

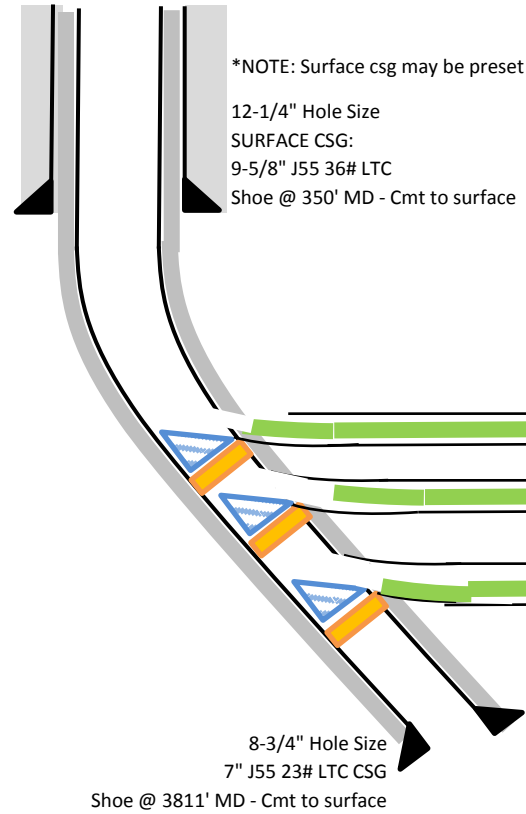
SECORD 2 PROPOSED PILOT HOLE & MULTI-LATERAL WELLBORE SCHEMATIC (NOT TO SCALE)

Depths referenced to GL of 7221' & RKB 11' @ 7232'

| Marker | TVD | MD |
|--------|-----|----|
| Animas | 11 | 11 |

SOUTH

| | | |
|--------------------|--------|--------|
| Lwr. Animas | 1,849' | 1,859' |
| Kirtland Sh | 2,243' | 2,254' |
| Farmington Ss | 2,387' | 2,401' |
| Lwr. Kirtland Sh | 2,771' | 2,845' |
| Fruitland Coal | 2,867' | 3,003' |
| Pictured Cliffs SS | 3,103' | 3,553' |
| TOTAL DEPTH: | 3,211' | 3,811' |



NORTH

= 6-1/8" Hole Size with 4-1/2", 11.6#, J55, LTC pre-perforated liner

LAT 3

LAT 2

LAT 1

Pilot will not be completed. The laterals will have natural, uncemented completion. Liners will be run in laterals to prevent wellbore collapse.

| Lateral Name | Top of Window (MD) | Base of Window (MD) | Bridge Plug (MD) | KOP (MD) | KOP (TVD) | KOP Method | TD (MD) | TD (TVD) | Top of Liner (MD) | End of Liner (MD) | Target Coal Zone | BHL SEC17-T34N-R6W |
|--------------|--------------------|---------------------|------------------|----------|-----------|------------|---------|----------|-------------------|-------------------|------------------|-----------------------|
| PILOT | N/A | N/A | N/A | 420 | 420 | OH | 3,811 | 3,211 | N/A | N/A | Fruitland Coal | 2557' FSL & 1332' FWL |
| LAT1 | 3411 | 3420 | N/A | 3411 | 3042 | Whipstock | 6,004 | 2,997 | 3421 | 6004 | Fruitland Coal | 710' FNL & 714' FWL |
| LAT 2 | 3302 | 3311 | N/A | 3302 | 2996 | Whipstock | 6,149 | 2,968 | 3312 | 6149 | Fruitland Coal | 712' FNL & 2384' FWL |
| LAT 3 | 3109 | 3118 | N/A | 3109 | 2915 | Whipstock | 5,861 | 2,872 | 3119 | 5861 | Fruitland Coal | 711' FNL & 1668' FWL |

*NOTE: Tops are approximate and may shift based on tops after the pilot is logged. Casing exits will be adjusted for casing collars. Whipstocks and bridge plugs to be removed after running the last liner. Removal of whipstock from first casing window may be performed with a service rig.