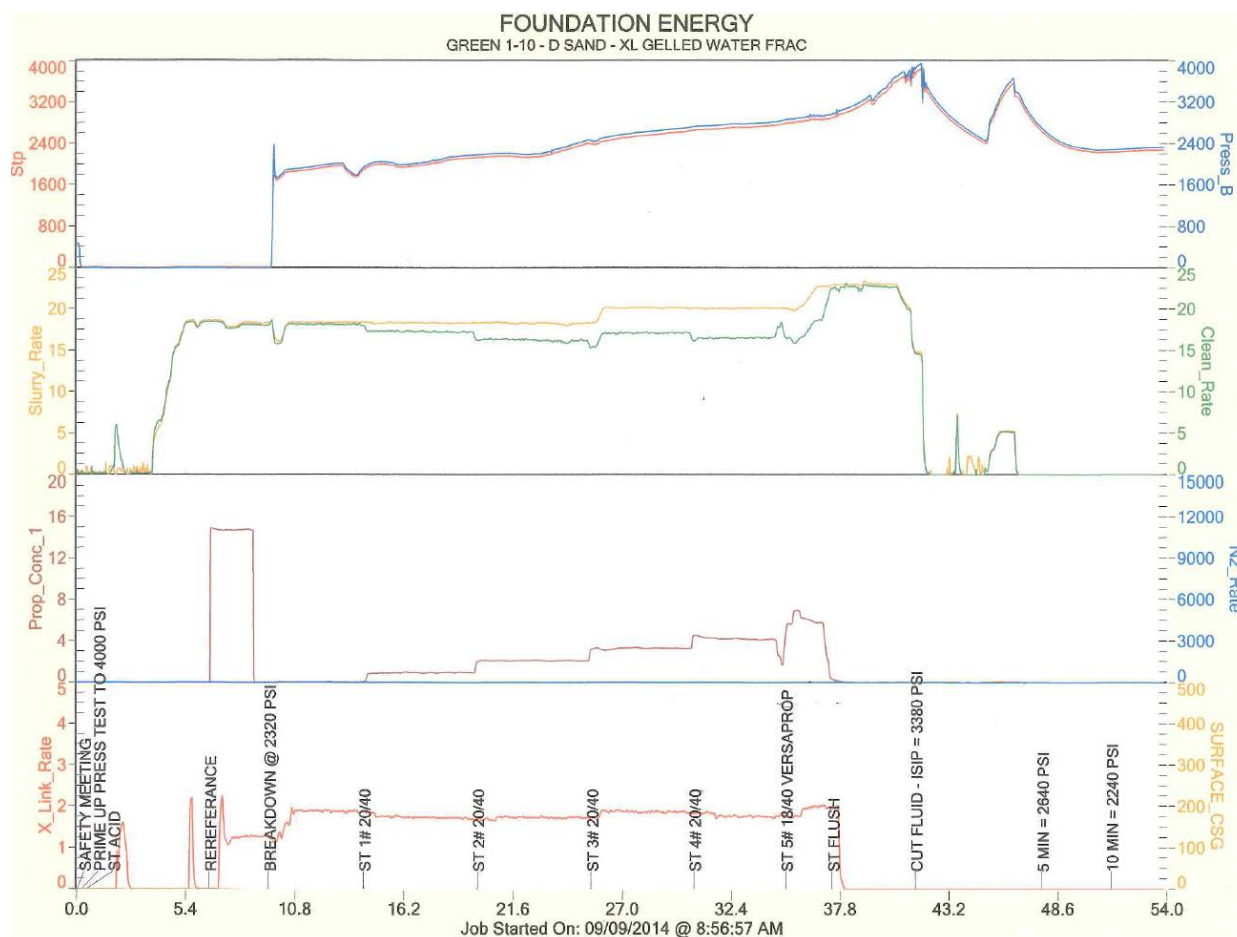


Defense for proposed maximum surface injection pressure and fracture gradient

Below are the fracture treatments for the last two wells completed in the Mule Reservoir. The first is the Green 1-10. Its top perforation is 6,814' and had a breakdown pressure of 2,320 psi. This equates to a fracture gradient of 0.77 psi/ft. [$0.433 + 2,320 / 6,814 = 0.77$ psi/ft.] The second is the Wickstrom 6-4. Its top perforation is 6,845' and had a breakdown pressure of 2,220 psi. This equates to a fracture gradient of 0.76 psi/ft. [$0.433 + 2,220 / 6,845 = 0.75$ psi/ft]. This shows that the fracture gradient is around 0.77-0.76 psi/ft. The Green 1-1's top perforation is 6,836' and its maximum surface injection pressure would be 2,235 psi. [$(0.76 - 0.433) * 6,836 = 2,235$ psi] In the Wickstrom 6-12, which will be injecting gas, has a top perforation of 6,816' and a maximum surface injection pressure of 4,362 psi. [$(0.76 - 0.12) * 6,816 = 4,362$ psi]



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