



May 14, 2013

David Andrews, P.E., P.G.  
Colorado Oil and Gas Commission  
796 Megan Avenue, Suite 201  
Rifle, CO 81650

Re: Allen 44-8 #1

Moffat County, CO

API # 05-081-07399

Dear Mr. Andrews:

Gulfport Energy Corporation is requesting approval from the COGCC to flare gas from the Allen 44-8 #1 well located in the Section 8, T6N, R91W, Moffat County, Colorado. The well is currently producing 36 BOPD + 27 MCFD. We had been using approximately 16 MCFD of the produced gas on the lease to run the pumping unit and heater treater which leaves us around 11 MCFD to sale or flare. At this current volume of gas, it does not economically justify constructing facilities and a gathering line to move the gas to sales. I have attached documentation that includes economics, cost breakdown to install pipeline and facilities, and the latest gauge reports showing current gas rates.

As summarized in the economic report, the estimated capital cost to sell gas totals to \$1,252,000 yet the projected revenue from the gas stream is forecast to total only \$132,404 over the well's lifetime.

Please let me know if you have any questions or need additional data.

Sincerely,

A handwritten signature in blue ink that reads "David Segobia".

David Segobia  
Senior Engineering Technician

**ALLEN 44-8 # 1 GAS VENTING ECONOMICS  
MOFFAT COUNTY, COLORADO**

GAS VOLUME	GAS PRICE	PIPELINE COST	PIPELINE LENGTH	FACILITY COST	TIE IN (TAP)	TOTAL COST
<u>MCFD</u>	<u>\$/MCF</u>	<u>\$/ft</u>	<u>ft</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
27	3.50	45.45	9,504	370,000	450,000	1,252,000

**PIPELINE COST BREAKDOWN**

I. Pipeline	QUESTAR
II. Distance	9,504'
III. Type	Intrastate
IV. Description	High Pressure
V. Quality	Requires processing
VI. Facility Description	Compression, Dehydration, JT Unit
VII. Cost	\$1,252,000

NSAI No: 000002 RSV CAT: 1PDP

Lease: ALLEN 44-8-1

Field: CRAIG DOME

Cnty: MOFFAT St: CO

Reservoir: NIOBRARA

Operator: SAMSON RES CO

DATE : 05/10/2013

TIME : 11:13:01

DBS : 12114

SETTINGS : SETDATA

SCENARIO : NS0113

## RESERVES AND ECONOMICS

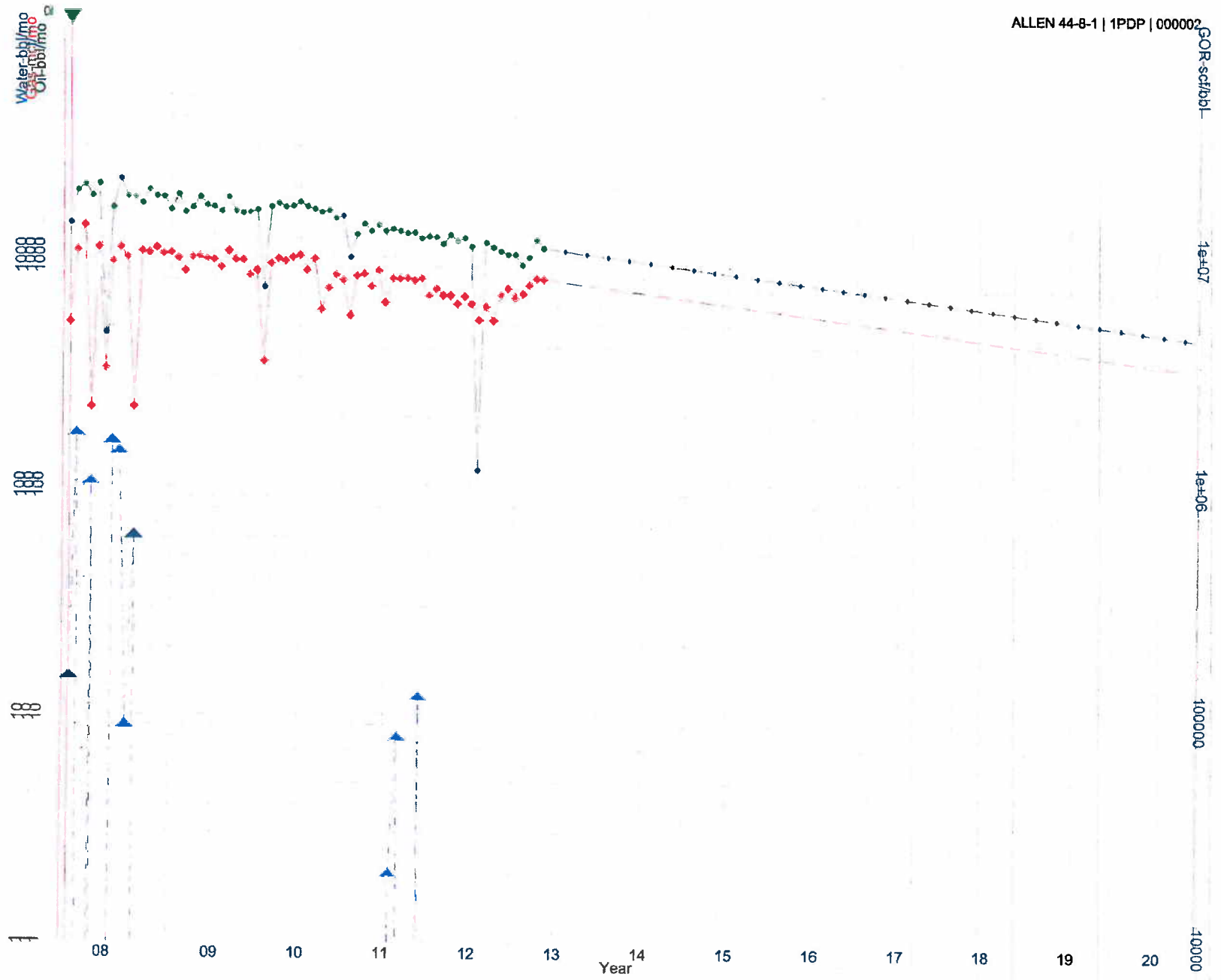
EFF DATE: 05/2013

FW DATE: 05/2013

--END--	GROSS OIL	GROSS GAS	GROSS NGL	NET OIL	NET GAS	NET NGL	NET OIL	NET GAS	NET NGL	TOTAL
MO-YEAR	PRODUCTION	PRODUCTION	PRODUCTION	PRODUCTION	PRODUCTION	PRODUCTION	REVENUE	REVENUE	REVENUE	REVENUE
	---MBBLS---	---MMCF---	---MBBLS---	---MBBLS---	---MMCF---	---MBBLS---	---M\$---	---M\$---	---M\$---	---M\$---
12-2013	8.381	6.118	0.000	6.933	3.644	0.000	616.244	10.567	0.000	626.811
12-2014	11.379	8.307	0.000	9.413	4.948	0.000	836.741	14.348	0.000	851.089
12-2015	10.093	7.368	0.000	8.350	4.389	0.000	742.190	12.727	0.000	754.916
12-2016	8.953	6.536	0.000	7.406	3.893	0.000	658.322	11.289	0.000	669.611
12-2017	7.941	5.797	0.000	6.569	3.453	0.000	583.932	10.013	0.000	593.945
12-2018	7.044	5.142	0.000	5.827	3.063	0.000	517.948	8.882	0.000	526.829
12-2019	6.248	4.561	0.000	5.168	2.717	0.000	459.419	7.878	0.000	467.297
12-2020	5.542	4.046	0.000	4.584	2.410	0.000	407.505	6.988	0.000	414.493
12-2021	4.916	3.588	0.000	4.066	2.137	0.000	361.457	6.198	0.000	367.655
12-2022	4.360	3.183	0.000	3.607	1.896	0.000	320.612	5.498	0.000	326.110
12-2023	3.867	2.823	0.000	3.199	1.682	0.000	284.383	4.876	0.000	289.260
12-2024	3.430	2.504	0.000	2.838	1.492	0.000	252.248	4.325	0.000	256.573
12-2025	3.043	2.221	0.000	2.517	1.323	0.000	223.744	3.837	0.000	227.580
12-2026	2.699	1.970	0.000	2.233	1.173	0.000	198.461	3.403	0.000	201.864
12-2027	2.394	1.748	0.000	1.980	1.041	0.000	176.035	3.019	0.000	179.053
12-2028	2.123	1.550	0.000	1.757	0.923	0.000	156.143	2.677	0.000	158.820
12-2029	1.884	1.375	0.000	1.558	0.819	0.000	138.499	2.375	0.000	140.874
12-2030	1.671	1.220	0.000	1.382	0.726	0.000	122.848	2.107	0.000	124.955
12-2031	1.482	1.082	0.000	1.226	0.644	0.000	108.966	1.869	0.000	110.835
12-2032	1.314	0.960	0.000	1.087	0.572	0.000	96.653	1.657	0.000	98.311
S TOT	98.764	72.098	0.000	81.700	42.942	0.000	7262.351	124.531	0.000	7386.881
AFTER	6.244	4.558	0.000	5.165	2.715	0.000	459.135	7.873	0.000	467.008
TOTAL	105.008	76.656	0.000	86.866	45.657	0.000	7721.485	132.404	0.000	7853.890

--END--	NET OIL	NET GAS	NET NGL	SEVERANCE	AD VALOREM	NET OPER	OPERATING	EQUITY	UNDISC NET	DISC NET
MO-YEAR	PRICE	PRICE	PRICE	TAXES	TAXES	EXPENSES	CASH FLOW	INVESTMENT	CASH FLOW	CASH FLOW
	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---
12-2013	88.89	2.90	0.00	31.779	2.517	23.000	569.514	1252.000	-682.486	-699.964
12-2014	88.89	2.90	0.00	43.150	3.418	34.500	770.022	0.000	770.022	689.928
12-2015	88.89	2.90	0.00	38.274	3.031	34.500	679.111	0.000	679.111	553.160
12-2016	88.89	2.90	0.00	33.949	2.689	34.500	598.473	0.000	598.473	443.164
12-2017	88.89	2.90	0.00	30.113	2.385	34.500	526.947	0.000	526.947	354.730
12-2018	88.89	2.90	0.00	26.710	2.116	34.500	463.503	0.000	463.503	283.658
12-2019	88.89	2.90	0.00	23.692	1.876	34.500	407.229	0.000	407.229	226.565
12-2020	88.89	2.90	0.00	21.015	1.664	34.500	357.314	0.000	357.314	180.724
12-2021	88.89	2.90	0.00	18.640	1.476	34.500	313.039	0.000	313.039	143.938
12-2022	88.89	2.90	0.00	16.534	1.310	34.500	273.767	0.000	273.767	114.439
12-2023	88.89	2.90	0.00	14.665	1.162	34.500	238.933	0.000	238.933	90.799
12-2024	88.89	2.90	0.00	13.008	1.030	34.500	208.035	0.000	208.035	71.872
12-2025	88.89	2.90	0.00	11.538	0.914	34.500	180.628	0.000	180.628	56.732
12-2026	88.89	2.90	0.00	10.234	0.811	34.500	156.319	0.000	156.319	44.635
12-2027	88.89	2.90	0.00	9.078	0.719	34.500	134.756	0.000	134.756	34.981
12-2028	88.89	2.90	0.00	8.052	0.638	34.500	115.630	0.000	115.630	27.288
12-2029	88.89	2.90	0.00	7.142	0.566	34.500	98.666	0.000	98.666	21.169
12-2030	88.89	2.90	0.00	6.335	0.502	34.500	83.618	0.000	83.618	16.311
12-2031	88.89	2.90	0.00	5.619	0.445	34.500	70.271	0.000	70.271	12.462
12-2032	88.89	2.90	0.00	4.984	0.395	34.500	58.431	0.000	58.431	9.421
S TOT	88.89	2.90	0.00	374.515	29.662	678.500	6304.204	1252.000	5052.205	2676.010
AFTER	88.89	2.90	0.00	23.677	1.875	267.375	174.080	0.000	174.080	21.592
TOTAL	88.89	2.90	0.00	398.192	31.538	945.875	6478.285	1252.000	5226.285	2697.603

	OIL	GAS		P.W. %	P.W., M\$
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GROSS WELLS	1.0	0.0	LIFE, YRS.	27.42	8.00
GROSS ULT., MB & MMF	194.966	126.837	DISCOUNT %	10.00	12.00
GROSS CUM., MB & MMF	89.958	50.181	UNDISCOUNTED PAYOUT, YRS.	1.55	15.00
GROSS RES., MB & MMF	105.008	76.656	DISCOUNTED PAYOUT, YRS.	1.68	20.00
NET RES., MB & MMF	86.866	45.657	UNDISCOUNTED NET/INVEST.	5.17	25.00
NET REVENUE, M\$	7721.486	132.404	DISCOUNTED NET/INVEST.	3.15	30.00
INITIAL PRICE, \$	88.890	2.900	RATE-OF-RETURN, PCT.	50.00	35.00
INITIAL N.I., PCT.	82.723	82.723	INITIAL W.I., PCT.	100.000	40.00
					671.660



## Daily Flare Report

Pumper's

Name: Alan Pontine

Month: APRIL 2013

Field /

Gulfport Energy Corp

Location:

Allen 44-8 #1

All volumes are MCF/D

WELL # 44-8 #1	TIME	TEMP	S.P.	D.P.	F. RT. MCF/D	Total ACC. VOL	24 HR Acc Vol	YSD. VOL	flare lit yes/no	liquids yes/no	REMARKS:
31	9:30	80.9	27.5	0.5	15.1	53035.4	26.30	27.1	y	n	LAST DAY OF PREVIOUS MONTH
1	10:30	77.8	27.5	2.4	27.3	53062.8	27.40	27.5	y	n	
2	8:38	75.5	27.7	1.1	23.4	53088.3	25.50	26.4	y	n	
3	10:35	78.5	27.5	0.5	14	53116.6	27.40	27.4	y	n	
4	10:24	82.2	27.6	4	36.3	53145.1	28.50	27.5	y	n	
5	10:30	79.9	27.6	6.5	37.4	53171.5	26.40	27.0	y	n	
6	10:14	82.3	27.5	1.8	24.6	53200.1	28.60	27.5	y	n	
7	10:11	80.7	27.4	1.5	23.3	53227.5	27.40	27.6	y	n	
8	10:31	80.2	27.1	0.5	12.9	53253.6	26.10	27.4	y	n	
9	10:14	84.7	27.5	5.9	44.8	53280.6	27.00	27.1	y	n	
10	11:39	95.0	27.1	0.4	12.1	53308.9	28.30	25.7	y	n	
11	9:05	98.5	27.3	1.7	25.8	53332.7	23.80	27.1	y	n	
12	9:59	78.5	27.9	11.6	60.4	53360.2	27.50	27.2	y	n	
13	9:40	77.4	27.4	0.4	12.3	53386.9	26.70	27.1	y	n	
14	10:00	71.3	27.8	4.9	34.5	53414.3	27.40	26.9	y	n	
15	13:05	98.8	27.2	4.6	36.8	53445	30.70	26.8	y	n	
16	10:11	81.0	27.4	1.4	21	53468.3	23.30	27.3	y	n	
17	14:20	85.9	27.4	1.2	19.9	53499.5	31.20	26.3	y	n	
18	12:23	101.2	27.4	3.5	32	53523.6	24.10	25.8	y	n	
19	12:00	98.2	27.3	2.8	29.3	53549.5	25.90	26.6	y	n	
20	13:13	76.9	27.9	2	32.6	53578.1	28.60	27.2	y	n	
21	9:46	83.1	27.6	2.9	31.6	53600.7	22.60	26.7	y	n	
22	10:25	77.7	27.6	2.1	27.2	53628.3	27.60	26.9	y	n	
23	10:08	77.6	27.6	0.4	12.5	53653.9	25.60	26.4	y	n	
24	10:03	90.4	27.3	0.5	12.4	53680.1	26.20	26.2	y	n	
25	9:34	49.9	28.0	0.6	14.8	53702.8	22.70	24.8	y	n	
26	9:57	79.0	27.6	1.1	19.3	53729.5	26.70	24.4	y	n	
27	9:33	79.6	27.7	1.6	24.7	53755.8	26.30	26.8	y	n	
28	8:43	80.6	27.6	1.4	26.1	53781.8	26.00	26.8	y	n	
29	11:58	82.7	27.4	1.9	30.4	53812.7	30.90	27.1	y	n	
30	11:12	79.8	27.4	0.7	38.7	53838.9	26.20	27.2	y	n	
31					798.4						

AVG = 26.6 MCF/D