

Project Name: 26932835 Spindletop Miocene-1
Generator Name: Layton Energy
Regional Setting: US Onshore Gulf Coast Salt Dome
Lease area: 3,000 Acres
Trap: Downdip Fault Expansion / Stratigraphic
Attributes: AVO, Geometry
Seismic Data: Echo Spec 3D licensed to Layton Energy
Projected TD: 6,800 ft
Closure Area: 1,663 Acres
Well Control: Producing updip against salt dome
Next Steps: Lease, tie to well & production data
Ps: F*L*A*S*H = 0.845

Terms:

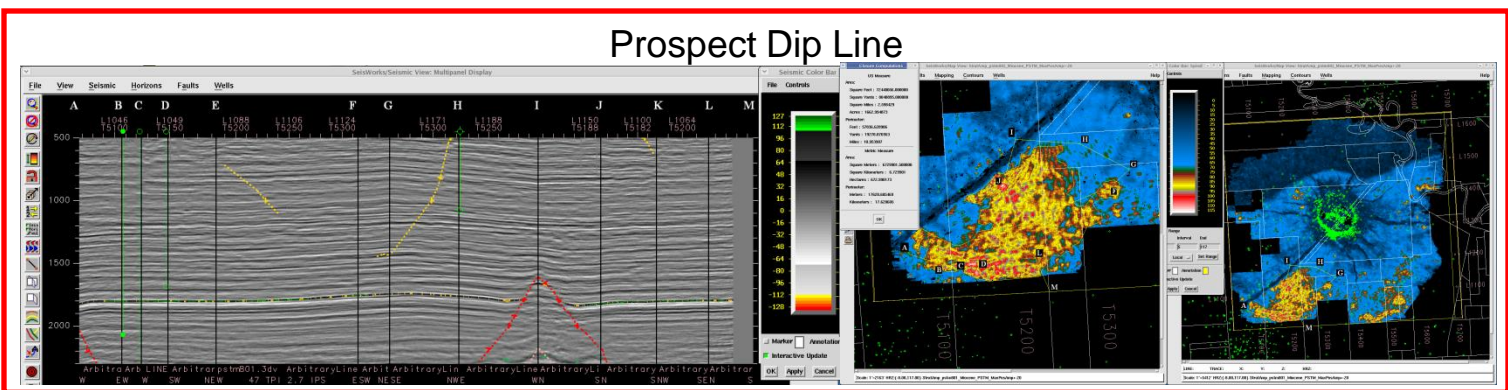
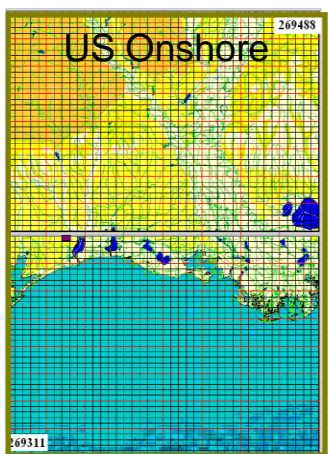
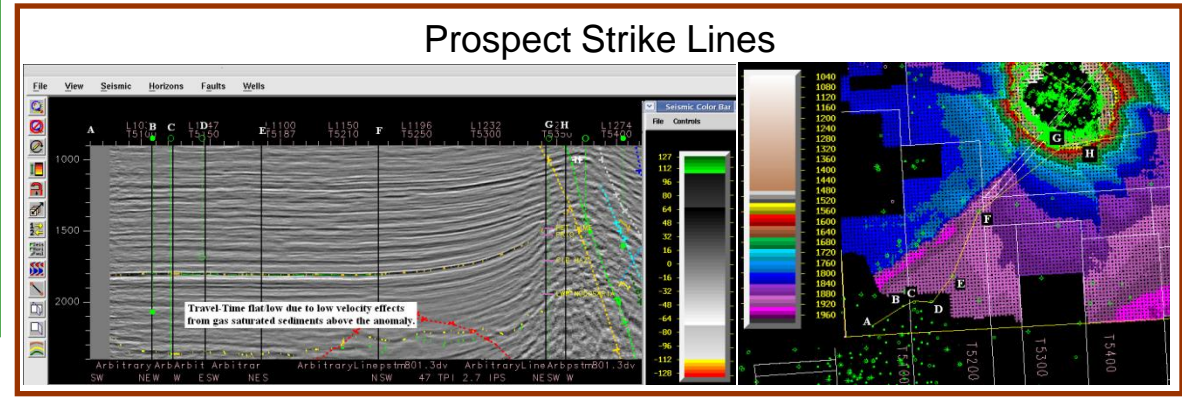
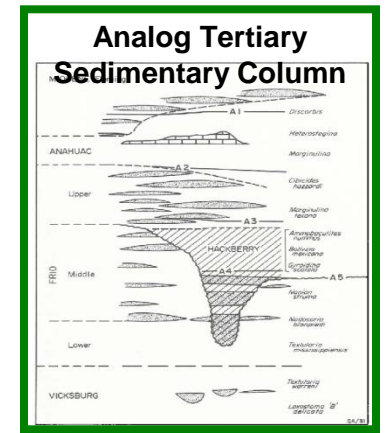
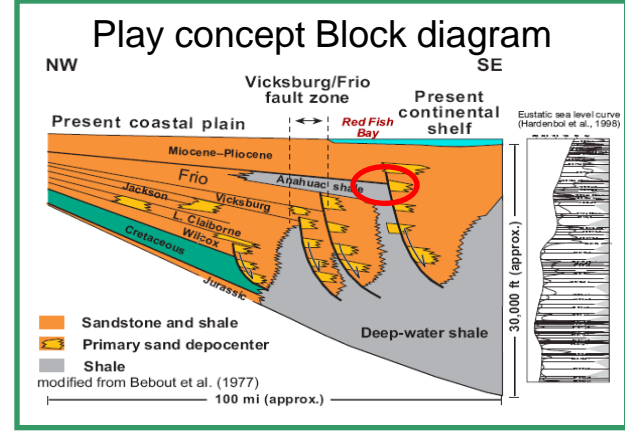
- 25% of anticipated 75% NRI lease to Layton Energy
- \$20,000 Prospect Fee

Project Cost:

- Est. 2,500 acre lease cost \$550/acre \$ 1,375,000.
- Obtain logs and tie in available wells \$ 25,000.
- Reprocess traces at \$0.05 per trace \$ 23,000.
- Consulting fees data Integration \$ 25,000.
- Well cost \$ 450,000.
- Total Exposure: less than \$ 1,900,000.

Exploratory Prospect Opportunity:

- 56.25% for \$1.9 million for first well
- 18.75% of subsequent wells heads up
- 20 BCF potential from Miocene1 pool, anticipate 5 wells
- 5.25 BCF for less than \$2 million or at \$3/MCF 8 times return



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Client Name: Layton Energy

DESCRIPTION	RISK	REFERENCE
Faults	1	
Fault Migration Pathway	1	
Fault Trap	1	
Lithology	0.8133	
Producing Analogs	0.8	
Historical Ps	0.8	
Well Log Tie	0.8	
Source Rocks	0.8	
Reservoir Rocks	0.8667	
Porosity	0.8	
Permeability	0.8	
Continuity	1	
Seal Rocks	0.8	
Regional	0.8	
Local	0.8	
Fracture Gradient	0.8	
Amplitudes	0.611	
Existing Production	1.6914	
Initial Flow Rates (Flow Rate)	8	
Prospect Water Saturation	0.8	
Pressure	0.8	
Viscosity	0.8	
Drive Mechanism (water=.8, gas=.6, gravity=.4)	0.6	
Decline Rate (% loss of production/year)	4%	
Decline Type (Fetkovich Rate Type)	0.8	
Prediction of Hydrocarbons	0.5	
Gas Prediction	0.5	
Oil Prediction	0.5	
Migration Timing (0=after, 1=before trap)	0.7	
Recovery Efficiency Factor	0.7	
Stratigraphy	0.8	
Geomorphology	0.8	
Stratigraphic Migration Pathway	0.8	
Stratigraphic Trap	0.8	
Horizons	1	1
Geometry (4-way=1, 3=, 8, 2=, 6)	0.8	
Total Depth (feet)	6800	
Volumes (acre-feet)	16630	19,956,000
Closure Area (acres)	1,663	
Thickness (feet)	10	
Ps (Probability of Success): F*L*A*S*H =	0.8449	