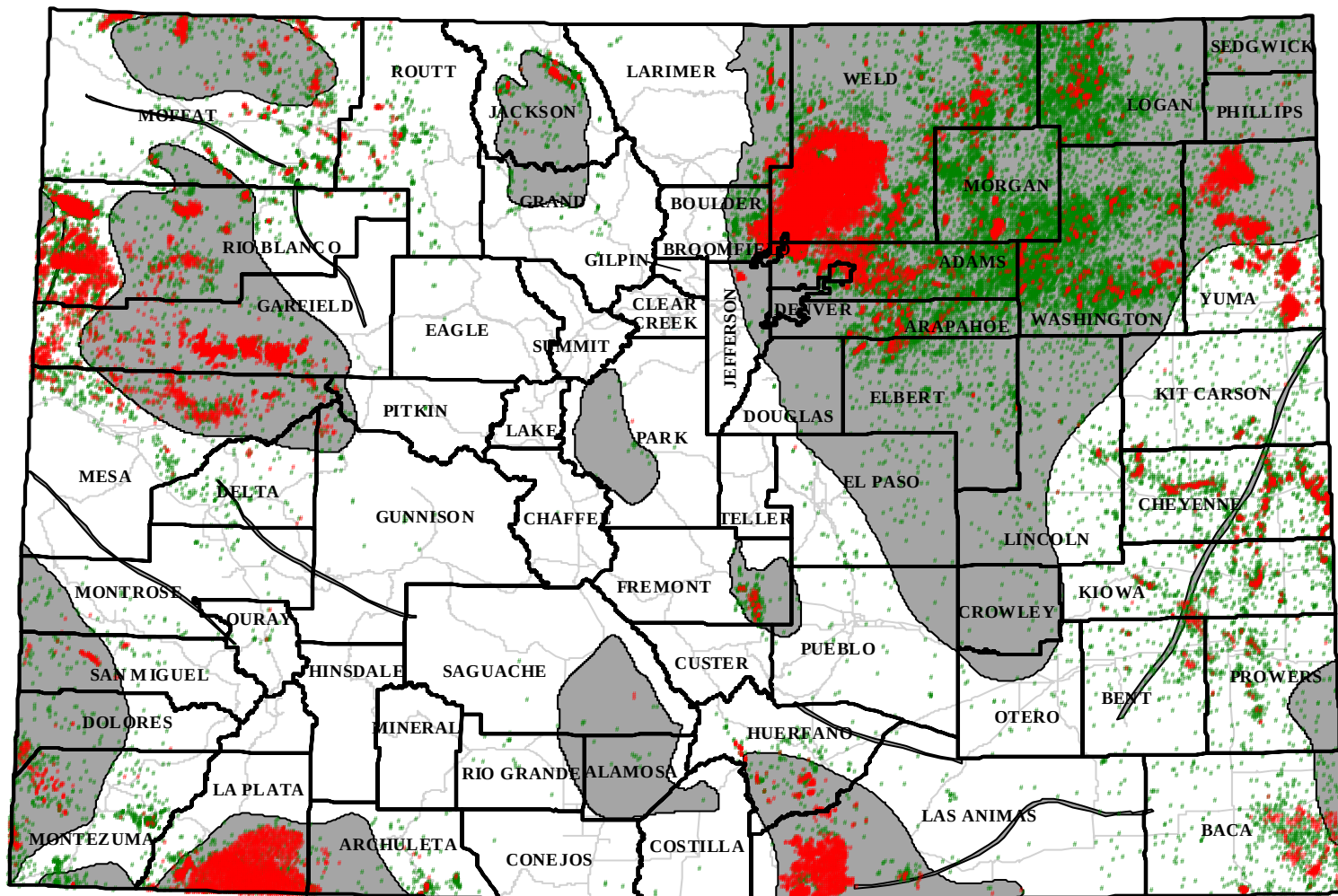




OIL & GAS WELLS OF COLORADO

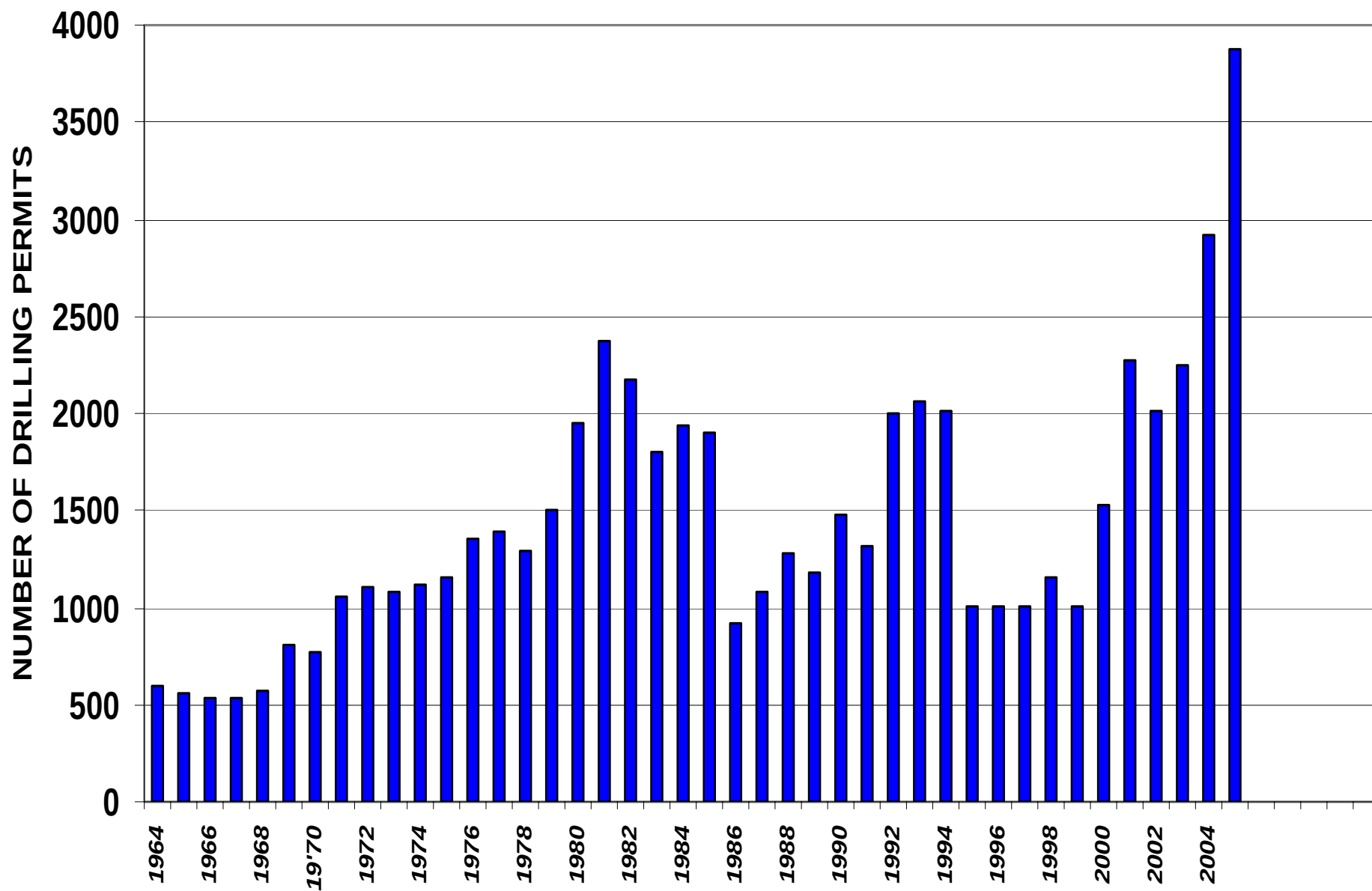
Approximately 29,000 Active O&G Wells

SOURCE COGCC (9/05)

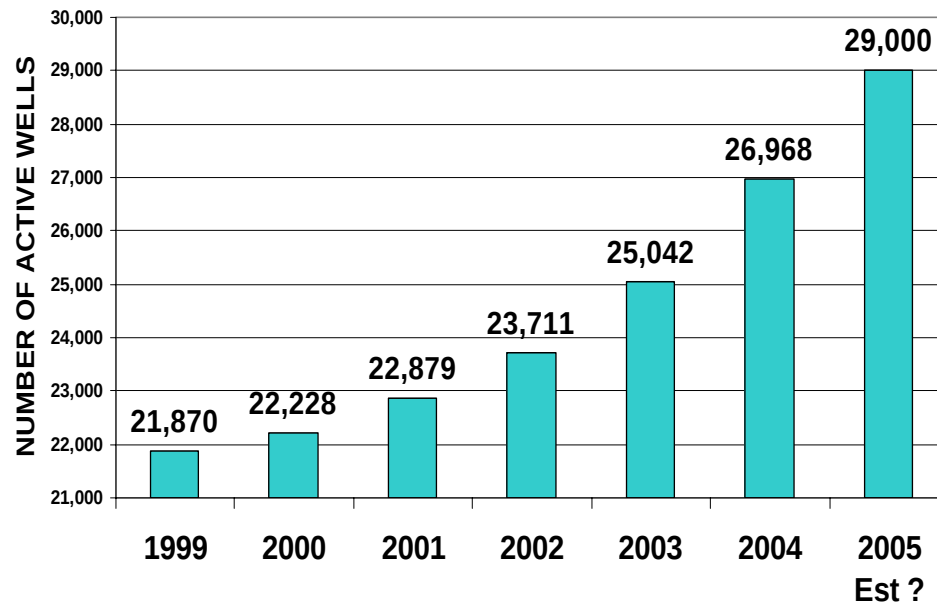
OIL AND GAS COMMISSION REVIEWS

- LOCATION OF WELLS
- HOW WELLS ARE CONSTRUCTED
- PRODUCTION OPERATIONS
- PLUGGING WELLS
- RESTORATION OF THE SURFACE

HISTORIC ANNUAL COLORADO DRILLING PERMITS 09-01-05

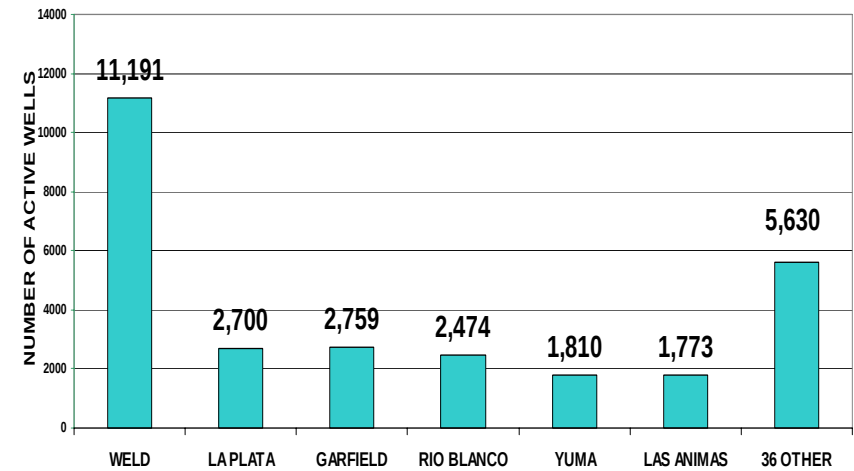


TOTAL COLORADO ACTIVE WELL COUNT 09-01-05

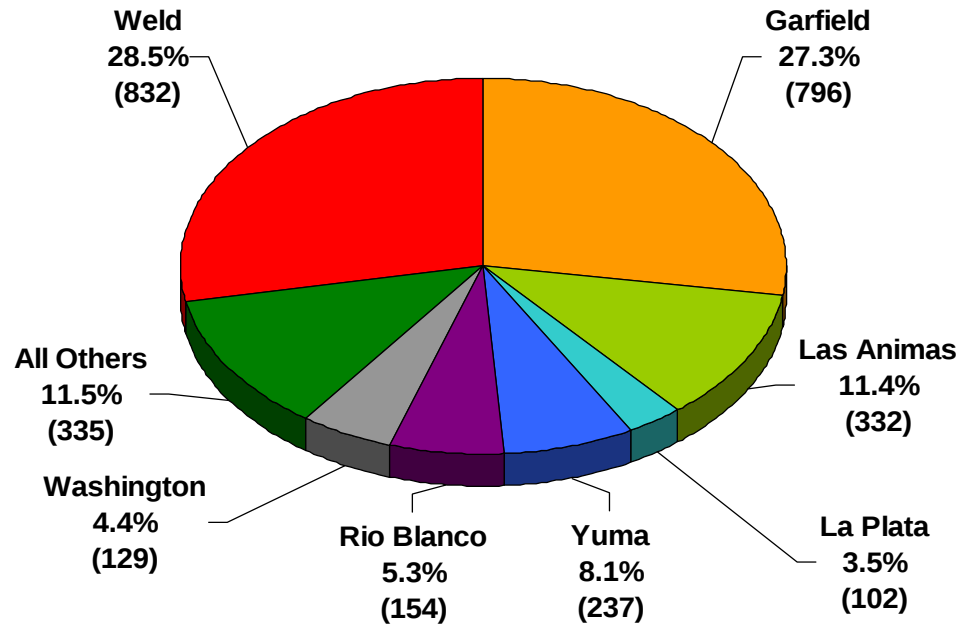


NUMBER OF ACTIVE COLORADO OIL & GAS WELLS BY COUNTY

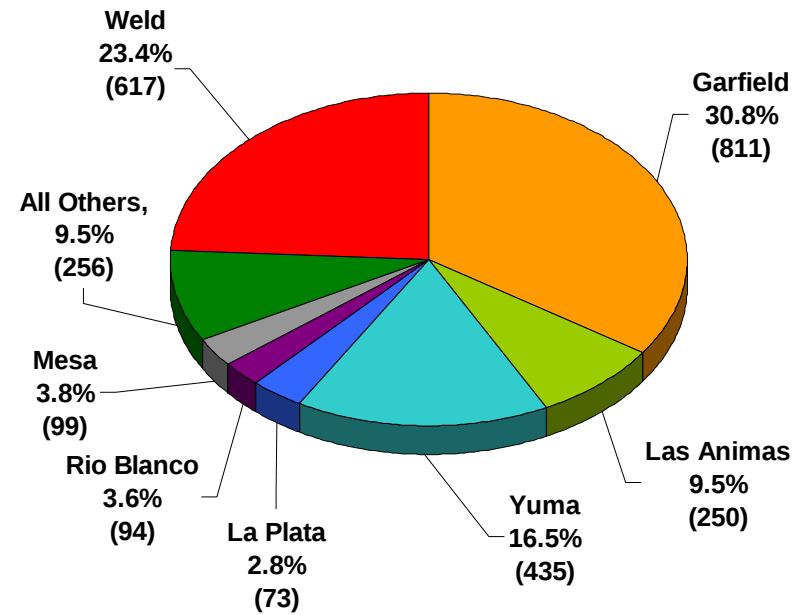
80.2% of Colorado's 28,337 active wells are located in these
6 counties (09-01-05)



2004 Drilling Permits by County
as of 01-10-05

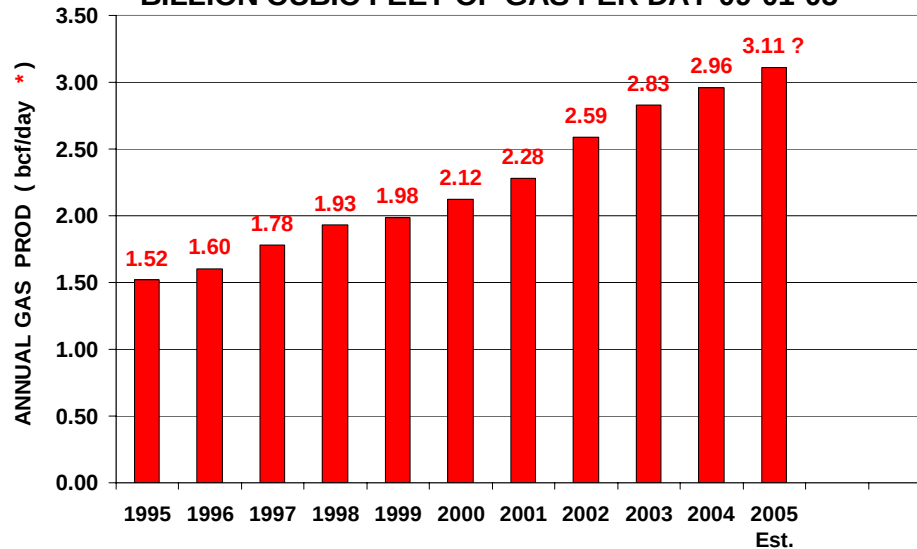


2005 Drilling Permits by County
as of 09-01-05



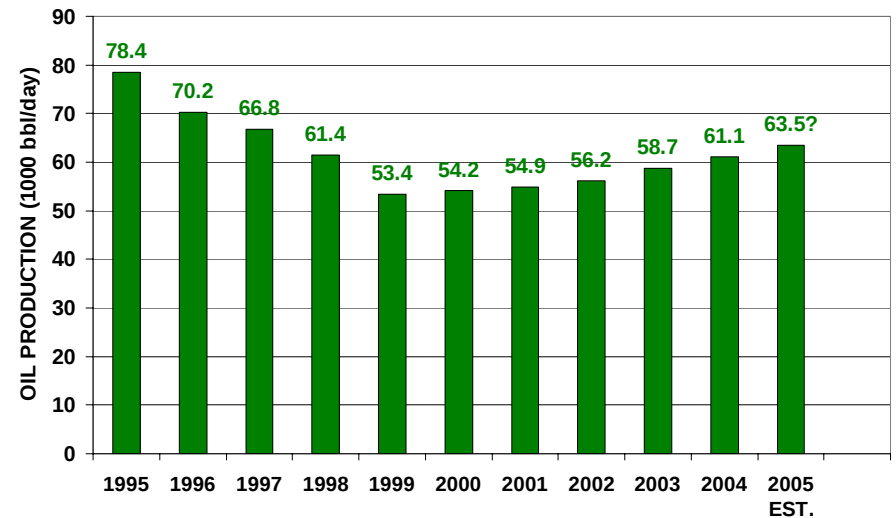
OIL & GAS PRODUCTION IN COLORADO

**COLORADO NATURAL GAS PRODUCTION
1995-2005
BILLION CUBIC FEET OF GAS PER DAY 09-01-05**



* INCLUDES COAL BED METHANE

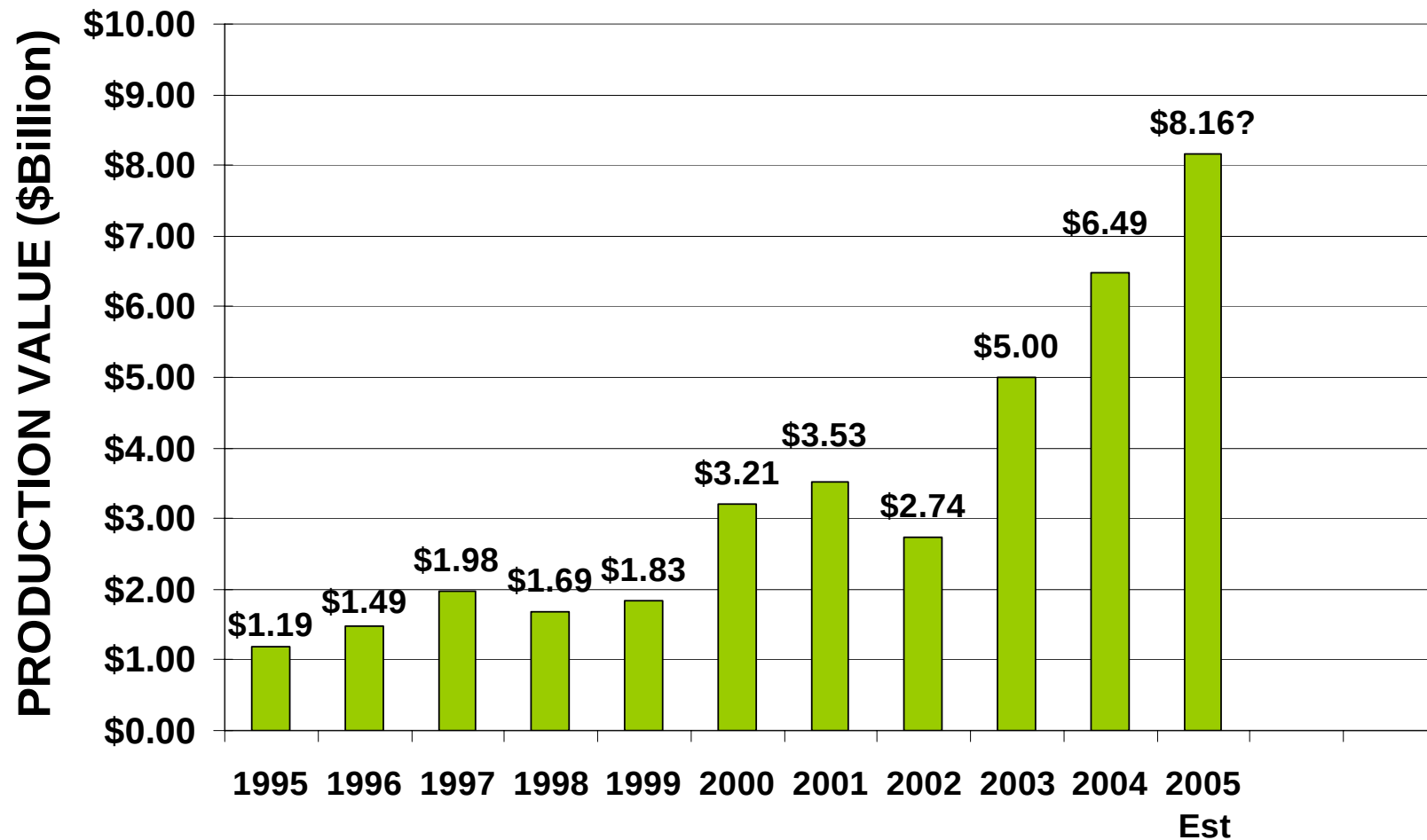
**COLORADO OIL PRODUCTION 1995-2005
THOUSAND BARRELS PER DAY 09-01-05**



COLORADO OIL & GAS PRODUCTION

VALUE 1995-2005 09-01-05

(Billion \$)

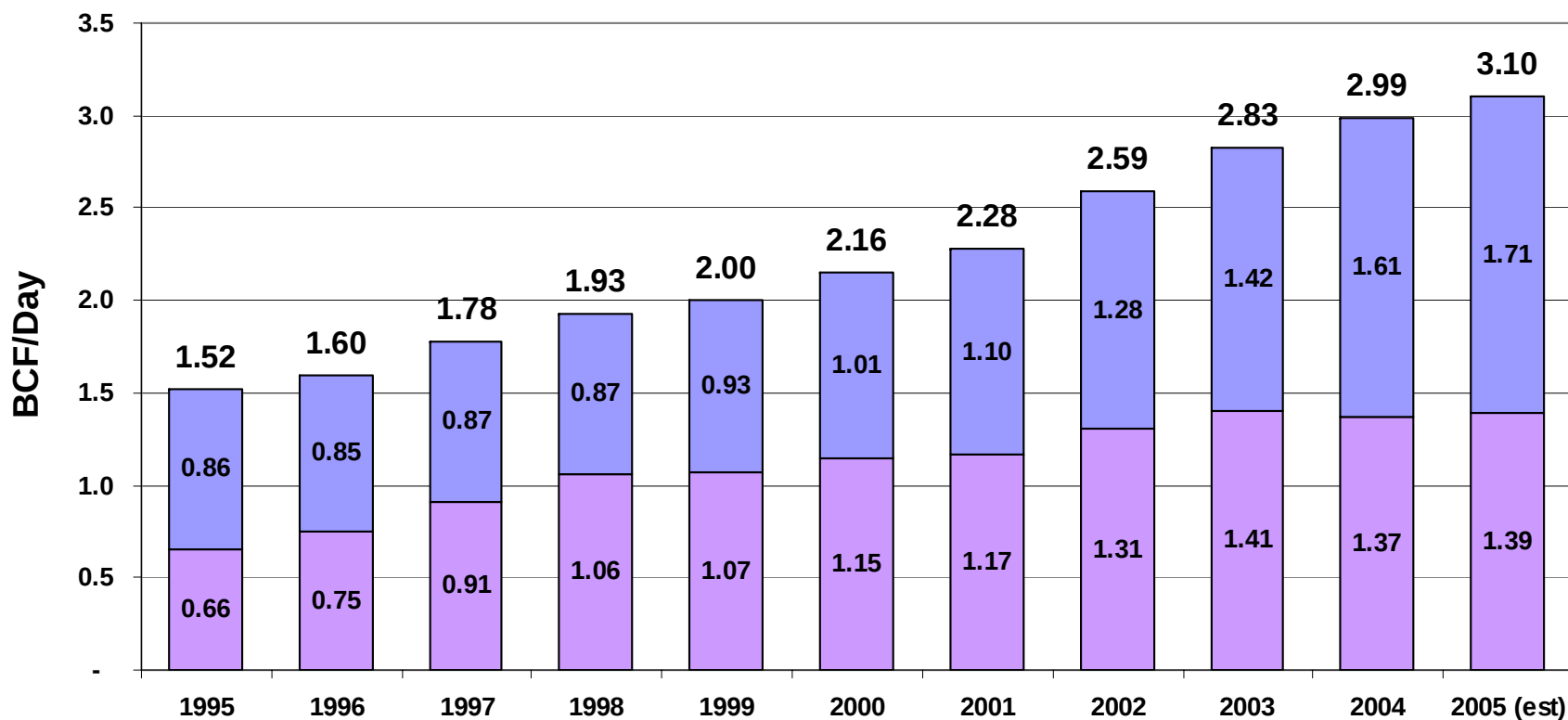


COLORADO GAS PRODUCTION 1995-2005

BILLION CUBIC FEET (BCF) PER DAY

CONVENTIONAL NATURAL GAS
COALBED METHANE
TOTAL NATURAL GAS

NOTE: Chart Does Not Include Carbon Dioxide Production

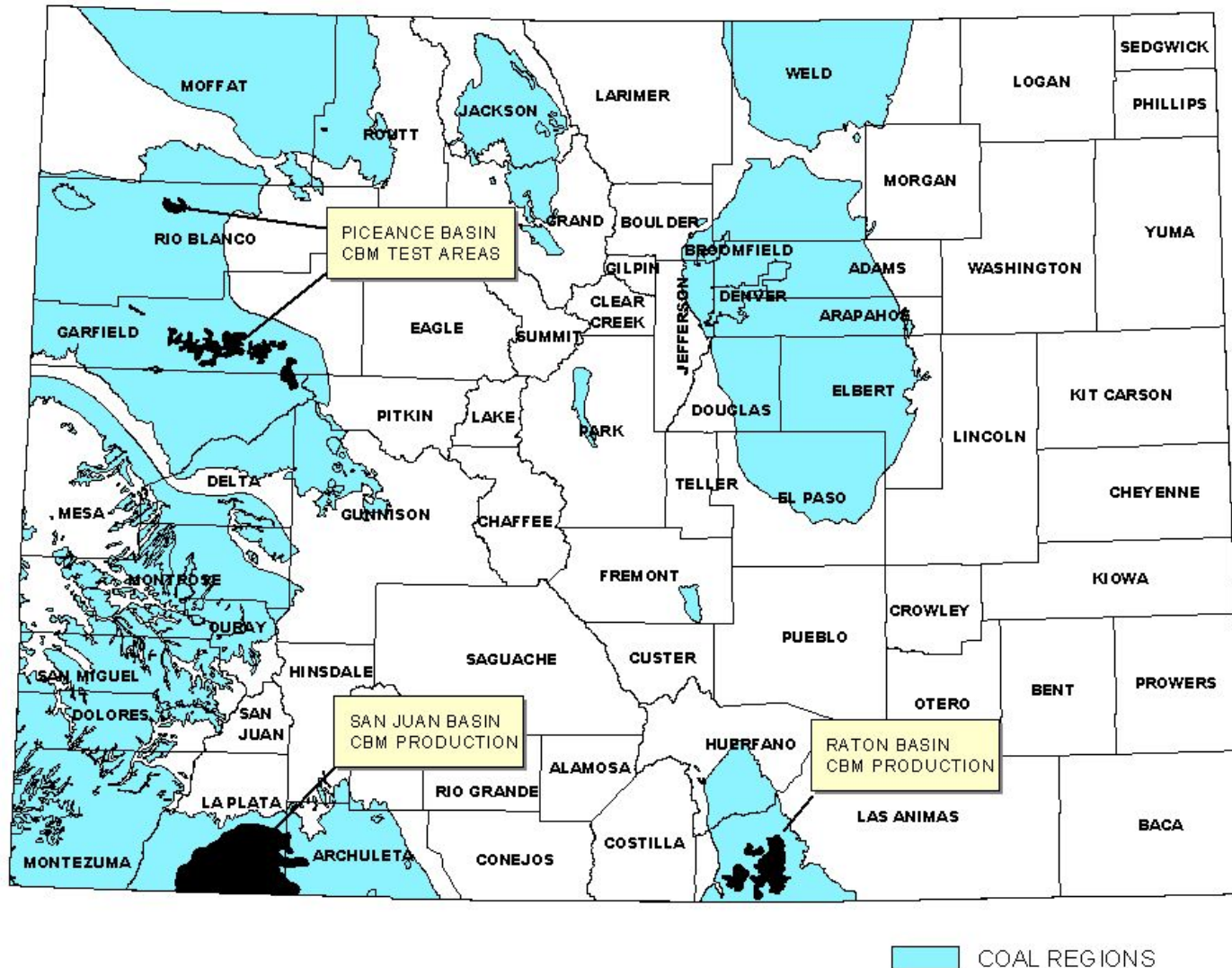


3,855 COALBED METHANE (CBM) WELLS IN COLORADO

1,700 CBM WELLS IN LA PLATA COUNTY

1,900 CBM WELLS IN LAS ANIMAS COUNTY

255 CBM WELLS IN PICEANCE BASIN

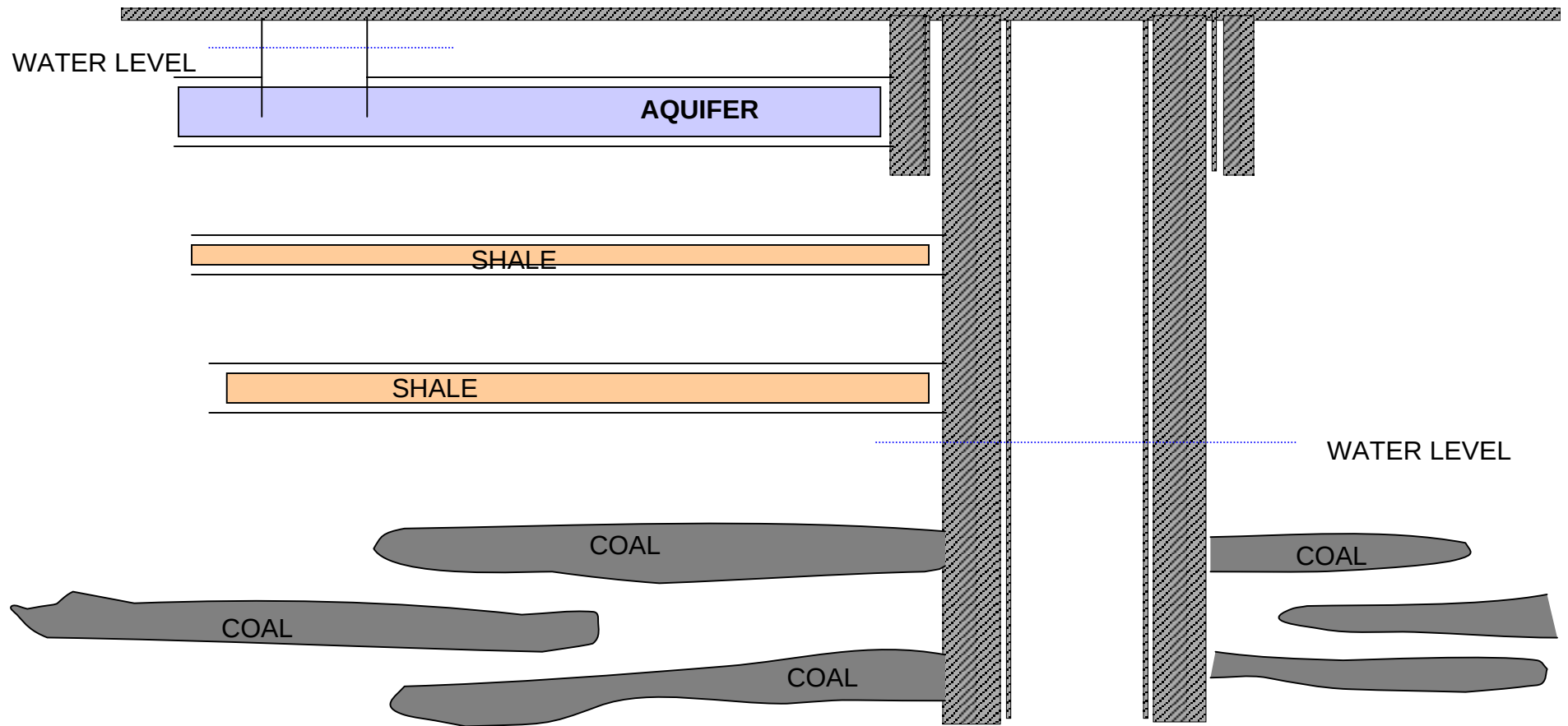


La Plata County Well Site



WATER WELL

O&G WELLBORE



PRODUCED WATER

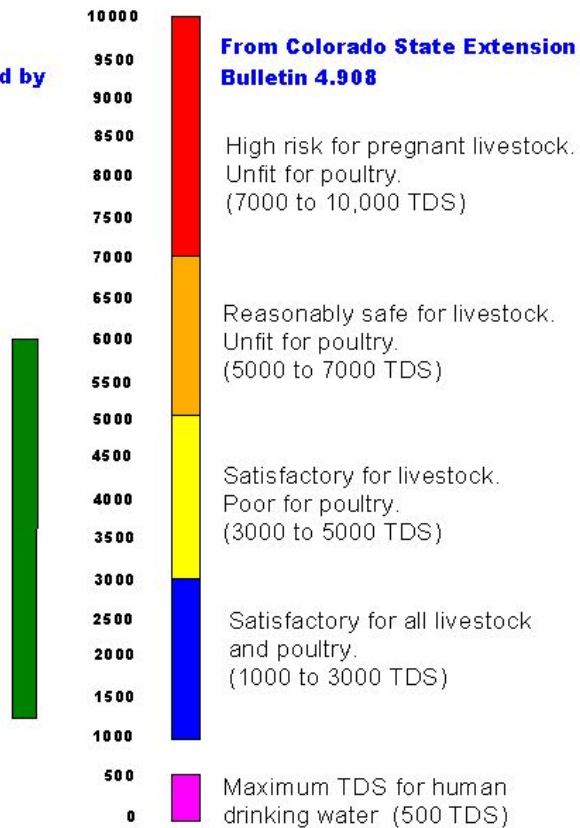
- APPROX. 170.8 ACRE-FT/DAY FROM ALL O&G WELLS
 - 35.8 ACRE-FT/DAY FROM CBM WELLS
 - 135 ACRE-FT/DAY FROM NON-CBM WELLS

- CBM WATER DISPOSAL METHODS
 - 19.6 ACRE-FT/DAY DISCHARGED
 - 6.7 ACRE-FT/DAY INJECTED
 - 9.5 ACRE-FT/DAY OTHER (Pits, Commercial Disposal, Centralized E&P Waste Management Facilities.

Total Dissolved Solids (TDS)
TDS Values in mg/l

**Produced Water Values Provided by
Evergreen Resources**

Las Animas County
Evergreen Resources
Range of TDS from 111 wells
(6000 TDS - High Value)
(1230 TDS - Low Value)
(2731 TDS - Avg. Value)



**Note: Water may be used on Crops
up to 2000 TDS
TDS varies with crop
(Montana Bureau of Mining & Geology)**

SUMMARY

- CBM WELLS ARE TREATED JUST LIKE ANY OTHER O&G WELLS IN COLORADO
- THE WATER FROM COALBED METHANE WELLS IS NOT ALWAYS OF A USABLE QUALITY
- TO DISCHARGE PRODUCED WATER OPERATOR MUST HAVE A PERMIT FROM THE CDPHE-WQCD
- AFTER WATER IS DISCHARGED IT IS SUBJECT TO WATER RIGHTS ACTS