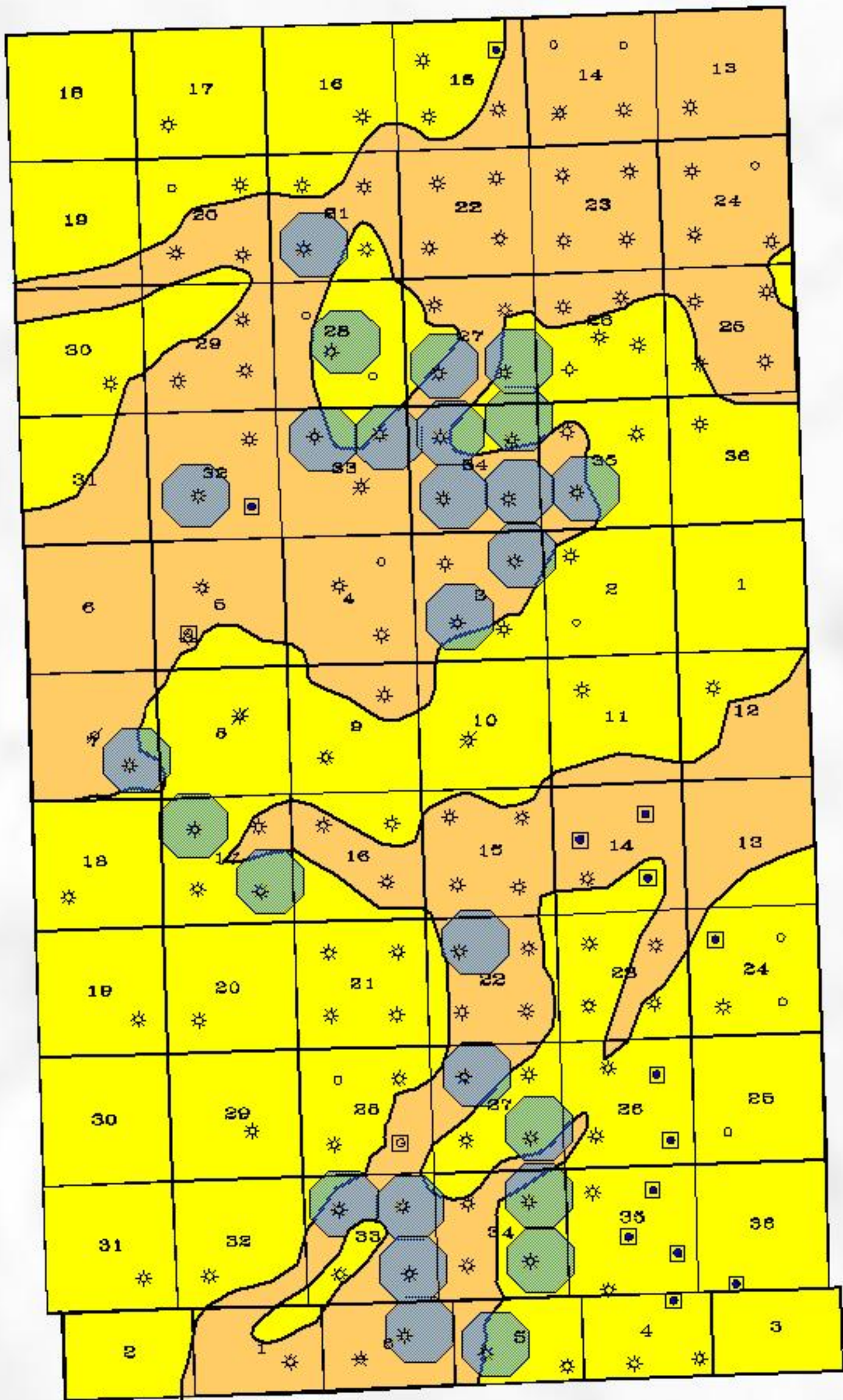


Conclusions

Reservoir Quality (Matrix)

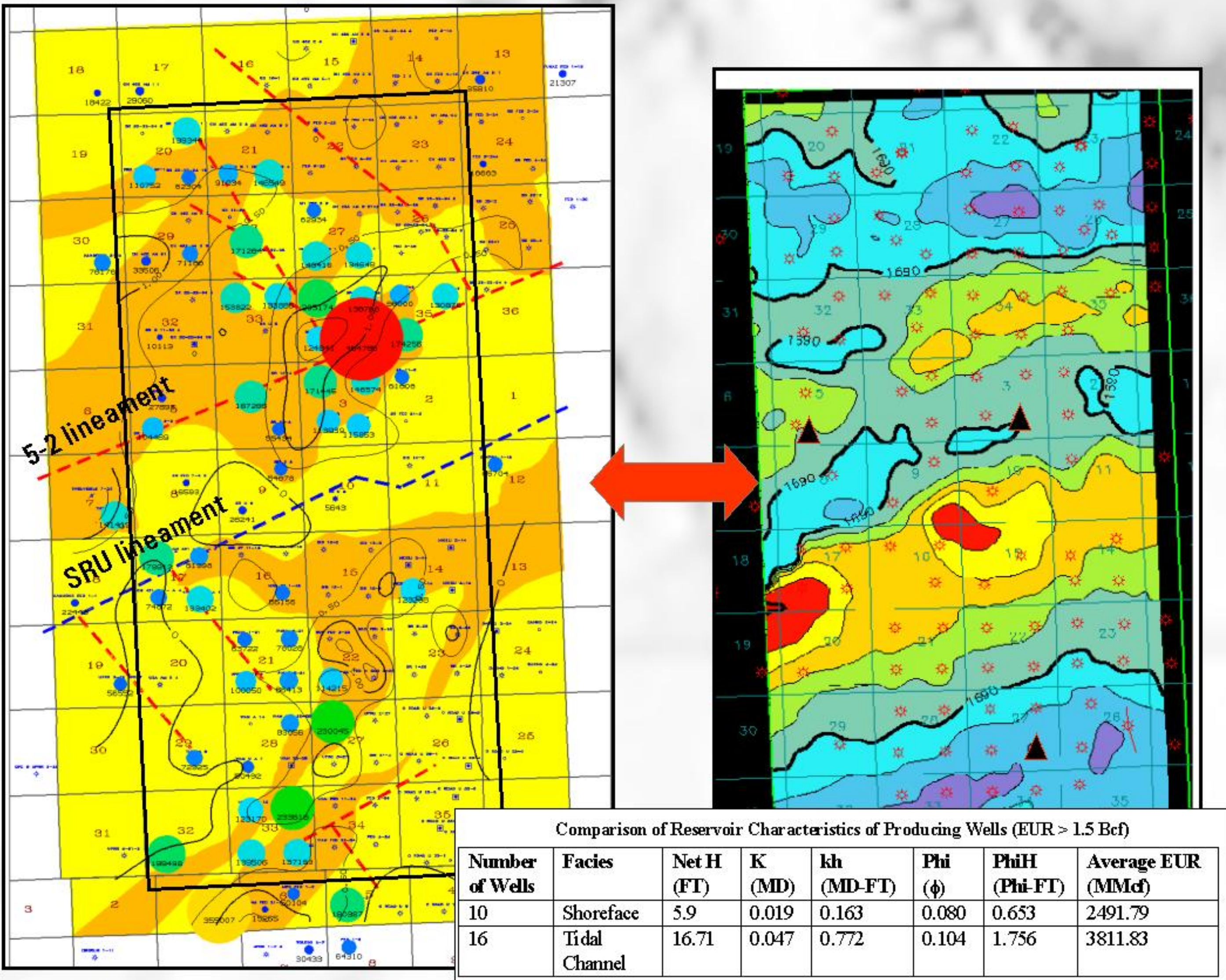
- 1. Linear features delineate paleo-lows, where better reservoir quality sands were deposited in channels.
- 2. Mapped areas of higher matrix quality are generally areas of higher productivity.
- 3. Roughly 90% of produced gas is from the Almond Bar.



Facies Control on Production
27 Upper Quartile Wells (blue circles) produce 50% of the total gas (EUR) . 84% of these wells are within the tidal channel facies (orange area) of the Upper Almond.

Reservoir Management

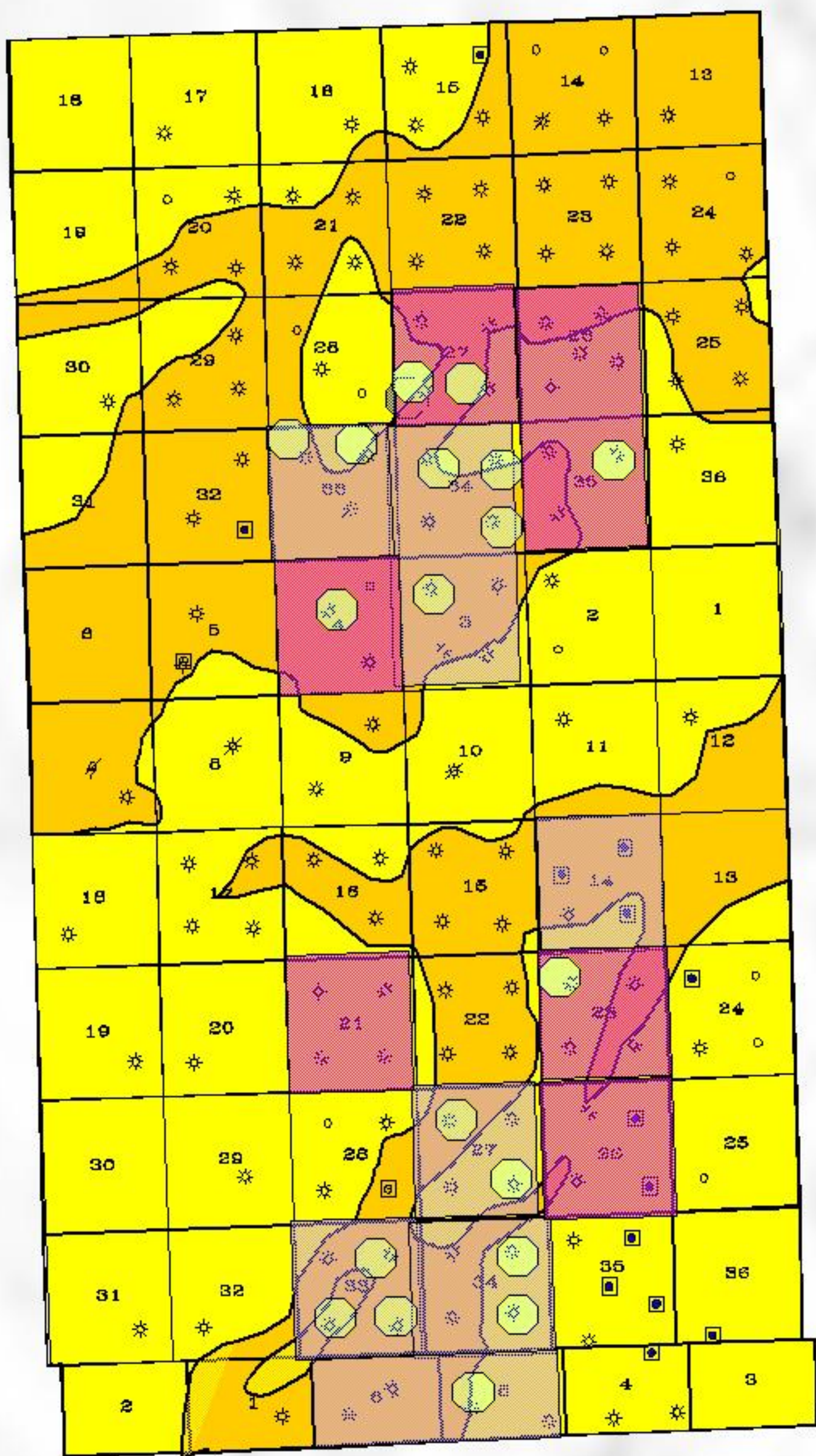
- 1. Decline curves from Upper Almond Bar wells are flatter than Main Almond reservoirs due to the difference in reservoir size.
- 2. Tidal channel reservoirs have a better EUR than shoreface reservoirs due to matrix quality.
- 3. Hydraulic stimulations stages should access less than 100 feet per treatment. Single reservoirs should be targeted.



Comparison of the Upper Almond facies and production map (left) to the Almond – Madison isochron (right). The drainage divide separating the two northeast-trending channel complexes is believed to be a syndepositional feature related to inherited Paleozoic structural features. The SRU Lineament defines the hinge of the paleostructure and Upper Almond drainage divide. The 5-2 Lineament forms the approximate southern boundary of the northern channel complex. Bubbles of cumulative gas production (normalized for the 1st 180 days) are displayed on the facies map.

Natural Fractures

- 1. Fracture density depends mostly on lithology.
- 2. Wellbore deviation effectively increases fracture density (permeability) more than lineament proximity.
- 3. Water production in the SRU #27-4 and SRU #5-2 is from highly fractured intervals.



Areas with High KH, Thick Coal and Fracturing (~38% of Almond Production)
Areas with High KH and Fracture Trends (~20% of Almond Production)
Depositional Facies:
Tidal Channel
Shoreface

Combinations of matrix and mechanical (natural fracturing) attributes were compared to initial 180 days of production. These areas of up-scaled attributes (kh, coal, fractures) account for approximately 60% of the Almond gas.