

GROUND WATER

Nontributary & Not-Nontributary Ground Water Evaluations

Basin Resources, Inc. - Ground Water Assessment

Basin Resources owned lands totaling in excess of 36,000 acres in the Raton Basin of Colorado near the Town of Weston. As part of its overall development plan, Martin and Wood carried out a study on the nature and likely productivity of the aquifers underlying the property.

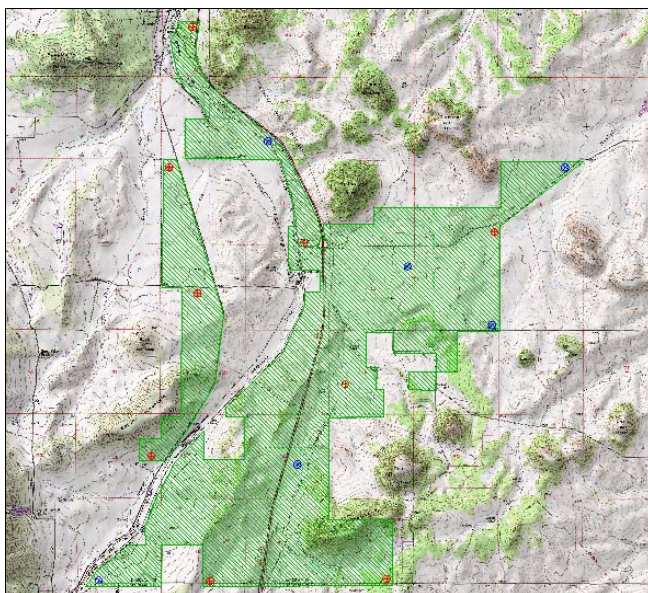
Utilizing geophysical logs from numerous coal methane de-gassification wells, Martin and Wood estimated the volumes of water available from the Raton, Vermejo, Trinidad, Dakota, and Cheyenne aquifers. Because this portion of the Raton basin has not been the subject of significant development or adjudication of the deeper ground waters, the

nontributary or tributary status of the various aquifers was in question. Martin and Wood constructed a comprehensive ground water flow model that proved to the satisfaction of the Water Court that the Dakota and Cheyenne aquifers were, in fact, separate aquifers in this area, that they should be classified as nontributary, and that a combined basal Raton-Vermejo aquifer would also be nontributary. Basin Resources subsequently received a decree from the Water Court for the separate Dakota and Cheyenne aquifers confirming a total of 7,237 acre-feet per year. Basin sold its property prior to completing the adjudication of the Raton-Vermejo water.

HydroSource, LLC - Greenland Ranch Assessment

HydroSource, LLC, required an overall assessment of the nontributary ground water associated with 14,562 acres of the 21,007 acres that comprise a large portion of the historic

Greenland Ranch located in Douglas County, Colorado. The ranch property overlies what appears to be some of the most highly productive areas of the entire Denver Basin.



Greenland Ranch Property

Martin and Wood provided a diligence assessment of the decreed water to confirm the amounts estimated to be available and then to develop estimated numbers and costs for an initial set of wells that would be capable of producing, on an annual basis, the 14,291 acre-feet decreed as available. The study found that it is likely that there may be as much as 15,245 acre-feet per year available and that it would take an estimated minimum of 19 wells initially for continuous 12-month pumping, or 33 wells initially for 6-month peaking season pumping, to provide the full volumes of water from each of the Denver, Arapahoe and Laramie-Fox hills aquifers underlying the subject property.

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