

Other Business Arrangement (ML 54438-OBA)

Mancos B Exploration Project
Uintah County, Utah
Anschutz Exploration Company

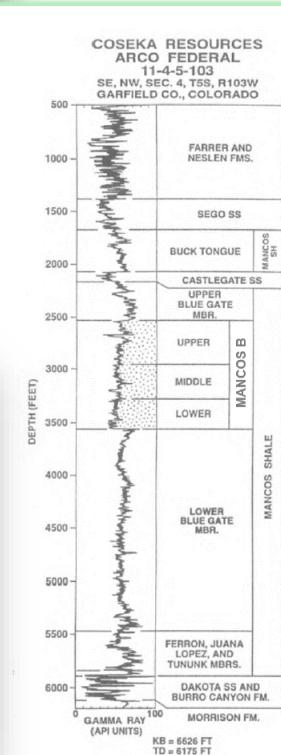
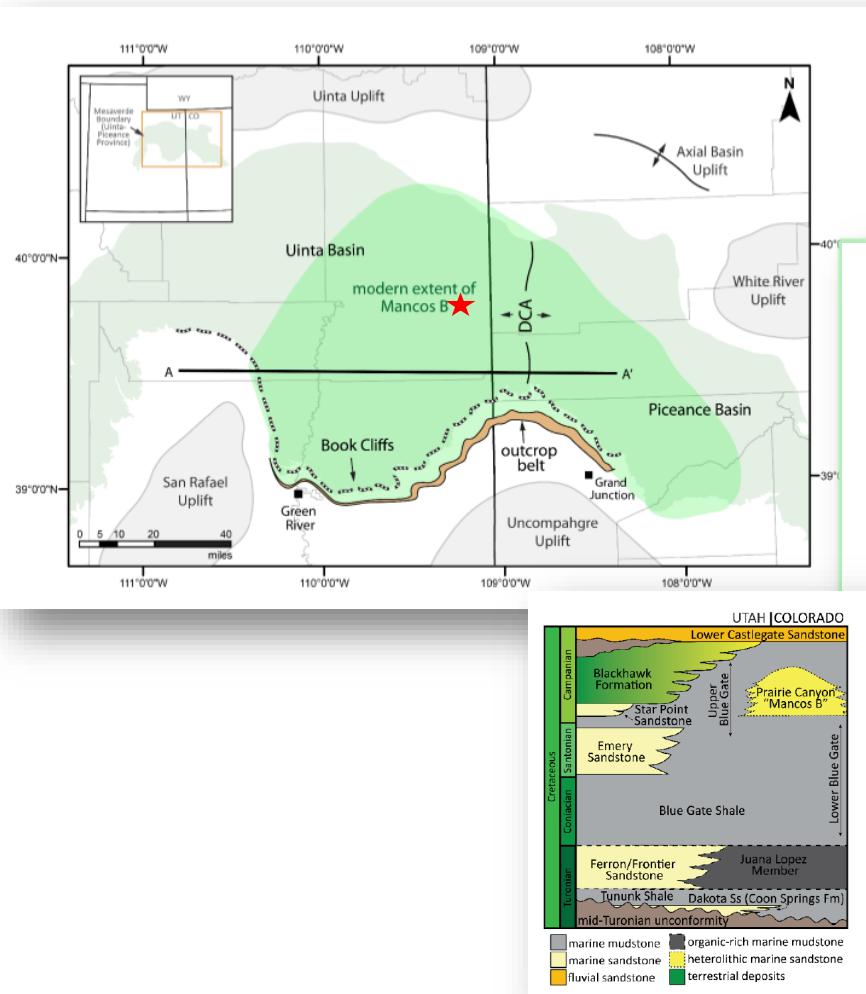
Rachel Boyack– Lease Manager



ML 54438 OBA

Uintah County

Geologic Overview



Manco B is composed of interbedded sandstone and mudstone encased by the Manco Shale. Range.

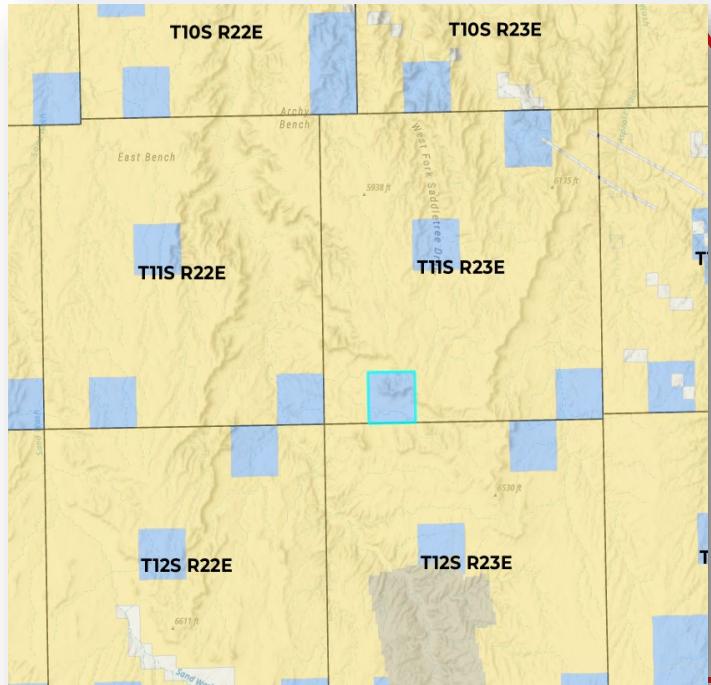
Mancos B wells completed to the north have produced high initial production results of over 50,000 bbls of oil in their first year.

There are potentially three other intervals in the area that could be equally successful in the area for high oil production.

For more information check Tyler's report on our website: Geologic Characterization and Production Potential of the Mancos B Interval, Eastern Uinta Basin, Utah

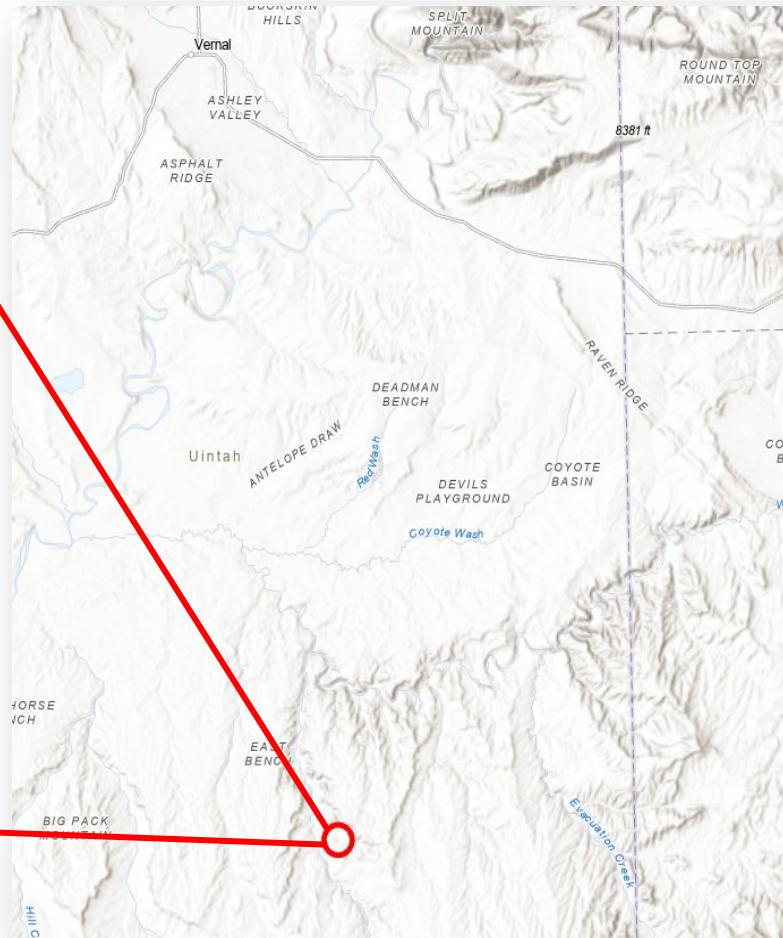
ML 54438 OBA

T.11S., R.23E., Section 32, SLB&M



Acres: 640

Beneficiary: Schools (100%)



ML 54438 OBA Proposal

- **Work Commitment**

- Best efforts to permit and drill a well that will include Section 32
- Lease committed to the Canvas Unit

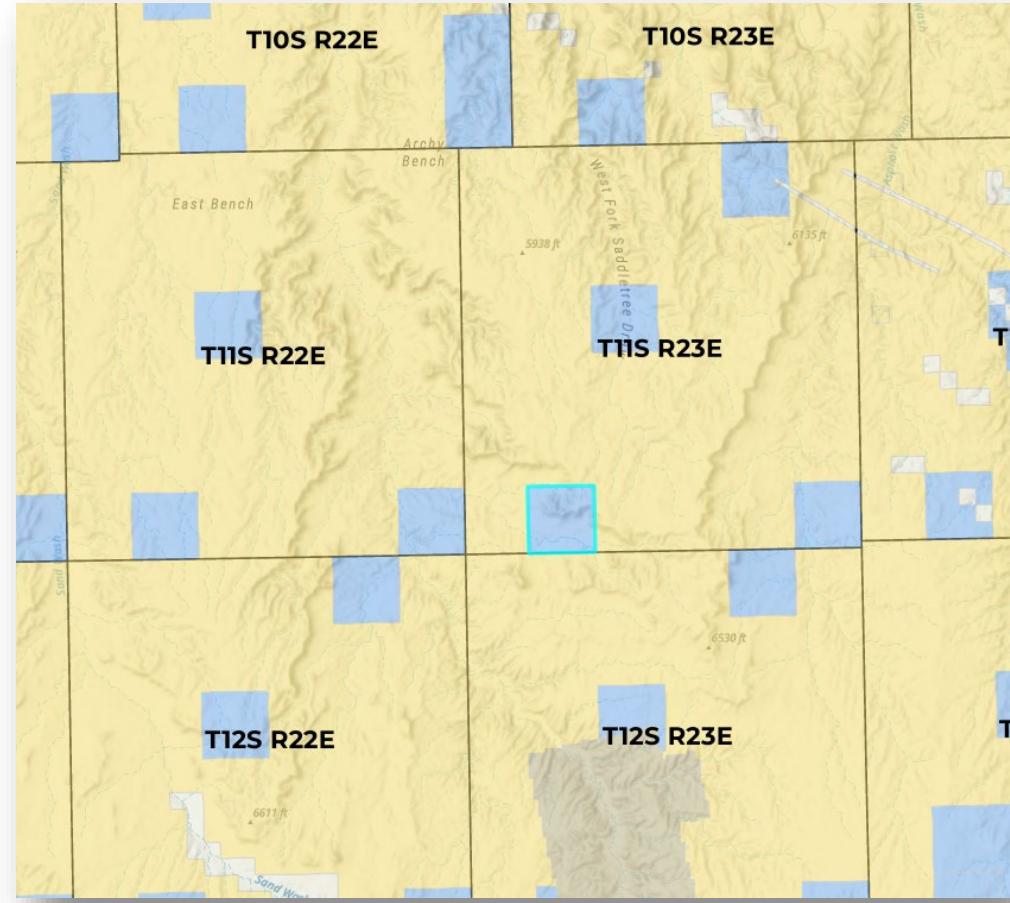
- **Bonus Payment**

- \$67,600 (\$90.00/acre)

- **\$2.00/acre annual rental**

- **3-Year Lease Term**

- **16.67% Royalty**



ML 54438 OBA Rationale & Recommendation

Anschutz is a diligent operator and has already successfully drilled two similar wells in the area.

If the well is drilled, TLA be withing a Participating Area within the Chess Unit.

A well could be drilled on our acreage in less than 3 years.

The Lease will be committed to the unit and be considered in Anschutz drilling schedule for future wells.

This OBA proposal was reviewed by the Energy & Minerals Committee.

The Energy & Minerals group requests the Board approve the ML 54438 OBA

Questions?

Thank You

Rachel Boyack – Lease Manager

