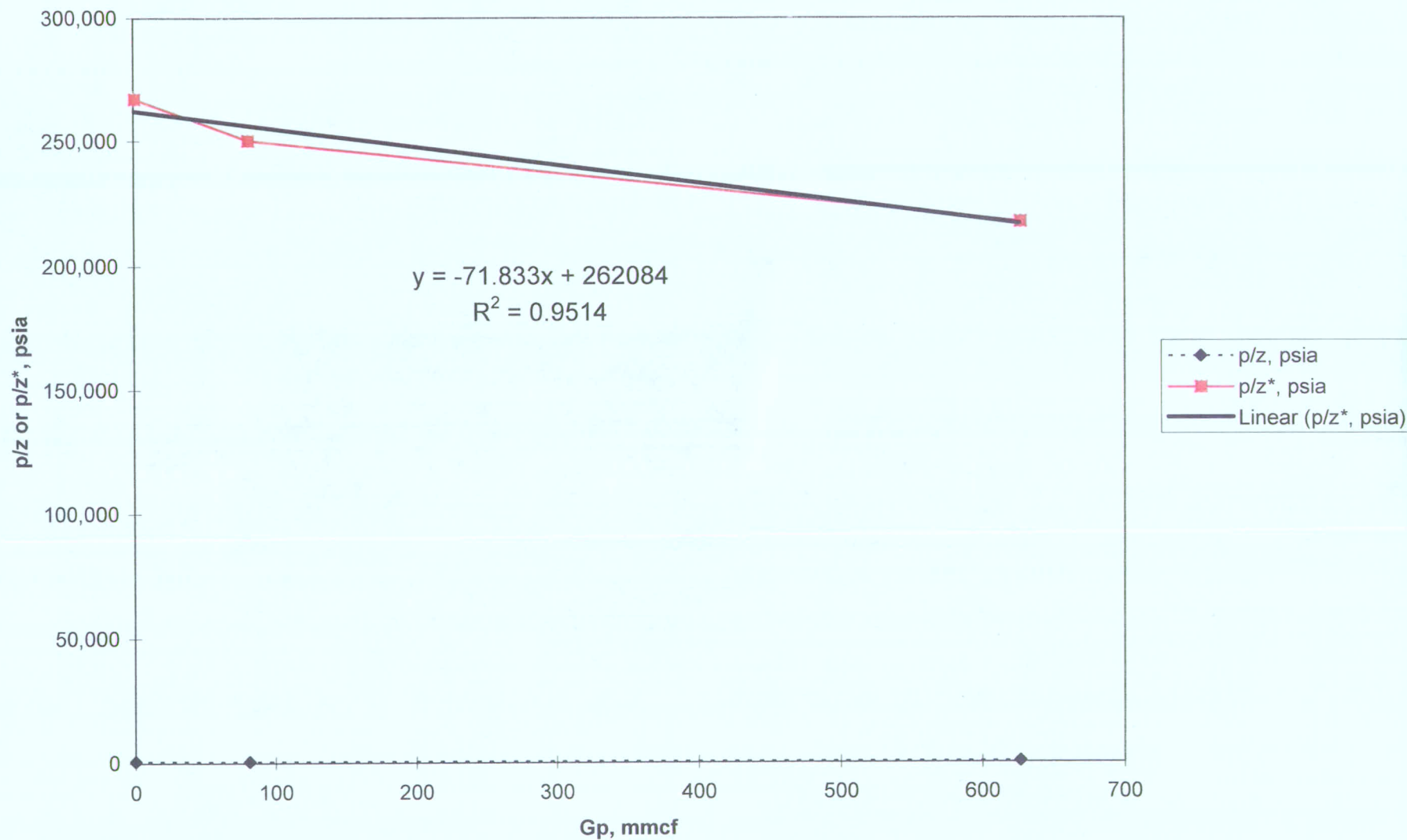
NUL 80-Acre Infill Analysis

22

ESTIMATES OF OGIP AND INITIAL RESERVOIR PRESSURE
USING THE MODIFIED KING p/z^* METHOD FOR COAL WELLS

			input		Hold as constants -			
		Vmpc =	1,031	scf/ton	Binary @	95% CH ₄ x 5% CO ₂ @ 105 F		
		b =	0.00214	psi-1	Binary @	95% CH ₄ x 5% CO ₂ @ 105 F		
		bulk density =	1.542	gm/cc				
		cleat porosity =	0.01					
		initial pressure =	555	psia				
		water saturation =	90%					
		Yc =	0.6021	(mass fraction pure coal)				
		input						
		Gp,	pbar,			p/z,	p/z*,	
Gauge Depth	Date	mmcf	psia	z	z*	psia	psia	
1,849	12/5/03	0	555	0.9403	0.00208	590	267,196	
1,849	5/4/04	81	484	0.9476	0.00193	511	250,364	
Surface	5/25/07	627	371	0.9593	0.00170	387	217,827	

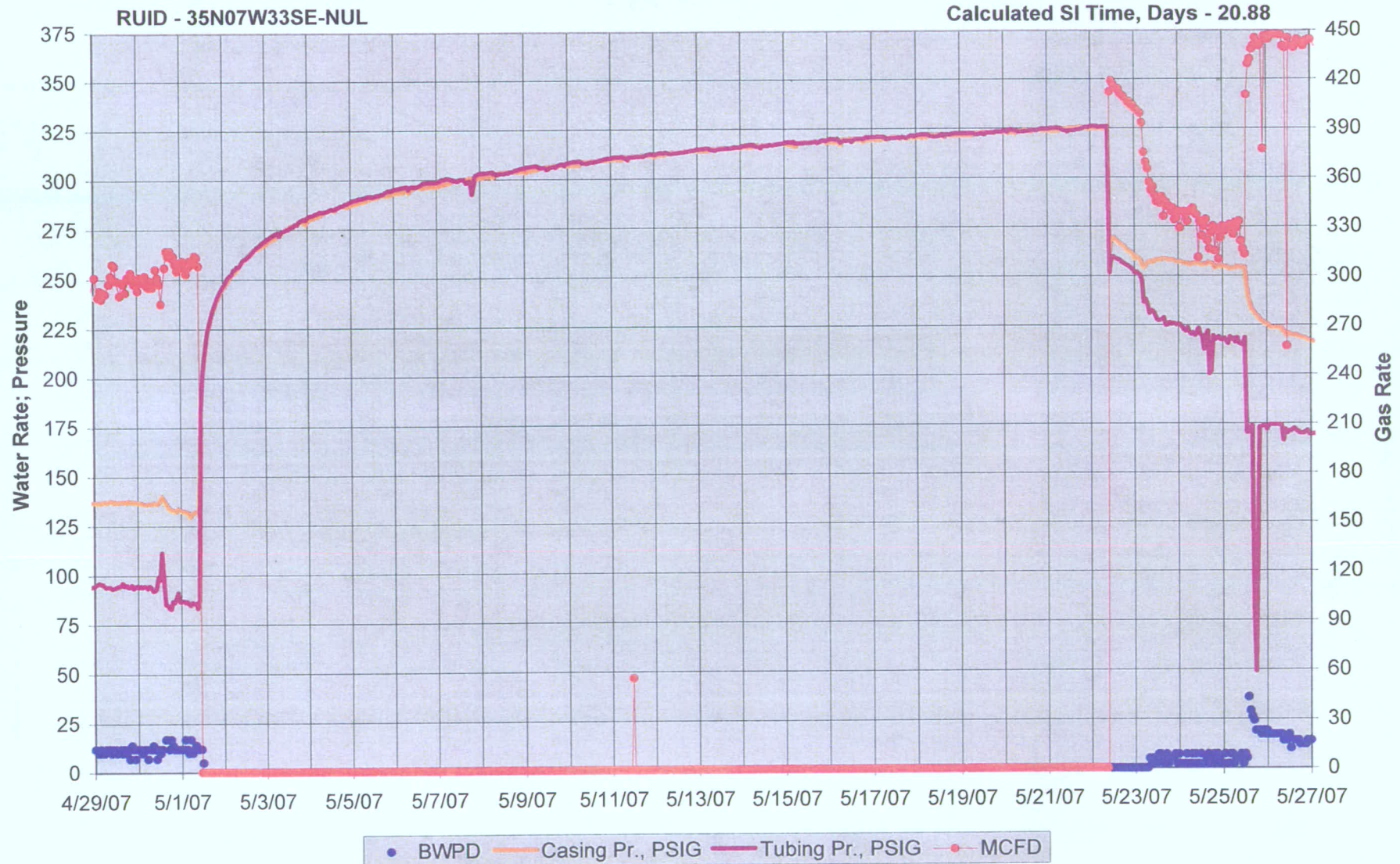
cumulative production vs p/z and p/z*



HUMISTON FEDERAL GAS UNIT 1
API - 050670715300

2007 Pressure Build-Up Data

Cumulative Recovery at SI, BCF = 2.268
Maximum Pressure Recorded, PSIA = 354



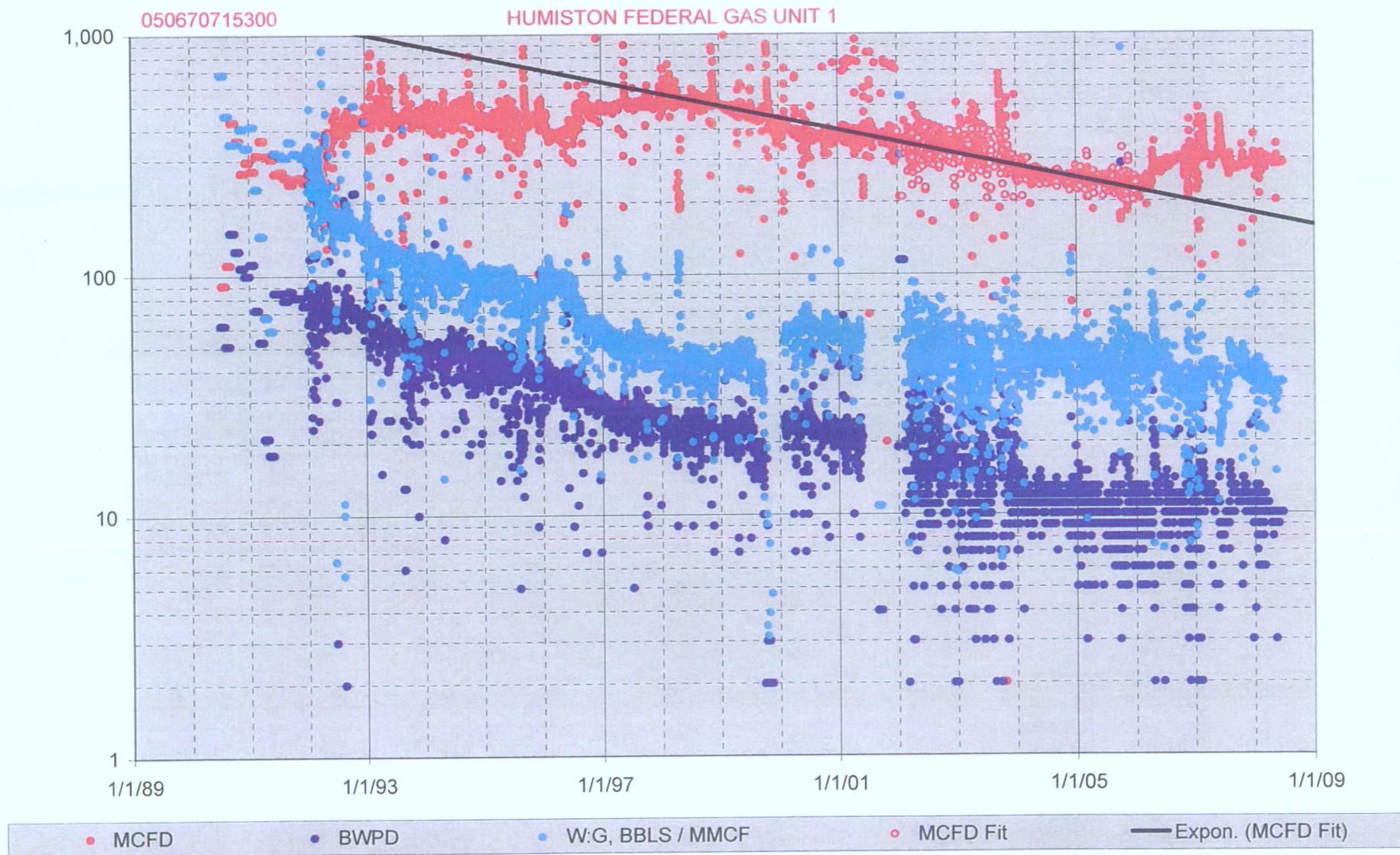
June 25, 2008

HUMISTON FEDERAL GU No. 1

Cum Gas, MMCF 2,384 @ 6/23/08

Well Performance

$$y = 4.423639E+07e^{-3.149459E-04x}$$



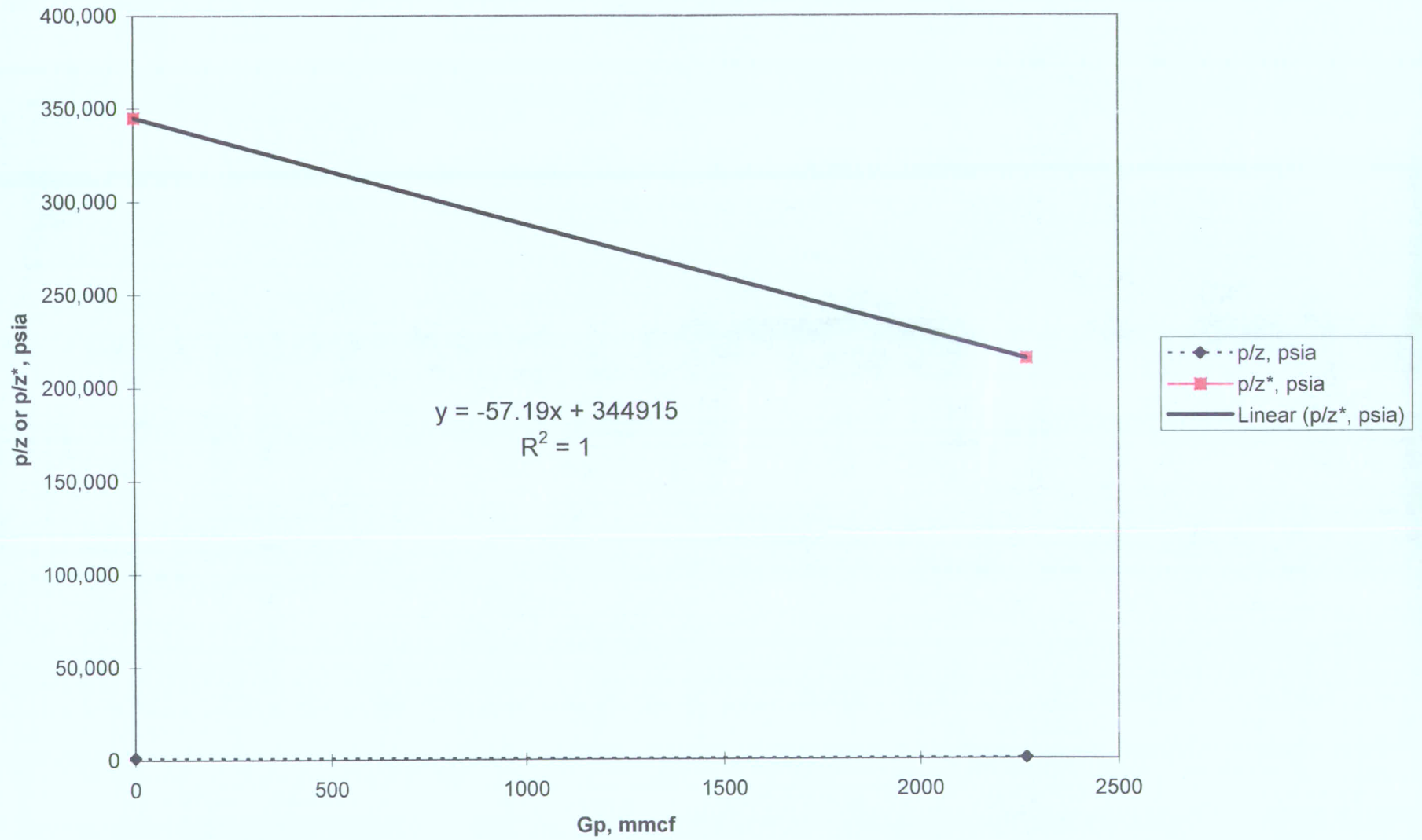
June 25, 2008

HUMISTON FEDERAL GU No. 1

Parameter	Value		050670715300	
Raw Gas OGIP, 160 Acres, BCF	9.041			
Cumulative Recovery, BCF =	2.384	@	6/23/08	
Decline Rate, Days ⁻¹	-3.149E-04			
Decline Rate, Years ⁻¹	-0.1150			
Decline Rate, % / Year	10.87%			
Y Intercept	4.42E+07			
Current Rate, MCFD	286	Jun-08		
Economic Limit, MCFD	25			
Time to Economic Limit, Years	21	- or -	9/4/2029	
Remaining Recovery, BCF	0.830			
Ultimate Recovery, BCF	3.214			
Recovery Factor	35.6%			

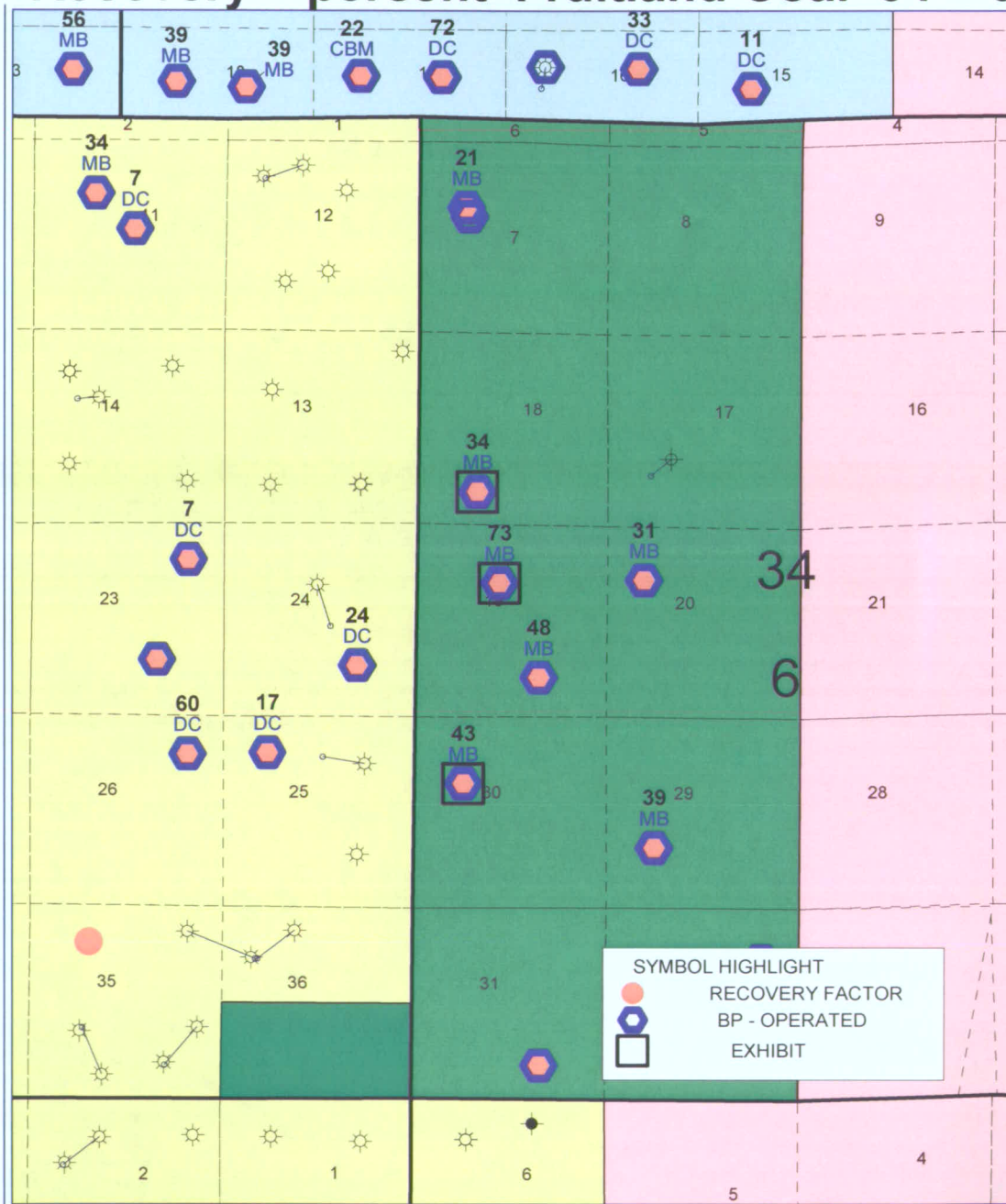
ESTIMATES OF OGIP AND INITIAL RESERVOIR PRESSURE USING THE MODIFIED KING p/Z^* METHOD FOR COAL WELLS							
			input		Hold as constants -		
		Vmpc =	1,058	scf/ton	Binary @	97% CH ₄ x 3% CO ₂ @ 105 F	
		b =	0.002082	psi-1	Binary @	97% CH ₄ x 3% CO ₂ @ 105 F	
		bulk density =	1.520	gm/cc			
		cleat porosity =	0.01				
		initial pressure =	1,018	psia			
		water saturation =	90%				
		Yc =	0.6137	(mass fraction pure coal)			
		input					
		Gp,	pbar,		p/z,	p/z*,	
Gauge Depth	Date	mmcf	psia	z	z*	psia	psia
Interp	#N/A	0	1,018	0.8986	0.00295	1,133	344,915
Surface	5/22/07	2,268	354	0.9616	0.00165	369	215,216

cumulative production vs p/z and p/z*



OGIP AND REMAINING RESERVES						
After fitting trendline to your data, enter the following constants:						
slope =		-57.190				
y intercept =		344,915				
Enter cumulative production to date and current average reservoir pressure (probably your last data point in the Gp-pbar table on the king120 sheet)						
Gp =		2,268		mmcf		
pbar =		354		psia		
		output				
MB ogip =		6,031		mmcf		
160 Acre Volumetric OGIP =		9,041		mmcf		
remaining gas =		3,763		mmcf		
remaining reserves at selected abandonment pressures, mmcf						
Raw Gas	100.0	112.5	125.0	137.5	150.0	162.5
Basis	psia	psia	psia	psia	psia	psia
Reserve =	2,239	2,085	1,936	1,794	1,657	1,525
EUR =	4,507	4,352	4,204	4,061	3,925	3,793
160 A RF =	50%	48%	47%	45%	43%	42%
recoveries calculated assuming a Langmuir b value of					0.002082	psia-1
and an initial reservoir pressure of					1,018	psia

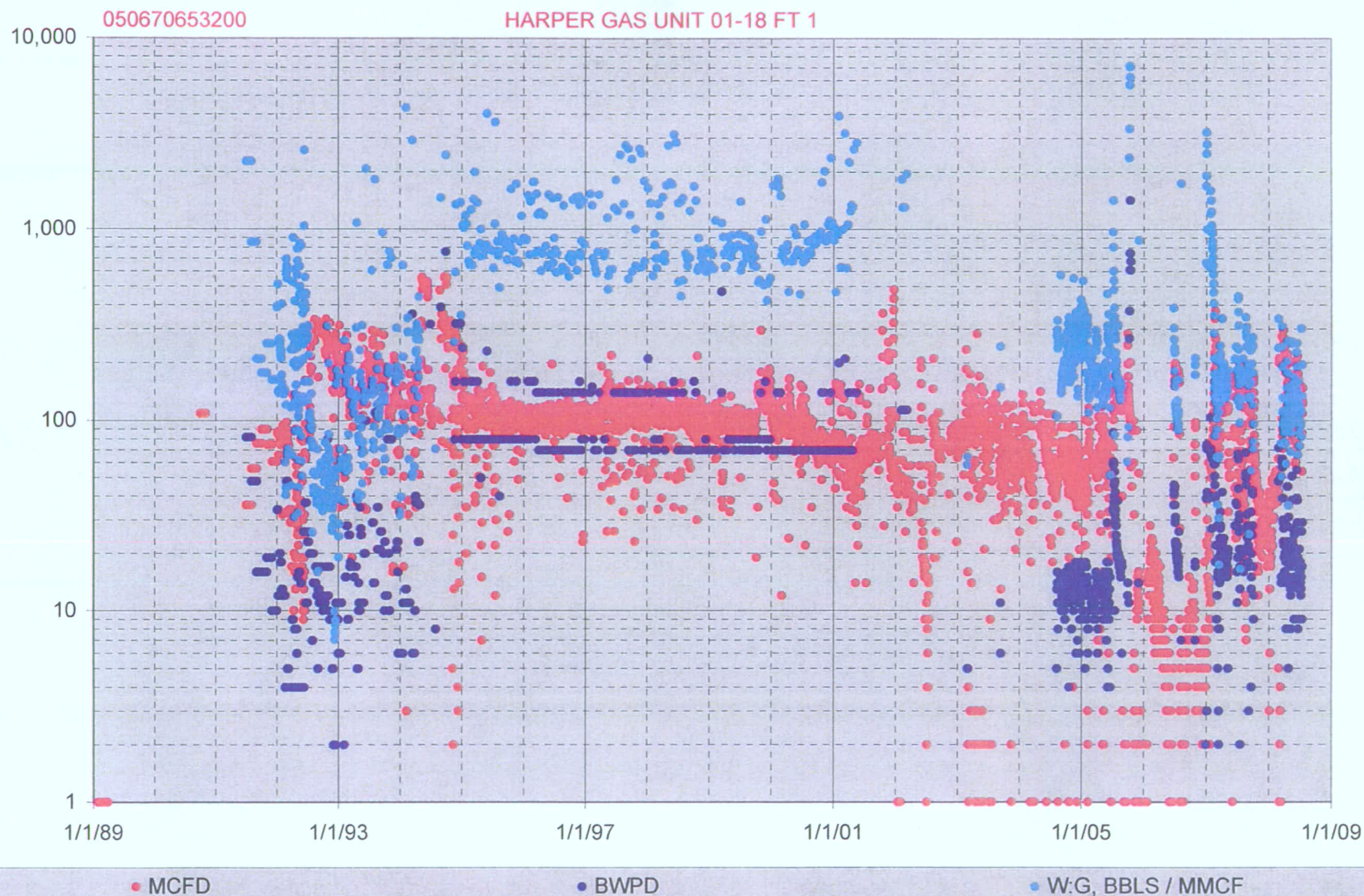
Recovery – percent Fruitland Coal 34 – 6



RUWI	Well Label	Estimate of Raw Gas OGIP, 160 Acre Basis, BCF	Recovery to 5/27/08, Percent of OGIP	King Material Balance Recovery Factor, % of OGIP	P _{aban} PSIA	Material Balance Example in RF Exhibit
34N06W19SE-SUL	BOONE GU #1	6.627	10.2%	48%	150	No
34N06W18SW-SUL	HARPER #1-18U	8.602	6.3%	34%	150	Yes
34N06W30NW-SUL	PINE RIVER UNIT #1-30	7.091	10.5%	43%	150	Yes
34N06W29SW-SUL	PINE RIVER UNIT #2-29	6.987	6.1%	39%	150	No
34N06W31SE-SUL	PINE RIVER UNIT #3-31	6.567	3.0%	#N/A	150	No
34N06W32NE-SUL	PINE RIVER UNIT #4-32	6.737	0.4%	#N/A	150	No
34N06W20NW-SUL	SMITH #1-20	7.556	7.8%	31%	150	No
34N06W07NW-SUL	STATE GC MZ #1R	9.183	2.4%	21%	50	No
34N06W19NW-SUL	WRIGHT #1-19	5.315	14.1%	73%	150	Yes

Cum Gas, MMCF = 547 @ 7/14/08

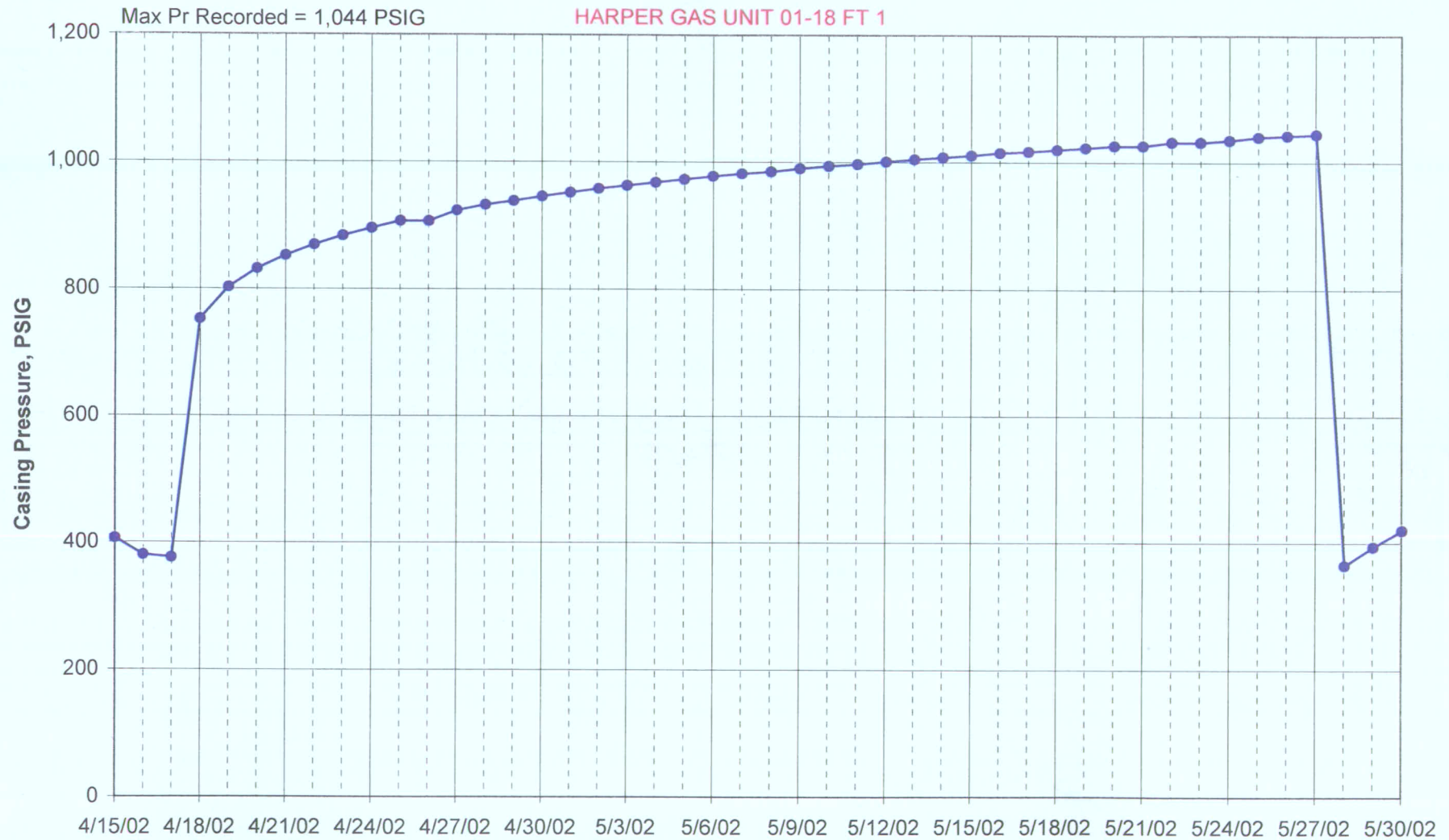
Well Performance



July 15, 2008

34N-6W SUL Recovery Factors

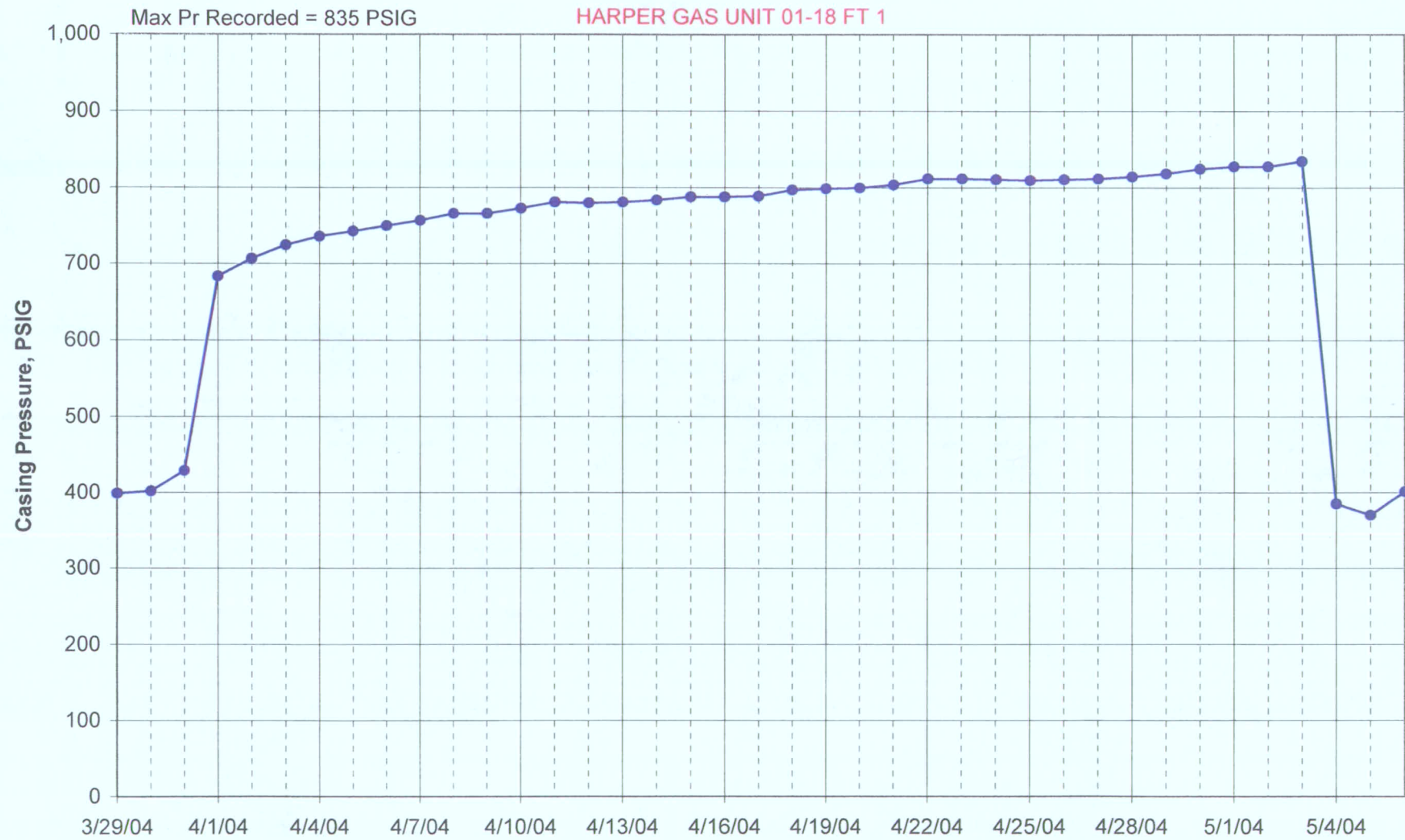
Well Performance



July 15, 2008

34N-6W SUL Recovery Factors

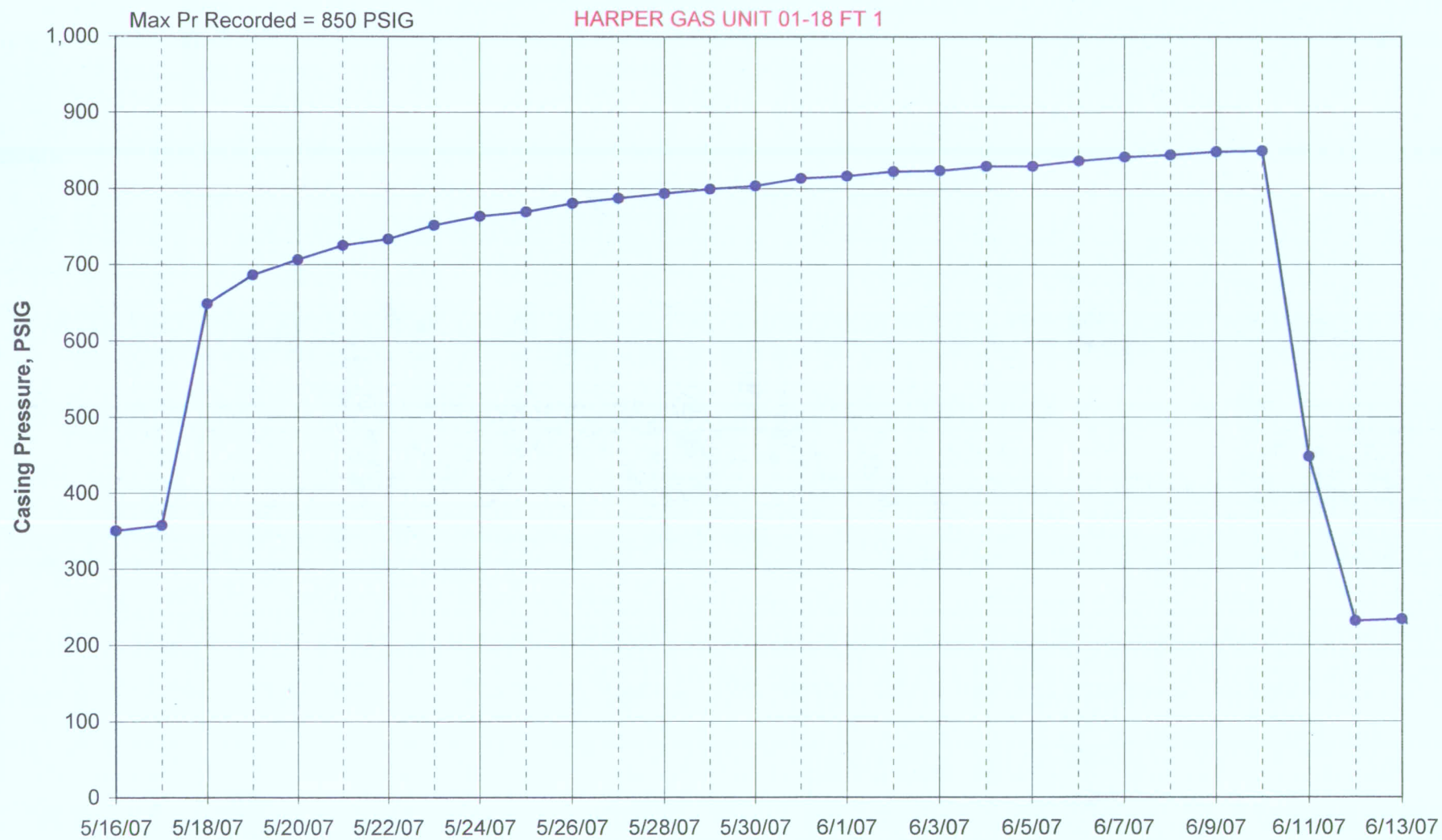
Well Performance



July 15, 2008

34N-6W SUL Recovery Factors

Well Performance

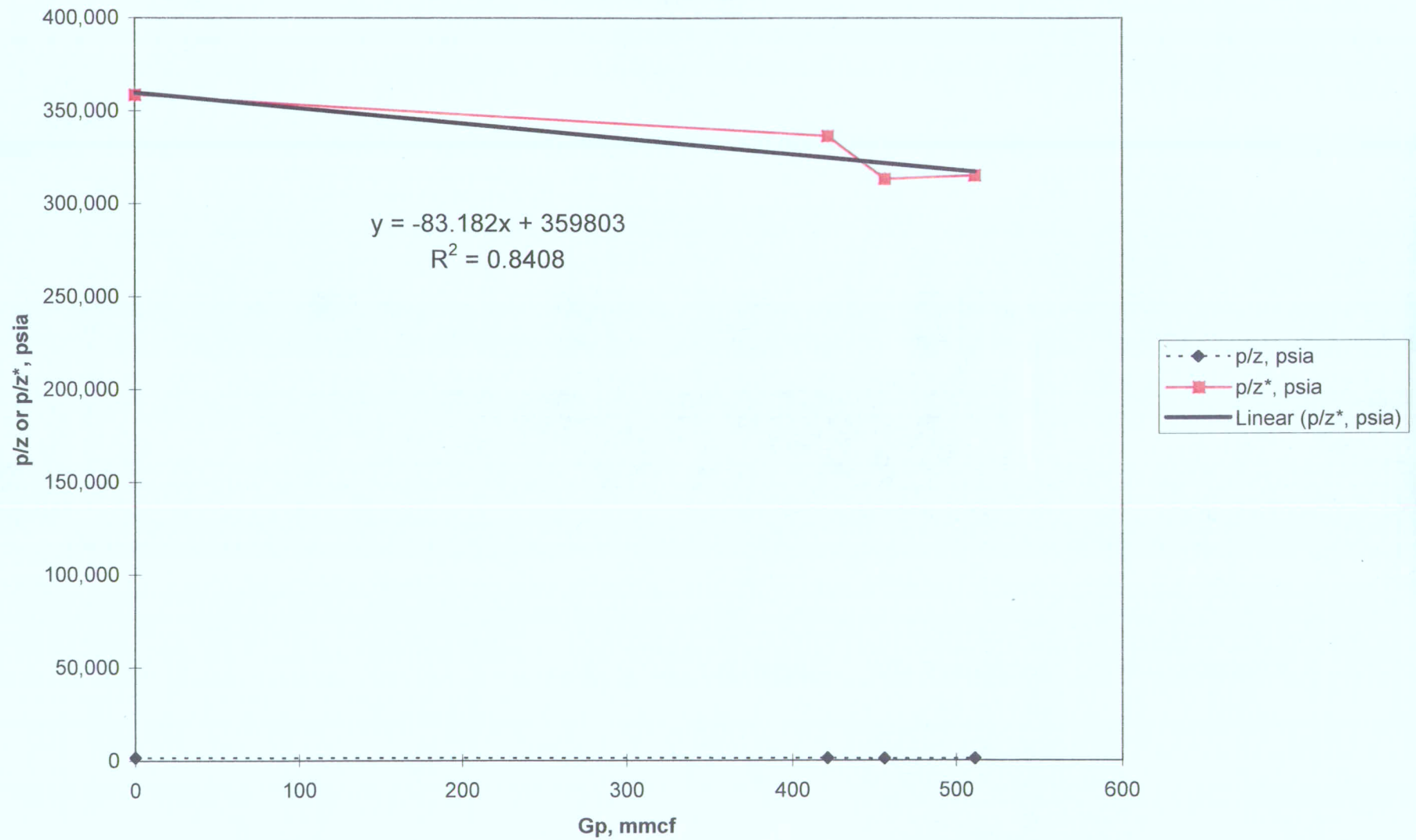


July 15, 2008

34N-6W SUL Recovery Factors

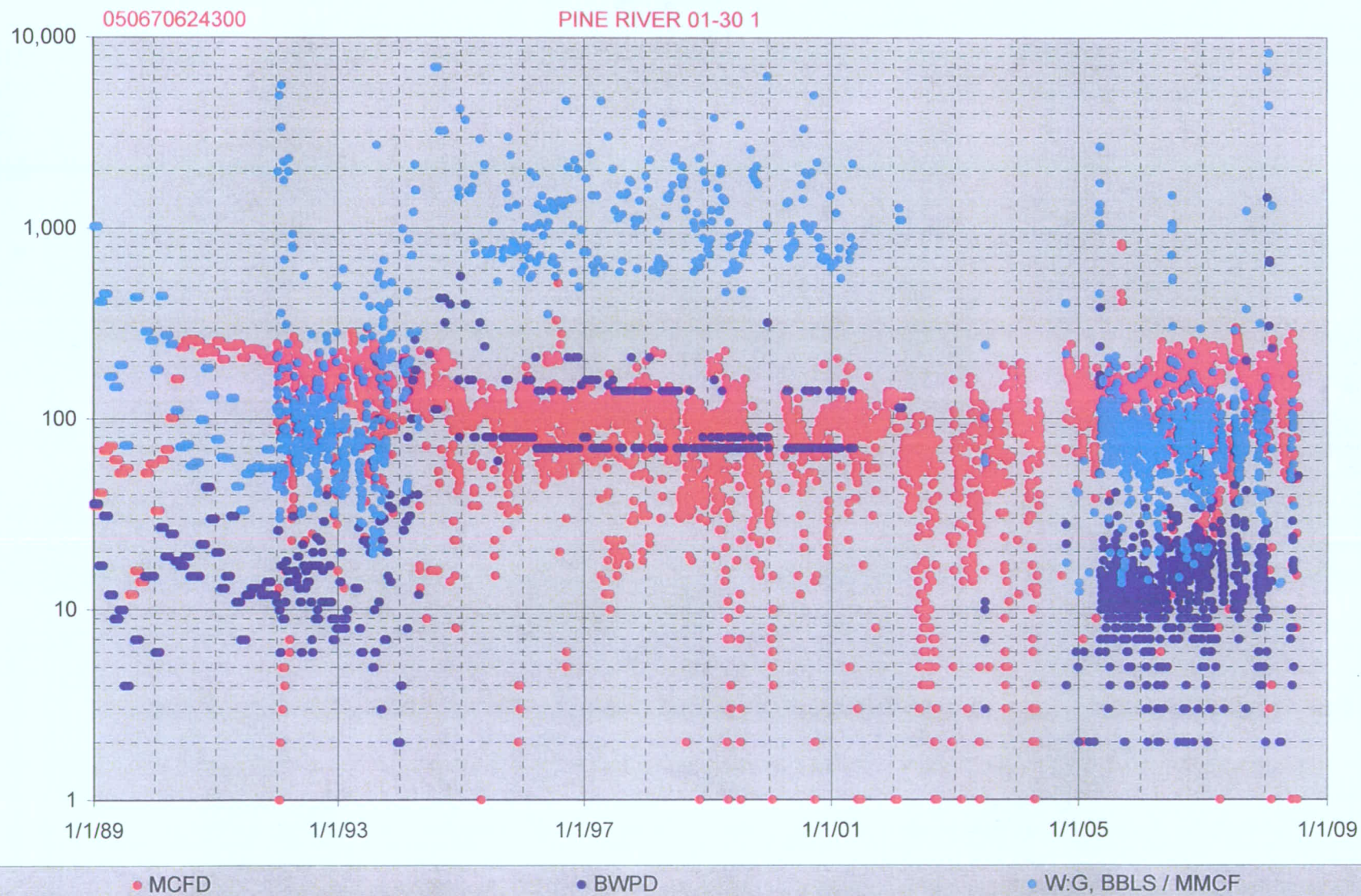
ESTIMATES OF OGIP AND INITIAL RESERVOIR PRESSURE USING THE MODIFIED KING p/z^* METHOD FOR COAL WELLS									
			input		Hold as constants -				
		Vmpc =	1,104	scf/ton	Binary @ 96% methane, 4% CO2				
		b =	0.00212	psi-1	Binary @ 96% methane, 4% CO2				
		bulk density =	1.624	gm/cc					
		cleat porosity =	0.01						
		initial pressure =	1,426	psia					
		water saturation =	90%						
		Yc =	0.5167	(mass fraction pure coal)					
		input							
		Gp,	pbar,			p/z,	p/z*,		
	Date	mmcf	psia	z	z*	psia	psia	$C_x \sim$	96.0%
	9/10/88	0	1,426	0.8802	0.00398	1,620	358,661		
	5/28/02	421	1,130	0.8992	0.00336	1,257	336,484		
	5/4/04	456	905	0.9161	0.00289	988	313,320		
	6/11/07	511	921	0.9149	0.00292	1,007	315,226		

cumulative production vs p/z and p/z*



Cum Gas, MMCF = 769 @ 7/14/08

Well Performance

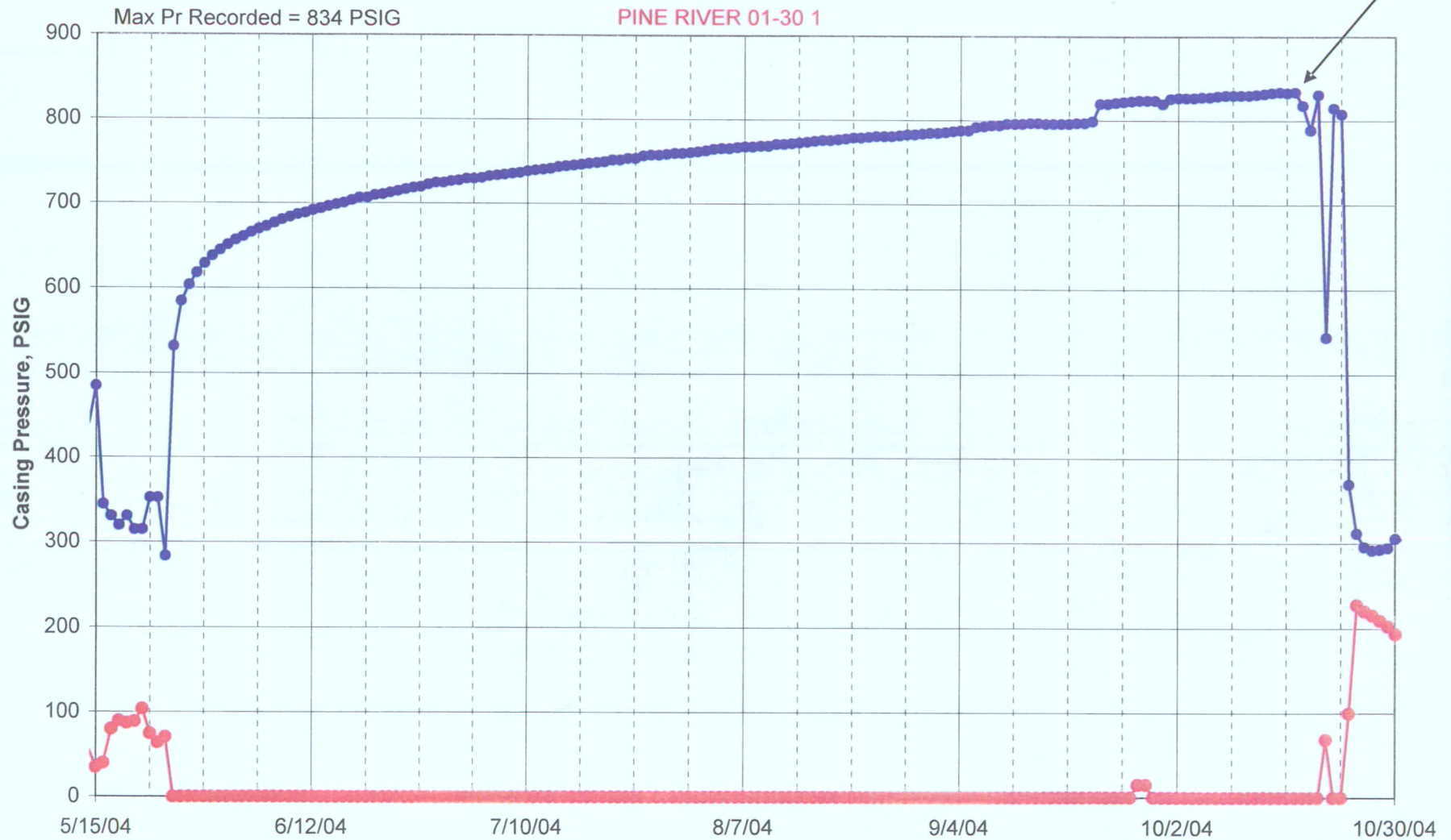


July 15, 2008

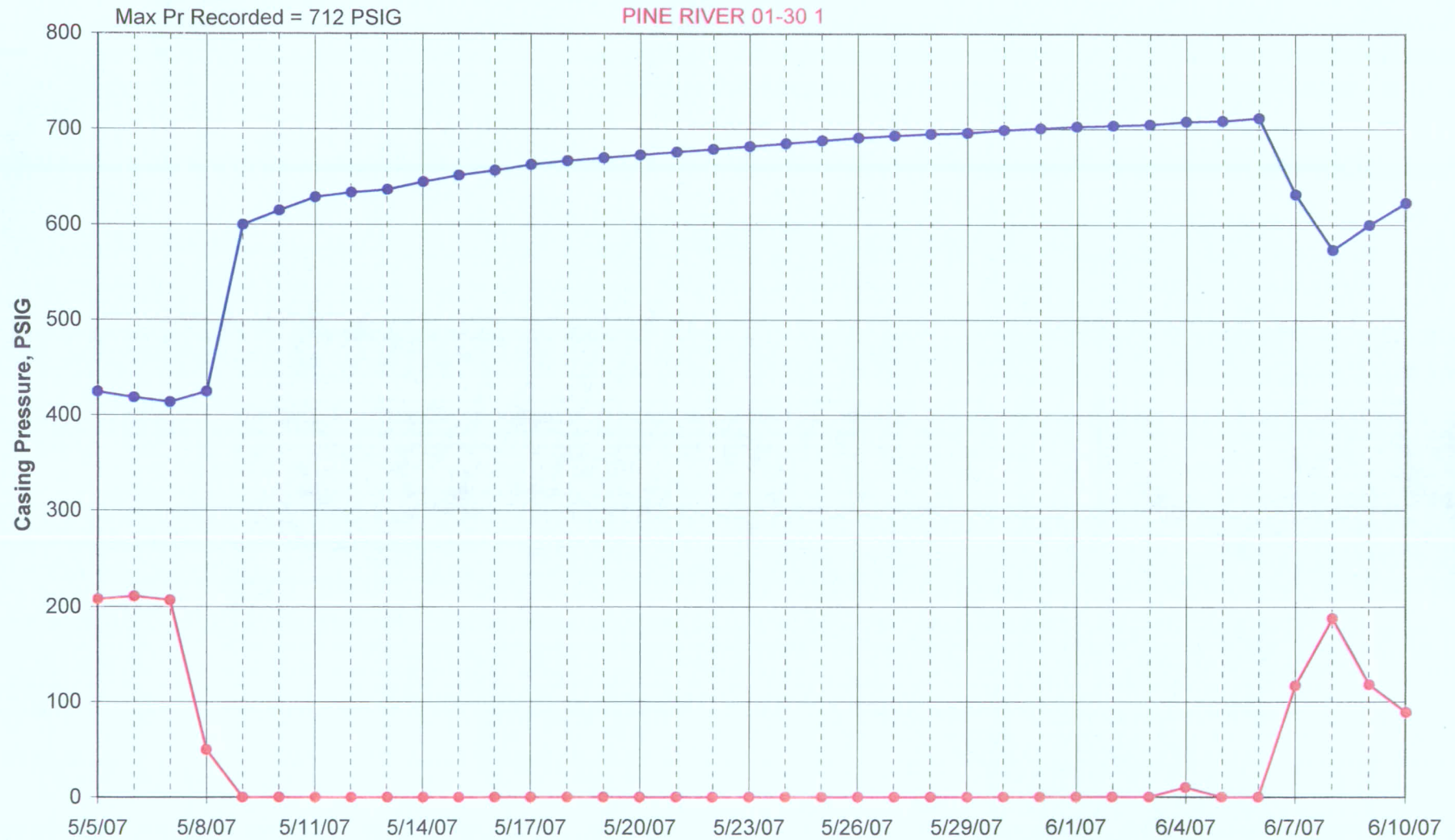
34N-6W SUL Recovery Factors

11

Well Performance



Well Performance



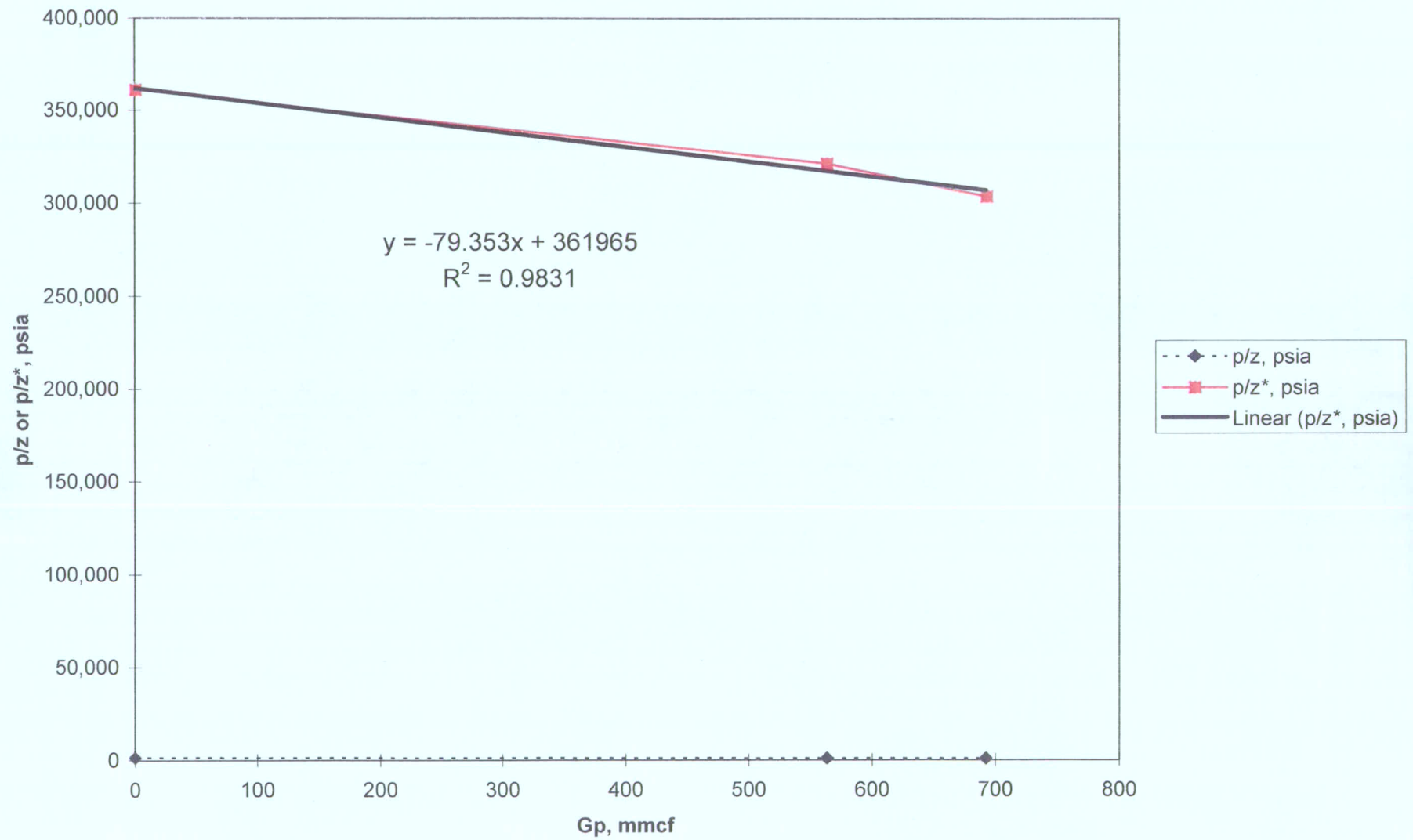
July 15, 2008

34N-6W SUL Recovery Factors

13

ESTIMATES OF OGIP AND INITIAL RESERVOIR PRESSURE USING THE MODIFIED KING p/Z^* METHOD FOR COAL WELLS									
			input		Hold as constants -				
		Vmpc =	1,104	scf/ton	Binary @ 96% methane, 4% CO2				
		b =	0.00212	psi-1	Binary @ 96% methane, 4% CO2				
		bulk density =	1.597	gm/cc					
		cleat porosity =	0.01						
		initial pressure =	1,320	psia					
		water saturation =	90%						
		Yc =	0.5400	(mass fraction pure coal)					
		input							
		Gp,	pbar,			p/z,	p/z*,		
	Date	mmcf	psia	z	z*	psia	psia	$C_x \sim$	96.0%
	9/10/88	0	1,320	0.8865	0.00365	1,489	361,188		
	10/17/04	563	901	0.9164	0.00280	983	321,442		
	6/6/07	692	770	0.9272	0.00254	831	303,635		

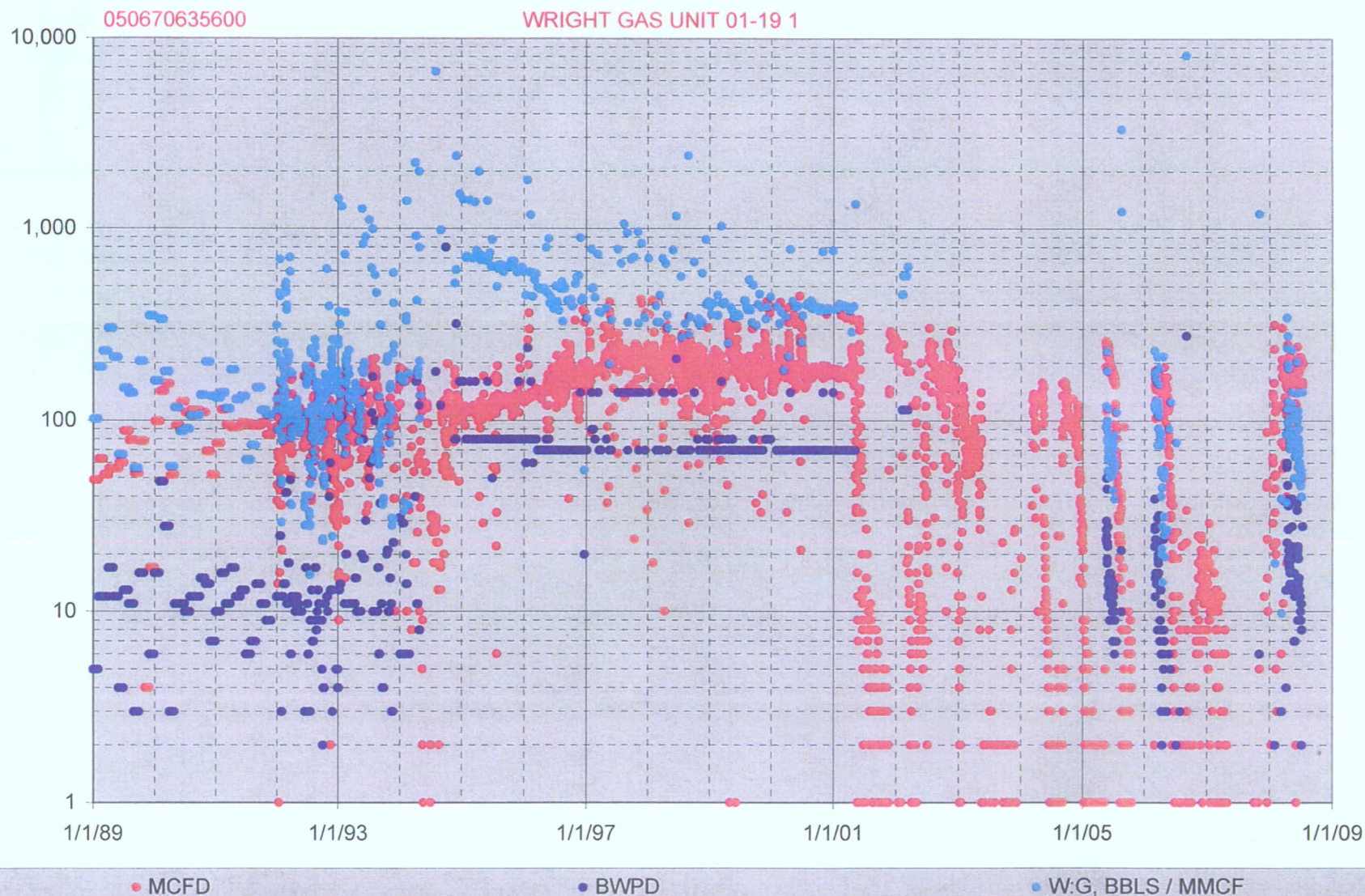
cumulative production vs p/z and p/z*



OGIP AND REMAINING RESERVES						
After fitting trendline to your data, enter the following constants:						
slope =		-79.353				
y intercept =		361,965				
Enter cumulative production to date and current average reservoir pressure (probably your last data point in the Gp-pbar table on the king120 sheet)						
Gp =		692		mmcf		
pbar =		770		psia		
		output				
MB ogip =		4,561		mmcf		
160 Acre Volumetric OGIP =		7,091		mmcf		
remaining gas =		3,869		mmcf		
remaining reserves at selected abandonment pressures, mmcf						
Raw Gas	130	140	150	160	170	180
Basis	psia	psia	psia	psia	psia	psia
Reserve =	2,502	2,423	2,346	2,272	2,200	2,130
EUR =	3,195	3,115	3,039	2,964	2,892	2,822
160 A RF =	45%	44%	43%	42%	41%	40%
recoveries calculated assuming a Langmuir b value of					0.00212	psia-1
and an initial reservoir pressure of					1,320	psia

Cum Gas, MMCF = 756 @ 7/14/08

Well Performance

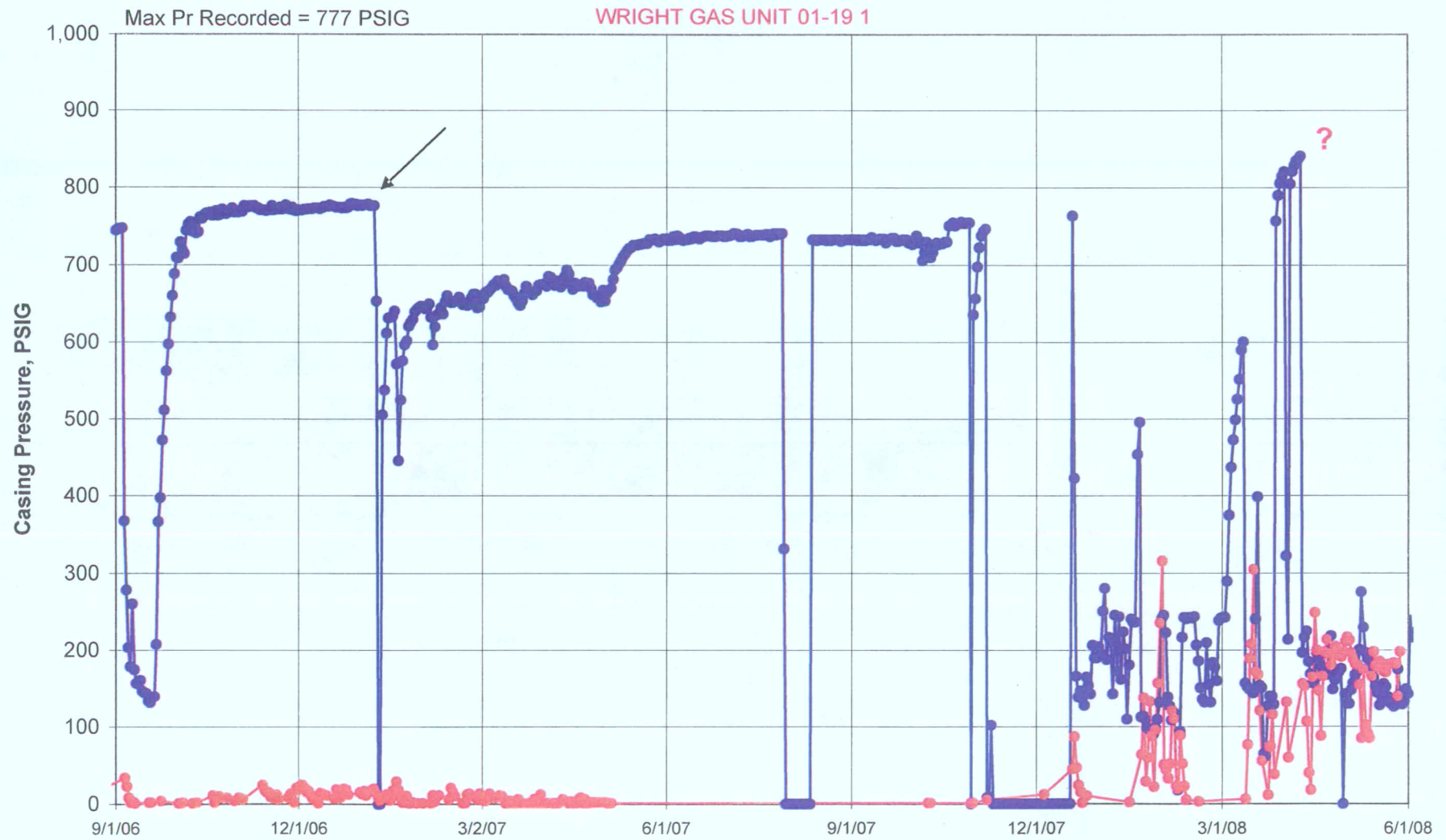


July 15, 2008

34N-6W SUL Recovery Factors

17

Well Performance



July 15, 2008

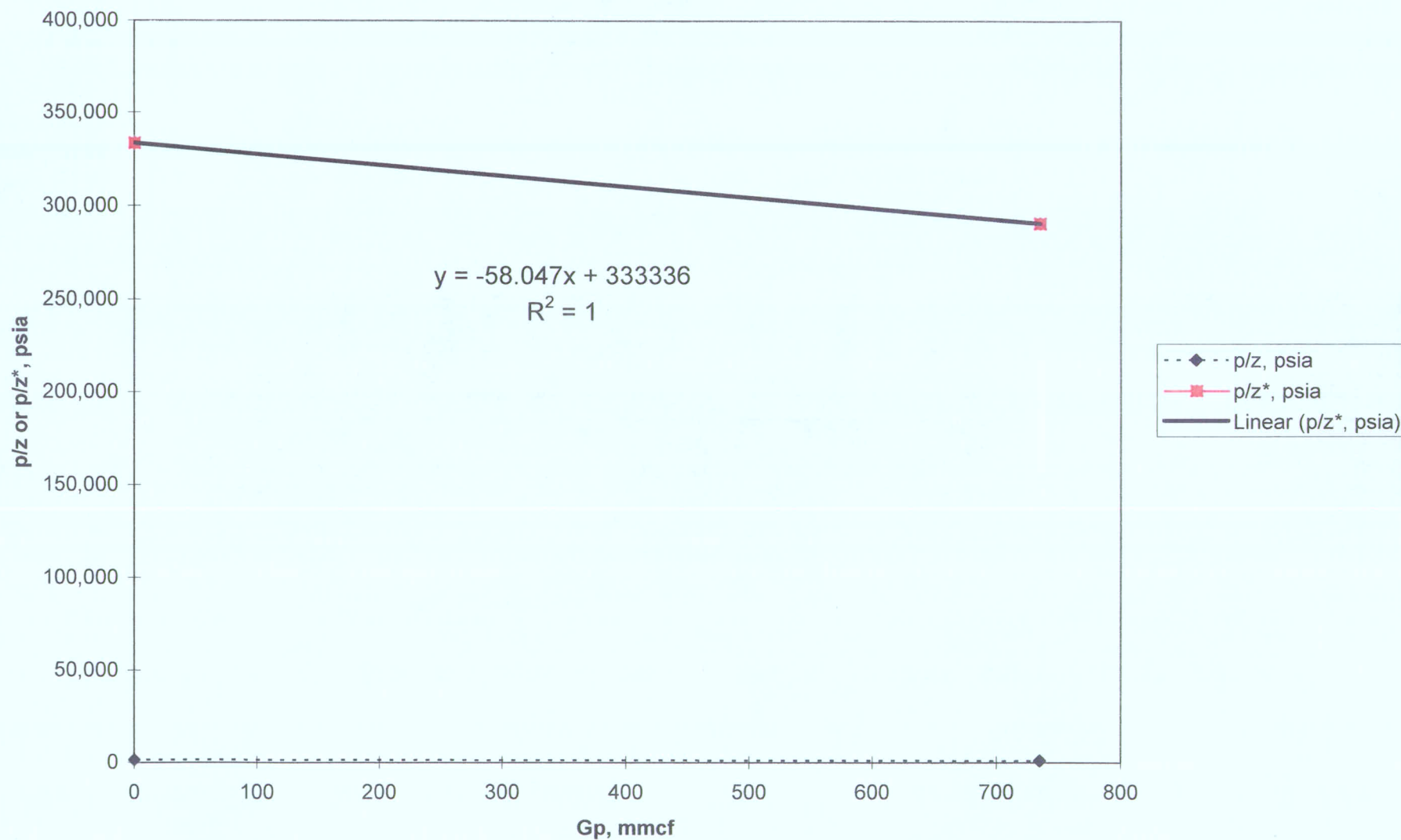
34N-6W SUL Recovery Factors

18

ESTIMATES OF OGIP AND INITIAL RESERVOIR PRESSURE
USING THE MODIFIED KING p/z^* METHOD FOR COAL WELLS

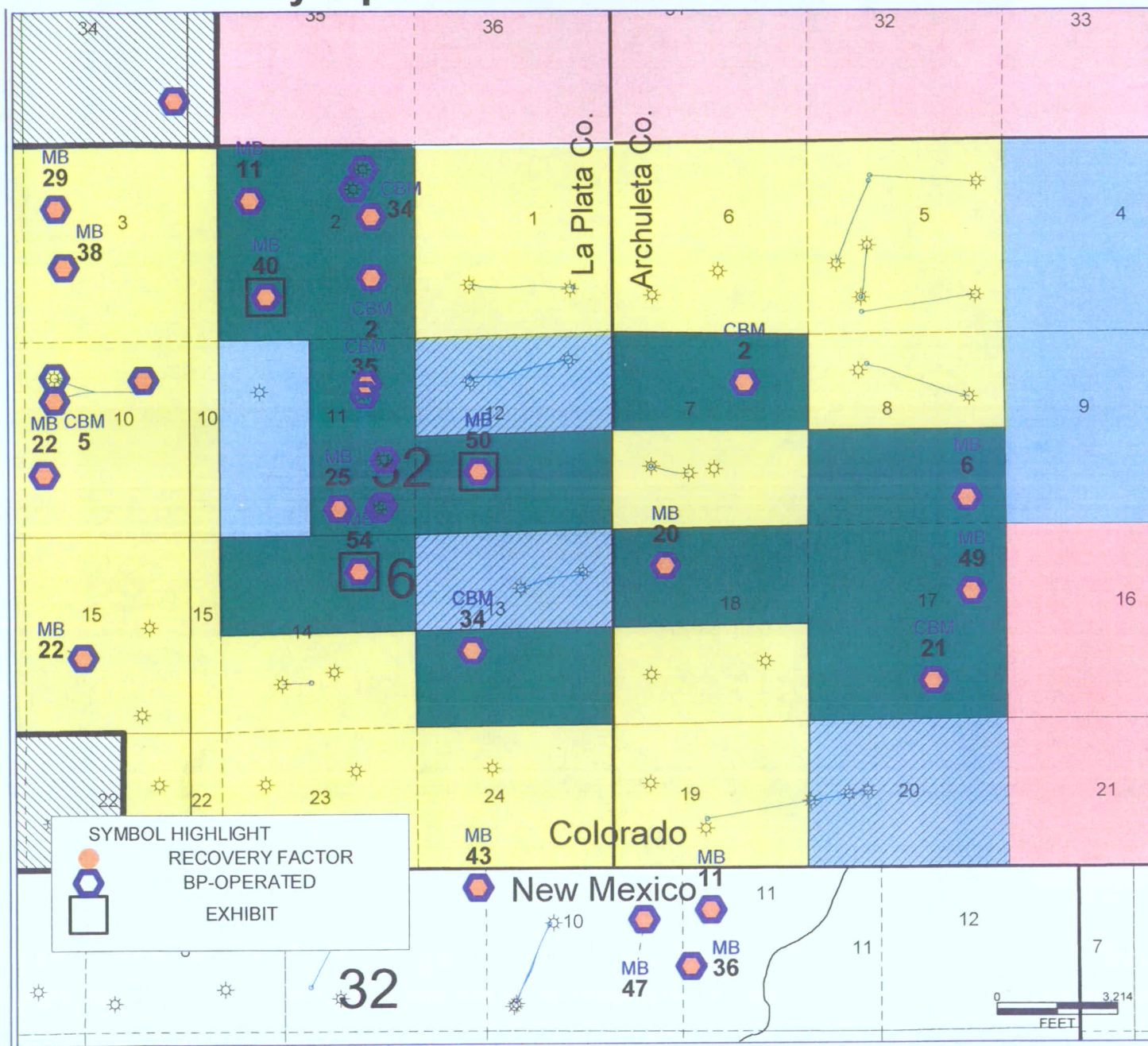
			input		Hold as constants -				
		Vmpc =	1,104	scf/ton	Binary @ 96% methane, 4% CO2				
		b =	0.00212	psi-1	Binary @ 96% methane, 4% CO2				
		bulk density =	1.676	gm/cc					
		cleat porosity =	0.01						
		initial pressure =	1,302	psia					
		water saturation =	90%						
		Yc =	0.4765	(mass fraction pure coal)					
		input							
		Gp,	pbar,			p/z,	p/z*,		
	Date	mmcf	psia	z	z*	psia	psia	$C_x \sim$	96.0%
		0	1,302	0.8876	0.00391	1,466	333,336		
	1/9/07	735	842	0.9212	0.00290	914	290,687		

cumulative production vs p/z and p/z*



OGIP AND REMAINING RESERVES						
After fitting trendline to your data, enter the following constants:						
slope =		-58.047				
y intercept =		333,336				
Enter cumulative production to date and current average reservoir pressure (probably your last data point in the Gp-pbar table on the king120 sheet)						
Gp =		735		mmcf		
pbar =		842		psia		
		output				
MB ogip =		5,743		mmcf		
160 Acre Volumetric OGIP =		5,315		mmcf		
remaining gas =		5,008		mmcf		
remaining reserves at selected abandonment pressures, mmcf						
Raw Gas	130	140	150	160	170	180
Basis	psia	psia	psia	psia	psia	psia
Reserve =	3,324	3,224	3,127	3,033	2,941	2,853
EUR =	4,059	3,958	3,861	3,767	3,676	3,588
160 A RF =	76%	74%	73%	71%	69%	68%
recoveries calculated assuming a Langmuir b value of 0.00212 psia-1						
and an initial reservoir pressure of 1,302 psia						

Recovery – percent Fruitland Coal Allison

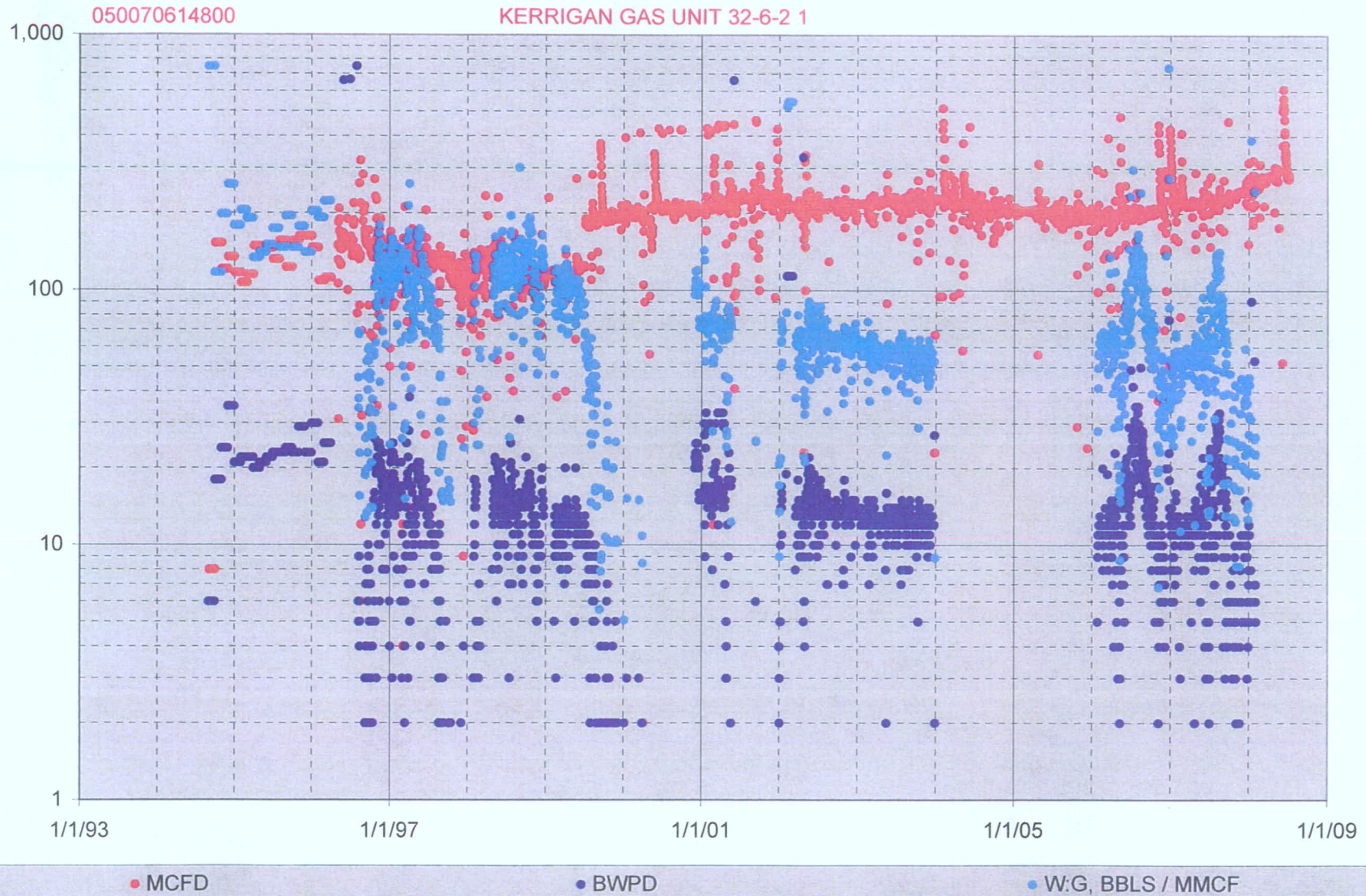


Allison Area Recovery Factors - 6/4/2008

RUID	Well Name	Estimate of Raw Gas OGIP, 160 Acre Basis, BCF	Recovery to 5/19/08, Percent of OGIP	Recovery Factor Source for Posting	Recovery Factor
#N/A - New Mexico	CARNES GAS UNIT 32-6-11 1	7.048	8.72%	Material Balance	36%
#N/A - New Mexico	FEDERAL GAS UNIT 32-6-9 1	5.407	6.34%	Material Balance	43%
#N/A - New Mexico	MILLER GAS UNIT 32-6-10 1	7.033	9.24%	Material Balance	47%
#N/A - New Mexico	MILLER GAS UNIT 32-6-11 1	7.039	1.63%	Material Balance	11%
32N05W07NE-SUL	MARQUEZ GAS UNIT A 1	6.380	1.65%	CBM Tank Model	2%
32N05W08SE-SUL	SEIBEL GAS UNIT A 1	5.965	3.50%	Material Balance	6%
32N05W17NE-SUL	SEIBEL GAS UNIT B 1	5.090	22.23%	Material Balance	49%
32N05W17SE-SUL	GALLEGOS, CARMELITA GU A 1	4.318	9.91%	CBM Tank Model	21%
32N05W18NW-SUL	ROSS GAS UNIT 1	4.138	3.06%	Material Balance	20%
32N06W02NW-SUL	KERRIGAN GAS UNIT 32-6-2 2	5.923	1.29%	Material Balance	11%
32N06W02SE-SUL	GLOVER GAS UNIT 1	7.513	1.65%	CBM Tank Model	2%
32N06W02SW-SUL	KERRIGAN GAS UNIT 32-6-2 1	7.450	11.96%	Material Balance	40%
32N06W03NW-SUL	BROWN GAS UNIT 32-6-03 2	7.760	11.50%	Material Balance	29%
32N06W03SW-SUL	BROWN GAS UNIT 32-6-03 1	9.000	15.23%	Material Balance	38%
32N06W09NE-SUL	TUBBS GAS UNIT 32-6-9 B 1	7.409	6.12%	Material Balance	26%
32N06W09NW-SUL	TUBBS GAS UNIT 32-6-9 B 2	6.611	3.16%	Material Balance	66%
32N06W09SW-SUL	TUBBS GAS UNIT 32-6-9 A 1	8.572	5.85%	Material Balance	50%
32N06W10SW-SUL	BAKER GAS UNIT 32-6-10 1	6.141	2.34%	Material Balance	22%
32N06W11NE-S80	LUCHINI GAS UNIT 32-6-11 2	8.677	4.55%	Material Balance	25%
32N06W11NE-SUL	LUCHINI GAS UNIT 32-6-11 1	8.677	14.52%	CBM Tank Model	35%
32N06W12SW-SUL	LUCHINI GAS UNIT 32-6-12 1	7.787	8.10%	Material Balance	50%
32N06W13SW-SUL	PERINO GAS UNIT 32-6-13 1	4.505	17.29%	CBM Tank Model	34%
32N06W14NE-SUL	COX GAS UNIT 2	6.155	14.12%	Material Balance	54%
32N06W15SW-SUL	MCKEEN GAS UNIT 32-6-15 1	6.469	2.30%	Material Balance	22%
32N06W16NE-SUL	SUTTON GAS UNIT 32-6-16 1	6.772	5.10%	Material Balance	47%
32N06W16SW-SUL	ESPINOSA GAS UNIT 32-6-16 1	7.153	4.93%	Material Balance	38%
32N06W18NE-SUL	OLGUIN GAS UNIT 32-6-18 1	6.720	10.81%	Material Balance	28%
32N06W18SW-SUL	LOPEZ GAS UNIT 32-6-18 1	6.651	16.83%	Material Balance	41%

Cum Gas, MMCF 903 @ 7/8/08

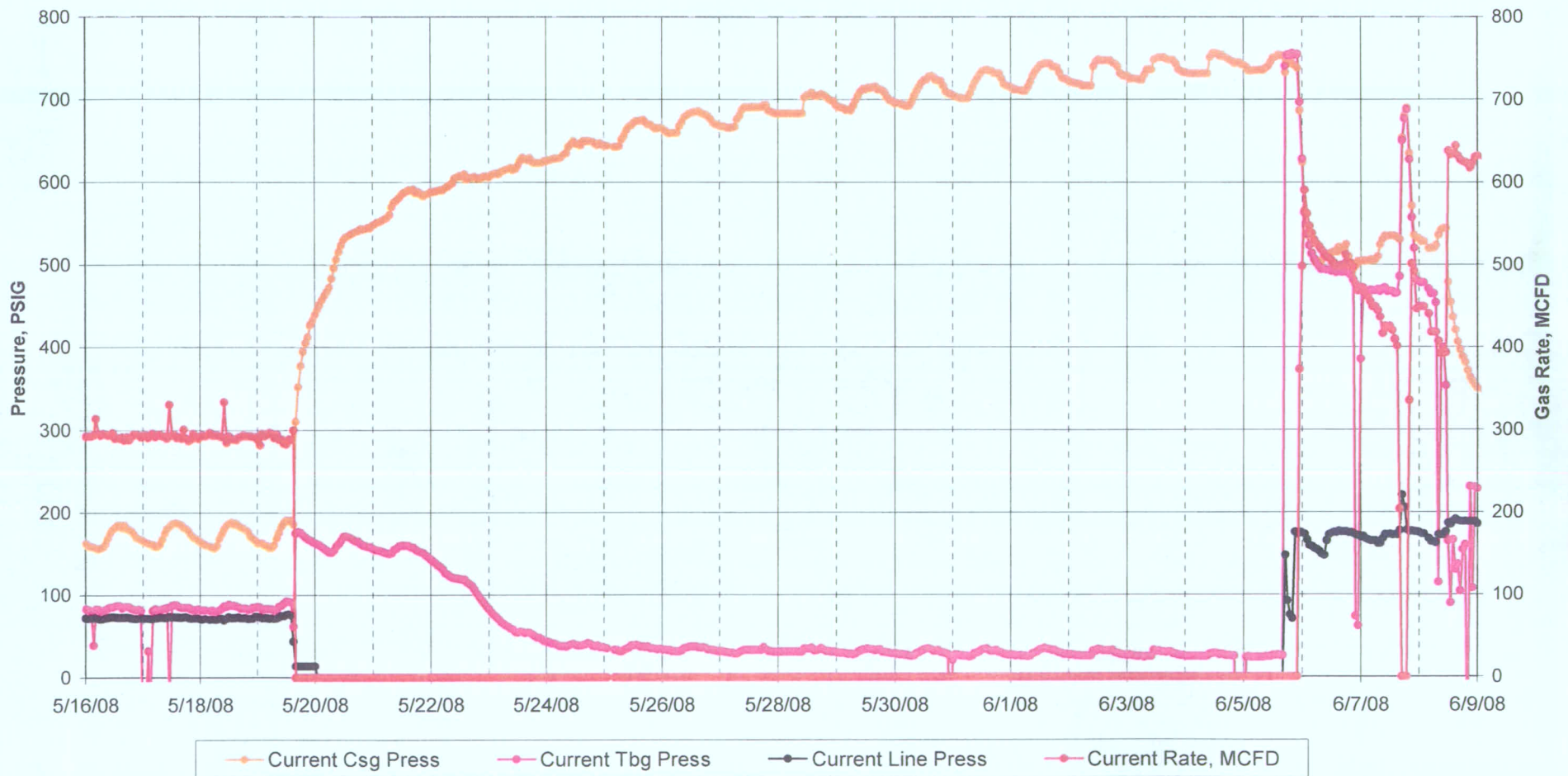
Well Performance



July 8, 2008

Allison Area Recovery Factors

KERRIGAN GAS UNIT 32-6-2 1



July 8, 2008

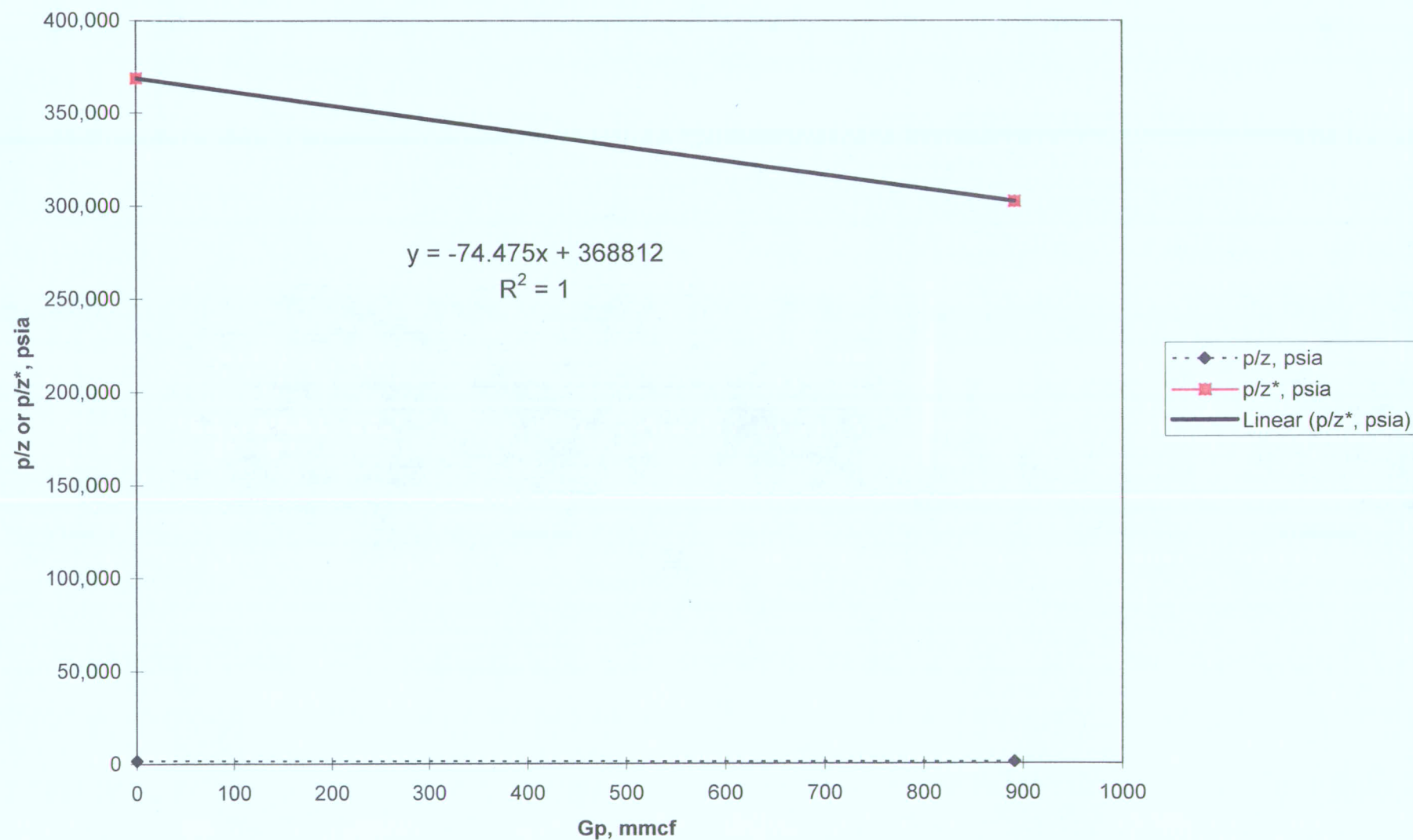
Allison Area Recovery Factors

4

ESTIMATES OF OGIP AND INITIAL RESERVOIR PRESSURE
USING THE MODIFIED KING p/Z^* METHOD FOR COAL WELLS

			input		Hold as constants -				
		Vmpc =	1,103	scf/ton	Binary @ 96% methane, 4% CO2				
		b =	0.00212	psi-1	Binary @ 96% methane, 4% CO2				
		bulk density =	1.602	gm/cc					
		cleat porosity =	0.01						
		initial pressure =	1,476	psia					
		water saturation =	90%						
		Yc =	0.5346	(mass fraction pure coal)					
		input							
		Gp,	pbar,			p/z,	p/z*,		
@ Depth	Date	mmcf	psia	z	z*	psia	psia	$C_x \sim$	95.9%
		0	1,476	0.8774	0.00400	1,682	368,812		
2,986	6/4/08	891	778	0.9265	0.00257	840	302,430		

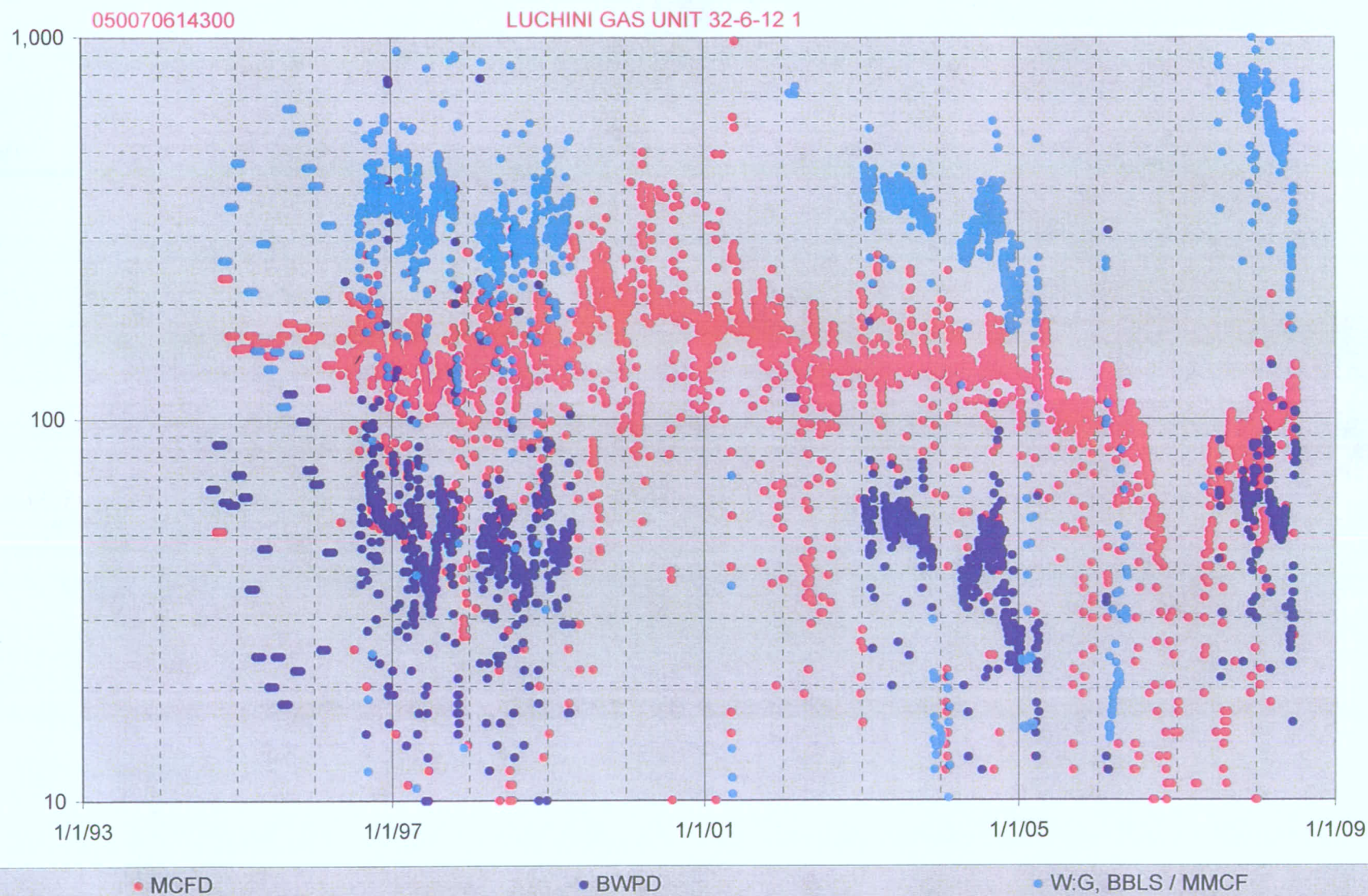
cumulative production vs p/z and p/z*



		OGIP AND REMAINING RESERVES					
	After fitting trendline to your data, enter the following constants:						
		slope =	-74.475				
		y intercept =	368,812				
	Enter cumulative production to date and current average reservoir pressure (probably your last data point in the Gp-pbar table on the king120 sheet)						
		Gp =	891	mmcf			
		pbar =	778	psia			
			output				
		MB ogip =	4,952	mmcf			
	160 Acre Volumetric OGIP =		7,450	mmcf			
	remaining gas =		4,061	mmcf			
	remaining reserves at selected abandonment pressures, mmcf						
Raw Gas	150	175	200	225	250	275	
Basis	psia	psia	psia	psia	psia	psia	
Reserve =	2,491	2,300	2,122	1,958	1,804	1,661	
EUR =	3,383	3,191	3,014	2,849	2,696	2,553	
160 A RF =	45%	43%	40%	38%	36%	34%	
	recoveries calculated assuming a Langmuir b value of					0.00212	psia-1
		and an initial reservoir pressure of					psia

Cum Gas, MMCF 634 @ 7/8/08

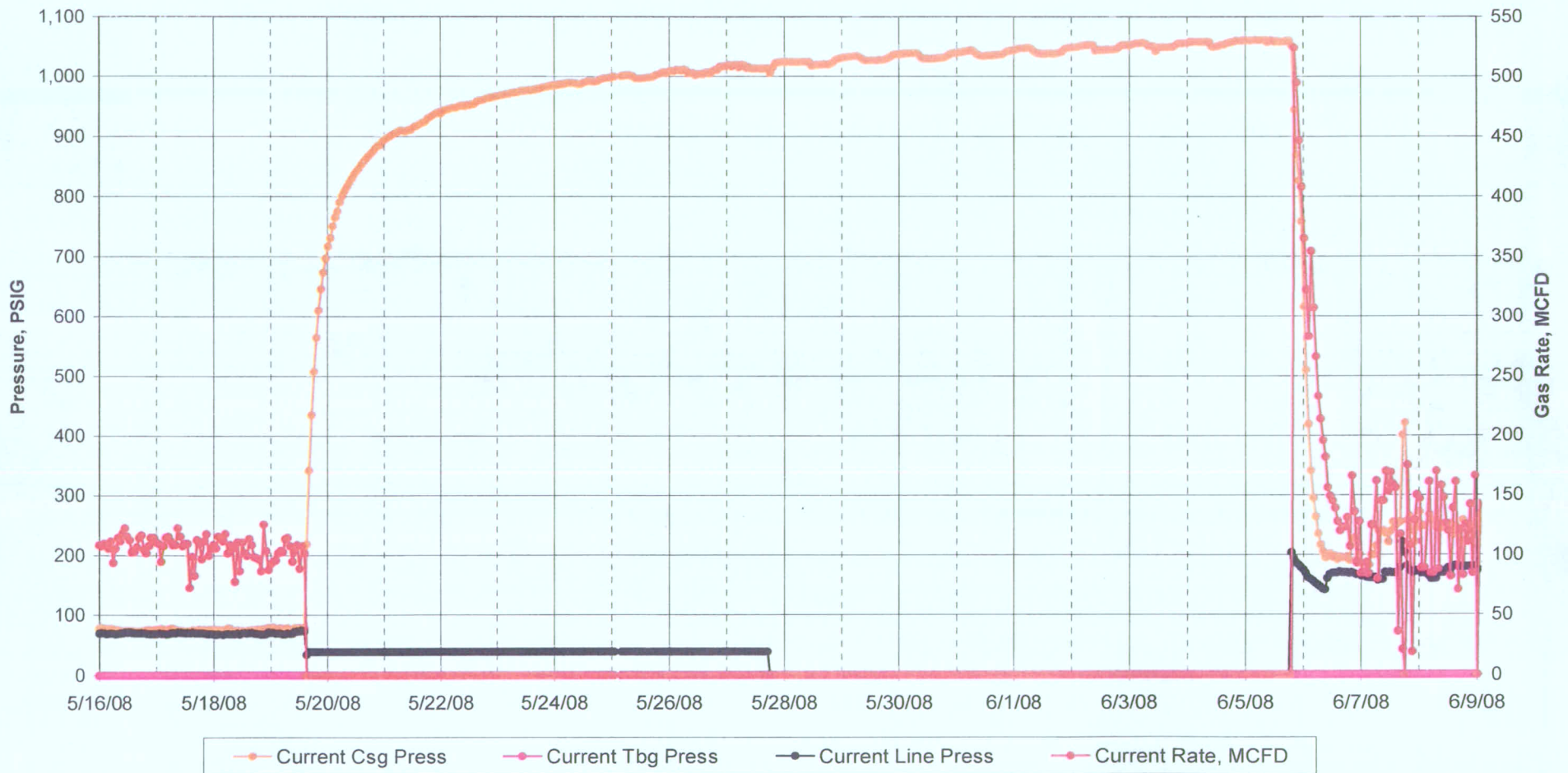
Well Performance



July 8, 2008

Allison Area Recovery Factors

LUCHINI GAS UNIT 32-6-12 1



July 8, 2008

Allison Area Recovery Factors

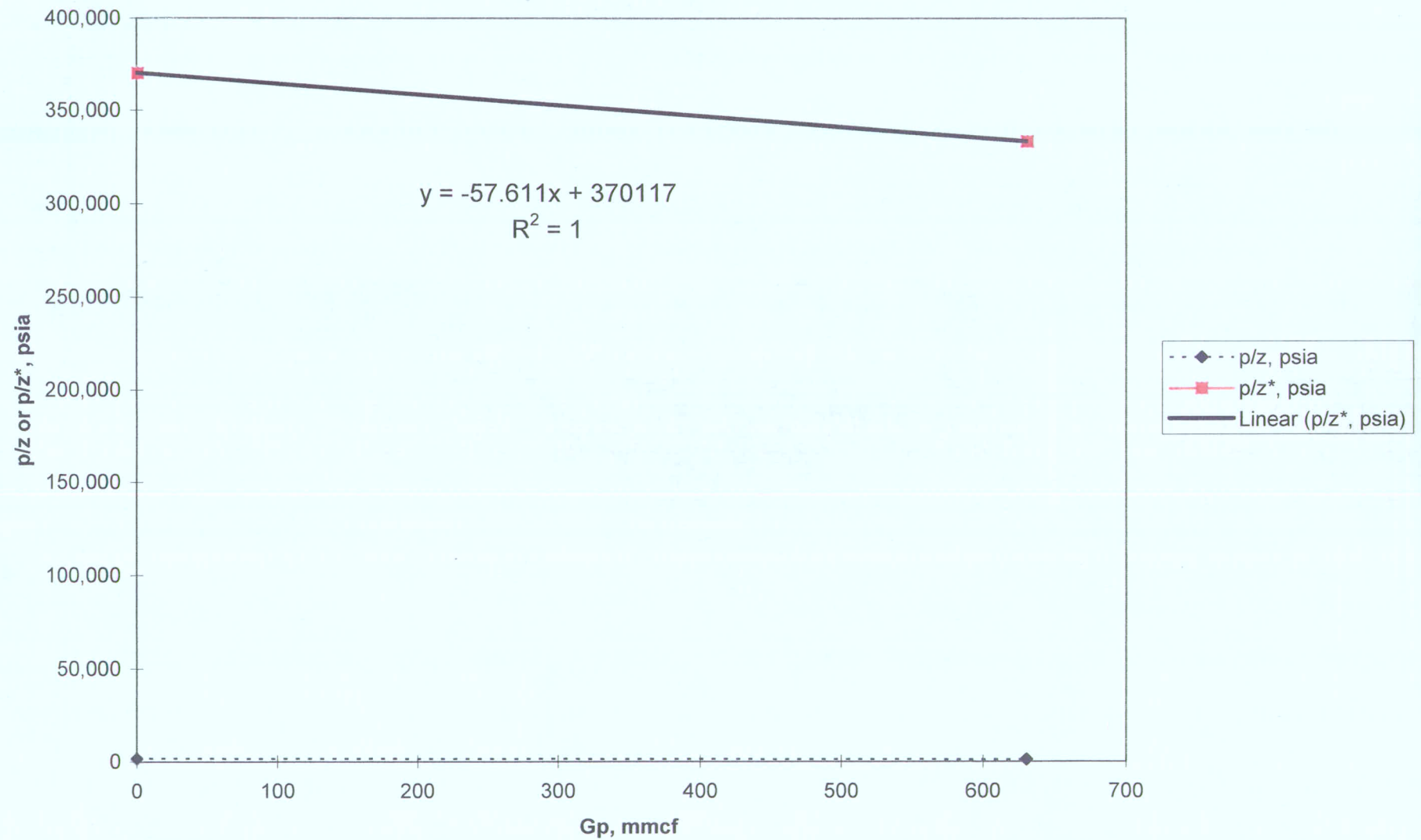
10

LUCHINI GAS UNIT 32-6-12 1

Maximum Pressure PSIG			
	SI	RTP	Days SI
1,061	5/19/08 3:00 PM	6/5/08 8:00 PM	17.2
	Cumulative Recovery at SI, MMCF =		630
Fluid level based bottomhole pressure, PSIA =			1,031

ESTIMATES OF OGIP AND INITIAL RESERVOIR PRESSURE USING THE MODIFIED KING p/z^* METHOD FOR COAL WELLS									
			input		Hold as constants -				
		Vmpc =	1,103	scf/ton	Binary @ 96% methane, 4% CO2				
		b =	0.00212	psi-1	Binary @ 96% methane, 4% CO2				
		bulk density =	1.601	gm/cc					
		cleat porosity =	0.01						
		initial pressure =	1,493	psia					
		water saturation =	90%						
		Yc =	0.5354	(mass fraction pure coal)					
		input							
		Gp,	pbar,			p/z,	p/z*,		
@ Depth	Date	mmcf	psia	z	z*	psia	psia	$C_x \sim$	95.9%
		0	1,493	0.8764	0.00403	1,704	370,117		
2,784	6/4/08	630	1,031	0.9064	0.00309	1,138	333,798		

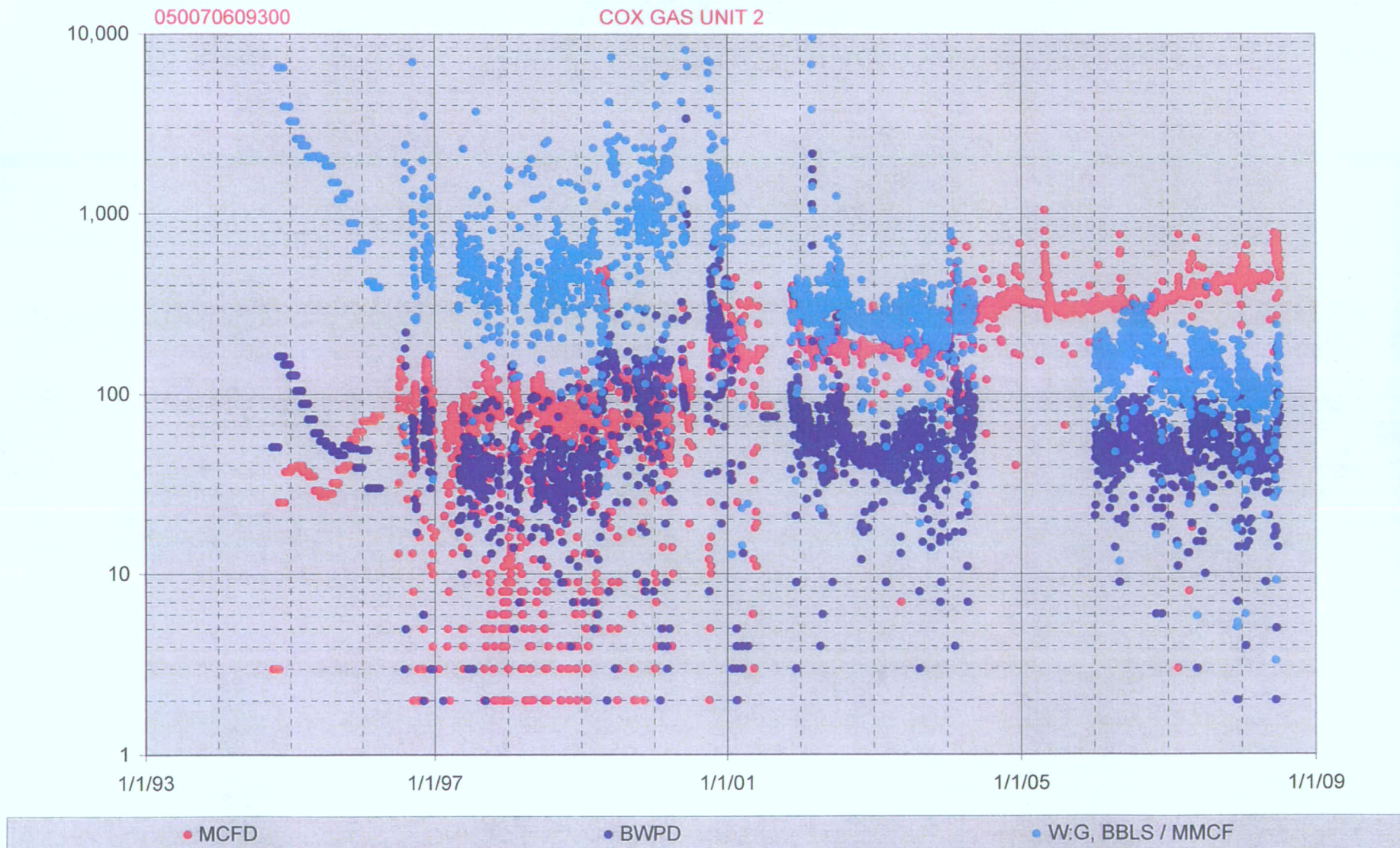
cumulative production vs p/z and p/z*



OGIP AND REMAINING RESERVES						
After fitting trendline to your data, enter the following constants:						
slope =		-57.611				
y intercept =		370,117				
Enter cumulative production to date and current average reservoir pressure (probably your last data point in the Gp-pbar table on the king120 sheet)						
Gp =		630		mmcf		
pbar =		1,031		psia		
		output				
MB ogip =		6,424		mmcf		
160 Acre Volumetric OGIP =		7,787		mmcf		
remaining gas =		5,794		mmcf		
remaining reserves at selected abandonment pressures, mmcf						
Raw Gas	150	175	200	225	250	275
Basis	psia	psia	psia	psia	psia	psia
Reserve =	3,761	3,513	3,284	3,071	2,872	2,687
EUR =	4,392	4,144	3,914	3,701	3,503	3,318
160 A RF =	56%	53%	50%	48%	45%	43%
recoveries calculated assuming a Langmuir b value of					0.00212	psia-1
and an initial reservoir pressure of					1,493	psia

Cum Gas, MMCF = 888 @ 7/8/08

Well Performance

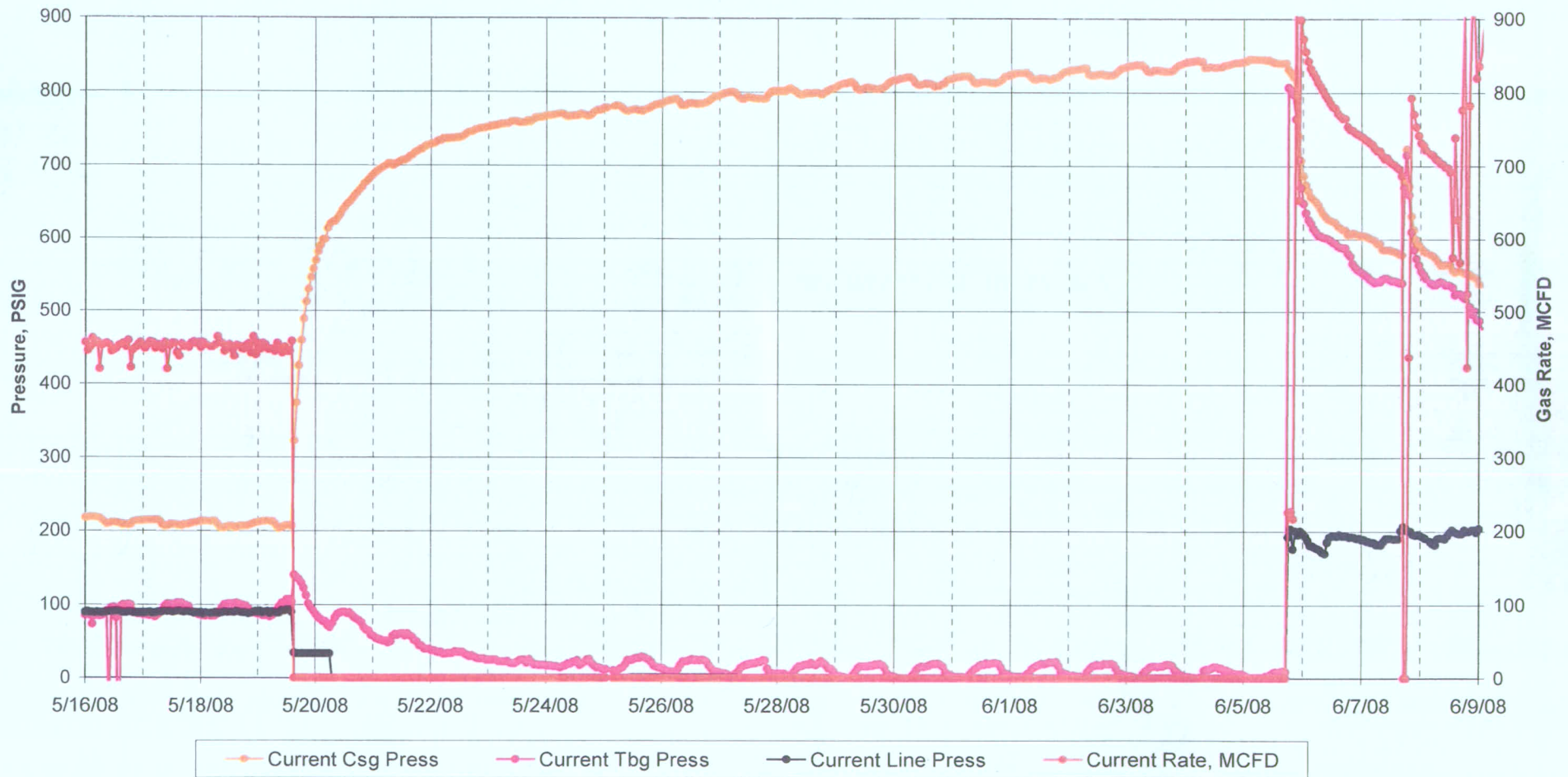


July 8, 2008

Allison Area Recovery Factors

15

COX GAS UNIT 2



July 8, 2008

Allison Area Recovery Factors

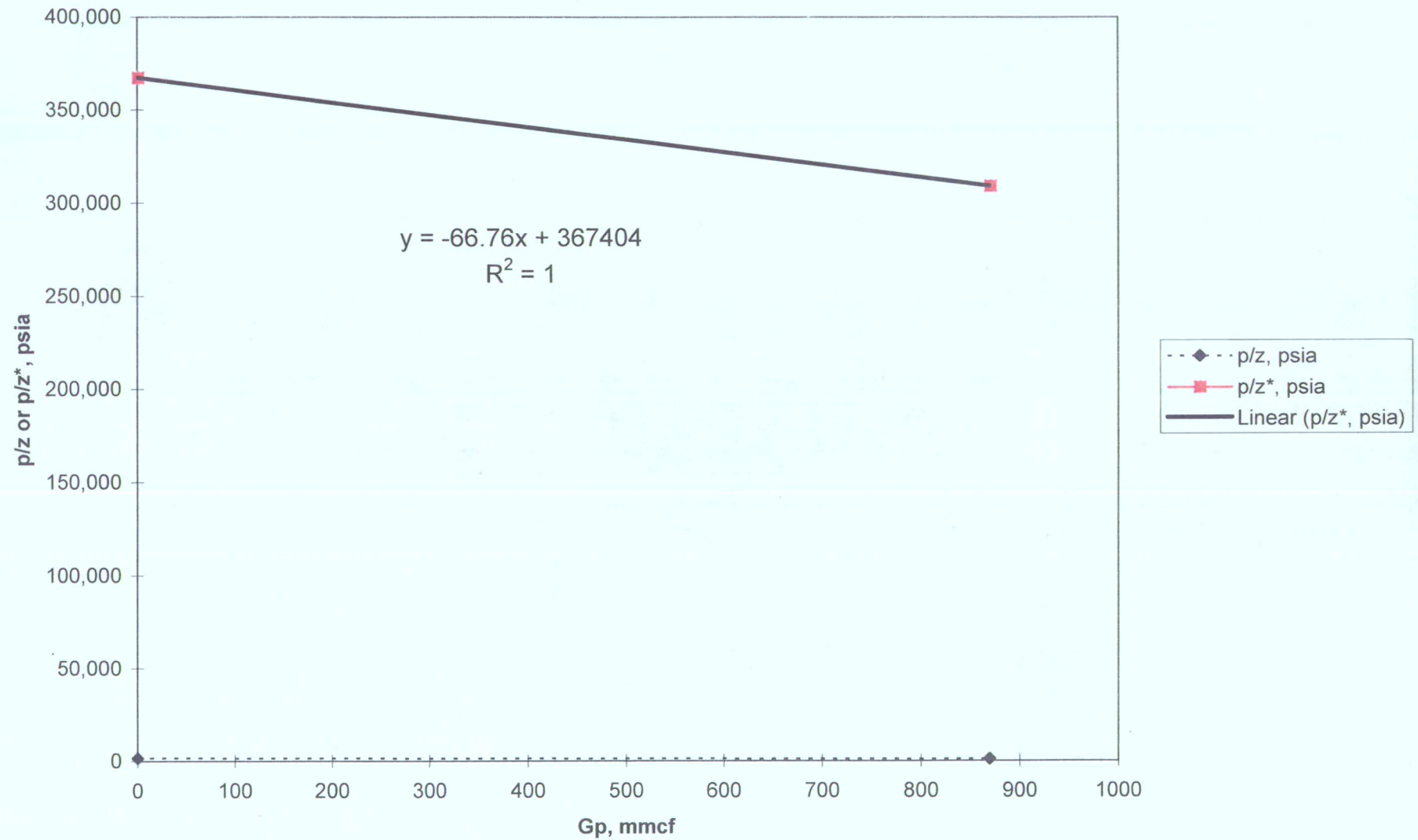
16

COX GAS UNIT 2

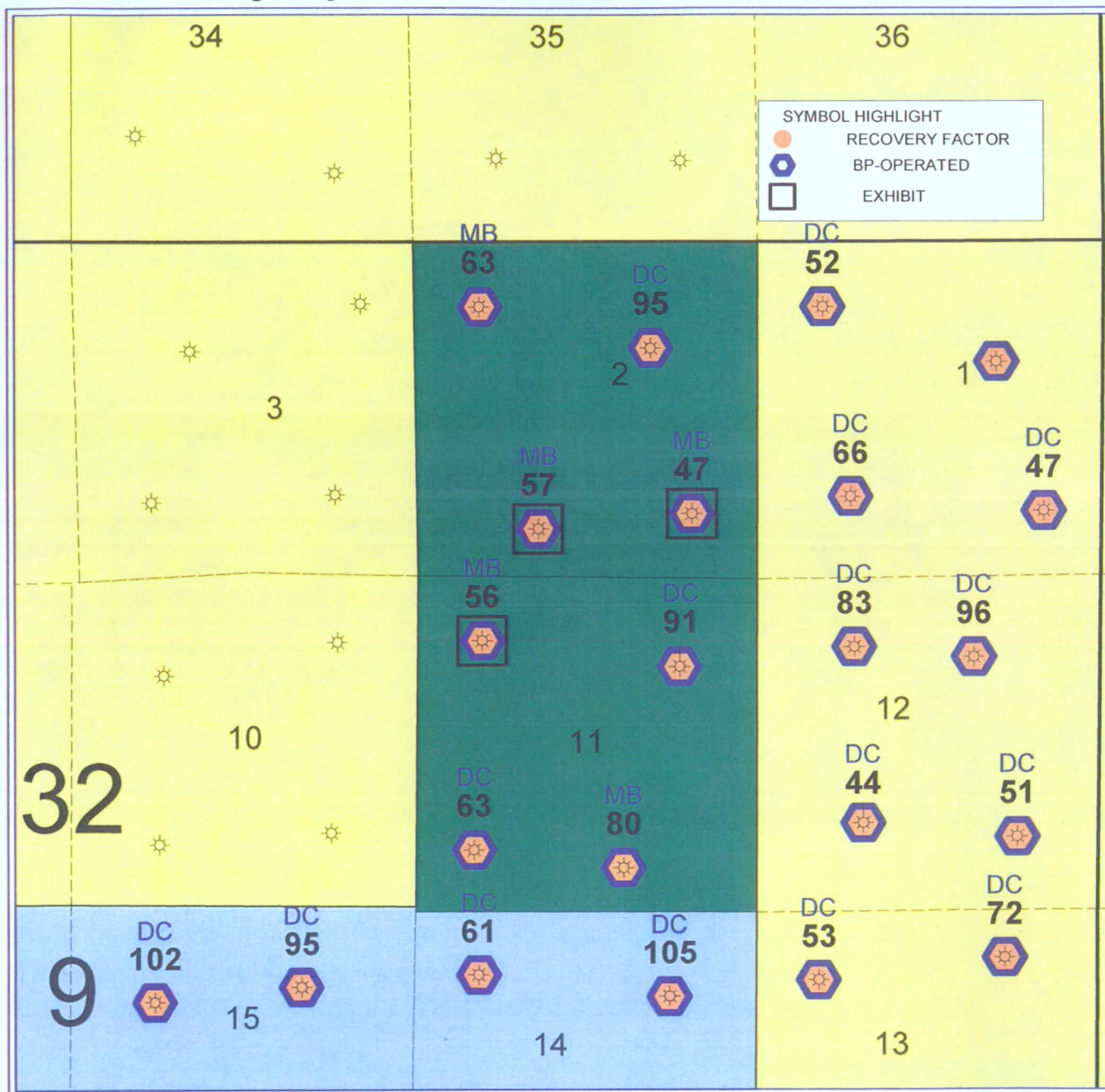
Maximum Pressure PSIG	SI	RTP	Days SI
846	5/19/08 3:00 PM	6/5/08 6:00 PM	17.1
	Cumulative Recovery at SI, MMCF =		869
Fluid level based bottomhole pressure, PSIA =			831

ESTIMATES OF OGIP AND INITIAL RESERVOIR PRESSURE USING THE MODIFIED KING p/Z^* METHOD FOR COAL WELLS									
			input		Hold as constants -				
		Vmpc =	1,103	scf/ton	Binary @ 96% methane, 4% CO2				
		b =	0.00212	psi-1	Binary @ 96% methane, 4% CO2				
		bulk density =	1.604	gm/cc					
		cleat porosity =	0.01						
		initial pressure =	1,464	psia					
		water saturation =	90%						
		Yc =	0.5330	(mass fraction pure coal)					
		input							
		Gp,	pbar,			p/z,	p/z*,		
@ Depth	Date	mmcf	psia	z	z*	psia	psia	$C_x \sim$	95.9%
		0	1,464	0.8781	0.00398	1,667	367,404		
2,645	6/4/08	869	831	0.9221	0.00269	901	309,377		

cumulative production vs p/z and p/z*



Recovery – percent Fruitland Coal 32 – 9



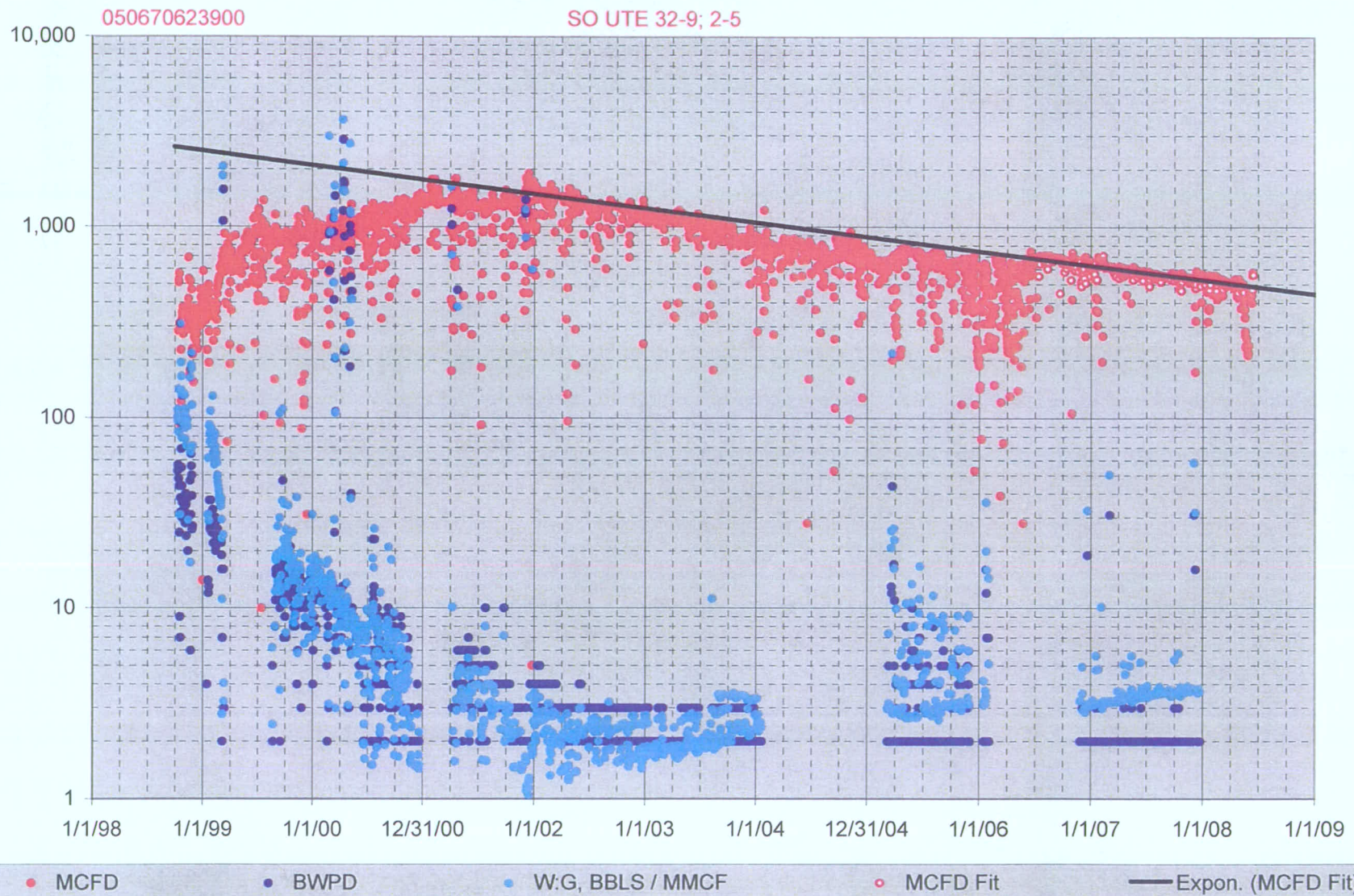
Recovery Summary; Sections 2 and 11 - T32N-R09W

RUWI	Well Label	Binary 90% CH4 and 10% CO2 OGIP, BCF	6/16/08 Decline Curve Based Ultimate Recovery, BCF	6/16/08 Decline Curve Based Recovery Factor, % of OGIP	6/26/08 Material Balance Based Ultimate Recovery @ 75 PSIA, BCF	6/26/08 Material Balance Based Recovery Factor	Status
32N09W02NE-SUL	SO UTE 32-9 #2-7	8.982	8.548	95%	#N/A	#N/A	No pressure data
32N09W02NW-SUL	SO UTE 32-9 #2-4	8.857	5.665	64%	5.553	63%	MB done and in PPt
32N09W02SE-SUL	SO UTE 32-9 #2-5	7.982	3.836	48%	3.724	47%	MB done and in PPt
32N09W02SW-SUL	SO UTE 32-9 #2-6	9.610	3.840	40%	5.443	57%	MB done and in PPt
Unit Recovery		35.430	21.888	62%	#N/A	#N/A	
32N09W11NE-SUL	SO UTE 32-9 #11-6	7.333	6.664	91%	#N/A	#N/A	No pressure data
32N09W11NW-SUL	SO UTE 32-9 #11-4	8.215	4.681	57%	4.614	56%	MB done and in PPt
32N09W11SE-SUL	SO UTE 32-9 #11-7	7.422	5.495	74%	5.924	80%	MB done and in PPt
32N09W11SW-SUL	SO UTE 32-9 #11-3	8.732	5.488	63%	#N/A	#N/A	PBU data not questionable
Unit Recovery		31.702	22.328	70%	#N/A	#N/A	

Cum Gas, MMCF = 2,863 @ 6/15/08

Well Performance

$$y = 6.599285E+10e^{-4.725953E-04x}$$



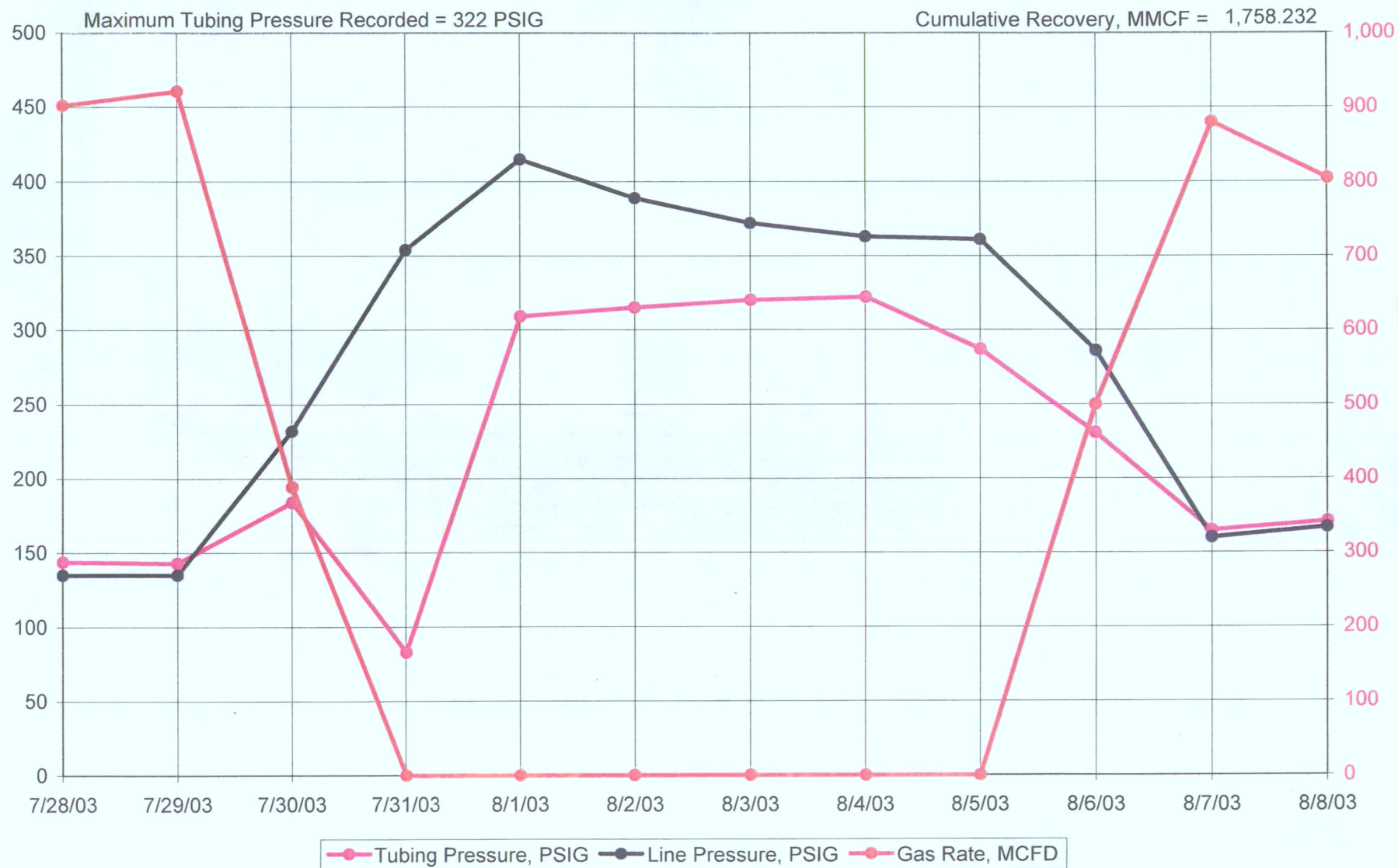
June 26, 2008

Recovery; T32N-R09W 2 & 11

Parameter	Value		050670623900	
Raw Gas OGIP, 160 Acres, BCF	7.982			
Cumulative Recovery, BCF =	2.863	@	6/15/08	
Decline Rate, Days ⁻¹	-4.726E-04			
Decline Rate, Years ⁻¹	-0.1726			
Decline Rate, % / Year	15.85%			
Y Intercept	6.60E+10			
Current Rate, MCFD	485	Jun-08		
Economic Limit, MCFD	25			
Time to Economic Limit, Years	17	- or -	8/17/2025	
Remaining Recovery, BCF	0.973			
Ultimate Recovery, BCF	3.836			
Recovery Factor	48.1%			

Maximum C&S Pressure at 3,527' = 360 PSIA

SO UTE 32-9; 2-5 PBU August, 2003

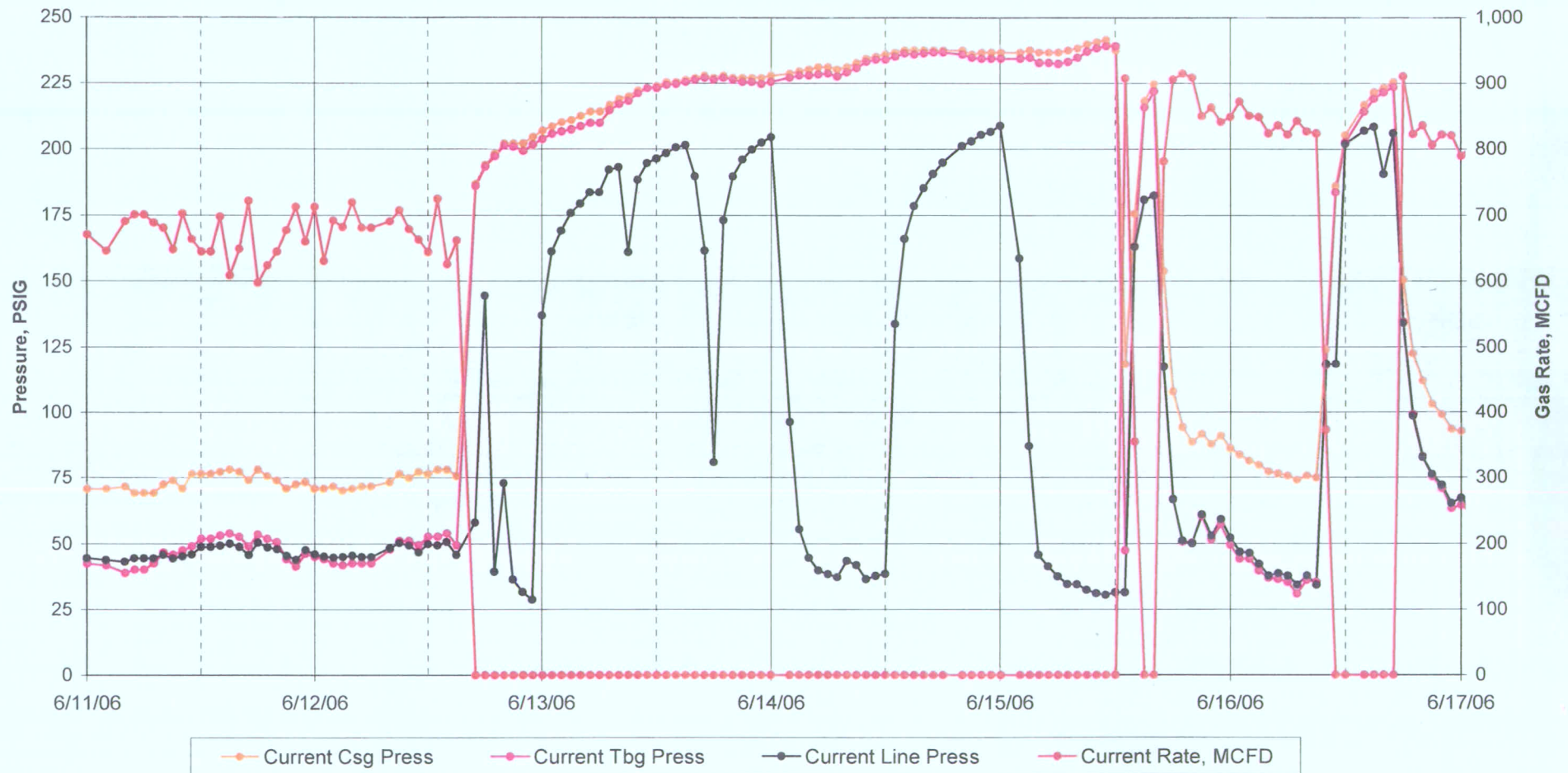


June 26, 2008

Recovery; T32N-R09W 2 & 11

5

SOUTHERN UTE 32-9-2-5



June 26, 2008

Recovery; T32N-R09W 2 & 11

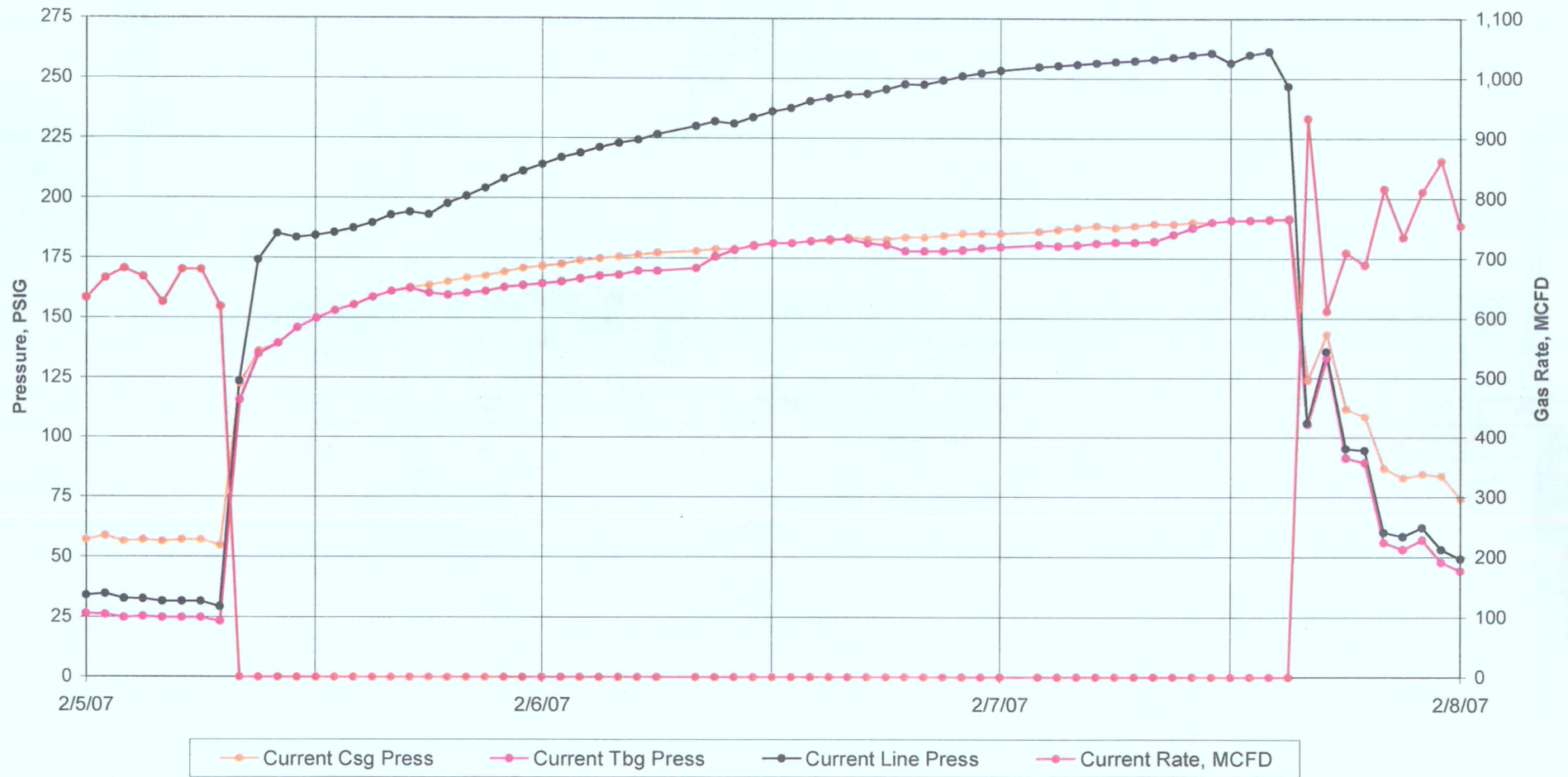
6

SOUTHERN UTE 32-9-2-5

Maximum Pressure PSIG	SI	RTP	Days SI
242	6/12/06 3:00 PM	6/15/06 12:00 PM	2.88
	Cumulative Recovery at SI, MMCF =		2,447
	API No. - 050670623900		

Data	Input
Well	SOUTHERN UTE 32-9-2-5
API Number	050670623900
Date and time of Sonolog shot	06/15/2006 11:49:00 AM
SI Casing Pressure, PSIG	240
Gas / Liquid Interface Pressure, PSIG	261
Liquid Level, ft	3,613
Pump Intake Depth, ft	3,527
Equivalent Gas Free Liquid HT, TVD	0
Calculations	
Bottomhole Pressure, PSIG	261
Bottomhole Pressure, PSIA	272
Reference Depth, Ft	3,527

SO UTE 32-9; 2-5

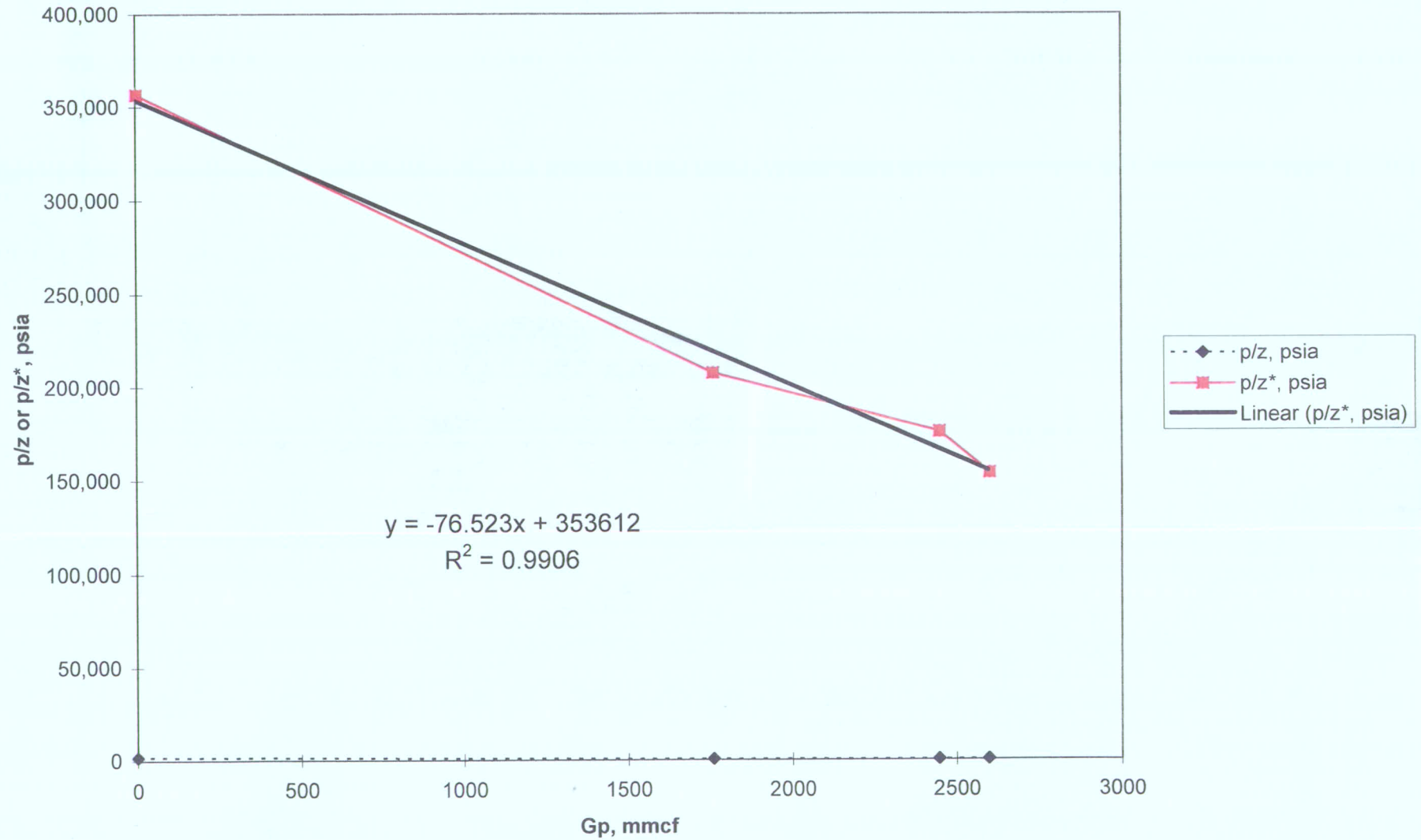


SO UTE 32-9; 2-5

Maximum Pressure PSIG	SI	RTP	Days SI
192	2/5/07 7:00 AM	2/7/07 3:00 PM	2.3
	Cumulative Recovery at SI, MMCF =		2,598
	C & S BHP @ 3,527', PSIA =		221

ESTIMATES OF OGIP AND INITIAL RESERVOIR PRESSURE USING THE MODIFIED KING p/z^* METHOD FOR COAL WELLS									
			input		Hold as constants -				
		Vmpc =	1,104	scf/ton	Binary @	90% CH ₄ x 10% CO ₂ @ 139 F			
		b =	0.0023	psi-1	Binary @	90% CH ₄ x 10% CO ₂ @ 139 F			
		bulk density =	1.664	gm/cc					
		cleat porosity =	0.01						
		initial pressure =	1,534	psia					
		water saturation =	90%						
		Yc =	0.4835	(mass fraction pure coal)					
		input							
		Gp,	pbar,			p/z,	p/z*,		
Gauge Depth	Date	mmcf	psia	z	z*	psia	psia		
Interp	#N/A	0	1,534	0.8840	0.00430	1,735	356,826		
Surface	8/4/03	1,758	362	0.9667	0.00175	374	207,427		
Surface	6/15/06	2,447	272	0.9747	0.00155	279	175,784		
Surface	2/7/07	2,598	221	0.9794	0.00144	226	153,809		

cumulative production vs p/z and p/z*

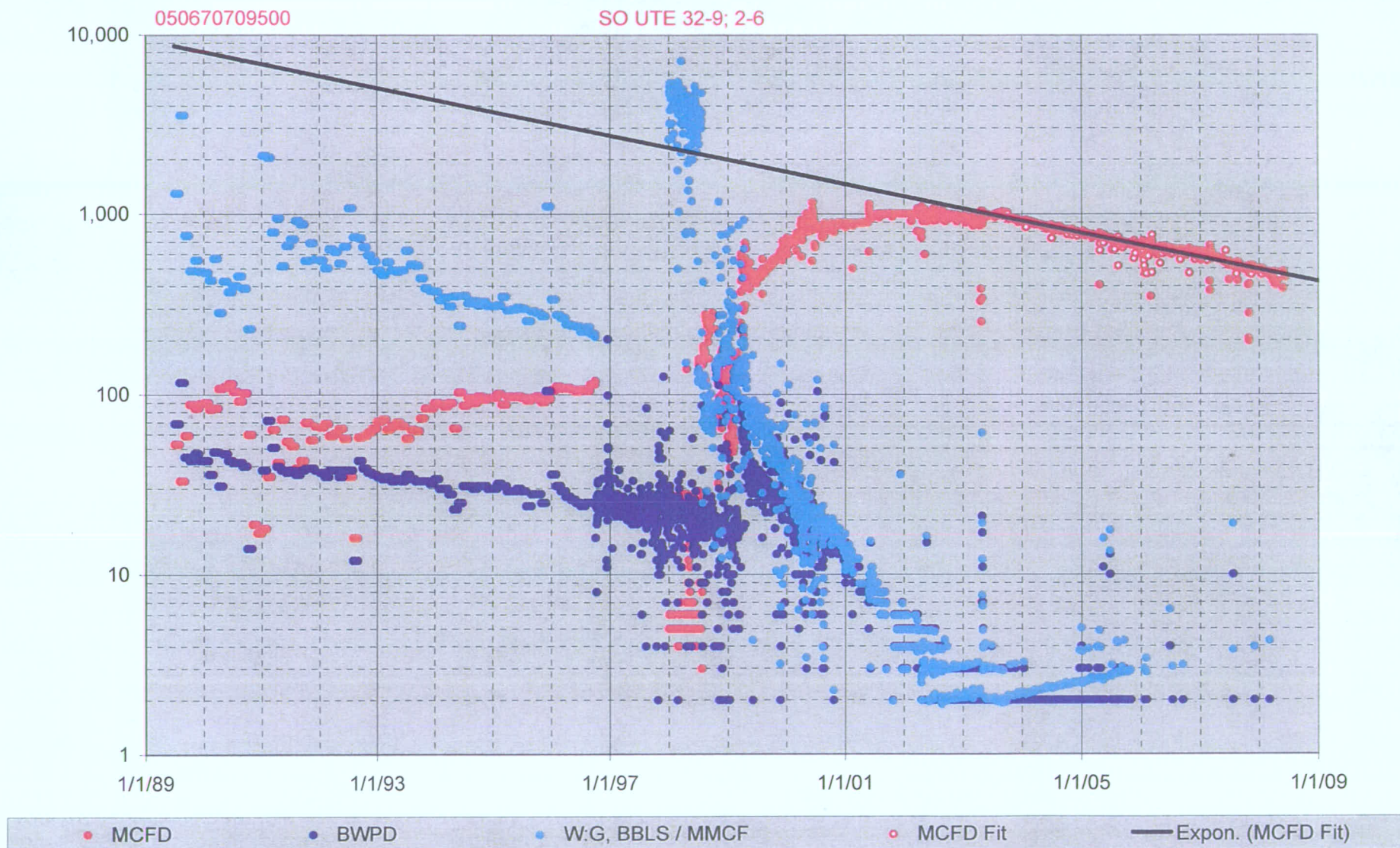


OGIP AND REMAINING RESERVES						
After fitting trendline to your data, enter the following constants:						
slope =		-76.523				
y intercept =		353,612				
Enter cumulative production to date and current average reservoir pressure (probably your last data point in the Gp-pbar table on the king120 sheet)						
Gp =		2,598		mmcf		
pbar =		221		psia		
		output				
MB ogip =		4,621		mmcf		
160 Acre Volumetric OGIP =		7,982		mmcf		
remaining gas =		2,023		mmcf		
remaining reserves at selected abandonment pressures, mmcf						
Raw Gas	55	65	75	85	95	105
Basis	psia	psia	psia	psia	psia	psia
Reserve =	1,333	1,227	1,126	1,029	935	845
EUR =	3,930	3,825	3,724	3,626	3,533	3,443
160 A RF =	49%	48%	47%	45%	44%	43%
recoveries calculated assuming a Langmuir b value of					0.0023	psia-1
and an initial reservoir pressure of					1,534	psia

Cum Gas, MMCF = 2,813 @ 6/15/08

Well Performance

$$y = 8.748942E+09e^{-4.229355E-04x}$$



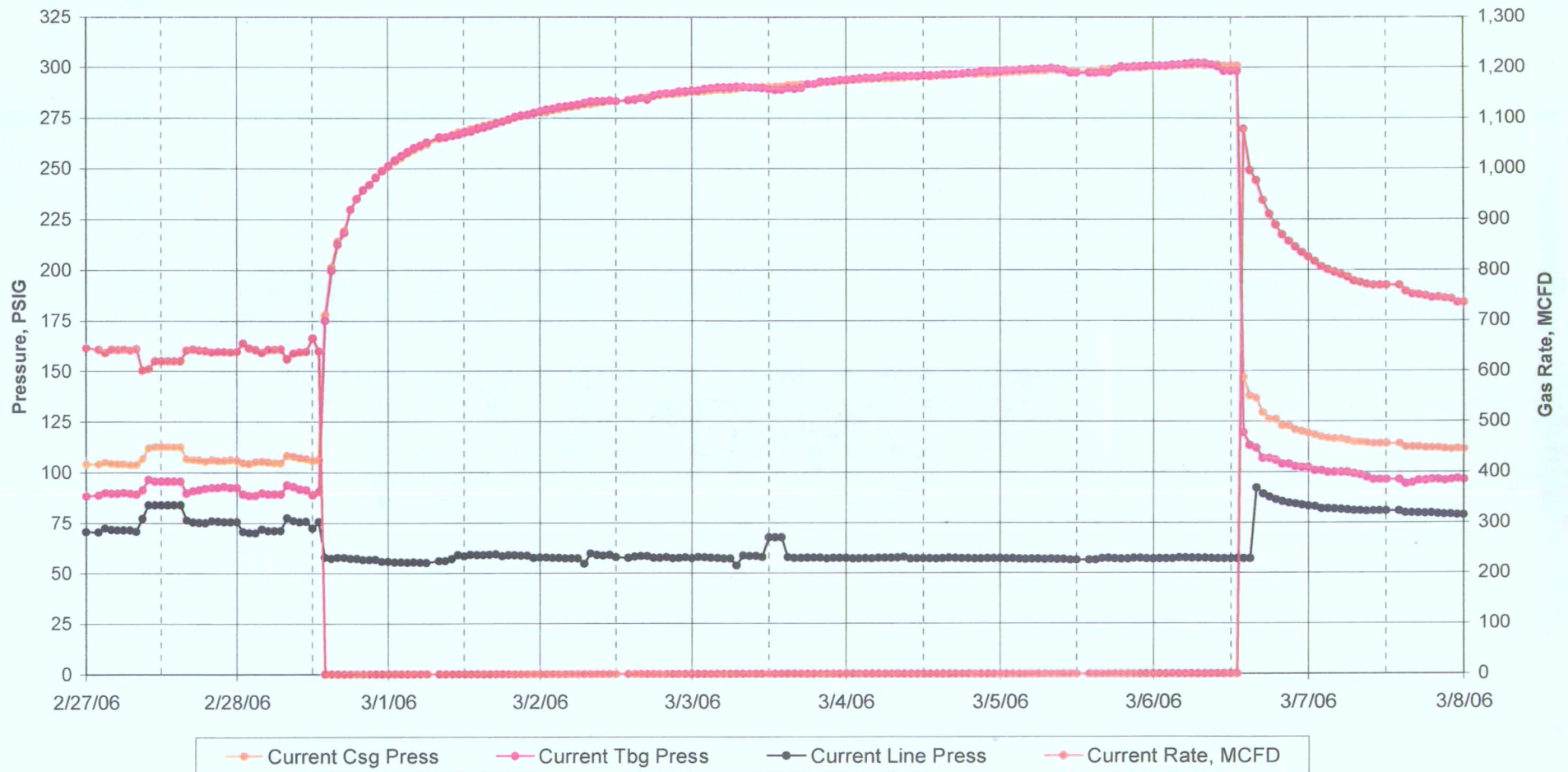
June 26, 2008

Recovery; T32N-R09W 2 & 11

14

Parameter	Value		050670709500	
Raw Gas OGIP, 160 Acres, BCF	9.610			
Cumulative Recovery, BCF =	2.813	@	6/15/08	
Decline Rate, Days ⁻¹	-4.229E-04			
Decline Rate, Years ⁻¹	-0.1545			
Decline Rate, % / Year	14.31%			
Y Intercept	8.75E+09			
Current Rate, MCFD	459	Jun-08		
Economic Limit, MCFD	25			
Time to Economic Limit, Years	19	- or -	4/20/2027	
Remaining Recovery, BCF	1.027			
Ultimate Recovery, BCF	3.840			
Recovery Factor	40.0%			

SO UTE 32-9; 2-6



SO UTE 32-9; 2-6

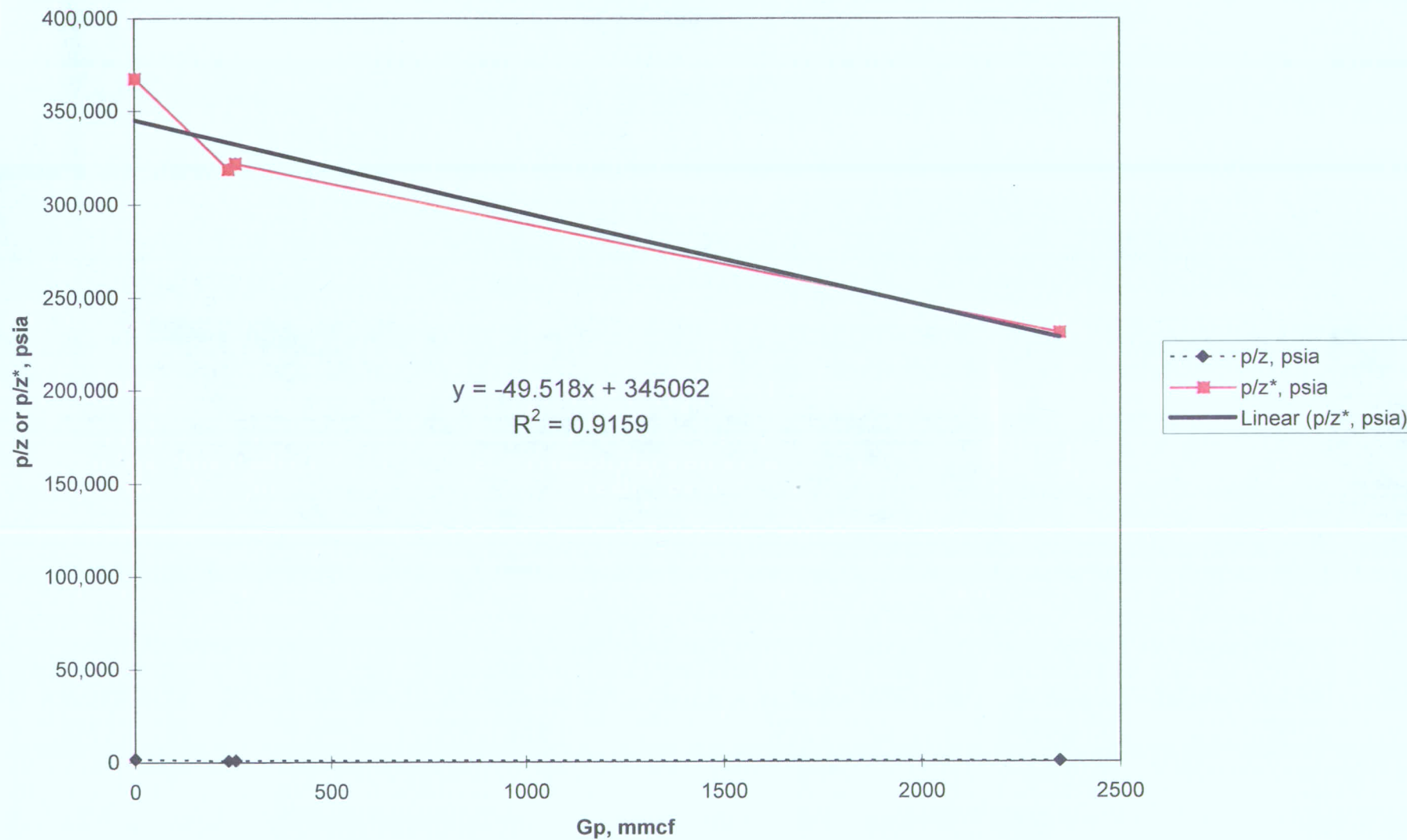
Maximum Pressure PSIG	SI	RTP	Days SI
301	2/28/06 1:00 PM	3/6/06 1:00 PM	6.0
	Cumulative Recovery at SI, MMCF =		2,349

Data	Input
Well	SO UTE 32-9; 2-6
API Number	050670709500
Date and time of Sonolog shot	03/06/2006 11:49:52 AM
SI Casing Pressure, PSIG	296
Gas / Liquid Interface Pressure, PSIG	321
Liquid Level, ft	3,474
Formation Depth, ft	3,690
Equivalent Gas Free Liquid HT, TVD	216
Calculations	
Bottomhole Pressure, PSIG	414
Bottomhole Pressure, PSIA	426
Reference Depth, Ft	3,690

ESTIMATES OF OGIP AND INITIAL RESERVOIR PRESSURE
USING THE MODIFIED KING p/Z^* METHOD FOR COAL WELLS

			input		Hold as constants -		
		Vmpc =	1,104	scf/ton	Binary @	90% CH ₄ x 10% CO ₂ @ 139 F	
		b =	0.0023	psi-1	Binary @	90% CH ₄ x 10% CO ₂ @ 139 F	
		bulk density =	1.640	gm/cc			
		cleat porosity =	0.01				
		initial pressure =	1,573	psia			
		water saturation =	90%				
		Yc =	0.5022	(mass fraction pure coal)			
		input					
		Gp,	pbar,			p/z,	p/z*,
Gauge Depth	Date	mmcf	psia	z	z*	psia	psia
Measured	3/22/89	0	1,573	0.8821	0.00428	1,783	367,260
Vu Dinh	1/16/99	238	930	0.9208	0.00292	1,010	318,915
Vu Dinh	4/20/99	256	959	0.9188	0.00298	1,043	321,968
Surface	3/6/06	2,349	426	0.9611	0.00184	443	231,348

cumulative production vs p/z and p/z*

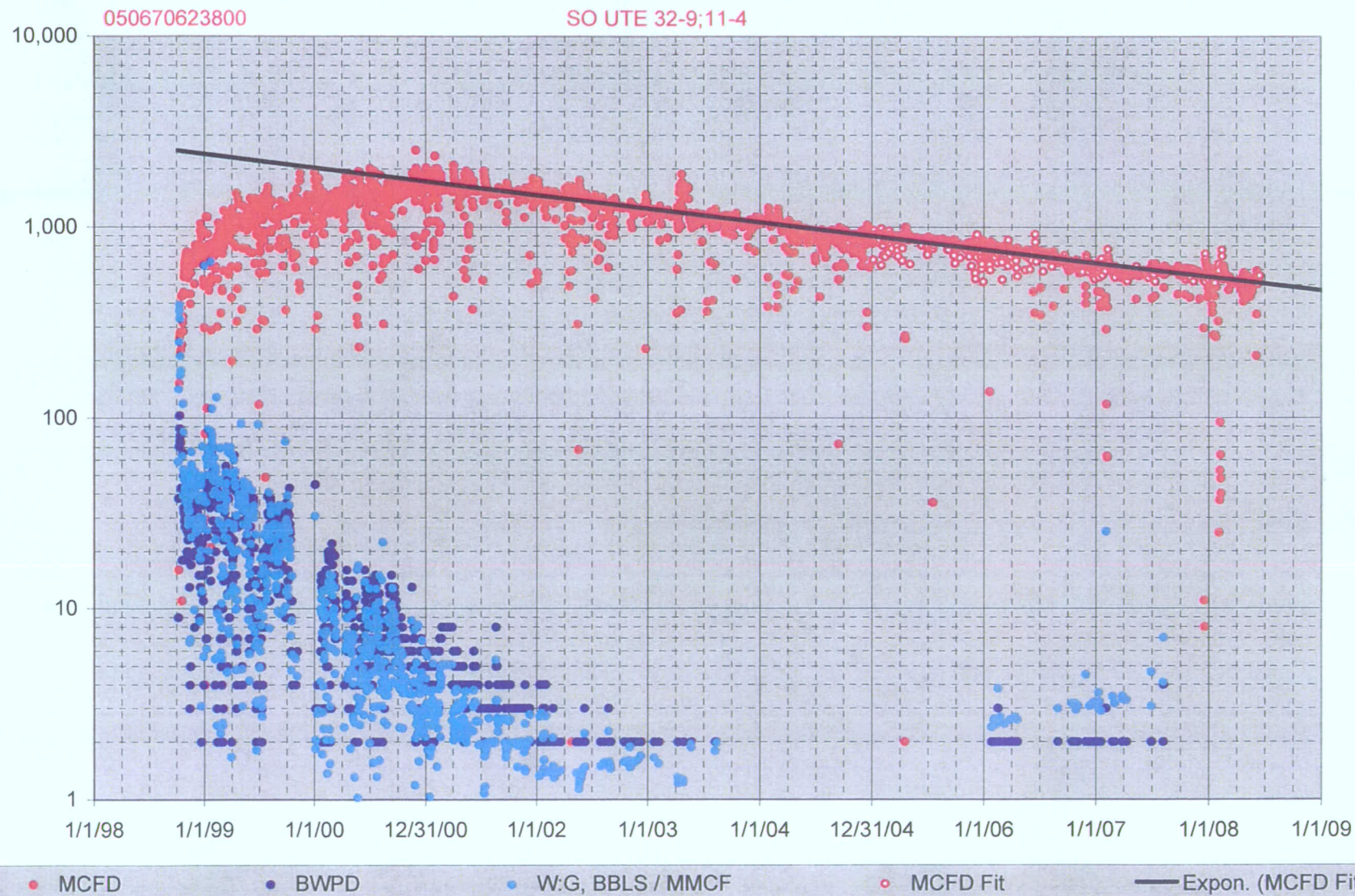


OGIP AND REMAINING RESERVES						
After fitting trendline to your data, enter the following constants:						
slope =		-49.518				
y intercept =		345,062				
Enter cumulative production to date and current average reservoir pressure (probably your last data point in the Gp-pbar table on the king120 sheet)						
Gp =		2,349		mmcf		
pbar =		426		psia		
		output				
MB ogip =		6,968		mmcf		
160 Acre Volumetric OGIP =		9,610		mmcf		
remaining gas =		4,620		mmcf		
remaining reserves at selected abandonment pressures, mmcf						
Raw Gas	55	65	75	85	95	105
Basis	psia	psia	psia	psia	psia	psia
Reserve =	3,404	3,246	3,094	2,948	2,808	2,672
EUR =	5,753	5,595	5,443	5,297	5,156	5,021
160 A RF =	60%	58%	57%	55%	54%	52%
recoveries calculated assuming a Langmuir b value of					0.0023	psia-1
and an initial reservoir pressure of					1,573	psia

Cum Gas, MMCF = 3,530 @ 6/15/08

Well Performance

$$y = 2.422931E+10e^{-4.460423E-04x}$$



June 26, 2008

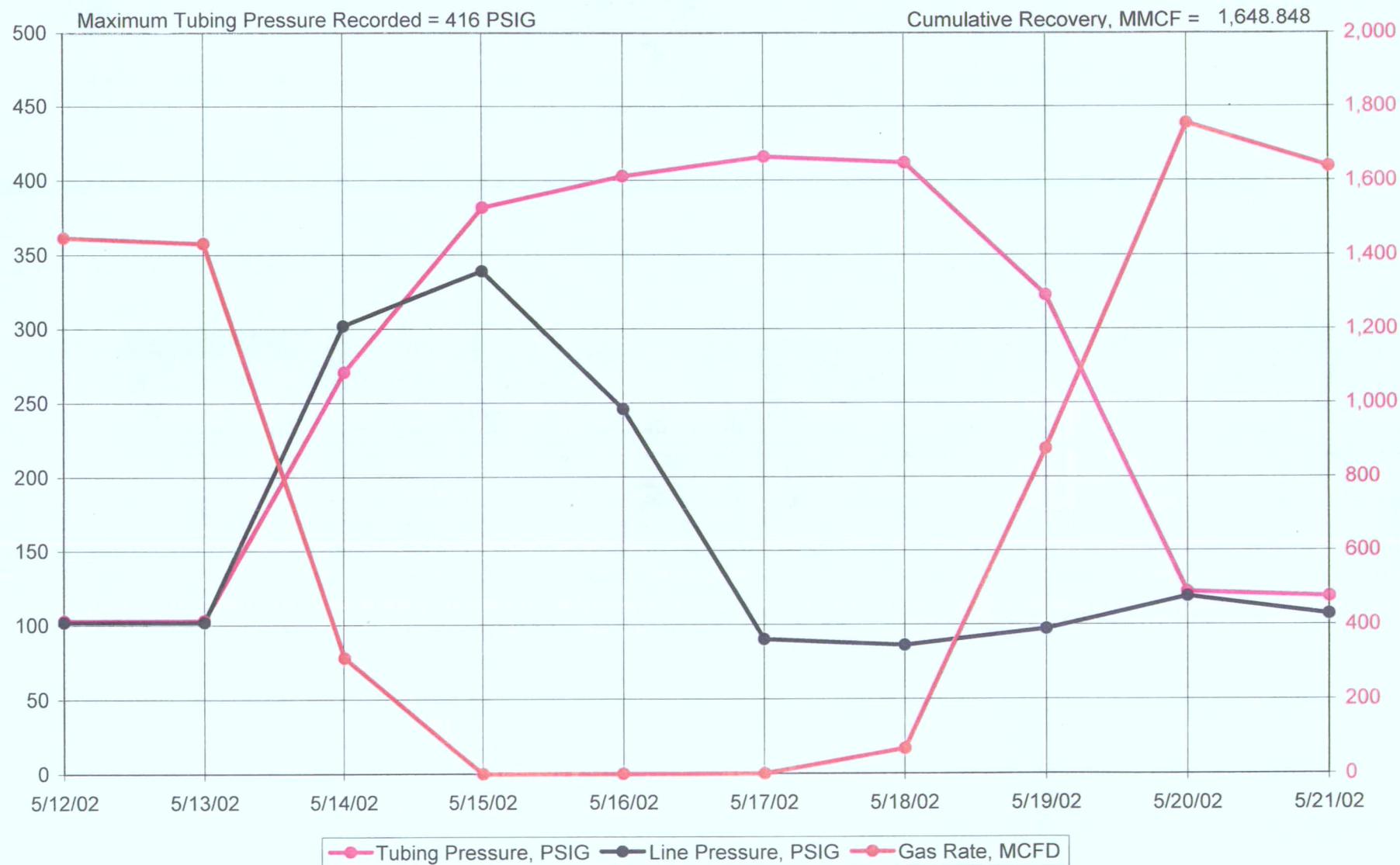
Recovery; T32N-R09W 2 & 11

22

Parameter	Value		050670623800	
Raw Gas OGIP, 160 Acres, BCF	8.215			
Cumulative Recovery, BCF =	3.530	@	6/15/08	
Decline Rate, Days ⁻¹	-4.460E-04			
Decline Rate, Years ⁻¹	-0.1629			
Decline Rate, % / Year	15.03%			
Y Intercept	2.42E+10			
Current Rate, MCFD	539	Jun-08		
Economic Limit, MCFD	25			
Time to Economic Limit, Years	19	- or -	4/20/2027	
Remaining Recovery, BCF	1.152			
Ultimate Recovery, BCF	4.681			
Recovery Factor	57.0%			

Maximum C&S Pressure at 3,385' = 462 PSIA

So Ute 32-9; 11-4 PBU Test of 5/18/02



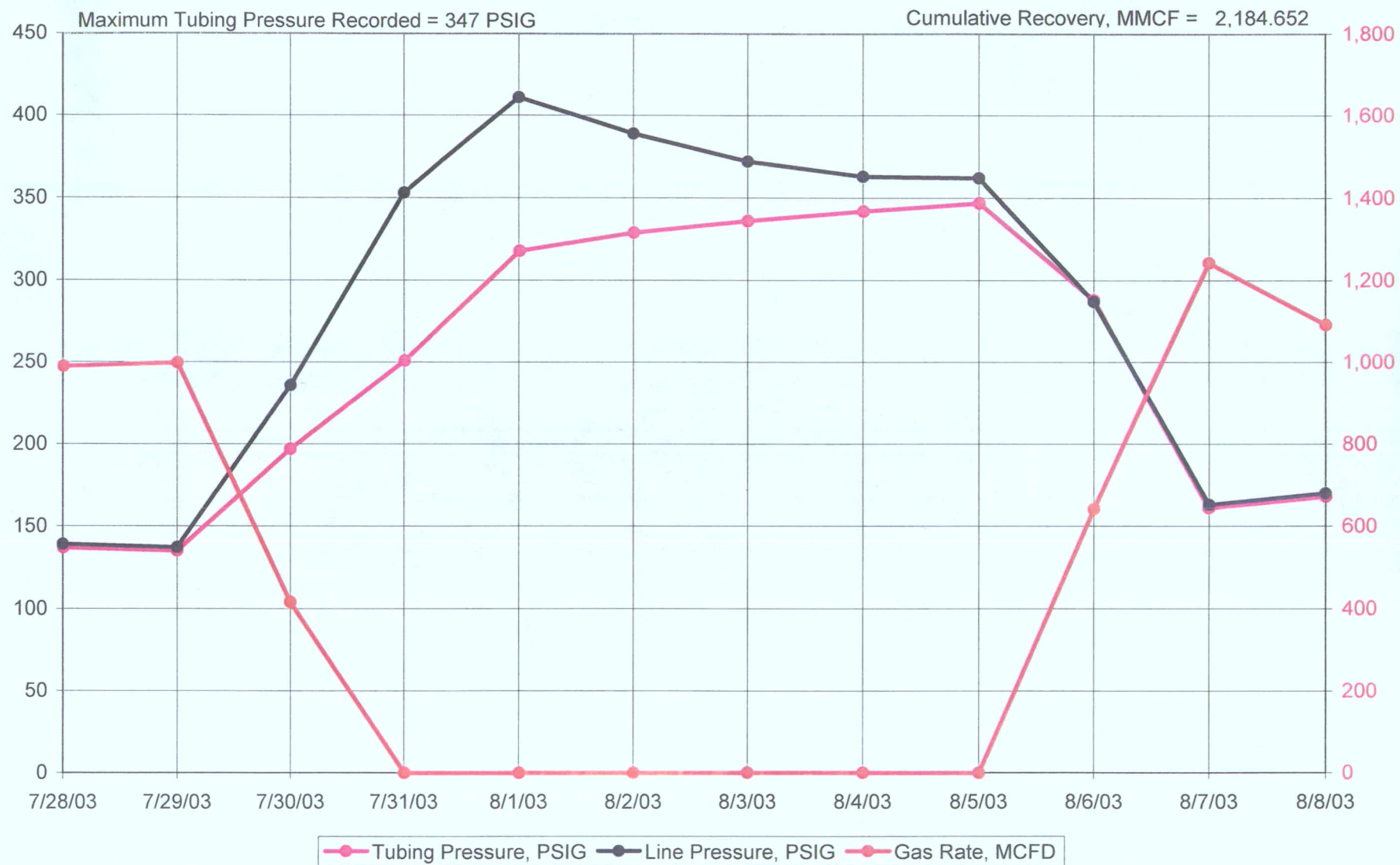
June 26, 2008

Recovery; T32N-R09W 2 & 11

24

Maximum C&S Pressure at 3,385' = 388 PSIA

So Ute 32-9; 11-4 PBU Test of 8/5/03

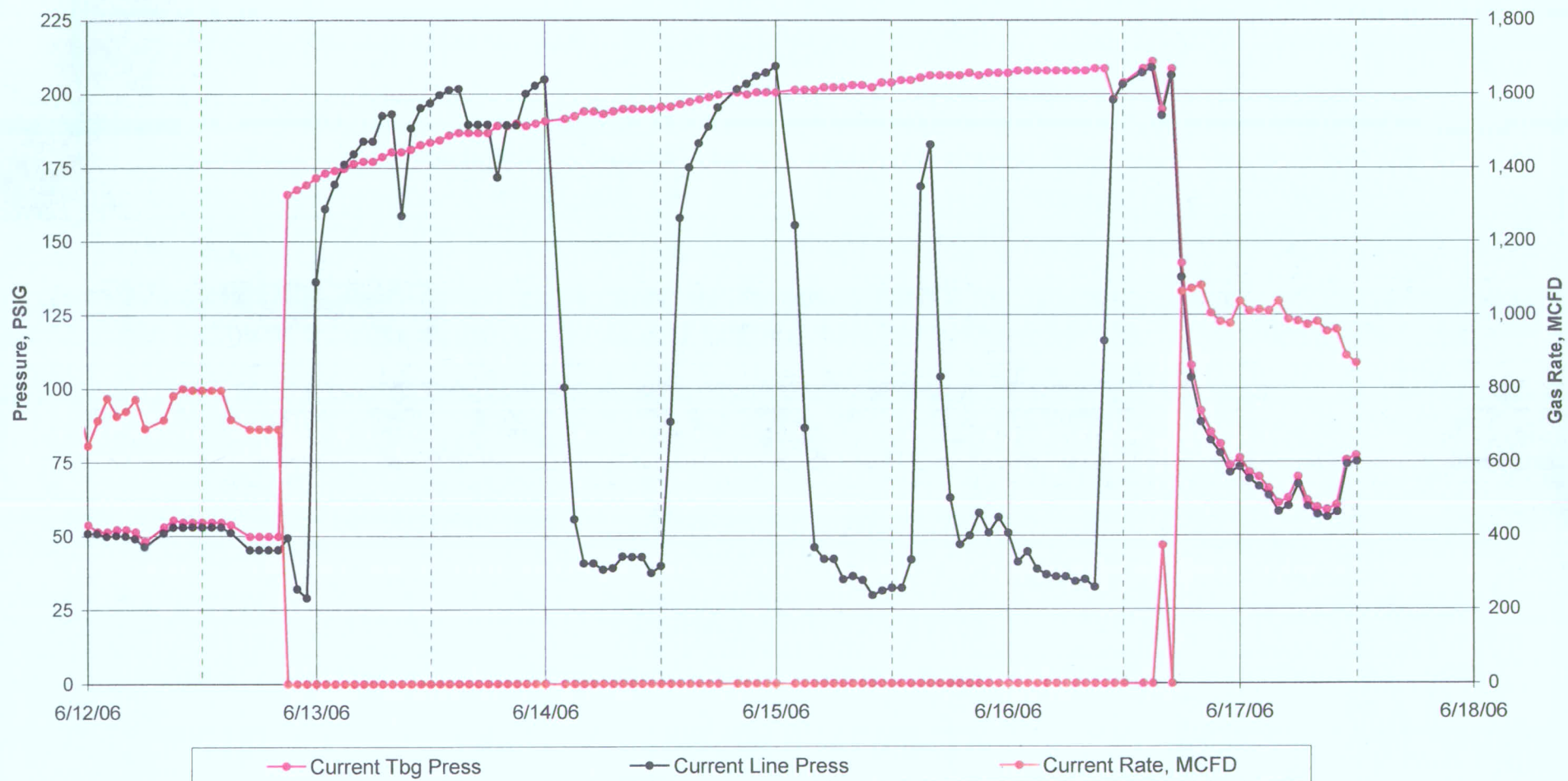


June 26, 2008

Recovery; T32N-R09W 2 & 11

25

SOUTHERN UTE 32-9-11-4



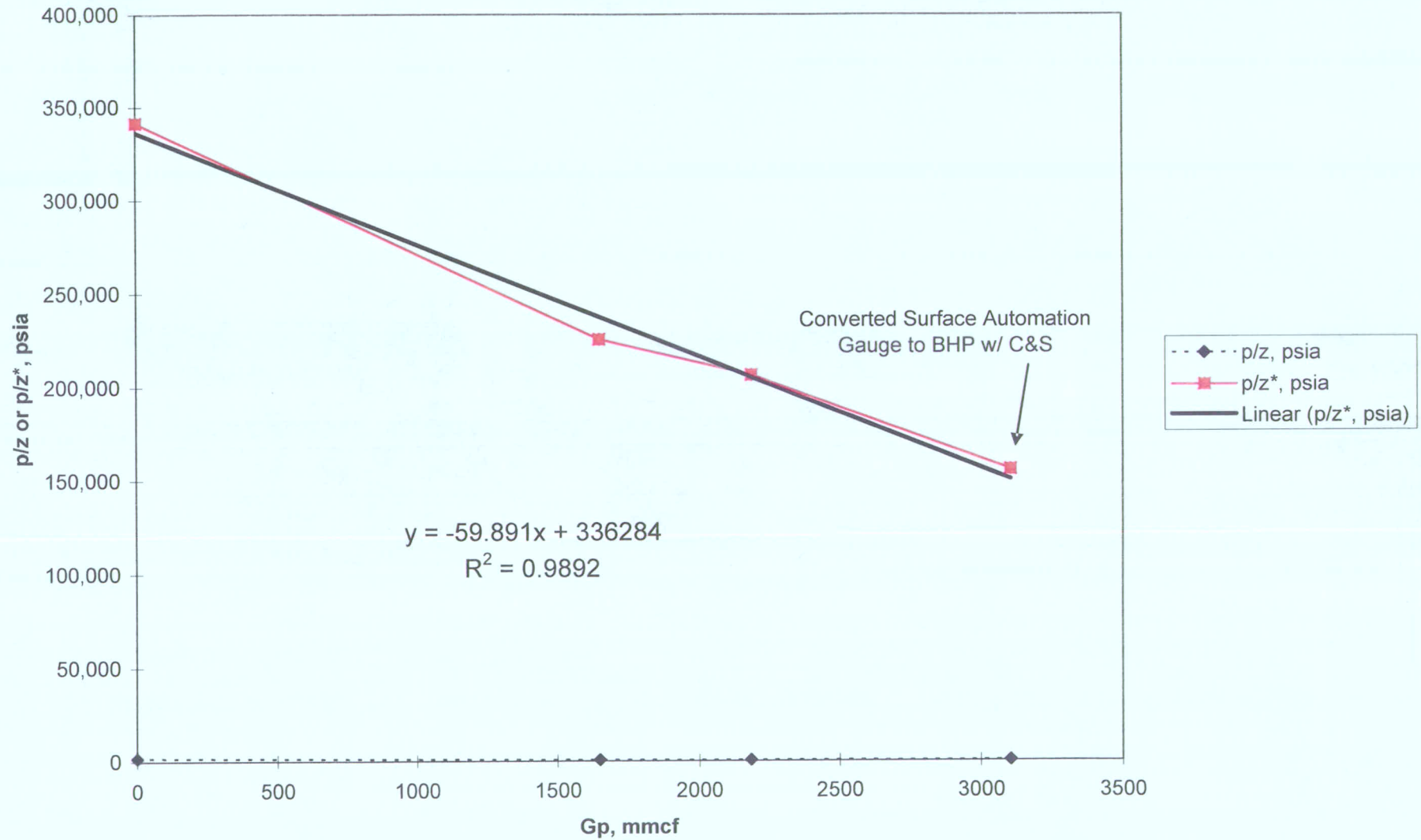
SOUTHERN UTE 32-9-11-4

Maximum Pressure PSIG	SI	RTP	Days SI
211	6/12/06 8:00 PM	6/16/06 3:00 PM	3.79
(= 240 PSIA @ Bottomhole w/ C&S) Cumulative Recovery at SI, MMCF =			3,104
API No.- 050670623800			

ESTIMATES OF OGIP AND INITIAL RESERVOIR PRESSURE
USING THE MODIFIED KING p/Z^* METHOD FOR COAL WELLS

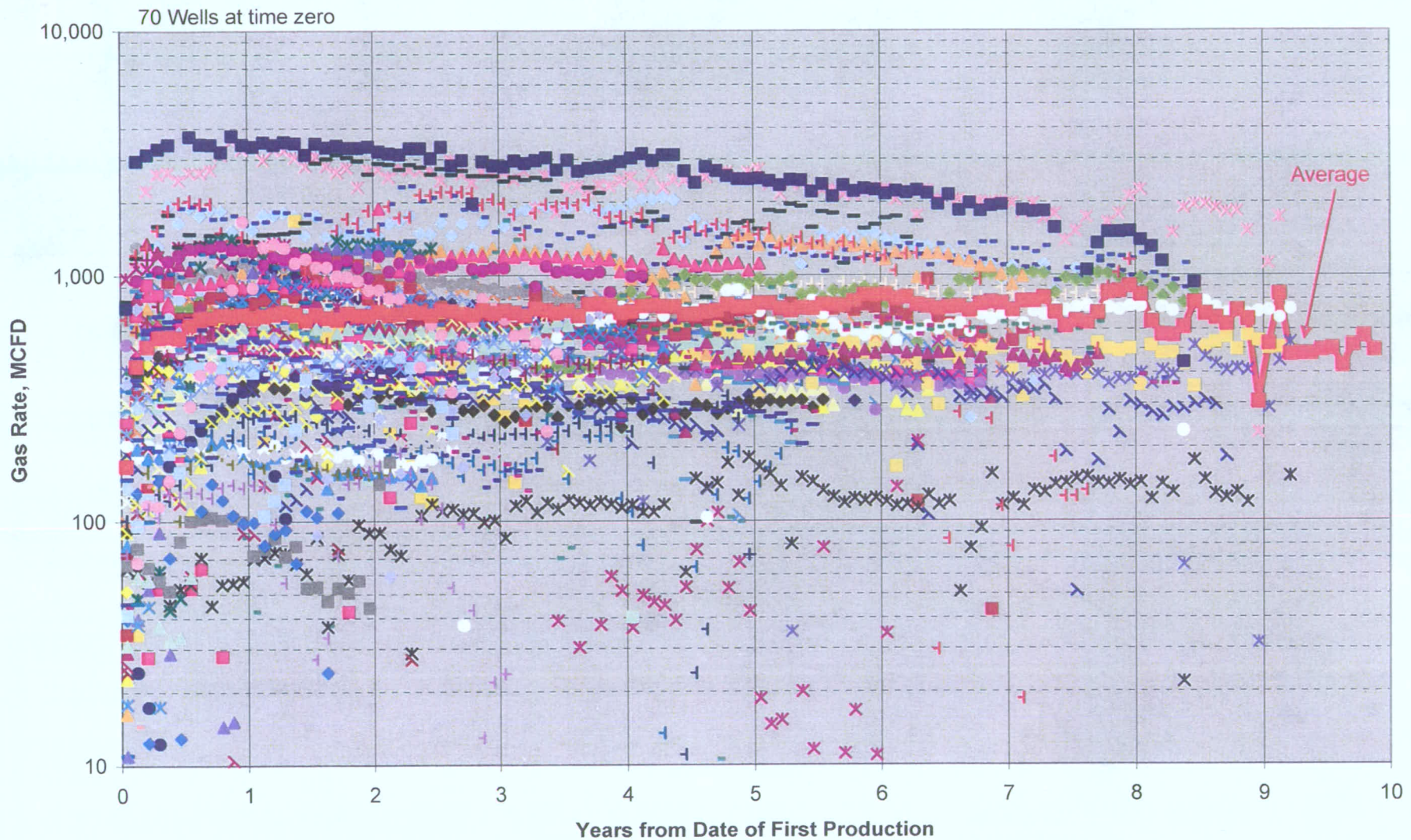
			input		Hold as constants -		
		Vmpc =	1,092	scf/ton	Binary @	90% CH ₄ x 10% CO ₂ @ 139 F	
		b =	0.0023	psi-1	Binary @	90% CH ₄ x 10% CO ₂ @ 139 F	
		bulk density =	1.695	gm/cc			
		cleat porosity =	0.01				
		initial pressure =	1,519	psia			
		water saturation =	90%				
		Yc =	0.4604	(mass fraction pure coal)			
		input					
		Gp,	pbar,			p/z,	p/z*,
Gauge Depth	Date	mmcf	psia	z	z*	psia	psia
1 Vu Dinh	7/29/98	0	1,519	0.8847	0.00445	1,716	341,526
2 Surface	5/17/02	1,649	462	0.9580	0.00205	482	225,668
3 Surface	8/5/03	2,185	388	0.9644	0.00188	402	206,528
4 Surface	6/16/06	3,104	240	0.9776	0.00154	246	155,895

cumulative production vs p/z and p/z*

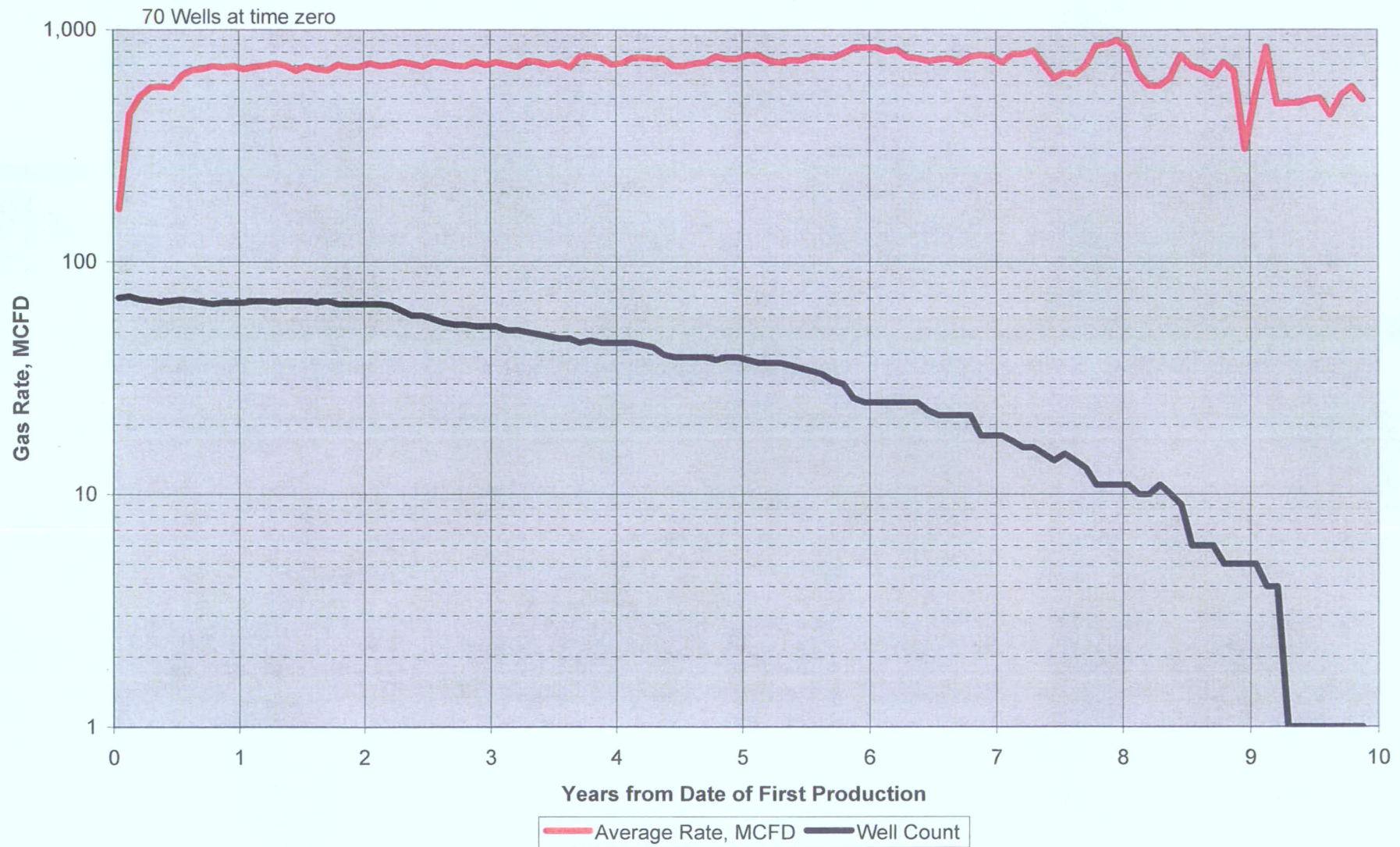


OGIP AND REMAINING RESERVES						
After fitting trendline to your data, enter the following constants:						
slope =		-59.891				
y intercept =		336,284				
Enter cumulative production to date and current average reservoir pressure (probably your last data point in the Gp-pbar table on the king120 sheet)						
Gp =		3,104		mmcf		
pbar =		240		psia		
		output				
MB ogip =		5,615		mmcf		
160 Acre Volumetric OGIP =		8,215		mmcf		
remaining gas =		2,511		mmcf		
remaining reserves at selected abandonment pressures, mmcf						
Raw Gas	55	65	75	85	95	105
Basis	psia	psia	psia	psia	psia	psia
Reserve =	1,761	1,633	1,509	1,391	1,277	1,167
EUR =	4,865	4,737	4,614	4,495	4,381	4,271
160 A RF =	59%	58%	56%	55%	53%	52%
recoveries calculated assuming a Langmuir b value of					0.0023	psia-1
and an initial reservoir pressure of					1,519	psia

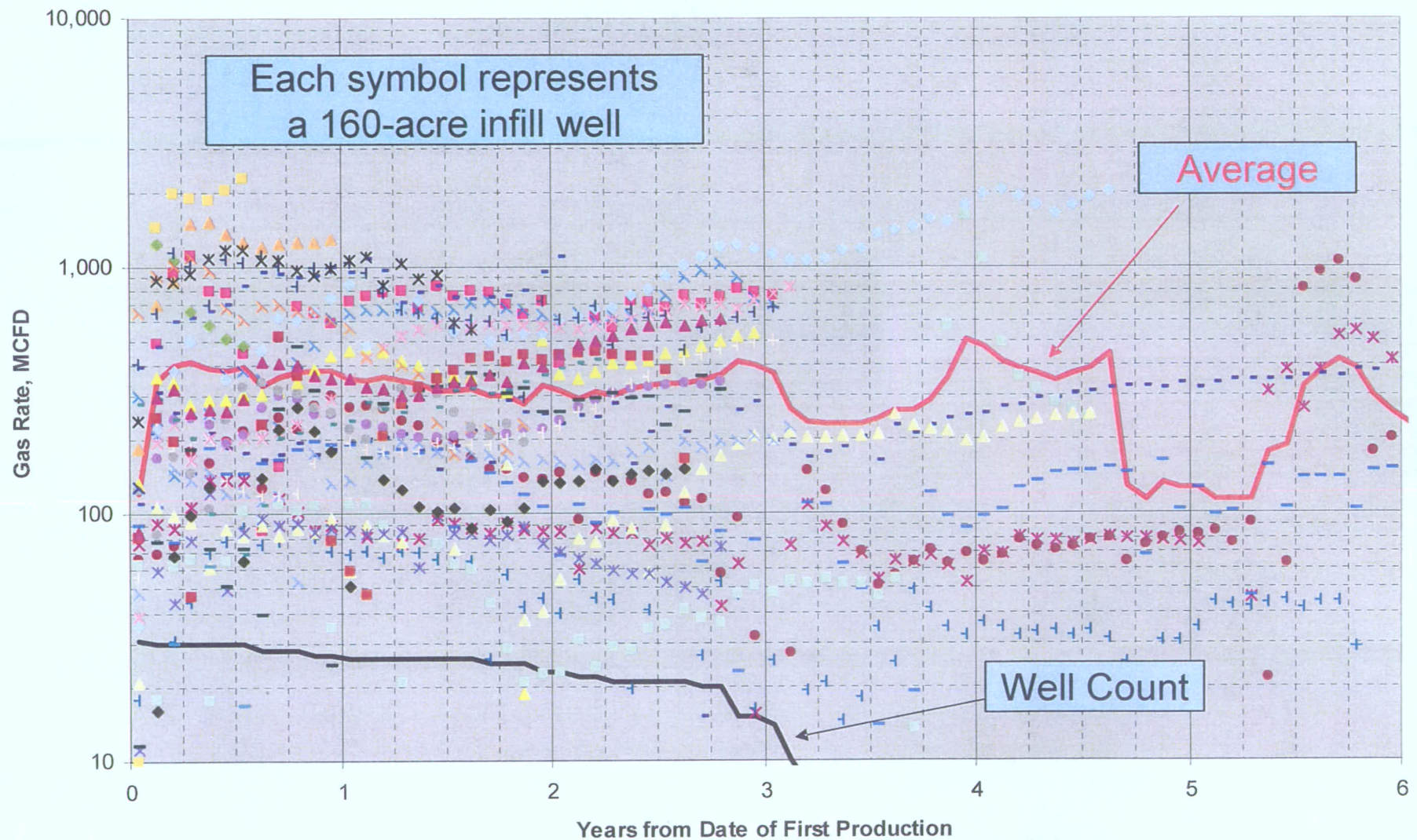
Time Zero Performance of All NUL Infill Wells



Time Zero Performance of Average NUL Infill Well



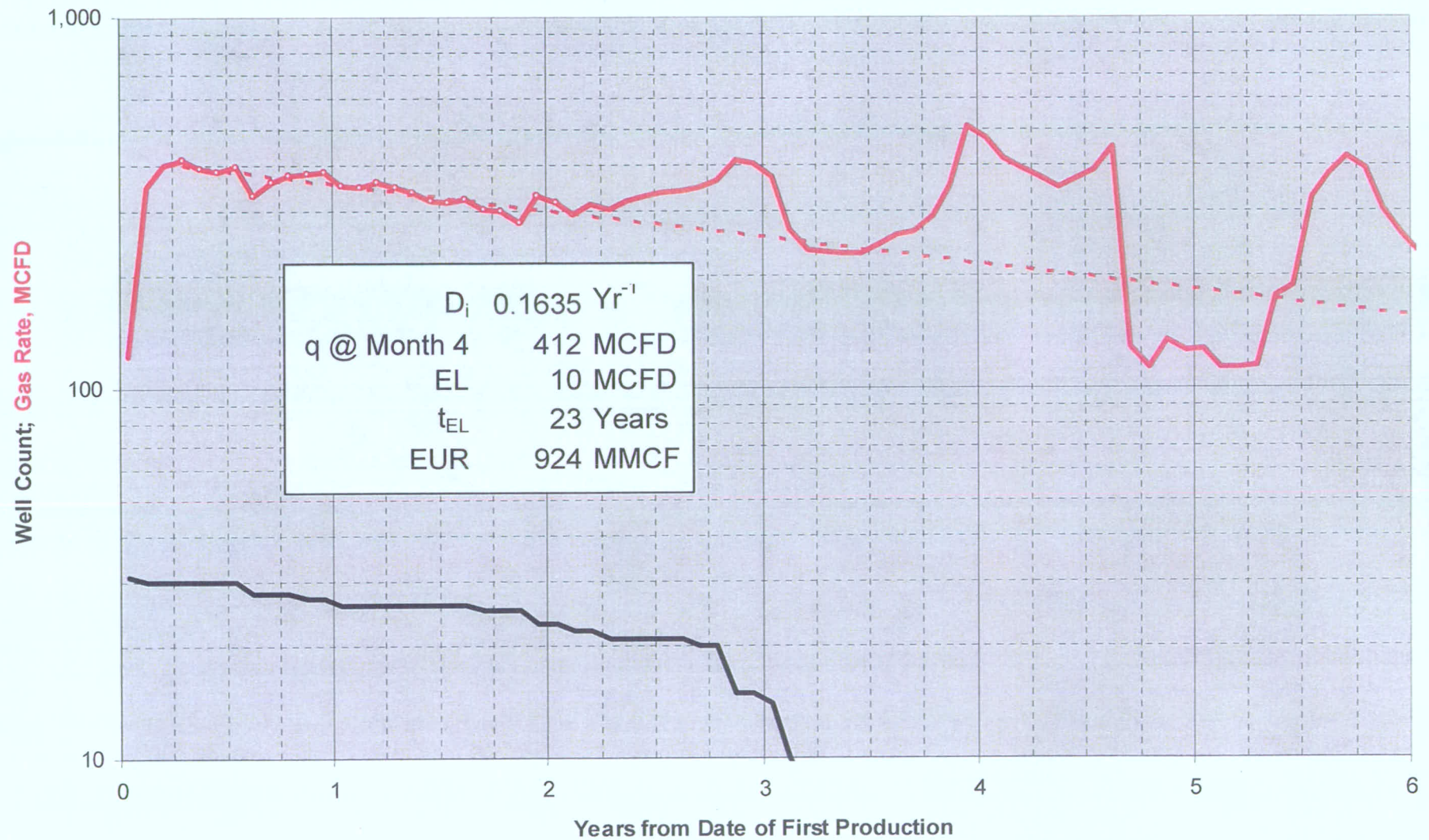
Allison Area Infill Well Time Zero Production in and around Infill Area



Allison Area Infill Well Time Zero Prod in and around Infill Area

$$y = 4.1781E+02e^{-1.6352E-01x}$$

$$R^2 = 7.6856E-01$$



Reservoir Engineering Conclusions

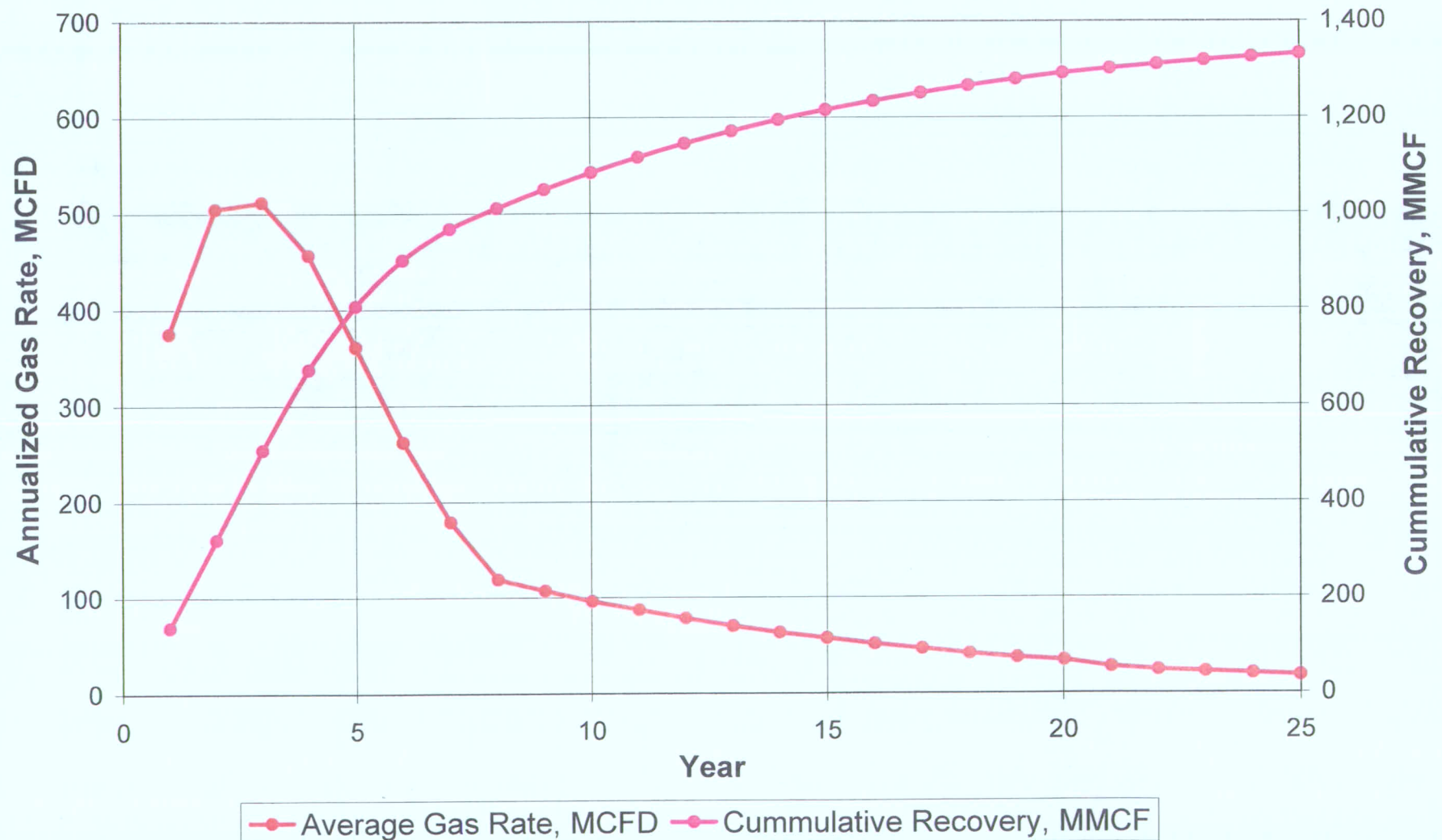
80-Acre Infill Application Area

Area	160 Acre Average Raw Gas OGIP, BCF	@ 20% Incremental Recovery	@ 30% Incremental Recovery
Allison	6.727	1.345	2.018
32N-09W 2 & 11	8.392	1.678	2.518
West 3rd 34N-06W SUL	7.185	1.437	2.156
NUL Application Area	8.219	1.644	2.466
Recovery Range, OGIP		1.345	2.518
Incremental Recovery, BCF		344	645

Reservoir Engineering Conclusions

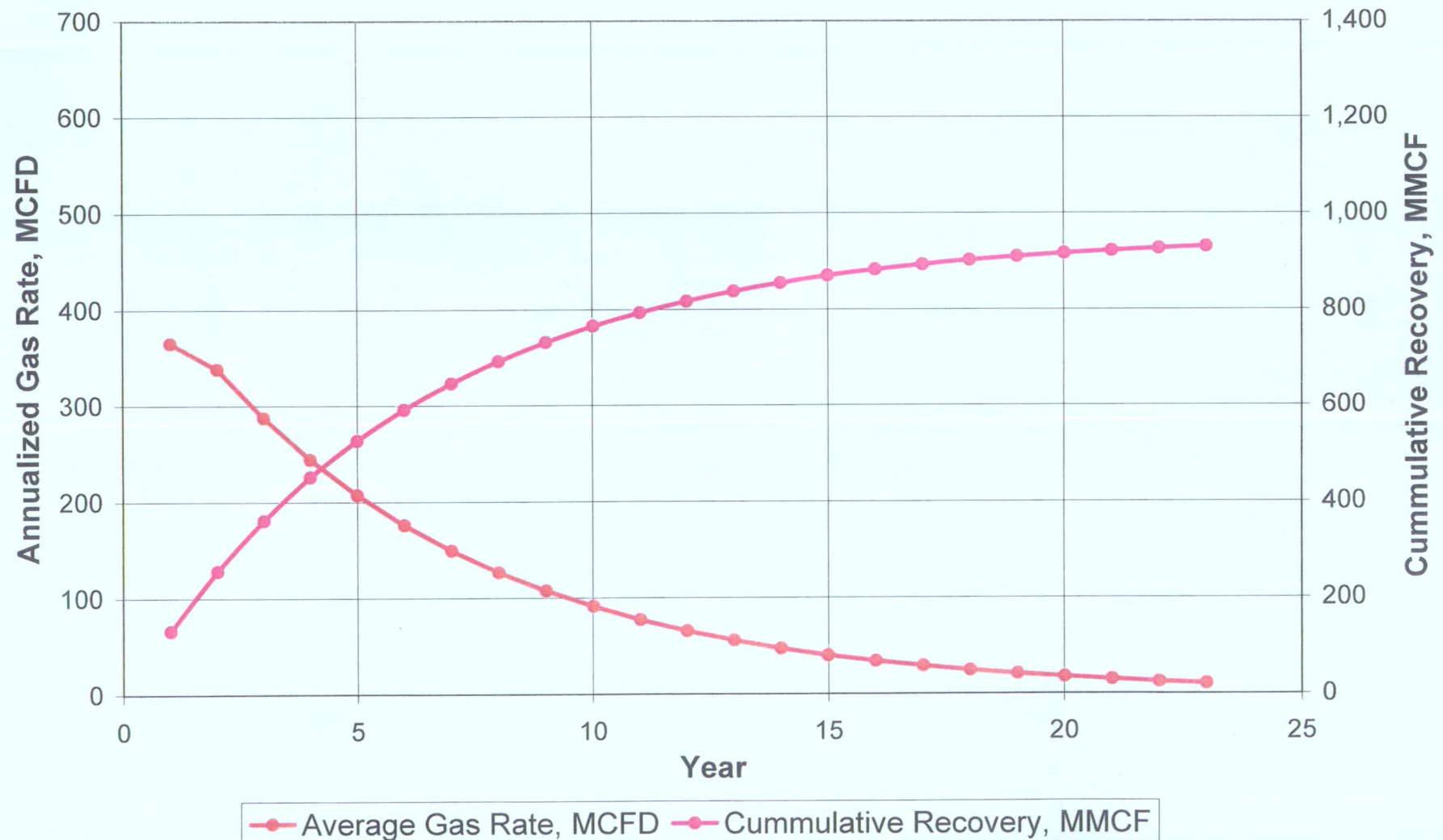
80-Acre Infill Application Area

Type II Coal - Rates for Economics Evaluation



Reservoir Engineering Conclusions 80-Acre Infill Application Area

Allison Area - Rates for Economics Evaluation



Reservoir Engineering Conclusions

80-Acre Infill Application Area

- 80-ACRE INFILL IS NEEDED TO IMPROVE RECOVERY EFFICIENCY

– Median Recovery Factor, Existing Wells	40% - 50%
– Expected Incremental Recovery Factor, 80's	20% - 30%
– Total Recovery Factor with 80-acre Infill	60% - 80%

- 80-ACRE INFILL WILL RECOVER ADDITIONAL RESERVES

– Incremental Infill Well Recovery	1.34 - 2.52 BCF
– Application Area (256 Wells) Incremental Recovery	344 - 645 BCF

- 80-ACRE INFILL IS ECONOMIC TO DEVELOP

– Individual Well Rates (1-Yr P_{90} & P_{10})	200 - 1,300 MCFD
– P_{50} Individual Well 1-Yr Rate (Weighted in NUL Area)	540 - 700 MCFD
– Allison Area (Lowest ROR with Low Side Gas Price)	8%
– "Typical" Type II Well (Highest ROR with High Side Gas Price)	75%
– Payout	3 - 13 Years
– Total Well Cost	\$1.6 MM - \$2.0 MM

80-Acre Infill Application

Key Points

- Request to allow up to 4 optional wells on each Fruitland Coal 320-acre spacing unit (equivalent to 80-acre infill density)
- Current well density will only recover about 50% OGIP
- Plan to directionally drill 80-acre infill wells from 4 well pads per section (most existing well locations)
- Proposed well location setbacks reduced to 660' from spacing unit boundary
- BP and La Plata County have negotiated MOU reducing impacts to Health, Safety and Welfare of public and environment

Fruitland Coal 80-acre Infill Regulatory Summary

- 80-acre infill will prevent waste of resource through significant incremental recovery of gas
- Application lands are natural extension of previously approved 80-acre infill areas protecting correlative rights
- MOU with County and HSW Plan minimize impacts on health, safety, and welfare of the public and environment

Fruitland Coal 80-acre Infill

Key Provisions for HSW Plan

- Well Pad Density – limit the Fruitland Coal well pads to no more than four well pads per section
- Well Location Exceptions - conditions are limited to topographic characteristics, natural resource constraints, location of utilities, geologic factors, safety concerns, or other site conditions beyond operator's control
- Water Quality - monitoring for the two closest water wells
- P&A Well - risk assessment for P&A wells within ¼ mile of infill well and potential soil gas vapor surveys

Fruitland Coal 80-acre Infill

Other Provisions for HSW Plan

- Well Permit Limitations – COGCC hearing required for any well permit for well site within 1½ miles of outcrop
- Annual Drilling Plan – COGCC will survey operators
- COGCC Onsite Inspections – for any well within 2 miles of outcrop or if there is no surface use agreement
- Emergency Preparedness Plan – Operator shall file and maintain map of facilities and pipelines and emergency personnel contact list
- Post Completion Pressure Build-up Tests – shall be conducted after 2 to 3 months of initial production and every 3 years thereafter.

BP – La Plata County MOU

Other Key Provisions

- Density and Use of Existing Well Pads and Facilities
 - Existing Infrastructure
 - Legal Non-Conforming Uses and Setbacks
 - Expansion of Existing Well Pads
- Private Roads and Road Impact Fees
 - Road Impact Fees
 - Submission of Information
 - Use of Subdivision Roads
 - Use of Equipment
 - Produced Water Hauling
- Air Quality
 - Electrification
 - Greenhouse Gas Reduction
 - Emission Control Equipment