MAGNUM PRODUCING, LP  
Tarpon Prospect  
Lavaca County, Texas

The Tarpon prospect is located in southern Lavaca County, Texas and has dual objectives targeting the Upper Wilcox and Lower Wilcox (Dagg) formations. The prospect was identified via 3D seismic (Seitel) with the dataset containing several productive analogies for both targets. Estimated reserves total 10.8 Bcf and 500,000 Bbls.

The Upper Wilcox trap is a simple upthrown 140 acre three way closure on a single fault. The Upper Wilcox successes in this area have exhibited similar geologic character (simple closures on single faults). In addition, the seismic “signature” is very similar to that exhibited by other nearby productive Upper Wilcox reservoirs especially Magnum’s recent Menning No. 1 discovery. Reserves are estimated to be 400 MBBls plus 800 MMcf.

In addition, the proposed test will target the Lower Wilcox (Dagg) formation. The Dagg is trapped stratigraphically against the face of the Yoakum Gorge (large regional shale filled channel). Risk is lowered by virtue of a good log show in the downdip Sibley No. 7 well. This trap is on trend with other Yoakum Gorge traps including Benbow (32 Bcf) and Magnum’s recent Chicolete Creek discovery (Borchers No.1). The trap is estimated to be 280 acres with reserves totaling 10 Bcf and 100,000 Bbls.

Magnum’s leasehold position is approximately 500 acres. The initial test well will be a pipe test to 11,500 ft. Dryhole costs are estimated to be $1,500,000 with completion costs of an additional $800,000.

Trade Terms

- $500,000 for leasehold, seismic and prospect fee (Acquisition Cost)
- 73.0% NRI
- 25% Carry to Casing Point
- Earn to 100′ below depth drilled

Prospect is subject to prior sale and negotiation of a mutually acceptable Participation Agreement and JOA.

If you are interested in this prospect please contact:

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