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Company Announcements  
Australian Securities Exchange  
Exchange Plaza  
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PERTH WA 6000

By E-lodgement

## Independent Reserves Report Confirms Significant Find at North Chapman Ranch Field

### Highlights:

- Independent Petroleum Engineers, Lonquist & Co LLC, have completed an independent reserves and valuation report on the North Chapman Ranch Field in Nueces County, Texas, USA
- Reserves report estimates total gross commercially recoverable Reserves (1P, 2P and 3P) of the North Chapman Ranch Field:
  - 215 Bcf of natural gas (attributable to Range – 45 Bcf)
  - 15.9 mmbbl of oil (attributable to Range – 3.3 mmbbls)
  - 15.5 mmbbl of natural gas liquids (attributable to Range – 3.2 mmbbls)
- The planned multi-well program is anticipated to move Possible (P3) Reserves into the Probable (P2) and Proved (P1) Reserve categories
- Independent PW10 DCF valuation of Range's net interest of US\$226m

International oil and gas company Range Resources Limited (ASX: RRS) ("**Range**" or "**the Company**") continues the development of its North Chapman Ranch Field in Texas, USA, with independent certification by Independent Petroleum Engineers, Lonquist & Co LLC ("**Lonquist**")<sup>1</sup> confirming the field contains significant oil and gas reserves.

Range holds a 25% interest in the North Chapman Ranch project's first well – Smith #1 – and 20% in all subsequent wells assuming the exercise of certain clawback provisions by joint venture partners based on the current success of the Smith #1 well. The project area encompasses approximately

<sup>1</sup> Lonquist & Co LLC are Petroleum Consultants based in the United States with offices in Houston and Austin. Lonquist provides specific engineering services to the oil and gas exploration and production industry, and consults on all aspects of petroleum geology and engineering for both domestic and international projects and companies. Lonquist & Co LLC have consented to the reference to them in this announcement and to the estimates of oil, natural gas and natural gas liquids and valuations provided herein. These estimates were formulated in accordance with the guidelines of the Society of Petroleum Engineers ("SPE"). The SPE Reserve definitions can be found on the SPE website at [www.spe.org](http://www.spe.org) as well as in the Lonquist report as attached and on the Range website.

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1,680 acres in one of the most prolific oil and gas producing trends in the State of Texas. Drilling of the first well resulted in a commercial discovery with first production and sales occurring in February 2010.

Range, through its technical consultants Texas Energy Advisors LLC, engaged Lonquist to compile geological, geophysical and engineering data and provide an Independent Reserves Report and Valuation for the project.

Lonquist's independent reserves report has estimated the following gross commercially recoverable reserves from the North Chapman Ranch Field:

Category	Natural Gas (Bcf)	Oil (mmbbls)	Natural Gas Liquids (mmbbls)
Proved (P1)	33.3	2.5	2.4
Probable (P2)	31.8	2.4	2.3
Possible (P3)	150.4	11.1	10.8
<b>Total Reserves</b>	<b>215.5</b>	<b>16.0</b>	<b>15.5</b>

Set out below is Range's attributable interest in the gross recoverable reserves on 25% of the Smith #1 well and on 20% of the remaining wells assuming the exercise of certain clawback provisions by joint venture partners occurs following the success of the Smith #1 well:

Category	Natural Gas (Bcf)	Oil (mmbbls)	Natural Gas Liquids (mmbbls)
Proved (P1)	8.3	0.6	0.6
Probable (P2)	6.4	0.5	0.5
Possible (P3)	30.1	2.2	2.1
<b>Total Reserves</b>	<b>44.8</b>	<b>3.3</b>	<b>3.2</b>

The planned multi-well program is anticipated to move Possible (P3) Reserves into the Probable (P2) and Proved (P1) Reserve categories. The second well on the North Chapman Ranch Project, the Russell-Bevly Unit #1 is expected to spud in the coming days.

Based on the reserve numbers cited above, Lonquist's estimated net undiscounted cash flow value to Range, along with PW10 discounted cash flow (at a 10% discount rate) based on Nymex forward strip prices reported on 31 December 2009, following reductions for royalties, opex, capex, production taxes etc are as follows:

Reserve Category	Undiscounted US\$	PW10 US\$
Proved (P1)	52m	36m
Probable (P2)	53m	37m
Possible (P3)	258m	153m
<b>Estimated Future Cashflow (Range's net interest)</b>	<b>363m</b>	<b>226m</b>

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A copy of Lonquist's North Chapman Prospect - Estimated Future Reserves and Revenues for Range is attached and contains further details on the assumptions on which these valuation estimates are based.

Range Executive Director, Mr Peter Landau, commented, "Range is pleased that from an initial investment of US\$1.8m to drill, test and commercialise the Smith #1 well, we have been able to achieve a significant uplift in shareholder value based on independently assessed reserves and valuations reported on the North Chapman Ranch Project."

"We feel that the upcoming development and appraisal activities will add additional value to Range as we continue to add reserves, production and cash flow to create a balanced portfolio of lower-risk development and production projects in the US with high potential exploratory prospects in Puntland and Georgia," Mr Landau added.

The Company will continue to provide further updates on the progress of its portfolio of assets.

For and on behalf of the Board

Regards

A handwritten signature in black ink, enclosed within a hand-drawn oval.

Peter Landau  
Executive Director

### Contacts

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### **Range Background**

Range Resources is a dual listed (ASX: RRS; AIM: RRL) oil & gas exploration company with oil & gas interests in the frontier state of Puntland, Somalia, the Republic of Georgia and Texas, USA.

- Range holds a 25% interest in the initial Smith #1 well and 20% interest in further wells on the North Chapman Ranch project, Texas. The project area encompasses approximately 1,680 acres in one of the most prolific oil and gas producing trends in the State of Texas. Drilling of the first well has resulted in a commercial discovery with independently assessed gross recoverable reserves in place of 215 Bcf of natural gas, 16 mmbbls of oil and 15 mmbbls of natural gas liquids.
- In Puntland, Range holds a 20% working interest in two licences encompassing the highly prospective Dharoor and Nugaal valleys with plans to drill two wells (TSXV:AOI) – 65% Operator, in 2010.
- In the Republic of Georgia, Range holds a 50% farm-in interest in onshore blocks VIa and VIb, covering approx. 7,000sq.km. Currently, Range has recently completed a 410km 2D seismic program.

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**RANGE RESOURCES, LTD**

**North Chapman Prospect  
Estimated Future Reserves and Revenues  
As of May 1, 2010**

**NYMEX Strip Pricing as of December 31, 2009  
Escalated Price Case**

**LONQUIST & CO. LLC**

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May 5, 2010

Range Resources, LTD  
 Level 3, 1 Havelock Street  
 West Perth, WA 6005  
 Australia  
 Attn: Mr. Peter Landau

Re: North Chapman Prospect  
 Nueces County, Texas  
 As of May 1, 2010  
 NYMEX Strip Pricing as of December 31, 2009  
 Escalated Price Case

Dear Mr. Landau:

Pursuant to your request, Lonquist & Co. LLC, ("L&Co") has estimated the future oil and gas Reserves and projected the associated future revenues for certain interests owned by Range Resources, LTD ("Range"). The interests evaluated herein are in the North Chapman Prospect in Nueces County, Texas. At the request of Range, we have evaluated Proved Producing ("PDP"), Proved Undeveloped ("PUD"), Probable ("PROB"), and Possible ("POSS") Reserves. Collectively these volumes are known as 3P Reserves.

Effective May 1, 2010, our conclusions are as follows:

NYMEX Strip Pricing as of December 31, 2009	Net to Range Resources, LTD						
	Proved Developed		Proved	Total	Total	Total	Grand
	Producing	Non-Producing <sup>a</sup>	Undeveloped	Proved <sup>b</sup>	Probable <sup>b</sup>	Possible <sup>b</sup>	Total <sup>b</sup>
Estimated Future Net Oil/Condensate, bbl	220	0	302,140	302,360	287,950	1,363,130	1,953,440
Estimated Future Net Gas, MMcf	2.2	0	3,021.4	3,023.6	2,879.5	13,631.3	19,534.4
Estimated Future Net NGL, bbl	210	0	293,970	294,180	280,170	1,326,290	1,900,640
Total Future Gross Revenue, \$	39,830	0	61,994,630	62,034,460	58,801,440	290,229,840	411,065,780
Estimated Future Production Taxes, \$	2,510	0	3,949,110	3,951,620	3,744,650	18,511,900	26,208,180
Estimated Future Operating Expenses, \$	930	0	1,068,480	1,069,410	626,990	2,947,590	4,643,990
Estimated Future Capital Costs, \$	0	0	4,764,900	4,764,900	1,675,800	11,118,100	17,558,800
Estimated Future Net Revenue ("FNR"), \$	36,390	0	52,212,140	52,248,530	52,754,000	257,652,280	362,654,810
Discounted FNR at 10%, \$	36,243	0	35,736,043	35,772,289	37,308,238	153,060,734	226,141,266
<b>Estimated Net Revenues by Year, \$</b>							
2010	36,390	0	-438,260	-401,870	3,086,960	0	2,685,090
2011	0	0	7,947,930	7,947,930	5,209,010	0	13,156,940
2012	0	0	9,511,480	9,511,480	13,664,140	11,586,780	34,762,390
Subtotal	36,390	0	17,021,150	17,057,540	21,960,110	11,586,780	50,604,420
Thereafter	0	0	35,190,990	35,190,990	30,793,890	246,065,500	312,050,390
Total	36,390	0	52,212,140	52,248,530	52,754,000	257,652,270	362,654,810

<sup>a</sup>Column includes the Proved Developed Non-Producing, shut-in and behind-pipe volumes and cash flows.

<sup>b</sup>Totals might not match detailed cash flows due to computer rounding.

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### **Purpose of Report and Standards of Practice**

This report was prepared to provide the management of Range Resources, LTD with a projection of estimated remaining hydrocarbon Reserves and projected future net revenues, effective May 1, 2010. These estimates have not been adjusted for risk.

This report has been prepared in accordance with our understanding of the *Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserve Information* as promulgated by the Society of Petroleum Engineers (“SPE”) and the *Guidelines for Application of the Definitions for Oil and Gas Reserves* prepared by the Society of Petroleum Evaluation Engineers (“SPEE”). The SPE oil and gas Reserve definitions are attached hereto.

Liquid hydrocarbon volumes are expressed in standard 42-gallon barrels. All natural gas volumes are sales gas expressed at the official pressure and temperature bases of the areas in which the gas Reserves are located.

All currencies in this report are expressed in U.S. dollars.

### **Reserve Estimates**

Well-by-well production data in this report were updated through January 2010, where applicable. Extrapolation of historical production data was utilized for those producing properties where sufficient data were available to suggest decline trends. Reserves assigned to the remaining producing properties and the volumes associated with non-producing assets were determined by analogy to offset wells producing from similar formations or by volumetric analyses. Hydrocarbon volumes assigned by analogy and volumetric analyses are subject to greater revision than those projected using established performance trends.

As of May 1, 2010, the total net remaining 3P Reserves were estimated to be 1,953,440 barrels of oil and condensate, 1,900,640 barrels of natural gas liquids (“NGL”) and 19,534.4 MMcf of gas. The net present value, discounted at 10%, of the total 3P Reserves was \$226,141,266. Of the total discounted net revenue, 15.8% was derived from the Proved Reserves.

### **Product Prices**

As requested by Range, the product prices utilized in this report were based on the NYMEX forward strip prices reported on December 31, 2009. The prices in this report were adjusted for price differentials and Btu content. The price differentials for oil, gas, and NGLs were calculated by comparing the realized prices, as calculated from revenue statements, to the average NYMEX spot price for the same calendar month. The average differentials, expressed as a decimal, were held constant in this evaluation.

#### **NYMEX Pricing as of December 31, 2009**

<u>Calendar Year</u>	<u>Oil \$/bbl</u>	<u>Gas \$/MMBtu</u>
2010	81.94	5.79
2011	85.81	6.34
2012	87.83	6.53
2013	89.31	6.67
2014	91.09	6.84
2015 and beyond	93.07	7.05

Beginning in 2016 the base product prices were escalated at 3% per year until the oil and gas price reached \$120.00/bbl and \$10.00/MMBtu, respectively. After this, the prices remained constant.

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### **Operating Expenses**

Direct operating expense data, input as dollars per month in the economic models, were supplied by Range.

Severance and ad valorem taxes were deducted as a percentage of gross revenues or as a charge per unit of production. The individual well projections of oil and gas volumes cease when the operating expenses exceed the gross revenues.

Operating expenses were not escalated in this report.

### **Capital Expenses**

Estimated capital costs were input as approximate costs for the operations that would be performed on wells. A more accurate cost estimate for these individual investments will be generated at the time they are carried out. These operations were modeled to start at a specific point in the future. Any deviation from these dates will result in a change in the projected future net revenues for those properties evaluated herein.

Capital expenditures were not escalated in this report.

### **Values Not Considered**

In all cases we have attempted to account for all deductions from gross revenues except for the following:

- Federal Income Tax
- Depreciation, depletion, and/or amortization, if any
- Costs in excess of revenues from uneconomic leases
- Plugging and abandonment costs in excess of salvage value
- Environmental restoration costs, if any
- Product price hedges, if any

No value has been assigned to non-producing acreage or to acreage held by production.

### **Report Qualifications**

The future net revenues were based on projections of recoverable hydrocarbons, rates of production, timing of recompletions and drilling, proration by state and federal agencies, direct taxes, and product prices. All estimated future net revenues presented in this report are after the deduction of royalties, production costs, and development costs. This evaluation does not include indirect costs such as administrative, overhead, and other miscellaneous expenses. Any unusual combination of the many factors, including weather, political risk or acts of terrorism could result in future receipts being considerably less or more than those estimated herein.

**THE REVENUES AND PRESENT WORTH OF FUTURE NET REVENUES PRESENTED HEREIN ARE NOT REPRESENTED TO BE MARKET VALUES EITHER FOR THE INDIVIDUAL PROPERTIES OR ON A TOTAL PROPERTY BASIS.**

### **Data Sources**

Data including basic well information, geological interpretations, realized product prices, operating costs, initial test rates, and ownership interests were supplied by Range. We have accepted these data as correct.

Historical production data were obtained from public sources, such as Lasser Production Data Services, DrillingInfo.com, and HPDI Production Data Applications. We retain in our files digital databases for all properties and certain other hard copy information that we believe pertinent.

We have not inspected the properties evaluated in this report, nor have we conducted independent well tests.

### **Independent Evaluation**

Neither Lonquist & Co. LLC nor any of its employees have any interest or ownership in the subject properties, and neither our employment nor compensation is contingent on our findings herein.

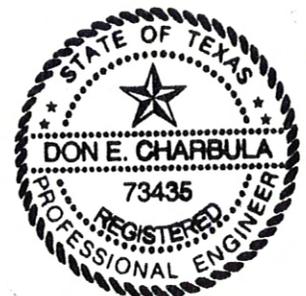
Sincerely,

**Lonquist & Co., LLC**  
Texas Registration No. F-8952



Don E. Charbula, P.E.  
Vice President  
Texas License No. 73435

Date Signed: May 5, 2010  
Austin, Texas



# AREA OF INTEREST

**RANGE RESOURCES, LTD**  
**North Chapman Prospect**  
**Nueces County, Texas**



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# OIL AND GAS RESERVE DEFINITIONS

*Approved by the Board of Directors, Society of Petroleum Engineers (SPE) Inc., and the Executive Board,  
World Petroleum Congresses (WPC), March 1997*

## Definitions

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. All reserve estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

The intent of the Society of Petroleum Engineers (SPE) and World Petroleum Congress (WPC) in approving additional classifications beyond proved reserves is to facilitate consistency among professionals using such terms. In presenting these definitions, neither organization is recommending public disclosure of reserves classified as unproved. Public disclosure of the quantities classified as unproved reserves is left to the discretion of the countries or companies involved.

Estimation of reserves is done under conditions of uncertainty. The method of estimation is called deterministic if a single best estimate of reserves is made based on known geological, engineering, and economic data. The method of estimation is called probabilistic when the known geological, engineering, and economic data are used to generate a range of estimates and their associated probabilities. Identifying reserves as proved, probable, and possible has been the most frequent classification method and gives an indication of the probability of recovery. Because of potential differences in uncertainty, caution should be exercised when aggregating reserves of different classifications.

Reserves estimates will generally be revised as additional geologic or engineering data becomes available or as economic conditions change. Reserves do not include quantities of petroleum being held in inventory, and may be reduced for usage or processing losses if required for financial reporting.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

## Proved Reserves

Proved reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods, and government regulations. Proved reserves can be categorized as developed or undeveloped.

If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

Establishment of current economic conditions should include relevant historical petroleum prices and associated costs and may involve an averaging period that is consistent with the purpose of the reserve estimate, appropriate contract obligations, corporate procedures, and government regulations involved in reporting these reserves.

In general, reserves are considered proved if the commercial producibility of the reservoir is supported by actual production or formation tests. In this context, the term proved refers to the actual quantities of petroleum reserves and not just the productivity of the well or reservoir. In certain cases, proved reserves may be assigned on the basis of well logs and/or core analysis that indicate the subject reservoir is hydrocarbon bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.

The area of the reservoir considered as proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) the undrilled portions of the reservoir that can reasonably be judged as commercially productive on the basis of available geological and engineering data. In the absence of data on fluid contacts, the lowest known occurrence of hydrocarbons controls the proved limit unless otherwise indicated by definitive geological, engineering or performance data.

Reserves may be classified as proved if facilities to process and transport those reserves to market are operational at the time of the estimate or there is a reasonable expectation that such facilities will be installed. Reserves in undeveloped locations may be classified as proved undeveloped provided (1) the locations are direct offsets to wells that have indicated commercial production in the objective formation, (2) it is reasonably certain such locations are within the known proved productive limits of the objective formation, (3) the locations conform to existing well spacing regulations where applicable, and (4) it is reasonably certain the locations will be developed. Reserves from other locations are categorized as proved undeveloped only where interpretations of geological and engineering data from wells indicate with reasonable certainty that the objective formation is laterally continuous and contains commercially recoverable petroleum at locations beyond direct offsets.

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Reserves which are to be produced through the application of established improved recovery methods are included in the proved classification when (1) successful testing by a pilot project or favorable response of an installed program in the same or an analogous reservoir with similar rock and fluid properties provides support for the analysis on which the project was based, and, (2) it is reasonably certain that the project will proceed. Reserves to be recovered by improved recovery methods that have yet to be established through commercially successful applications are included in the proved classification only (1) after a favorable production response from the subject reservoir from either (a) a representative pilot or (b) an installed program where the response provides support for the analysis on which the project is based and (2) it is reasonably certain the project will proceed.

### **Unproved Reserves**

Unproved reserves are based on geologic and/or engineering data similar to that used in estimates of proved reserves; but technical, contractual, economic, or regulatory uncertainties preclude such reserves being classified as proved. Unproved reserves may be further classified as probable reserves and possible reserves.

Unproved reserves may be estimated assuming future economic conditions different from those prevailing at the time of the estimate. The effect of possible future improvements in economic conditions and technological developments can be expressed by allocating appropriate quantities of reserves to the probable and possible classifications.

### **Probable Reserves**

Probable reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves.

In general, probable reserves may include (1) reserves anticipated to be proved by normal stepout drilling where sub-surface control is inadequate to classify these reserves as proved, (2) reserves in formations that appear to be productive based on well log characteristics but lack core data or definitive tests and which are not analogous to producing or proved reservoirs in the area, (3) incremental reserves attributable to infill drilling that could have been classified as proved if closer statutory spacing had been approved at the time of the estimate, (4) reserves attributable to improved recovery methods that have been established by repeated commercially successful applications when (a) a project or pilot is planned but not in operation and (b) rock, fluid, and reservoir characteristics appear favorable for commercial application, (5) reserves in an area of the formation that appears to be separated from the proved area by faulting and the geologic interpretation indicates the subject area is structurally higher than the proved area, (6) reserves attributable to a future workover, treatment, re-treatment, change of equipment, or other mechanical procedures, where such procedure has not been proved successful in wells which exhibit similar behavior in analogous reservoirs, and (7) incremental reserves in proved reservoirs where an alternative interpretation of performance or volumetric data indicates more reserves than can be classified as proved.

### **Possible Reserves**

Possible reserves are those unproved reserves which analysis of geological and engineering data suggests are less likely to be recoverable than probable reserves. In this context, when probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable plus possible reserves.

In general, possible reserves may include (1) reserves which, based on geological interpretations, could possibly exist beyond areas classified as probable, (2) reserves in formations that appear to be petroleum bearing based on log and core analysis but may not be productive at commercial rates, (3) incremental reserves attributed to infill drilling that are subject to technical uncertainty, (4) reserves attributed to improved recovery methods when (a) a project or pilot is planned but not in operation and (b) rock, fluid, and reservoir characteristics are such that a reasonable doubt exists that the project will be commercial, and (5) reserves in an area of the formation that appears to be separated from the proved area by faulting and geological interpretation indicates the subject area is structurally lower than the proved area.

### **Reserve Status Categories**

Reserve status categories define the development and producing status of wells and reservoirs.

**Developed:** Developed reserves are expected to be recovered from existing wells including reserves behind pipe. Improved recovery reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor. Developed reserves may be sub-categorized as producing or non-producing.

**Producing:** Reserves subcategorized as producing are expected to be recovered from completion intervals which are open and producing at the time of the estimate. Improved recovery reserves are considered producing only after the improved recovery project is in operation.

**Non-Producing:** Reserves subcategorized as non-producing include shut-in and behind-pipe reserves. Shut-in reserves are expected to be recovered from (1) completion intervals which are open at the time of the estimate but which have not started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe reserves are expected to be recovered from zones in existing wells, which will require additional completion work or future recompletion prior to the start of production.

**Undeveloped Reserves:** Undeveloped reserves are expected to be recovered: (1) from new wells on undrilled acreage, (2) from deepening existing wells to a different reservoir, or (3) where a relatively large expenditure is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.