

**Project Name:** 26821515 Pandura Reentry or Redrill  
**Generator Name:** John Glenn / Tony Krancer  
**Regional Setting:** US Onshore Gulf Coast Lobo Trend  
**Prospect Area:** Webb County, Tx, 18 Mi. S of Laredo, Tx  
**Age/Objective::** Wilcox 6400' Sand, Lobo 6  
**Trap:** Rotated fault block closure  
**Analog:** Laredo Lobo, Clarke, Coridon  
**Drainage Area:** ~50 acres  
**Projected TD:** 7,800 feet  
**Overpressure:** Yes, 1 string 7 inch casing set at 5500'  
**2D Seismic Data:** 27 line mi spec 2D  
**3D Seismic Data:** Proprietary 3D  
**Drill wells:** 1 reentry, 2 additional locations  
**Acreage area:** 420 Acres  
**Closure area:** 300 Acres  
**Seis Attributes:** Structural mapping, well control, tie pdn.  
**Well Control:** Teal Kathleen Marie No 1 and No 2  
**Est. Net Pay:** 6400 Sd ~ 14' net; L6 ~26' net]  
**Est. IP post fracs:** 6400 Sd ~750 MCFD; Lobo 6 Sd ~2 MMCFD  
**Potential EUR:** 2.0 BCF Lease potential > 5 Bcfe  
**Pipeline:** Enterprise 4,000' West  
**Ps:** F\*L\*A\*S\*H = .84  
**Next Steps:** Enter Agreement and Drill

**Deal Terms:**

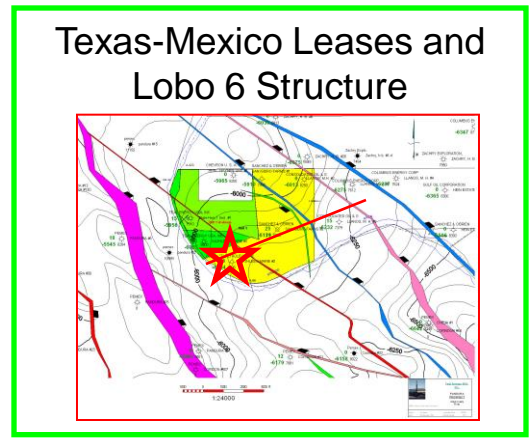
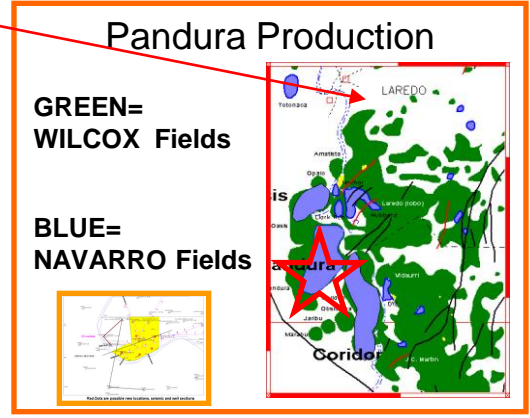
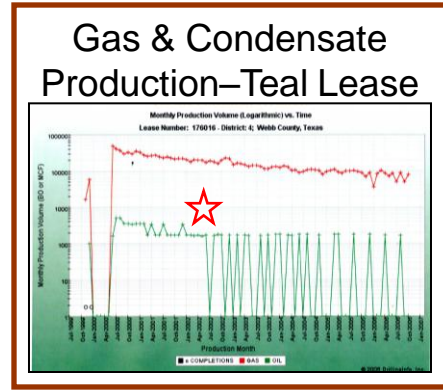
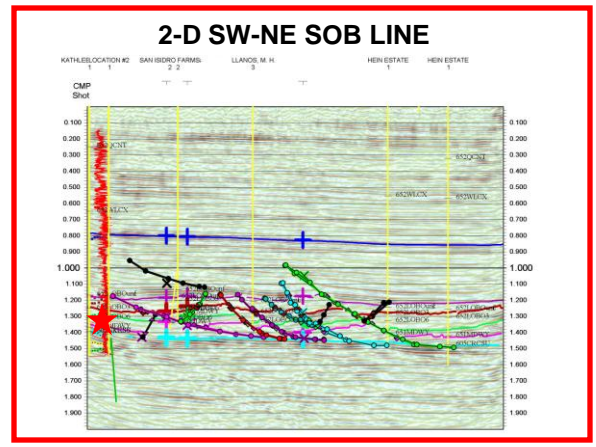
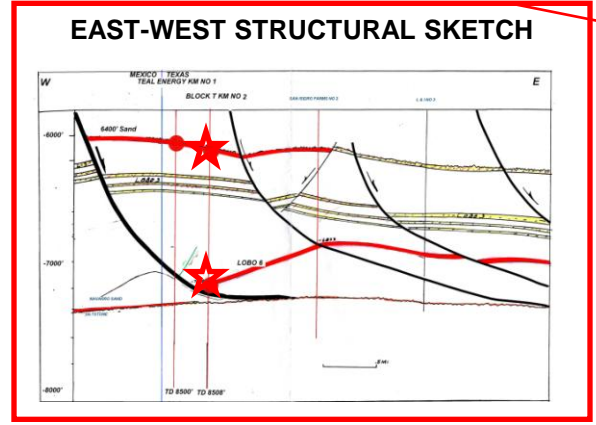
- \$100,000 prospect fee
- 71% NR Pay all costs to the tanks through drilling or reentry of well to test the Lobo 6 and 6400' sand.
- \$42,000 value spec 2D, included in Prospect Fee
- 5% carry to the tanks on first well.
- Ground floor option to participate 5% on subsequent wells
- Teal will not drill but operate field wells for participants (low cost 10 year history operating field)

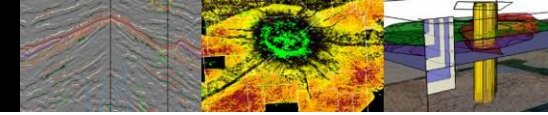
**Project Costs:**

• 2 year Lease & brokerage cost	\$ 110,000
• Reentry Cost Completed	\$ 1.0 MM
• New Drill Cost Completed	\$ 1.4 MM
• Pipeline and Facilities, est.:	\$ 0.4 MM
• Total Reentry Exposure:	\$ 1.6 MM
• Total New Drill Exposure:	\$ 2.0 MM

**Wilcox Lobo Analog Cume Production**

Laredo Lobo Field	6 Mi NE:	700 Bcfe
Laredo Navarro Field	6 Mi NE:	40 Bcfe
Pandura/Oasis/Coridon	2 Mi SW:	300 Bcfe





**Project Name:** 26821515 Pandura Reentry or Redrill  
**Generator Name:** Teal Energy USA Inc.  
**Regional Setting:** US Onshore Gulf Coast Lobo Trend  
**Prospect Area:** Webb County, Tx, 18 Mi. S of Laredo, Tx  
**Age/Objective:** Wilcox 6400' Sand, Lobo 6  
**Trap:** Rotated fault block closure  
**Drainage Area:** ~50 acres  
**Projected TD:** 7,800 feet  
**Overpressure:** Yes, 1 string 7 inch casing set at 5500'  
**Seismic Data:** 30 line mi spec 2D; Proprietary 3D  
**Drill wells:** 1 reentry, 2 additional locations  
**Acreage area:** 420 Acres  
**Well Control:** Teal Kathleen Marie No 1  
**Est. Net Pay:** 6400 Sd ~ 14' net; L6 ~26' net  
**Est. IP post fracs:** 6400 Sd ~750 MCFD; Lobo 6 Sd ~2 MMCFD  
**Potential EUR:** 1.5 BCF Lease potential > 5 Bcfe  
**Pipeline:** 8" PG & E 4,000' West [need Pandura]  
**Ps:** F\*L\*A\*S\*H = .84  
**Next Steps:** Enter Agreement and Drill

**Deal Terms:**

- \$50,000 prospect fee
- 72% NRI Working Interest, pay all costs to the tanks through drilling or reentry of well to test the Lobo 6 and 6400' sand.
- \$42,000 value spec 2D, included in Prospect Fee
- 4% carry to the tank for Teal Energy USA, Inc. on first well.
- Ground floor option to participate on subsequent wells
- Teal will have a 5.00% working interest in subsequent wells
- Teal will operate all field wells for participants

**Project Costs:**

• 2 year Lease & brokerage cost	\$ 110,000
• Reentry cost	\$ 0.6 MM
• New Drill Cost	\$ 1.4 MM
• Pipeline and Facilities, est.:	\$ 0.4 MM
• Total Reentry Exposure:	\$ 1.0 MM
• Total New Drill Exposure:	\$ 1.8 MM

**Wilcox Lobo Analog Cume Production**

Laredo Lobo Field	6 Mi NE:	700 Bcfe
Laredo Navarro Field	6 Mi NE:	40 Bcfe
Pandura/Oasis/Corindon	2 Mi SW:	300 Bcfe

