

**Welba Peak Unit (WPU) COC76551X
Moffat and Routt Counties, Colorado**

2015-2018 Summary of WPU Operations and 2019 Plan of Development

I Summary of Operations & Unit Activity

Pre-Unit

November, 2012	Drilled Sheehan 2 #4-2 Exploratory well SE NE Sxn. 2 T 10N R 89W to TD 7,100'
July, 2013	Deepened Sheehan well to TD 9,100' to confirm Welba Peak structure & Mancos Potential

2015

July, 2015	Initial Unit Approved July 15, 2015
August, 2015	Build Roaring Fork Crossing, Road to Duncan Ranch location, and Duncan Ranch location
Aug-Sept, 2015	Survey Welba Peak gathering Line route.
Sept-Nov 2015	Drilled Duncan Ranch 11-89-36 #3-4 Obligation Well to TD 11,864' in SW SE Sxn. 36, T 11N R 89W
Oct -Dec, 2015	Initial survey of additional well locations
November, 2015	Welba Peak Unit Validated November 19, 2015

2016

January, 2016	Completed Duncan Ranch well in Niobrara as a vertical producer 1/17/2016
February, 2016	1st Expansion of Welba Peak Unit Approved effective Feb 1, 2016 (letter dated 4/18/2016)
Summer 2016	Produced Duncan Ranch 11-89-36 #3-4 well under flaring restrictions; made 5,127 BO, 14,589 Mcf
October, 2016	Applied for Paying Well determination and Participation Area
December, 2016	Initial Niobrara Formation Participating Area "A" Approved effective 1/1/2016
December, 2016	Permit Approved for Horizontal Well WPU 36-1V-H1 12/18/2016

2017

February, 2017	Well Name Changed from Duncan Ranch to WPU 36-1V, API 05-081-07799-00 2/16/17
June, 2017	Purchased 19-mile Slater Dome Gathering Line for Welba Pk Gathering Line tie-in to gas market
Jun-Aug, 2017	Produced WPU 36-1V well under flaring restrictions; cumulative production of 6,467 BO, 19,314 Mcf
Aug - Oct, 2017	Drilled and Completed WPU 36-1V-H1 Horizontal Well, SW SE Sxn 36 T 11N R 89W
Aug - Dec, 2017	Surveyed in Plats for Horizontal drilling locations, access roads and produced water disposal well
Aug - Dec, 2017	Expanded Surveying of Welba Peak gathering line route to account for future locations
Aug - Dec, 2017	Surveys for Wildlife and Wetlands for future development plans
Nov - Dec, 2017	Production Tested WPU 36-1V-H1 well, 2-month production of 9,901 BO, 36,059 Mcf

2018

Jan, 2018	Applied for WPU 36-1V-H1 Paying Well Determination and Participation Area January 17, 2018
Jan - Feb, 2018	Contract Engineering design & planning for 10-mile Welba Peak Gathering Line
Jan - May, 2018	Apply for Permit to Drill WPU 25-2V-H1 Horizontal well in SWSE Sxn 25, T 11N R 89W
Feb - Sept, 2018	Applied for and received Permit for WPU 36-1V- API 05-081-07799-02
Jun - Sept, 2018	Produce WPU 36-1V-H1
June 25, 2018	Received approval for WPU 36-1V-H1 Paying Well Determination and Participation Area.
July 1, 2018	Applied for 2nd Expansion of Welba Peak Unit
Sept 4, 2018	Received approval for 2nd Expansion of Welba Peak Unit
Sept 9, 2018	Received final COGCC Permit for WPU 36-1V-H2
Sept - Dec, 2018	Drilled and Completed WPU 36-1V-H2 Horizontal Well, SWSE Sxn 36, T11N-R89W
Dec '18 - Feb '19	Flowback cleanup and production Testing of WPU 36-1V-H2

2019

Feb., 2019	Applied for PWD and revised PA for WPU 36-1V-H2
April, 2019	Received approval for Updated PWD and Revised PA
April - September	Preparing and Applying for Permit for wells, WPU 25-2V pad, wells A,B,C,D and WPU 25-5V pad, Wel
Surveying	Well Pad WPU 25-2V pad, Wells A,B,C,D,E, and F
	Well Pad WPU 25-5V pad, Wells A,B,C,D,E, and F
	Well Pad WPU 25-5V pad, Well PWD #1
	Well Pad WPU 36-1V pad Wells B,C,D,E, and F
	Well Pad WPU 23-2 pad Wells A,B,C,D,E, and F
	Well Pad WPU 6-2 pad Wells A,B,C,D,E, and F
March - Sept	Planning and preparing facilities for production of the WPU 36-1V-H2, Air quality permits

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II Unit Production

			WPU Annual Production:		WPU Cumulative Production to 2/17/19		
Well Name	API #	Location	Oil Bbls	Gas Mcf		Oil Bbls	Gas Mcf
			2017 Production				
WPU 36-1V	05-081-07799-00	SW-SE Sxn. 36, T 11N R 89W	1,340	4,725		6,467	19,314
WPU 36-1V-H1	05-081-07799-01	SW-SE Sxn. 36, T 11N R 89W	9,901	36,059		16,368	55,373
			2018 Production				
WPU 36-1V-H1	05-081-07799-01	SW-SE Sxn. 36, T 11N R 89W	8,411	30,239		24,779	85,612
WPU 36-1V-H2	05-081-07799-02	SW-SE Sxn. 36, T 11N R 89W	8,950	16,318		33,729	101,930
			2019 thru 2/26/19				
WPU 36-1V-H2	05-081-07799-02	SW-SE Sxn. 36, T 11N R 89W	38,430	148,710		72,159	250,640
		Welba Peak Unit Cumulative Production:				72,159	250,640

III 2019 Plan of Development - Updated

Oct - Dec, 2018	Produce WPU 36-1V-H2
Sept - Dec, 2018	IF we can get the necessary permits lined-up in a timely fashion, drill WPU 25-5VA and 25-5VB wells and 25-5V-PWD #1
Sept - Dec, 2018	IF we can get the necessary permits lined-up in a timely fashion, move over and drill the WPU 25-2VA and 25-2VB wells.
Oct - Dec, 2018	Plan to Complete and Production Test all drilled wells.

IV 2020 Plan of Development - Estimated

Jan - Dec	Continue to produce WPU-1V-H2 and other completed wells.
Jan - Dec	Continue to update and expand PA and Welba Peak Unit as required for development drilling. .
Jan - Dec	Continue to plan, permit and drill wells - order of wells to be determined by production and 2019 drilling results.
	Likely wells to drill in 2020
	WPU 25-2VA and WPU 25-2VB (if not drilled in 2019)
	WPU 23-2A and 25-2B
	WPU 6-2A and WPU 6-2B
June -Oct.	Lay the Welba Peak Gathering Line north to the Slater Dome Gathering Line, Install field facilities at the Duncan Facility.

From: [JOHN CARMONY](#)
To: dave.kubeczko@state.co.us
Cc: rickobe1@aol.com; petromgt@comcast.net
Subject: Welba Peak Unit - WPU 36-1 Well pad Summary.
Date: Wednesday, September 11, 2019 3:55:51 PM
Attachments: [UPDATED POD WPU 2019.xlsx](#)

Hi Dave,

Attached is the Welba Peak Federal Unit Plan of Development. It gives a complete summary of our activities at the Duncan Ranch well pad along with the production from the following. .

2015- 2016 Drilled and completed the PRM Duncan Ranch 11-89-36 #3-4 vertical well. The Duncan Ranch well was the earning well for the Welba Peak Federal Unit. Well was renamed the WPU 36-1V.

2017 Drilled and completed the PRM WPU 36-1V-H1 borehole from the vertical well. Our first horizontal attempt. Although productive, most of the 1 mile lateral was below the pay zone.

2018-2019 Drilled and completed the PRM WPU 36-1V-H2 borehole from the vertical well. Highly successful ~10,000' horizontal. Production tested for about 84 days.

2019 Setting up permanent facilities and getting air permits for a longer production test.

The summer ranch house for the Duncan Livestock Company is off to the east of the well 1337' and approximately 1100' from the edge of the pad disturbance. Part of the Duncan family lives here during the summer months. The ranch house is not occupied during the late fall, winter and early spring months. The family spends the winter at their other homes in the Little Snake River Valley.

The Duncans own their minerals under the ranch property and as such receive royalty income from the well. They would very much like to see the well producing and other wells drilled within the Welba Peak Federal Unit

Also attached are various pictures from the well that I took just before labor day. There are 8 400 Barrel tanks, a water knowout, a separator, a combustor, and 3 water tanks on location.

Please let me know if you need any other information.

thanks for your help.,

John Carmony
Carmony Exploration, LLC