

April 20, 2016

TED-HAZEL 1-11

OPERATOR: HUBBS III, LLC

OGCC OPERATOR NUMBER: 41440

RE: VENTING GAS

To the best of my knowledge the closest transmission line to sell Natural Gas to at this time is the DJ Simmons line that is about 6 miles do West of the location.

Cost of Natural Gas is at \$1.94 per CFS.

Estimated Cost for Construction Line to their line is about +- \$15 a foot

31,680 feet x \$15 = \$475,200 to install a line.

With the amount of gas that the Ted-Hazel well is producing would take many years to pay for it.