

**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 Intial 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  
Februray, 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 Surveying Preparing and Applying for Permit for wells, WPU 25-2V pad, wells A,B,C,D and WPU 25-5V pad, 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**

Well Name	API #	Location	WPU Annual Production:		WPU Cumulative Production to 2/17/19	
			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
			<b>Welba Peak Unit Cumulative Production:</b>		<b>72,159</b>	<b>250,640</b>

**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.

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**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](#)

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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