

Waterdog 36 Niagaran Reef Prospect

Prospect Overview: The Waterdog 36 prospect is a Niagaran reef anomaly that is defined by 3D seismic and further supported with well control. Seismic data indicates a reef height of 400+/- feet. In addition to a loss of the Brown Niagaran reflector, there is also a loss of the A₁C event. The A₁C event is usually absent on Niagaran reef prospects in this area (see analog reef display).

Well Control: Offsetting this seismic reef anomaly is the Miller Brothers Lankfer 1-36 well. Density logs on this well shows anhydrite stringers thought out the A1C and A1E. Presence of anhydrites indicates a reef is "near by" and as such are good indicators.

Infrastructure: This prospect is proximally 2 miles from an existing central production facility that has excess 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 data and nearby well control. Areal extent of the 400+/- foot reef is approximately 50 acres. Gas produced from this reef is expected to be 1.2 to 4.0 BCFG.

Terms: Up to 65% 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 65% WI, incl. Prospect Fee (\$522,837 or \$7,964 / point).

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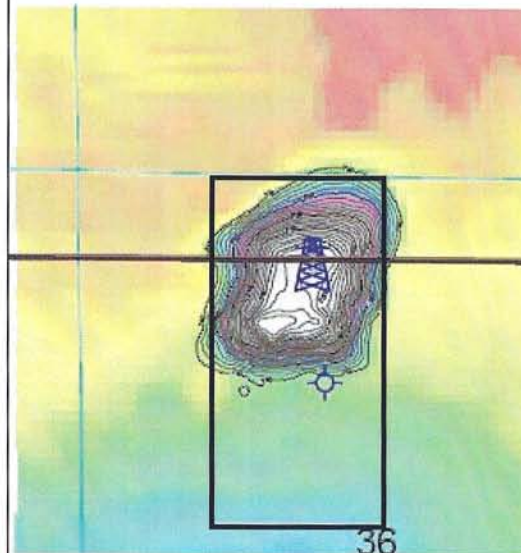
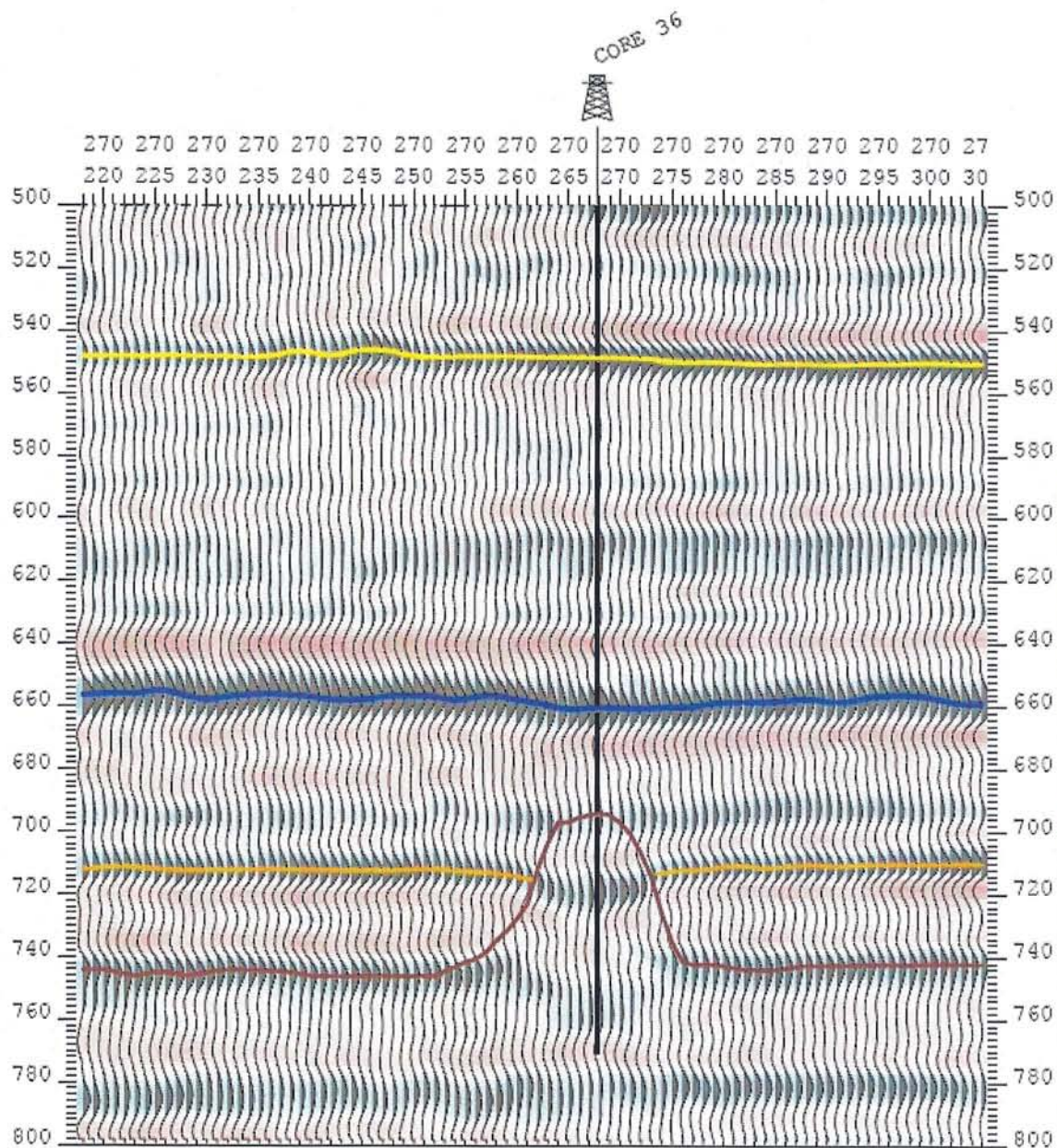
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CORE ENERGY LLC

WATERDOG 36 REEF LEAD
YELLOW - DUNDEE
BLUE - A2C
ORANGE - A1C
BROWN - BN - 300+ FEET REEF
ALLEN MODROO
JAN 2010



CORE ENERGY, LLC

