

November 4, 2008

To Mammoth Partners in Chimney Rock Phase 1, Mammoth Horizon and Chimney Rock ORRI:

As many of you know, we were scheduled to employ the use of nitrogen in our Chimney Rock test well (CR #7) today (Tuesday November 4, 2008). However, that did not work out as planned.

Instead, we were able to successfully urge Superior Well Services to nitrogen-frac our well last Friday October 31, 2008. We have just begun to receive back information on this test, although it is very early in the fracing process.

What we do know, so far, is that our well had an immediate response of induced pressure. It jumped from about 20 pounds of down hole pressure to around 70-75. So far, this type of response is very gratifying. Each day our field crews go into the well bore in order to clean and "swab" out the hole. This is a process of removing the fluids that are constantly being induced back out of the hole from the borehole pressure. The quantity of fluids is estimated in order to determine what percentage of fracing material is still in the production formation.

So far, we know that the nitrogen has burrowed very deep into our producing zone and that we will continue to pull it back out on a daily basis until a substantial percentage of our original frac has been returned. I plan to update you shortly regarding this important development. However, the information we have so far is good and we look forward to continuing progress until we are able to begin realizing the production value from this well.

It is our plan to begin fracing all of the wells drilled so far with this fracing technology should we continue to see gas production results improve from earlier levels.

Dr. Roger Cory

