

Four Corners Niagaran Reef Prospect

Prospect Overview: The Four Corners prospect is a Niagaran reef prospect that is defined by 3D seismic. Seismic data indicates a reef height of 400+/- feet. In addition to a loss of the Brown Niagaran reflector, there is also a sag of the A₁C event. The A₁C event is usually absent or sags on Niagaran reefs (see analog reef display).

Seismic Signature: This prospect manifests itself on seismic data as a loss of the Niagaran seismic event. The A₁C seismic event is also anomalous across this prospect in that it appears to "sag", this is characteristic of the analog reefs reference in this report. These two seismic events are showing key indicators that a reef has been identified via this excellent quality 3D data.

Infrastructure: This prospect is proximally 2 miles from an existing central production facility that has available capacity. This well can and should utilize this sour gas facility. This well will most likely contain sour gas, 1 to 2 percent H₂S. It should be noted that all pipelines, plants, etc are designed to handle this sour gas.

Conclusion: This Niagaran reef prospect is defined by excellent quality 3D seismic. Aerial extent of the 400+/- foot reef is 50 acres and gas and oil equivalent produced from this reef is expected to be 1.2 BCF to 4.0 BCF. Given the excellent quality of the seismic data displaying similar characteristics as other known reefs on this trend, we have a solid reef prospect that should be drilled during the summer of 2010. This prospect is within 2 miles to existing pipeline and facility.

Terms: Up to 75% available. Core will operate. Prospect Fee \$500 / point (leasehold & seismic); Drilling - cost plus 20% basis; all thereafter at actual costs; 80% delivered NRI. Estimated (8/8ths) costs: Drilling (\$622,000 ~~directional well~~); Completion (\$250,000); Facility (\$500,000). Dry Hole for 75% WI, incl. Prospect Fee (\$597,300 or \$7,964 / point).

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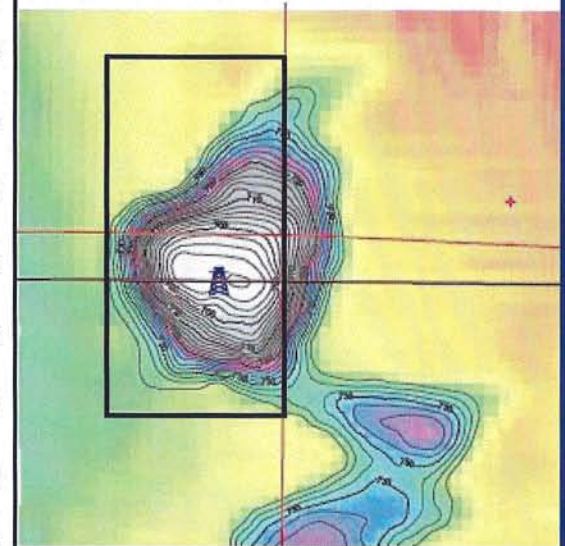
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CORE ENERGY LLC

FOUR CORNERS REEF LEAD
YELLOW - DUNDEE
BLUE - A2C
ORANGE - A1C
BROWN - BN - 300+ FEET REEF
ALLEN MODROO
JAN 2010



CORE ENERGY, LLC

