

the highlighted well's are our HDR completions

PRESS RELEASE

Aug. 18, 2010, 12:36 p.m. EDT · [Recommend](#) · Post: [f](#) [t](#)

Crimson Exploration, Inc. Announces Successful Drilling Results in San Augustine and Liberty Counties, Texas



HOUSTON, Aug 18, 2010 (BUSINESS WIRE) -- In San Augustine County, Crimson Exploration Inc. (NasdaqGM: CXPO) successfully completed its first operated well in the Bruin Prospect Area. The Grizzly #1 (55% WI) was drilled to a measured depth of 18,100 feet with an approximate 4,200-foot horizontal lateral in the Mid Bossier Shale and was completed with 14 frac stages. The Grizzly #1 continues to clean up and is currently producing at a gross restricted rate of approximately 11.5 MMcfd on a 16/64" choke with around 9,100 psi flowing casing pressure. In Liberty County, Crimson successfully completed the **Schwarz #2** (65% WI) in the Lower Cook Mountain sand at approximately 15,100 feet. The well is producing at a gross rate of 5.4 MMcfd and 120 Bcpd on a 12/64" choke with flowing tubing pressure of 9,100 psi and has been flowing to sales for approximately one week. This well follows our recently announced **Catherine Henderson A-7** well (66% WI) which has been producing since June at a rate of approximately 4.5 Mmcpd and 340 Bcpd. With the production additions from these two important wells, Crimson's current daily net production has increased to approximately 41 Mmcfepd.

Mr. Allan D. Keel, Crimson's President and CEO, stated, "With the successful completion of the Grizzly #1 well, Crimson has validated the reserve potential of the Mid Bossier Shale in its Bruin Prospect Area." Mr. Keel went on to say "based on well performance, we could have flowed the Grizzly well at significantly higher rates but have decided to use industry-best practices for reservoir optimization to maximize ultimate recovery." With respect to the recent successes in the **Schwarz #2 and Catherine Henderson A-7** wells, Mr.

Keel said, "The successful execution of our Liberty County drilling program continues to provide Crimson with the production and cashflow base that allows us to continue our Haynesville and Eagle Ford Shale development as well as pursue additional growth opportunities within our deep inventory of lower risk, high quality conventional prospects."

The 11.5 MMcfd test rate on the Grizzly well is reflective of Crimson's strategy that restricting rate and pressure drawdown on Haynesville and Mid Bossier Shale wells increases the Estimated Ultimate Recovery (EUR), results in a shallower and more stable decline curve, and delays the need for costly compression. Crimson adopted this strategy based on the experience attained by other operators in this trend, core studies that substantiate the loss of fracture conductivity at higher initial drawdown rates, and service company studies that indicate potential pinching off of available reservoir at higher production rates. Data from wells produced at restricted rates in the trend suggest that although this methodology provides lower production in the first few months of flow, the cumulative production curve compared to higher rate wells crosses in less than a year with the restricted rate wells flowing at higher rates and pressures at the point they cross, substantiating the belief that EUR is benefited at little to no loss of present value.

Since Crimson has chosen not to increase the rate on the Grizzly well above its current level, the company is providing two graphs which illustrate the performance and strength of this well to date.

Crimson now has three logged pilot holes in the Bruin Prospect area and is extremely encouraged by their results. The Mid Bossier Shale and Haynesville Shale gross thicknesses are approximately 300' and 160', respectively, and have rock qualities similar to those seen in the Haynesville Shale in the Louisiana Core area. The James Lime is similar in quality and thickness to that being actively developed in the County Line Field to the northwest.

Crimson currently continues to drill in the lateral section of the Gobi #1 (70% WI) in the Bruin Prospect Area. Completion operations are expected to begin in October. The Bengal #1 (37.5% WI), our first well in Crimson's Tiger Prospect Area in Sabine County, is expected to spud in early September. The Halbert Trust #1 (29% WI) in our Fairway Farms Prospect Area in San Augustine County is expected to commence completion operations in October.

In Bee County, Texas, the Windham #1 test (20% WI) of the Eagle Ford Shale formation is currently drilling and is expected to be completed by mid October.

In Liberty County, the Catherine Henderson A-8 (66% WI) well is nearing its proposed total depth of 13,500 feet and appears successful based on preliminary mud log analysis. Once drilling and completion operations are finished, we anticipate first production by early September.

Crimson Exploration is a Houston, TX-based independent energy company engaged in the acquisition, development, exploitation and production of crude oil and natural gas, primarily in the onshore Gulf Coast regions of the United States. The Company owns and operates conventional properties in Texas, Louisiana, Colorado and Mississippi, approximately 12,000 net acres in the highly prospective Haynesville Shale, Mid-Bossier, and James Lime plays in San Augustine and Sabine counties in East Texas, approximately 8,800 net acres in the prospective Eagle Ford play in South Texas and approximately 11,000 net acres in the Denver Julesburg Basin of Colorado.

Additional information on Crimson Exploration Inc. is available on the Company's website at <http://crimsonexploration.com>.