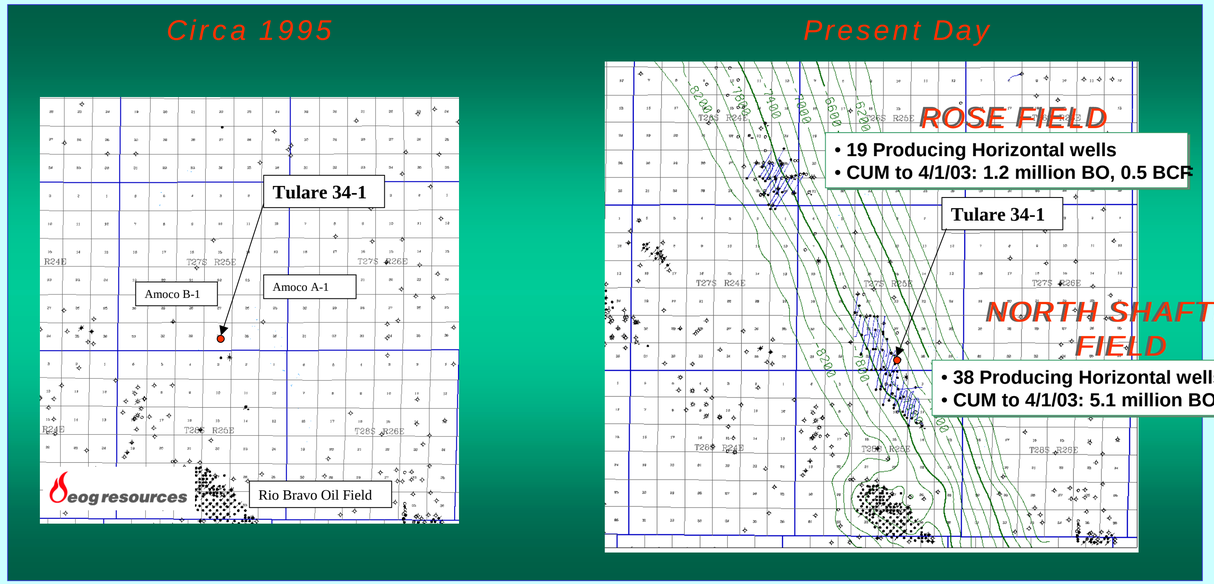
Status of N. Shafter/Rose Area



Status of N. Shafter/Rose Area

North Shafter Exploration Highlights

Discovered "*by accident*" in 1982

5 vertical wells drilled by Amoco, 75 BOD best IP - 2 producers + 3 dry holes on Tenneco F/O

Horizontal attempt by Texas Crude 1991, well drilled mostly out of zone and not stimulated – no production.

1995 - EOG becomes landlord of acreage - Texaco & Texas Crude begin vertical well program

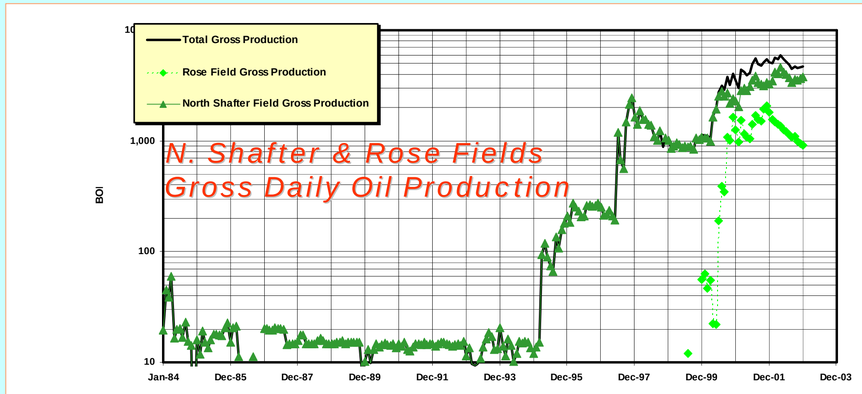
All vertical wells stimulated, frac design varied from well to well

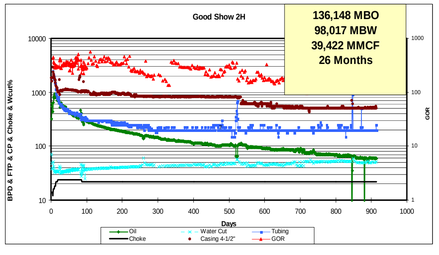
1997 – Texaco drills first horizontal (I.P. 1070 BOD); EOG becomes Texaco's partner in development.

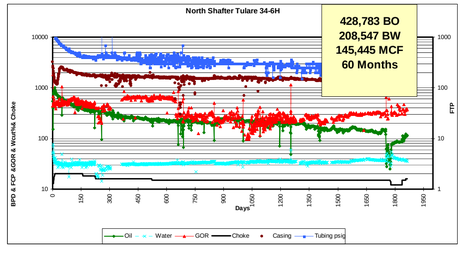
Utilized limited entry fracs in uncemented liner.

Frac size maximum 1,000,000# sand – Frac size varies

2000 - EOG reenters an abandoned well and successfully stimulates bypassed pay in McLure Shale opening up the Rose Field.







CONCLUSIONS & SUMMARY

+ DIAGENETIC TRAP
+ UNCONVENTIONAL: *Siliceous Shale Reservoir*
+ SEISMIC RESOLVES RESERVOIR *via Rock Properties*
+ EXPLOITATION *via Horizontal Drilling*
+ A WHOLE LOTTA OIL IN PLACE

= SUCCESS!

- *Rose Field – 19 producing horizontals*
- *N. Shafter Field – 38 producing horizontals*

	Cum to date 4/1/03	
Rose–	1.2 million BO	.5 BCF
N. Shafter	5.1 million BO	2.1 BCF

	Present Production	*(Peak Rate)*
Rose	900 BOD	(2705 BOD)
N. Shafter	3600 BOD	(5202 BOD)

REFERENCE:

Isaacs, C. M., 1981 Outline of Diagenesis in the Monterey Formation examined laterally along the Santa Barbara Coast, California: in Isaacs, C. M., ed., Guide to the Monterey Formation in the California Coastal area, Ventura to San Luis Obispo, Pacific Sect., AAPG, v. 52, p. 25-38.