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Lancer Resources, LP
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Thank you for allowing NuTech the opportunity to perform our NuLook petrophysical analysis on 2 wells, the Hess #1747 ("**Hess**"), Huntingdon County, PA., and pilot hole of the COP Tract 289-1000H ("**Tract 289**"), Lycoming County, PA. The focus of this study was foremost to determine the reservoir potential of successful gas development of the Marcellus Shale in the area of the Hess well as compared to the reservoir quality and proven production of the Tract 289 well.

NW Lycoming is on depositional strike with the Hess in Huntingdon County, and has been validated through production to be one of the best gas producing areas of the Marcellus play. In this letter I will summarize comparison of the primary pay development in the Lower Marcellus between the two wells to determine if the reservoir of the Hess has similar petrophysical characteristics as that of the Tract 289. NuLook Shale Vision petrophysical analysis determines effective porosity and permeability of the matrix, TOC, saturations, and lithology. We have applied these techniques to evaluate the Marcellus in hundreds of wells across Pennsylvania, New York, West Virginia, and Eastern Ohio. For this project, we were provided core analysis from the Tract 289 to strengthen & support the petrophysical interpretation. Measured core data in the Tract 289 shows an excellent match to log derived TOC, Sw, and porosity from this same well. The same model used on the Tract 289 evaluation was then applied to the Hess well.

From review of the Lower Marcellus reservoir development in the Hess and Tract 289 NuLook analyses, it is clear that the zones bear striking similarities. This is very encouraging for new horizontal Marcellus gas development in the area of the Hess well, Huntingdon Co, PA. The Tract 289 has excellent cumulative production of nearly 2.5 BCF in just less than 600 days, and average daily production of 4.1 MMCF/D over that time period.

Based on the reservoir parameters derived from petrophysical log interpretation, an offset horizontal to the Hess well landed in a similar zone of the Lower Marcellus, and stimulated with a properly designed treatment, could be expected to perform in a similar manner to the Tract 289.

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The Tract 289 lateral is landed towards the bottom of the Lower Marcellus, targeting the sweet spot of the reservoir which is noticeable on the logs of each well. The following table compares Tract 289 & Hess well reservoir parameters, for intervals defined as Lower Marcellus pay from NuTech's analysis.

Well	Location	Gross interval	Net Pay	Avg PHIE	Avg Sw	Avg Clay	HCPV	Avg Perm	Free GIP
		ft	ft	%	%	%	por-ft	uD	BCF/sec
COP Tract #289-1000H (8004 - 8094)	**NW Lycoming**	**91**	**90**	**6.2**	**33.6**	**38.1**	**3.8**	**0.19**	**40.5**
Hess #1747 (9866-9987)	**S Huntingdon**	**122**	**87**	**5.4**	**24.9**	**41.1**	**3.6**	**0.2**	**41.6**

In summary, from the petrophysical evaluation between these 2 wells, and drawing on our experience of Marcellus evaluation over the past several years, the Lower Marcellus Shale located in the area of the Hess #1747, Huntingdon County, PA, has the reservoir characteristics for successful future gas development.

Sincerely,

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